

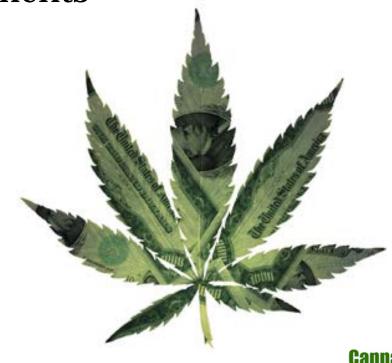


Compliance for California Cannabis Cultivators: *The Rules You Need to Know*



OVERVIEW

- *Cultivation Licensing Requirements
- ***Cultivation Plan**
- ***Water and Wildlife**
- *Weighmasters
- *Denials
- ***Renewals & Transfers**
- ***Labor & Employment Laws**
- ***On Site Records**



LAW FIRM







Cultivation License Requirements



CANOPY SIZE CALCULATION

- ***Only Mature Plants** (greater than ½ inch pistil mass)
- *****Calculated in Square Feet
 - * except specialty cottage indoor
- *Can be noncontiguous
- *All levels, mezzanines, shelves, trays, etc. count toward total canopy calculation











DETERMINATION OF LIGHT SOURCE

- ***Outdoor:** No artificial light for Mature Plants
 - *Artificial lighting is permitted during clone and veg
- *Mixed-Light: Cultivation in any of the following
 - *****Greenhouse
 - *hoop-house
 - *****Glasshouse
 - ***Conservatory**
 - *Hothouse
 - *structure that uses light deprivation and/or artificial lighting
- *Mixed-Light Tier 1: 6 watts per square foot or less
- *Mixed-Light Tier 2: 6 25 watts per square foot
- *Indoor: Exclusive use of artificial light or 25+ watts per square foot





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CULTIVATION LICENSE TYPES

	License Type	Size of Canopy in Square Feet or Number of Mature Plants
Туре 1	Cultivation; Specialty outdoor;	up to 5,000 square feet or 50 plants
Type 1A	Cultivation; Specialty indoor;	501-5,000 Square Feet
Type 1B	Cultivation; Specialty mixed-light;	2,501-5,000 Square Feet
Type 1C	Cultivation; Specialty cottage; (AB 2516, 2016)	up to 2,500 Square Feet
Type 2	Cultivation; Outdoor; Small.	5,001 - 10,000 Square Feet
Type 2A	Cultivation; Indoor; Small.	5,001 - 10,000 Square Feet
Type 2B	Cultivation; Mixed-light; Small.	5,001 - 10,000 Square Feet
Type 3	Cultivation; Outdoor; Medium.	10,001 Square Feet - 1 acre
Type 3A	Cultivation; Indoor; Medium.	10,001 - 22,000 Square Feet
Type ₃ B	Cultivation; Mixed-light; Medium.	10,001 - 22,000 Square Feet
Type 4	Cultivation; Nursery.	no size restriction
Type 5	Cultivation; Unlimited; (Prop. 64, 2016. Not available until 2023)	no size restriction
Processor	Cultivation	Trims, processes and packages flower for another licensed cultivator

LICENSING FEES

License Type	Size of Canopy in Square Feet or Number of Mature Plants	Application Fee	License Fee	Total
Type 1C- Specialty Cottage Outdoor	up to 25 plants	\$135.00	\$1,205.00	\$1,340.00
Type 1C-Specialty Cottage Indoor	up to 500	\$205.00	\$1,830.00	\$2,035.00
Type 1C-Specialty Cottage Mixed-Light Tier 1	up to 2,500	\$340.00	\$3,035.00	\$3,375.00
Type 1C-Specialty Cottage Mixed-Light Tier 2	up to 2,500	\$580.00	\$5,200.00	\$5,780.00
Type 1- Specialty Outdoor	up to 5,000 or 50 plants	\$270.00	\$2,410.00	\$2,680.00
Type 1A-Spcialty Indoor	501-5,000	\$2,170.00	\$19,540.00	\$21,710.00
Type 1 B- Specialty Mixed-Light Tier 1	2,501-5,000	\$655.00	\$5,900.00	\$6,555.00
Type 1 B-Specialty Mixed-Light Tier 2	2,501-5,000	\$1,125.00	\$10,120.00	\$11,245.00
Type 2- Small Outdoor	5,001 - 10,000	\$535.00	\$4,820.00	\$5,355.00
Type 2A- Small Indoor	5,001 - 10,000	\$3,935.00	\$35,410.00	\$39,345.00
Type 2B- Small Mixed-Light Tier 1	5,001 - 10,000	\$1,310.00	\$11,800.00	\$13,110.00
Type 2B-Small Mixed-Light Tier 2	5,001 - 10,000	\$2,250.00	\$20,235.00	\$22,485.00
Type 3-Medium Outdoor	10,001 - 1 acre	\$1,555.00	\$13,990.00	\$15,545.00
Type 3A-Medium Indoor	10,001 - 22,000	\$8,655.00	\$77,905.00	\$86,560.00
Type 3B-Medium Mixed-Light Tier 1	10,001 - 22,001	\$2,885.00	\$25,970.00	\$28,855.00
Type 3B-Medium Mixed-Light Tier 2	10,001 - 22,002	\$4,945.00	\$44,517.00	\$49,462.00
Type 4- Nursery	no size restriction	\$520.00	\$4,685.00	\$5,205.00
Processor	no size restriction	\$1,040.00	\$9,370.00	\$10,410.00

Cannabis Corporate -LAW FIRM-

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Documents to File with Annual Application

- ***** Documents Filed with Secretary of State
- *Bond
- ***** List of Financial Interest Holders
- *****Cultivation Plan
- ***CEQA Compliance**
- *****EnviroStor Search
- ***Right to Occupy Property**
 - *Lease
 - *****Authorization to engage in commercial cannabis activity
- ***Lake & Streambed Alteration Agreement or Exemption**
- ***Water Resources Control Board Enrollment or Waiver**





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Affiliated Agencies



California Department of Tax and Fee Administration



California Department of Fish and Wildlife



California Department of Insurance



Division of Occupational Safety and Health



Division of Measurement Standards



California Water Boards



Secretary of State Office



California Department of Pesticide Regulation



California Highway Patrol



Franchise Tax Board

Regulations – Who is an Owner

- A person with an aggregate interest of 20% or more
- An individual who will be participating in the direction, control or management of the business.
 - A general partner of a partnership
 - Managers or Managing Members of a limited liability company
 - An officer or director of a corporation
 - The CEO and members or directors of a nonprofit or other entity











OWNER INFORMATION

- *Name
- *****Title
- *DOB
- ***SSN or FEIN**
- *****Home address
- *Primary phone number
- *****Email address
- *Date ownership interest was acquired
- ***Percent Ownership interest**
- *Copy of all cannabis licenses if owner has interest in other cannabis businesses
- *****Government issued ID





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FINANCIAL INTEREST HOLDER INFORMATION



- *Name
- ***Social Security Number or FEIN**
- *****Government ID number and type of ID if individual



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DEALING WITH CRIMINAL CONVICTIONS

- *****Make a Disclosure
- ***Create Your Own Narrative**
- *Highlight Mitigating Factors
- ***Evidence of Rehabilitation**
 - * Certificate of rehabilitation
 - * Letter of reference from employers, instructors or professional counselors with valid contact information





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Promises You Must Make



- Attestation that property is 600 feet from a school, day care or youth center
 - *Or compliance with local distance restrictions if the city/county has enacted different restrictions
- Attestation re Labor Peace Agreement (20+ employees)
- Attestation that applicant is an agricultural employer
- Attestation that local fire department has been notified of the cultivation site
- Sovereign immunity if tribe or other sovereign entity







CULTIVATION PLAN



CULTIVATION PLAN REQUIREMENTS

CULTIVATION: specialty cottage, specialty, small and medium

- *Property Diagram
- *Premises Diagram
- *Pest Management Plan
- *Waste Management Plan
- *Lighting Diagram (mixed light & indoor only)

Nurseries

- *Property Diagram
- *Premises Diagram
- ***Pest Management Plan**
- ***Waste Management Plan**

Processors

- ∗Property Diagram
- ***Premises Diagram**
- ***Waste Management Plan**





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PROPERTY DIAGRAM – ALL CULTIVATORS

- *Parcel boundaries
- * Premises boundaries
- * Perimeter dimensions of the parcel(s) and premises
- * Entrances and Exits to the parcel(s) and premises
- *****Roads
- *Waterways
 - *If diverting from a waterbody, groundwater well, or rainwater-capture system, include locations of and coordinates (in latitude and longitude or in the California Coordinate System) for:
 - *Water storage facilities (label the type and storage capacity of each facility);
 - **★Water sources**; and
 - *Water delivery systems (include pump and distribution systems)
- *Assessor's Parcel Number(s) (APN)
- *Non-cannabis activities occurring on-site



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SAMPLE PROPERTY DIAGRAM





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PREMISES DIAGRAM: Specialty Cottage, Specialty, Small and Medium Grows

- *Canopy Areas
 - *Include aggregate square footage
- *Areas containing only immature plants (as applicable)
- *Pesticide and agricultural chemical storage area
- *Processing area (as applicable)
- *Packaging area (as applicable)
- *Composting area (as applicable)
- *Secure cannabis waste storage area (as applicable)
- *****Harvest storage area



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SAMPLE PREMISES DIAGRAM



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PREMISES DIAGRAM: Nursery

- *Areas containing only immature plants (as applicable)
- *Pesticide and agricultural chemical storage area
- *Research & Development Areas talk to me about tax credits!
- *****Seed Production Area
- *Composting area (as applicable)
- *Secure cannabis waste storage area (as applicable)

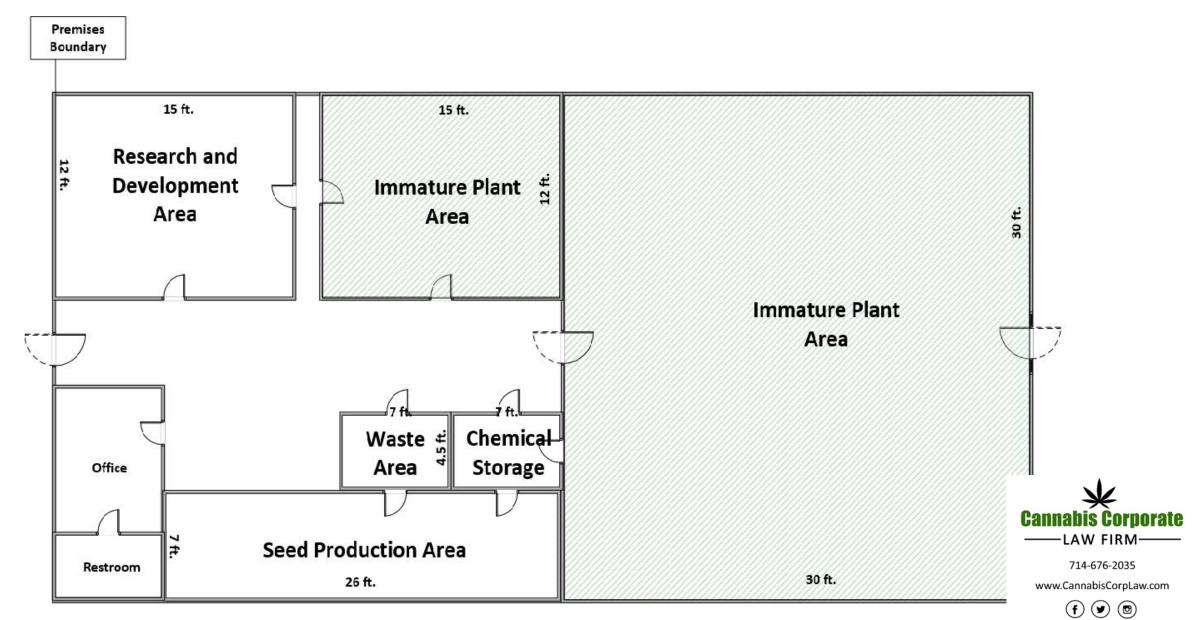








SAMPLE NURSERY DIAGRAM



PREMISES DIAGRAM:

Processor

- *Processing Areas
- *Packaging Areas
- *Composting Area (as applicable)
- *****Secure Cannabis Waste Storage Area (as applicable)
- *Harvest Area Storage



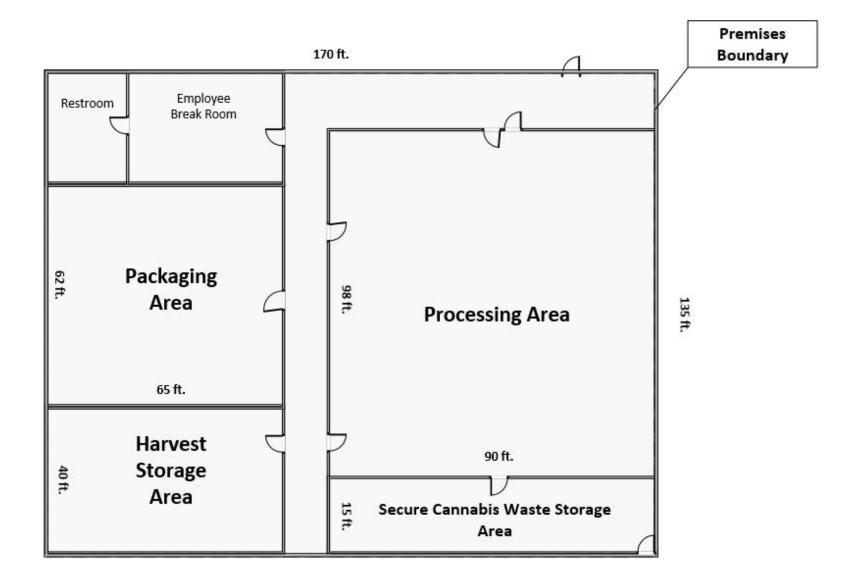
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SAMPLE PROCESSOR DIAGRAM





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PEST MANAGEMENT PLAN

- *Name and active ingredients of all pesticides used in any stage
 - *rooting hormones
 - *Pesticides
 - *****Rodenticides
 - *Fungicides
- *Integrated pest management protocols, including the following control methods:
 - *****Cultural
 - *****Biological
 - *****Chemical
 - ***Processing Areas**





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WASTE MANAGEMENT PLAN

- ***Onsite Composting**
- *Collection and processing by a
 - *****Local agency
 - *Waste hauler franchised or contracted by a local agency
 - *Private waste hauler permitted by a local agency
- *Self-haul to one or more of the following:
 - *a manned fully permitted solid-waste landfill or transformation facility
 - *a manned fully permitted composting facility or manned composting operation
 - *a manned fully permitted in-vessel digestion facility or manned in-vessel digestion operation
 - *a manned fully permitted transfer/processing facility or manned transfer/processing operation
 - *a manned fully permitted chip-and-grind operation or facility









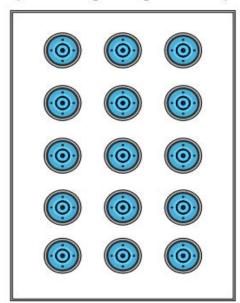


LIGHTING DIAGRAM

- *****Location of All Lights in Canopy
- *Maximum Wattage of Each Light
- *Aggregate Wattage Per Square Foot of Canopy

Lighting Diagram

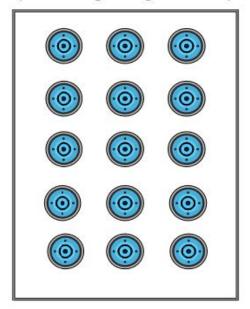
Canopy Area 1 (identified in the premises diagram as greenhouse 1)



Aggregate Wattage per Canopy Area

15 lights X 1200 watts per light = 18,000 watts Each canopy area (greenhouse) is 1,500 square feet 18,000 watts / 1,500 square feet = 12 watts/square foot

Canopy Area 2 (identified in the premises diagram as greenhouse 2)



Maximum Wattage of Each Light



= 1200 maximum watt light



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WATER AND WILDLIFE



WATER SOURCE INFORMATION

- *Maximum amount of water delivered to the applicant for cannabis cultivation in any year; and
- *Well log filed with the Department of Water Resources pursuant to section 13751 of the Water Code for each percolating groundwater well used to divert water delivered to the applicant.
 - *If no well log is available, the applicant shall provide evidence from the Department of Water Resources indicating the Department does not have a record of the well log. When no well log is available, the State Water Resources Control Board may request additional information about the well.
 - *Groundwater Well Keep a Well Log!
 - *Rainwater catchment system
 - *****Over water diversion system



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WATER RESOURCES CONTROL BOARD EXEMPTION

Section B - Small Irrigation Use Registration Water Rights Screening Use the following navigation buttons to return to the previous sections: Section A - Cannabis General Order Eligibilit

Based on the response provided for your cannabis cultivation water source, you do not need to file for a Small Irrigation Use Registration. You may use your existing water source for cannabis cultivation. Be aware - you may still need coverage under the Cannabis General Order. Even if you do not need a water right for your project, you are still required to comply with the Cannabis Cultivation Policy and all other state and local requirements that pertain to your water source. The Cannabis Cultivation Policy has additional requirements for your diversions including groundwater wells, and discharges.

If you feel you have reached this page in error, please contact the Cannabis Registration Program at Cannabisreg@waterboards.ca.gov or 916-319-9427.

activities under irrigated Lands Regulatory Program (ILRP) waste discharge requirements (WDRs). If you are or will be seeking covurder ILRP WDRs or site-specific WDRs, contact the Regional Water Board for information on how to apply. Do any of the following conditions apply to you? I am currently enrolled under Ceneral Worker R1-2015-0023 or General Order R5-2015-0113 for my cannabis cultivation ac and I am not seeking coverage under the Cannabis General Order but would like to file for a water right registration for Small irrigation Use for Cannabis Cultivation. (If you are seeking coverage under the Cannabis General Order regardless of wheth are filling for a water right registration for Small irrigation Use for Cannabis Cultivation, this condition does not apply to you.) I will be seeking coverage under ILRP WDRs or a site-specific WDR but would like to file for a water right registration for Small rigation Use for Cannabis Cultivation. **C Yes C No End of Section A Use the following navigation buttons to return to the previous sections:
Do any of the following conditions apply to you? I am currently enrolled under General Weiver R1-2015-0023 or General Order R5-2015-0113 for my cannabis cultivation as and I am not seeking coverage under the Cannabis General Order but would like to file for a water right registration for Small irrigation Use for Cannabis Cultivation. (If you are seeking coverage under the Cannabis General Order regardless of wheth are filling for a water right registration for Small irrigation Use for Cannabis Cultivation, this condition does play to you.) I will be seeking coverage under ILRP WDRs or a site-specific WDR but would like to file for a water right registration for Small rigation Use for Cannabis Cultivation. ** 6 Yes C No End of Section A
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End of Section A
Use the following navigation buttons to return to the previous sections:
Introduction Section A - Cannabis General Order Eligibility





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FISH & WILDLIFE LSA

- Fish & Wildlife LSA (lake and stream bed alteration agreement) or exemption document
- Covered Activity is:
 - construction, reconstruction, maintenance, or repair of a Stream Crossing or Water Diversion that is used or will be used for the purpose of Cannabis Cultivation for which the Entity is seeking authorization under the General Agreement.
- The Covered Activity will not occur on or in a finfish stream or lake.
- The Covered Activity will not result in take of a Listed or Fully Protected Species.
- The Covered Activity is not the subject of a complaint or order by CDFW under Section 12025 of the Fish and Game Code, a complaint filed by a city attorney, District Attorney, the Attorney General, or an order by a court.
- Address any Violations
- Applicable measures and requirements in subsections (h)-(k) of the Gene Agreement will be met.



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FISH & WILDLIFE DOCUMENTS FOR APPLICATION

- Biological Resources Assessment survey and biological resource report by a biologist identifying he presence or potential presence of any species of Greater Conservation Need and finfish and their habitats and invasive species
- Design Plans description of site-specific design for construction or reconstruction of a stream crossing or reservoir by a licensed professional
 - Must include drawings, sizing methods, component details, and construction notes that give specific directions on the construction methods that will be employed for the work.

Property Diagram

- The location and size of all existing stream crossings, water diversions, water diversion infrastructure, and water storage facilities of any type on the Property.
- The location of the Project Site on the Property.
- Each river, stream, lake, and other waters on the Property, including springs.
- Sources of water used on the Property and the location of all points of diversion, inclupumps and wells.
- Water distribution systems.
- The Assessor's Parcel Number for the Property



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SAMPLE FISH & WILDLIFE EXEMPTION

EPIMS - Lake or Streambed Alteration Notification Not Required - 00189

epims.support@wildlife.ca.gov <epims.support@wildlife.ca.gov> To: nicolepcann@gmail.com

Fri, Jan 19, 2018 at 2:18 PM

**** Do Not Respond to This Email ****

The following Cannabis Cultivation Self-Certification was received:

- Your project does not or will not result in diversion or obstruction of water from any river, stream, or lake; or use water from a source other than a municipal/public water supply.
- 2. Your project does not or will not result in disturbance to land or vegetation in or adjacent to any river, stream, or lake, including those that are periodically dry.
- 3. Your project does not or will not result in **deposition of any material** in or adjacent to any river, stream, or lake, including those that are periodically dry.

Based upon your Self-Certification survey response, your project is not subject to the notification requirement in Fish and Game Code section 1602.

> work. This letter does not relieve you or any person acting on your behalf from complying with other applicable statutes in the Fish and Game Code including, but not limited to, sections 2050 et seq. (threatened and endangered species). section 3503 (bird nests and eggs), and section 3503.5 (birds of prey).

> If you have guestions, please contact the CDFW Region Contact Please refer to the Notification number provided above.

If this change requires your attention, you may log into EPIMS at the following location: https://EPIMS.wildlife.ca.gov



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WEIGHMASTER



WEIGHMASTER

- If you want to weigh your cannabis, you MUST have a Weighmaster License
 - Accuracy
 - Protects buyers
 - Promotes equality
- Only Licensed Weighmasters may issue a Weighmaster Certificate
- Weighmaster Certificate is needed for transfer to a distributor











PURCHASING & REGISTERING A SCALE

- *A business needs to determine weight of:
 - *containers/packages of trimmings,
 - *containers/packages of product, and
 - *packages of dried flower.
- *These different types of containers and packages will likely require scales of different capacities and division sizes due to basic suitability requirements.
- *Purchase scale from a dealer or online
 - *All scales must be calibrated
- *Use a Registered Service Agency (RSA) to aid in selection of scale appropriate for your business.
- *RSA can also assist with scale registration process





Track & Trace



TRACK AND TRACE

- Register with Metrc within 10 days of ANNUAL application being deemed complete
- Provide documentation of training completion within 10 days







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Criminal Convictions as Grounds for Denial

- a. Violent felony Penal Code §667.5
- b. Serious felony Penal Code §1192.7
- c. Felony involving fraud, deceit or embezzlement
- d. Felony involving hiring, employment, or use of children in transporting, carrying, selling, giving away, preparing for sale or peddling any controlled substance to a minor, or offering, furnishing, or selling any controlled substance to a minor
- e. Felony for drug trafficking with enhancements under Health & Safety Code §11370.4 or 11379.8
- f. Notwithstanding the above, if the sentence for a controlled substance related conviction is completed for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance – this is not to be considered substantially related and not the sole ground for denial.
- g. Conviction following licensing is grounds for revocation and denial of a renewal
- h. Appeal is available if denied



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LAW FIRM







Notice of Denial

- Reasons stated by department
- Reasons can include
 - Criminal history
 - Premises not compliant
 - Denied department access to premises
 - Material misrepresentation
 - Other license was denied
 - Delinquent fees owed to department
- 30 days to file petition





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RENEWALS AND TRANSFERS



Renewals

- Due not less than 30 days, but not more than 60 days before expiration of current license
 - 50% additional late fee if submitted less than 30 days before expiration until 30 days after expiration
 - New application required if submitted after
- May continue to operate if within the proper time frame until renewal is issued
- Renewal Application
 - Licensee name
 - Number and expiration
 - Mailing and premises address
 - Fee
 - Changes to the prior application with supporting documentation
 - Attestation that all info is accurate and current
- As of January 1, 2022 for each power source
 - Total electricity supplied
 - Utility provided name
 - Greenhouse gas emissions intensity per kwh for prior year



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Labor & Employment



44 Add a footer

LABOR & EMPLOYMENT LAW

- CalOSHA standards
- Unions
 - *****United Farm Workers (Cesar Chavez)
 - *Teamsters and United Food
 - ***Commercial Workers**













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LABOR LAW APPLIES TO ALL EMPLOYERS

- *Labor Code 147.6 No smoking at work in enclosed areas or where tobacco smoking is prohibited
- *Injury and Illness Prevention
- ***Repetitive Motion**
- *No Smoking
- *Per MAUCRSA employees who work for cannabis cultivators are NOT covered by IWC 14 Agricultural Workers; they are covered by IWC 4
 - ***IWC 4-2001 Must Be Posted**
 - *Alternative Workweek Election and Adoption Procedure (10 hr/day not to exceed 40 hr/week)
- *Minimum Wage and Overtime
 - *Commissions OT does not apply if the employee makes at least 1.5 x minimum wage AND
 - *At least 50% of pay is commission
- ***Worker's Compensation**
- *****Health Insurance



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Labor Law Applies to All Employers

IYear	25 or Less Employees Minimum Wage	26 or More Employees Minimum Wage	25 or Less Employees Overtime	26 or More Employees Overtime
2018	\$10.50	\$11.00	\$15.75	\$16.50
2019	\$11.00	\$12.00	\$16.50	\$18.00
2020	\$12.00	\$13.00	\$18.00	\$19.50
2021	\$13.00	\$14.00	\$19.50	\$21.00
2022	\$14.00	\$15.00	\$21.00	\$22.50
2023	\$15.00	\$15.00	\$22.50	\$22.50



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On Site Record Mainenance





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cultivation

Permits, licenses, and other local authorizations

Cultivation Plan

Property Diagram Premises Diagram Pest Management Plan Waste Management Plan Lighting Diagram





WASTE MANAGEMENT

On-Site Compost Waste Collection Self Haul







BOOKS & RECORDS

Financials Bank Statements Taxes Invoices Contracts Personnel Records

ON-SITE RECORDS

FOR LICENSED CULTIVATORS keep secure, protected from moisture, debris and fire



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Any Questions?



Thank You!





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