

Amended Proposal for Third Party Certification

Proposal for approval as Third Party, pursuant to Order No. R1-2015-0023. Submitted by Village Ecosystems, in collaboration with Ridge to River, SHN, and J.B. Lovelace and Associates. Originally submitted to North Coast Regional Water Quality Control Board on February 5, 2016, amended and resubmitted on August 19, 2016, and on December 13, 2016.

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II.B.1 - Program Purpose

Village Ecosystems (VE) will function as a Third Party Inspector to provide certification for Tier 1 and Tier 2 cannabis farms. In addition to providing third party certification VE will write Water Resource Protection Plans, provide design, build, and permit services, and help clients register or acquire their water rights. VE services will be designed to help clients meet Standard Conditions and comply with Order No. R1-2015-0023 in a timely and effective manner. VE will offer a full suite of restoration and consultation services through our in-house team of scientists, engineers, and builders.

Specific Functions:

- VE will assist dischargers with identifying the proper Tier for a specific site.
- VE will assist dischargers with self-certification by offering services such as general consulting, outreach and information sharing, WRPP writing, map making, and environmental services.
- VE will track names of enrolled dischargers for internal documentation and the data will be entered into the California Integrated Water Quality System (CIWQS), using a unique and secure identifier and providing a framework for annual compliance reporting to CIWQS or other program as approved by the Executive Officer.
- VE will collect and submit fees from clients to the Regional Water Board (RWB) and maintain financial documentation within an Excel database and do accounting using Quickbooks.
- VE will manage communication and notifications between enrolled dischargers and the RWB: VE will inform growers of the program goals, and how to meet them, and keep both parties apprised as to the status of implementation.
- For Tier 2 Dischargers, VE will develop water resource protection plans (WRPP), help individual dischargers to develop individual plans, and help communities and subwatersheds develop more comprehensive plans, which individual dischargers agree to abide by. Plans will include a timeline for implementation.
- VE will assist dischargers in implementing WRPPs. This includes site inspections, documentation of timely implementation of or installation of management measures, and evaluation of the plan's efficacy in meeting intended resource protection objectives.
- VE will report to the RWB any failures of compliance.
- VE will provide monitoring data and report to the RWB, including compliance with the Order, and effectiveness of resource protection measures.

In addition to the specific function from Finding 21 of Order no. R1-2015-0023 VE will provide the following Services

- Assist Tier 2 and 3 discharges with implementation of watershed restoration by providing design/build services and professional consulting.
- Assist Tier 3 discharges with Clean Up and Restoration Plans, and with communication, coordination and permit applications with the RWB, Fish and Wildlife, Army Corps of Engineers, County Planning Department, and other agencies as needed.

Process and Procedure

Village Ecosystems will implement the third party inspection and record keeping in a streamlined and methodical manner. Our process is discussed in detail in later sections of this

document. In overview form, our process is as follows: upon contact with a client we will collect site and contact information over the phone and schedule an initial site visit. At the initial site visit we walk the property to assess Tier designation, share information about the Water Board program, and discuss subsequent steps with the client. Once contracted with VE, we then schedule a second, lengthier site visit at which we survey the property in greater detail and gather information for writing the Water Resources Protection Plan. Once completed, both Enrolled Dischargers and VE will maintain a copy of the WRPP for the enrolled property.

Record Keeping for VE clients will be done in a manner that respects the confidentiality of the discharger to the maximum extent possible, while still meeting the Order requirements. VE will follow Order requirements with best intentions in regard to maximizing water quality and following the word and spirit of the law. In an effort to do that, our records will be kept as outlined below.

Tracking of Names

VE will track enrolled dischargers through initial enrollment forms and Quickbooks to allow for efficiency, and ease of information sharing with the RWB. Our internal tracking will also include an excel spreadsheet and paper folders. The identifier will be used in the event that information is shared with the RWB. Tracking information fields will include the following: client name, client contact information, physical location, parcel number, property size, owner/operator status, status in the RWB program (Enrolled or pending enrollment), Tier designation, HUC 12, WDID, WRPP status (drafting, implemented), communication notes, scheduled monitoring and inspection dates, and any core regulatory data as needed for CIWQS. A sample spreadsheet is attached to this proposal and title "RWB Dischargers". The spreadsheet will be maintained in Google Drive for company ease of access and live updating. Physical files will be kept at the VE offices and, as necessary, travel with staff.

Fees

Fees will be submitted to VE and held in the VE bank account at Mendo Lake Credit Union. Clients will submit fees by cash, check, or money order. Funds will be held in the VE bank account and transferred to the SWRCB within 45 days. All transactions, including Funds Received, and Funds Paid out, will be recorded in the VE database and standard bookkeeping practices will be kept.

Managing Communications

Village Ecosystems staff will be in direct communication with RWB staff in the Cannabis program and with growers that are intending to enroll or have enrolled in the program. Communication with growers will cover topics such as the program in general, the permit and procedural elements and process, the status of implementation of required mitigation on their site, the timeline for implementation, risks of non-participation and non-compliance, relation to the county cultivation regulations, and water rights processes.

Outreach to the grower community takes place in every conversation we have about the program with community members whether they are clients, enrolled, or non-participatory. Specifically VE has been present and shared information at regional stakeholder meetings, made presentations at local events, and shared handouts including Best Management Practices materials and Resource Conservation District pamphlets specific to cannabis gardens. Sometimes the presentations are specifically about the cannabis program, while

other times they are about water conservation and pollution prevention for a more general audience. Our staff is trained in watershed sciences, communication, and conflict resolution and able to relay complex science and policy information to a wide audience in a way that engenders participation, understanding and cooperation. Our intent is to build support and acceptance of environmental regulation of the cannabis industry. Our understanding of the grower perspective is used to bridge between different sets of interests with the ultimate goal of high quality environmental protection through regulatory compliance.

Communication with the RWB is a key component to being an approved third party. VE will contact the RWB with questions on Tier status and any part of the Order including developing a WRPP, or assessing a site for mitigation. VE will share with the RWB a monthly summary update including the following: number of enrolled dischargers per HUC-12 subwatershed per Tier, number of clients in the pre-enroll status per HUC-12 subwatershed per Tier, general status of discharger relations, and a percentage of compliance/noncompliance. VE will inform the RWB regarding individual noncompliance, landowners cooperation, and timely implementation of WRPP corrective measures per the agreed upon schedule. In addition to the periodic updates, VE will communicate with RWB staff as needed regarding specific issues that arise with different dischargers. Our intention is to maintain excellent, open, easy communication with our clients, our staff, and the RWB. Chantal Simonpietri will be the primary contact for this program and will communicate via email, phone, and in person meetings.

Identifying Proper Tier

Tier assessment is based upon first determining if Standard Conditions are met, regardless of the size of the cultivated area. In addition to the Standard Conditions, sites are assessed for Tier status by examining slope, square footage of cultivation area, and water source and diversion calendar. Assessment of a property and identification of proper Tier can generally be completed on an initial site visit. Tier 1 and Tier 2 star must meet all Standard Conditions.

Initial site visits are approximately 2 hours long and often demonstrate that most properties reside in Tier 2 status (rather than Tier 1), and some reside in Tier 3 (determined by an assessment of the land and human impacts to water quality). Therefore, in most cases, we can suggest a Tier on the first visit. Some sites may require an additional visit to look more closely at a feature that could bump a property up into 3 from 2, or into 2 from 1. When needed, we will consult with RWB staff to discuss case-specific scenarios and receive guidance for best Tier designation. Our initial site visits prioritize looking at road features including stream crossings and culverts, measuring garden space and slope, determining water sources, and setback from watercourses and wetlands. The vast majority of the properties we have looked at over the past year fail to meet the Standard Conditions and hence fall into Tier 2.

When a site clearly demonstrates alignment with Tier 1 parameters, we then advise the property owner of their ability to self-register and explain the process of registering and monitoring. Tier 2 properties require a second, more thorough survey, with mapping, confirmation of Tier designation, stream classification, and investigation of features to be placed on a management plan and implementation schedule in the Water Resources Protection Plan.

Stream and surface water classification is significant in defining the setbacks necessary for cultivated areas to maintain in order to fit into either Tier 1 or 2. In the case where the setback is the Tier-defining issue (and there is no other issue clearly defining Tier) and where the staff in the field is not positively clear on stream classification, we will call upon our team members with greater professional experience to make the stream classification decision. This can be done in the field using digital photography documentation and later consultation, and also by having the qualified professional visit the site to determine the stream class. Our staff will also consult RWB staff regarding stream classification and appropriate buffer widths of cultivation sites and infrastructure.

Special attention will be given to distinguishing Tier 3 sites as per Water Code section 13304. If significant pollution is occurring from a human-based activity or recent project to a waterway, then the site is a Tier 3. Determining significance is something we continue to study, based on our experience and interaction with colleagues in the field. If there is a question as to the determination, VE will contact RWB staff and ask questions, either by describing the site or providing photos or estimates of discharge quantity over time (e.g. cubic yards of sediment/year/in the next significant rainfall event). Tier 3 sites are required to enroll directly with the RWB. VE will report Tier 3 sites to the RWB so as to meet the objective of regulating water quality impacts and protecting public trust resources. VE will work with Tier 3 landowners to facilitate their enrollment in the program and help them on the path to compliance.

Initial Site Visit

Chantal Simonpietri is the Program Manager for the wing of VE that deals with cannabis. Currently, landowner's contact VE through a variety of means, primarily through our VE phone number. Chantal then calls the individual back. We gather information on property size, water sources, water storage, and familiarity with the water board program. If the landowner chooses to engage our services for an initial site visit, we then explain what is offered in an initial visit, rates, payment details, and scheduling. Most initial visits will be conducted by Chantal Simonpietri, accompanied by either Anna Birkas or Noah Cornell. (On all Tier 2 sites thus far either Teri Jo Barber or Anna Birkas have been on the survey team for the second site visit in which we gather data for the WRPP, assess potential waste discharge, and prioritize sites. As our staff becomes more comfortable with the program and confident with their assessments, this will not be necessary on all Tier 2's.)

There are no contractual requirements during the initial inspection. VE offers land use assessment and planning for a variety of reasons, so a client may call us regarding a water issue unrelated to the cannabis program or cannabis cultivation. The initial site visit can be a meeting in which we discuss the program with the client without walking the property. Other times this initial consultation is very targeted, as the client may have read the Order and is ready to enroll.

By the end of the initial site visit we have an idea of the client's needs and are ready to draft a contract for services. Contract scope varies and can include simple consultation and support for self-registration, Water Resources Protection Plan writing and mapping, water rights, multiple agency coordination and compliance, and design and construction.

Assisting Self-Certification

Village Ecosystems will offer assistance to Tier 1 and Tier 2 clients who would like to self-

certify. The first step is a site visit to determine Tier status and acknowledge key environmental issues that are required by the Order to be addressed. Additional services may include explaining the program, assisting with form completions, documenting their sites, mapping site features, developing WRPPs, water rights, and annual check-ins to ensure annual monitoring and reporting are taking place. Plans must include a timeline for implementation as required by the Order.

Water Resource Protection Plans (WRPP)

Village Ecosystems will provide Tier 2 clients with start-to-finish Water Resource Protection Plan writing and mapping. Writing individual and community-based WRPPs will rely upon data gathered during a site survey. The site survey addresses and inspects systematically each of the necessary mapping items, Standard Conditions, and areas of remediation. These include the site topography, perimeter of land leased or owned, buildings with use identified, chemical storage, production area perimeters, cleared and developed areas, surface watercourses and conveyances, drainage patterns and flow paths, roads and stream crossings, features for upgrade, points of diversion of water sources, locations of water pumps and associated facilities, water storage type and location, unstable features, and human waste facilities. WRPPs may include the following as needed: water rate and water quality metering, mapping, road sediment surveys, watercourse profiles and cross sections, and Erosion and Sediment Control Plans, etc.

At the time of surveying and mapping, qualified VE staff will make recommendations for remediation. A qualified professional's services will be engaged when necessary and when there is a doubt about a feature or appropriate action. Siting a potential garden and needing wetland delineation or stream classification to determine appropriate setbacks is an example. Unstable features that influence operations on a property would necessitate a professional geologist to ascertain potential risk of failure or other details. Design of road and stream crossings, ponds, or other features needing a professional engineer's input will result in engaging the services of a professional engineer. In general, we will proceed conservatively, and engage with professionals as appropriate.

Community Based WRPPs

VE embraces the concept of community based WRPPs because of the importance of addressing an entire watershed unit or hydrologically connected area. We will work with landowners within a "community" whether it be road- or watershed-based to engender participation in the WRPP. All willing landowners will be involved in the communication process of the development of the WRPP. VE will work with a primary landowner who will function as a liaison with other community members to inform them of the process, as well as prepare them for visits from VE staff as necessary. The community-based WRPP, once developed, will be shared with all members of the community, through various means of communication including in person meetings, community meetings, email, and physical mail. Individual enrollees will also have a copy of the WRPP as it relates to repairs and management requirements on their site. The overall community-base WRPP will be stored with one landowner. Each landowner is responsible for their property even when operating under a community WRPP.

In the process of building a relationship with the community, and developing the WRPP, VE will identify a central or primary owner/operator to work with. The Community based WRPP will reside with this primary person, road association president, or a homeowner's association representative, if possible. The community members can decide, with support

from VE, on the structure for completing and implementing the WRPP. Each individual may also have a copy of the community WRPP to display at their property.

A community based WRPP will have property specific components and implementation plans that can be tracked by VE staff similar to how individual WRPP implementation will be tracked. It will have a table of sites to be completed on each property, as well as prioritization of those sites.

By focusing on a sub watershed level water conservation and pollution prevention can better be addressed through an analysis that more thoroughly considers the holistic ecological issues and solutions at hand. Sites can be designed and permitted based on understanding watershed-wide sediment issues, water conservation needs will be more accurately determined, and permitting costs can be shared due to greater efficiency.

Pollution prevention sites that need work will be prioritized according to the following guidelines: cost and ease of implementation, timeline required for implementation and factors that may postpone implementation (such as design, permitting, cost, easements, etc.). For water conservation, factors such as the amount of water saved, instream habitat quality and subwatershed water shortages, will be considered. For waste discharge, things like quantity of waste, type of waste, and risk of failure will be considered.

VE will prioritize sites for the construction/mitigation timeline based on their risk to water quality, while taking several other considerations into mind. For sites that deliver a contaminant like sediment, an estimate of volume of contaminant and risk of delivery will be made. This will be done by determining if the site is actively eroding and considering the sites risk of erosion in a heavy rainfall event (such as undersized culvert that may have potential for plugging, stream diversion, or other factor suggesting likelihood of catastrophic blow out). Estimates will be made on the potential of sediment that could be delivered, and the timeline over which this might occur. For example, for a culvert that is likely to blow out, the fill volume would be calculated, and other risk factors would be considered that may increase the likelihood of the event occurring. For a gully that is actively eroding, things to consider in estimating potential delivery will include volume already eroded, time it took to erode, and potential for erosion to continue at that rate over time. For nutrient or chemical contamination, priority will be based on volume and concentration of contaminant, risk of contaminant to equate life, location of contaminant in relation to water feature, and land condition between contaminant and water (vegetated, hydrologic connectivity), and storage features.

VE will utilize in-house and contracted professionals to survey sites and develop schematics for repairs. We have the skills in house to survey and prioritize sites and develop some of the designs and schematics. We have chosen specific independent contractors as part of our organization to expand the skills within VE to address Engineering, Stormwater, Geology, Hydrology and Wetlands. Similarly, we will offer our clients permitting services for other agency permitting. This may either be in the form of function as the client's agent and taking care of the entire design and permit process, or functioning as a consultant and helping the client complete the application.

Monitoring and Reporting

Monitoring and reporting are an integral part of the Order and essential to the success of the program and watershed health. Specific to each property, VE will assess whether monitoring

can be effectively and responsibly completed by the client and either recommend VE conduct monitoring or suggest VE oversight of client monitoring. The approach will be determined on a case by case basis based upon factors such as landowner's willing or unwilling participation, landowner comprehension of environmental impacts and capacity to see whether a site remediation is performing properly or not, the scope of the remediation measure (ie. straw and seed, or swale, or bioengineering/willow wall) and magnitude of potential impact to water quality if the remediation effort is not successful.

Monitoring timelines will be developed also on a case-by-case basis and, in the case of client monitoring, may include inspections to determine and ensure efficacy. VE will also inspect the site to assess whether the installation of BMPs and restoration were done properly and are effective. Monitoring would be performed according to the requirements of the Order, and be based upon rain events. We also see monitoring as connected with VE installation of remediation. Inspection would come soon after implementation and monitoring is an ongoing effort to see effectiveness over time or to recommend adaptive management measures.

Monitoring on all sites will take place according to what is necessary on a case-by-case basis to ascertain effectiveness of the prescribed measures. VE certified sites will be inspected according to the requirements of the order, and according to the needs and work calendar as laid out in the WRPP priority timeline. Monitoring or inspections will happen just prior to October 15 to evaluate site preparedness, following the accumulation of 3" of precipitation or by December 15, and following any rainfall event of intensity of 3" within 24 hours. Additional monitoring may happen regardless of rainfall to assess readiness for rain events and progress on implementation. In some cases, properties will be inspected monthly, and others will be inspected as needed following progress on the projects on the timeline. The combination of these monitoring schedules (Order required and site specific as necessary) could result in 3-6 visits per property per annum.

If the remediation measures prescribed and implemented are not succeeding in preventing sediment or other waste discharge to a water course, then additional measures will be required. Initial prescriptions will be specific and well-communicated to ensure the highest degree of success from early implementation, but VE recognizes that adaptive management is an integral part of watershed restoration, and thus the monitoring component of the program is important to insure long term success. Some remediation will not show its success or failure until after an extreme precipitation event. After significant rainfall events VE will either advise the client to observe the remediation to see if it is successful (ie. "is there sediment delivery?" using photographs and communication), or will make a site visit to make the determination themselves. In general, the inquiry to determine efficacy of implementation measures will include whether there is sediment delivery and whether the measure is successful in preventing the impact for which it was recommended. If not, then additional measures will be recommended and implemented. If design changes need to be made to a construction site either during or after construction, VE will facilitate communication with appropriate agencies.

Recalcitrant landowners will first be approached using relationship building, outreach and education, with the goal of inspiring the landowner to commit to successful and sustained remediation efforts. Building a timeline for implementation that is most cost effective and doable for the landowner often helps to tip them from recalcitrant to participatory. Screening

of clients in advance of contracting with them, such that we are working with a pool of landowners that are willing to participate fully, relieves VE of the burden of having to enforce a regulation with recalcitrant landowners.

In the event that VE becomes aware of an *unenrolled* clean up site we will inform the landowner of the situation. We will offer them services to help them enroll and help them through the regulatory process. We will assure them that by choosing to “come clean” about their site, that most agencies will appreciate their desire to comply and work with them to make the process as painless as possible. And we will let them know that if they choose to enroll in the program and contract with us for our services, we will need to inform the appropriate agencies about the issues present. Depending on the circumstances, landowner relationship, attitude of the landowner, and VE’s judgment, we may disclose to the RWB via a phone conversation, email, or anonymously via the system for this purpose.

Site Design and Restoration

VE will assist Tier 2 and 3 dischargers with site design and implementation of restoration plans by collaborating with engineers, geologists, biologists, and other independent contractors to implement effective restoration, with in-house design and general engineering contracting that specializes in soil health, stormwater, hydrology, water quality, erosion control and bioengineering methods that reduce the ecological footprint of the client’s farm.

Clean Up and Restoration

Clean Up and Restoration Plans are required of Tier 3 dischargers. Tier 3 dischargers will likely also require permitting coordination from various local, state and federal agencies. Enrolled VE Tier 3 clients will be supported in their clean up and restoration process with agency coordination, RWB communication, and necessary design and construction. VE will assist Tier 3 dischargers in communications and permit applications with the RWB, California Department of Fish and Wildlife, Army Corps of Engineers, County Planning Department, and other agencies as needed. Engineering and Geotechnical services will be made available through subcontractors (see II.B.2).

II.B.2 - Third Party Technical experience/qualifications

The core team for cannabis compliance will consist of Anna Birkas DBA Village Ecosystems, and VE employees Chantal Simonpietri and Noah Cornell, and subcontractors Teri Jo Barber (Ridge to River), Brett Lovelace (J.B. & Associates), and Tom Hunt (SHN). Additional Engineering, Geology, and Geotechnical support will also be provided by SHN personnel. Please see attached documents for details.

Teri Jo Barber and Anna Birkas have worked together since 1999, and although having separate companies, they often function like a team. Anna was initially employed by Ridge to River as a field tech in 1999, a hydrologist after she completed her MS, and later Vice President. In 2009 Anna started VE to offer water conservation and ecological building services that weren’t provided by Ridge to River. When Teri Jo became the City of Fort Bragg Hydrologist and Anna got her General Engineering Contractor’s license, VE acquired many Ridge to River clients and expanded into some of the traditional hydrology and restoration work that had previously been within the realm of Ridge to River (with Teri Jo’s approval and collaboration). This proposal represents one of many projects that Anna and Teri Jo have

worked on together as a team. This ongoing collaboration is a significant part of the structural integrity of the core team.

Brett Lovelace DBA J.B. & Associates and Anna Birkas have followed each other's work and occasionally collaborated from their neighboring bioregions over the last two decades. The opportunity has arisen for them to work together in collaboration for this program. They have taken this opportunity to work together because their skills are complementary, both companies have expanded, and the cannabis program overlaps both regions.

Tom Hunt and Tom Hernan of SHN have offered their support and are enthusiastic about being part of the VE team. Specifically, they are interested in working with the VE team because they are enthusiastic about environmental quality and opportunities to collaborate on projects that incorporate bioengineering and other low impact development styles of ecological restoration and water quality improvement. They would either work as a subcontractor or be hired directly by the client, depending on which is more appropriate for the specific job.

i. Education and Work experience qualifications
(See attached documents)

ii. Subcontractors / Referrals
(see attached documents)

II.B.3 - Organizational capacity and funding mechanisms to administer the program

Village Ecosystems has been a sole proprietorship since 2009. Our organizational structure is traditional, consisting of the owner/president/contractor (Anna Birkas), an office manager and field assistant (Meg McDaniel), a project manager agriculture specialist (Noah Cornell), and cannabis program manager and water rights specialist (Chantal Simonpietri), as well as a team of subcontractors.

VE subcontractors Teri Jo Barber and Brett Lovelace will be part of the core team that provides site consultation and analysis, as well as providing specialty services under their licenses (see attached resumes). Chantal Simonpietri will insure that work standards and required field data are collected in a streamlined and complete manner, and, in collaboration with Anna Birkas, will provide supervision, coordination, and task allocation. Noah Cornell will provide mapping, outreach and field coordination, and BMP and construction management services. Additional subcontractors (such as SHN) will be available to provide a second opinion for complex sites or to help with Tier 3 issues. All actions requiring a licensed professional shall be performed by such, as required by the California Business and Professions Code and California Code of Regulations.

VE field technicians will be responsible for assessing sites, collecting data for order compliance, and providing follow up monitoring. Our compliance and office managers will be responsible for: tracking names; collecting and submitting fees; and overseeing communications between VE, dischargers, the RWB, and other agencies; and maintaining the database of information for CIWQS reporting and annual compliance.

VE is primarily funded by clients through services for design and construction rendered. Grant funding for educational outreach and watershed restoration makes up about 25% of the

revenue stream, primarily in the areas of outreach, education and restoration.

Rates

- \$60/hour field technician
- \$100/hour basic professional consulting and design build services
- \$135/hour hydrologic, water rights, and botanical services
- \$85-\$300/hour estimate for subcontractors and outside services.

VE charges between \$6000 and \$15,000 for initial cannabis compliance, including a WRPP, depending on Tier status, size of property, and scale of environmental issues. In our first year, we predict that we will provide service to approximately 5 Tier 1 sites, 30 Tier 2 sites, and 2 Tier 3 sites. VE usually takes payment for the initial site visits at the time of the visit, accepts a 30% deposit at the time of contracting, and bills clients monthly.

VE will offer additional services to clients in the form of water rights, construction, Fish and Wildlife permitting, and restoration. VE will operate the third party program and associated services with sound moral and ethical principles. We will abide by the concept of Presumption of Deference and Weight to Agency Interpretation. If there are problems with interpretation with regard to complex erosion control sites or discharge issues VE will consult with the Regional Water Board staff as the primary point of contact for all waiver related issues.

All accounting records are kept in a format generally acceptable for the United States of America. VE agrees to allow RWB access to the third party accounting and other records to conduct audits and verify proper implementation. VE is prepared to share our financial records and bookkeeping for the Cannabis Waiver Discharge Program with the water board as needed. VE will consult with a CPA to determine the optimal way to maintain records such that company efficiency is maintained while being prepared for an audit by the RWB.

Bookkeeping is done using Quickbooks. When a client signs a contract to work with VE, an estimate is made and entered into the Quickbooks program. When VE employees track their hours on their timecard they note which job (client) they worked for and the number of hours and activity conducted. This information is then shared with our bookkeeper, who tracks the hours against the estimate and bills monthly. Internally, VE uses standard bookkeeping financial tracking methods such as balance sheets, profit and loss statements, etc. to determine the overall success of the program.

VE is prepared to have RWB site visit audits of participatory properties.

Proof of Insurance (already provided with initial proposal).

II.B.4 - Sample Water Resource Protection Plan (WRPP) (already provided with initial proposal).

II.B.6 - Sample Liability Waiver (see NEW VERSION attached).

II.B.7 - Framework for compliance confirmation and addressing non-compliance

A. Framework for compliance

Village Ecosystems commits to providing annual monitoring and other required compliance information to the RWB via CIWQS according to business rules established by the RWB.

Annual monitoring information to be relayed will include:

- a. Total number of sites enrolled through the third party, by HUC-12 subwatershed, or smaller hydrologic watershed, as determined necessary by the Executive Officer.
- b. Total number of sites in each subwatershed enrolled in each specific Tier category.
- c. Number of sites in compliance with Standard Conditions in each specific watershed in the covered region.
- d. Number of sites with active Water Resource Protection Plans meeting milestones.
- e. Monitoring data from each enrolled site in the coverage area.
- f. Summary of education and outreach activities or efforts.

Village Ecosystems will provide annual monitoring and any other required compliance information to the RWB, including all the specific documents listed above. All records generated shall be available to the Water Board staff and maintained for at least ten years following the expiration of the Order. VE will design spreadsheets and datasets with ease of RWB access in mind. Monitoring data and reporting to the water board shall adhere to eSMR business rules for reporting to CIWQS. VE will use spreadsheet format as directed or provided by the RWB.

In the event that a discharger drops enrollment VE will attempt to maintain enrollment via outreach and education and relationship building. VE will notify the RWB of noncompliance. Termination of enrollment may occur for a variety of reasons including lack of ability to implement a WRPP. If the client refuses to implement the WRPP and VE has already worked with the client and RWB to adapt or extend the timeline within reason, then VE will inform the RWB of the lack of compliance so that enforcement actions can be taken. VE will also inform the RWB when we determine for business reasons such as lack of payment, that we are severing our relationship with the enrolled discharger.

VE proposes to collect information throughout the year to provide annual reporting on education and outreach efforts extended by VE. Metrics to be tracked and tabulated include: type(s) and number(s) of activities or efforts (ie. town meeting, informational meeting, neighborhood meeting); number of people attending events, if applicable; number of people worked with one on one or provided informational materials; number of sites where education/outreach information is being applied; and anticipated future efforts.

Compliance Confirmation and Reporting

The program framework requires supervision and monitoring. VE will address compliance confirmation and non-compliance of individual enrollees via site visits according to the Water Resources Protection Plan implementation timeline with an appraisal of the suggested implementation as to whether complete or incomplete. This will include assessing whether the client is moving towards meeting Standard Conditions, if the treatments are working, if the treatments are necessary, and if water quality and conservation goals are being met.

If incomplete or ineffective, VE will discuss the possibility of alternatives and the consequences of non-compliance with the enrollee. VE will remain in communication with the RWB about timeline goals and appropriate schedules and looks forward to further guidance in this area from the RWB.

Addressing and Reporting Failure to Comply and Non-compliance of Individual Enrollees

Failure to comply and non-compliance will be addressed through various means including communication/outreach and reporting non-compliance to the RWB. Responses to non-compliance will be determined by the status of the discharger as enrolled or unenrolled. Owner/operators of unenrolled sites that do not meet the Tier requirements and require cleanup will be advised of the issues on the land and the consequences of taking inaction. The owner/operator will be given options as to how to address them. These options include enrollment in the RWB program and subsequent cleanup, potential discontinuation of cultivation on the property, legal options for immediate action and remediation, as well as recommendations to seek a second opinion in the hopes that multiple voices relaying the need for action may encourage the discharger to address the situation rather than avoid it.

In the event of unenrolled dischargers of significant risk to water quality, such as Tier 3 locations, VE may notify the RWB anonymously using the anonymous system developed for this purpose. In order to maintain trust and our reputation in our local community, we hope to avoid anonymous disclosure to the RWB and breaking of a trust agreement with a potential client, by being more discerning and selective in our client selection at the onset of the relationship. This initial client selection process will hopefully result in us having a client base that is responsible and willing to take the steps necessary to comply and protect the watersheds. According to the terms of the agreement that we have with the RWB, we are an agent of the RWB, but we are not required to disclose non-compliance of unenrolled landowners. We share the values of the RWB and the desire to help clean up the watersheds in our region, and hence will likely report in circumstances where the impact is great and the likelihood of responsible cleanup being initiated is low. We believe that this will be a judgment call on our part and our approach will evolve as we become more experienced as a third party.

Enrolled dischargers that are failing to comply with the Order will be reported to the RWB. Enrolled discharges will also be informed at the onset of our working relationship with them via the contract between VE and client of the consequences of failure to comply and VE's responsibility to disclose non-compliance the RWB. One consequence of failure to comply may be severance of the contract.

In the event of non-compliance, we will discuss the situation with the landowner, seek to understand the reason for the non-compliance and strategize ways to bring the property into compliance while maintaining the landowner's participation in the program. VE staff will work as a team with RWB staff to implement the Order including utilizing progressive enforcement with the RWB as needed.

Sample Liability Waiver

**Release of Liability Waiver
Order R1-2015-0023**

I hereby agree to be responsible to meet the stated terms and conditions of the North Coast Water Resources Control Board Order No R1-2015-0023, and to release Village Ecosystems from any claims and demands that may occur in association with the implementation of the Order.

The landowner or permittee shall indemnify and hold harmless Village Ecosystems and its agents and employees for any claims, damages, or injuries brought by affected property owners or other third parties due to the commercial cultivation, processing, manufacture, or distribution of cannabis for medical use and for any claims brought by any person or agency for problems, injuries, damages, or liabilities of any kind that may arise out of the commercial cultivation, processing, manufacture, or distribution of cannabis for medical use or from grading and land development related to cannabis regulatory compliance.

Furthermore, I agree to release Village Ecosystems and its employees, contractors, and consultants, and will hold them harmless from liability which may arise from implementation of Order No R1-2015-0023, to the extent allowed by the law.

Landowner Printed Name: _____

Landowner Signature:
_____ Date: _____

Permittee Printed Name: _____

Permittee Signature:
_____ Date: _____