

# Cannabis Cultivation Fees Stakeholder Meeting

Friday, July 9, 2021 at 9:00 – 11:00 am

Webcast and Zoom Meeting Only

***NO PHYSICAL MEETING LOCATION***



Live Webcast [Here](#)

[Fee Branch Email](#)

## **AGENDA**

1. Welcome and Introductions
2. Water Boards Cannabis Cultivation Program
3. Water Quality Revenue Shortfalls and Impacts on Staffing
  - a. Low Enrollments
  - b. Enrollments in Lower Tiers
  - c. Banned Counties
4. Water Quality Fiscal Year 2021-22 Fee Schedule Proposal
  - a. Existing outdoor fees – Tier 1 and Tier 2
  - b. Acreage Surcharge on Tier
  - c. Conditionally exempt outdoor
  - d. Indoor waivers: Municipal and Waste Haulers
5. Water Quality Transition Process for Waiver
6. Water Rights Cannabis Fees
7. Open Discussion
8. Next Steps

## State Water Resources Control Board

### **Fee Concepts for Fiscal Year 2021-22**

There are three targeted changes to the fee schedule for FY 2021-22:

1. Increase Tier 1 and Tier 2 fees.
2. Include a per acre surcharge to all Tier 2 categories.
3. Add an annual fee for the conditional waiver of waste discharge requirements based on the method of discharge.

#### **1. Increase Tier 1 and Tier 2 Fees**

All fee options generate a 9% increase in revenue.

- **Option A:** Targeted to Low Risk Designation

Tier	Risk Designation	Current Annual Fee	Proposed Annual Fee	Percent Increase	Net Difference
Tier 1	Low	\$600	\$708	18%	\$108
	Moderate	\$1,800	\$1,800	0%	\$0
	High	\$4,800	\$4,800	0%	\$0
Tier 2	Low	\$1,000	\$1,090	9%	\$90
	Moderate	\$3,000	\$3,000	0%	\$0
	High	\$8,000	\$8,000	0%	\$0

- **Option B:** Weighted Differently Across All Tiers

Tier	Risk Designation	Current Annual Fee	Proposed Annual Fee	Percent Increase	Net Difference
Tier 1	Low	\$600	\$672	12%	\$72
	Moderate	\$1,800	\$1,908	6%	\$108
	High	\$4,800	\$4,944	3%	\$144
Tier 2	Low	\$1,000	\$1,120	12%	\$120
	Moderate	\$3,000	\$3,180	6%	\$180
	High	\$8,000	\$8,240	3%	\$240

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- **Option C:** Same Dollar Increase Applied to All Tiers

Tier	Risk Designation	Current Annual Fee	Proposed Annual Fee	Percent Increase	Net Difference
Tier 1	Low	\$600	\$690	15%	\$90
	Moderate	\$1,800	\$1,890	5%	\$90
	High	\$4,800	\$4,890	2%	\$90
Tier 2	Low	\$1,000	\$1,090	9%	\$90
	Moderate	\$3,000	\$3,090	3%	\$90
	High	\$8,000	\$8,909	1%	\$90

- **Option D:** Uniform Percentage Increase

Tier	Risk Designation	Current Annual Fee	Proposed Annual Fee	Percent Increase	Net Difference
Tier 1	Low	\$600	\$654	9%	\$54
	Moderate	\$1,800	\$1,962	9%	\$162
	High	\$4,800	\$5,232	9%	\$432
Tier 2	Low	\$1,000	\$1,090	9%	\$90
	Moderate	\$3,000	\$3,270	9%	\$270
	High	\$8,000	\$8,720	9%	\$720

## 2. Per Acre Surcharge to All Tier 2 Categories

- **Option A:** \$185 per acre surcharge for each additional acre up to 50 acres
- **Option B:** \$185 per acre for each additional acre up to 100 acres
- **Option C:** Metered per each additional acre, \$185 up to 50 acres and \$100 for each additional acre up to 100 acres

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### 3. Annual Fee for Conditional Waiver Based on Method of Discharge

- For the discharge types below, they will be charged an application fee for initial coverage and annual fee each year thereafter for Waste Haulers would be set to match the Tier 1 Low Risk fee (currently \$600).
- The application fee for indoor cultivation sites that discharge to a Municipal Sewer would be set to match the Tier 1 Low Risk fee (currently \$600) and pay a \$185 annual fee each year thereafter.

<b>Discharge Type</b>	<b>Application Fee</b>	<b>Annual Fee</b>
Waste Hauler	\$600	\$600
Municipal Sewer	\$600	\$185

- The application fee for small outdoor sites that meet the requirements of the conditional waiver would be set to match the Tier 1 Low Risk fee (currently \$600) and pay a \$185 annual fee each year thereafter.