State Water Resources Control Board

Cannabis Cultivation Draft Policy and Draft General Order

Staff Informational Workshops
July 20, 2017 – Eureka
July 27, 2017 – Sacramento (webcast)
State Water Resources Control Board

You can find today’s presentation at:

www.waterboards.ca.gov/cannabis

Agenda

1. Welcome and Logistics
2. Presentation by State Water Board
   a. Draft Cannabis Cultivation Policy
   b. Draft Cannabis General Order
   c. Small Irrigation Use Registration
3. Contacts
4. Questions and Answers

Logistics

- Purpose of today’s workshop is to provide information
- Comments should be submitted as outlined in the notice or made at the Board’s August 2 workshop
- Sign-in sheets and handouts are at back of room
- Respect all speakers, all points of view are valid
  - You may not agree with a statement, but please allow the speaker the opportunity to be heard
- Please silence electronic devices
- Board members may be in attendance but no decisions will be made today

Timeline

Draft Policy, Staff Report, and General Order released for public comment on July 7, 2017

Informational Workshops: July 20 – Eureka
                           July 27 – Sacramento (webcast)

State Water Board Workshop: August 2 – Sacramento

Comment Deadline
12:00 PM (noon) Wednesday September 6, 2017

Hearing on Adoption: October 17, 2017 – Sacramento

Presentation Outline

- Background
- Water Boards’ Responsibilities
- Overview of Draft Policy and Staff Report
- Overview of Draft Cannabis General Order
- Small Irrigation Use Registration
- Resources and Contacts
**Background**

- Three bills adopted in 2015 – Assembly Bills (AB) 243 and 266; Senate Bill (SB) 643 (MMRSA)
- SB 837 adopted in June 2016 – included clean up language for three 2015 bills (MCRSA)
- Proposition 64 passed November 2016, allowing recreational cannabis use for adults (AUMA)
- SB 94 adopted June 2017 – consolidated provisions of MCRSA and AUMA and established the Medicinal and Adult-Use Cannabis Regulations and Safety Act (MAUCRSA)

**State Water Board Responsibilities**

“...The state board or appropriate regional board shall address discharges of waste resulting from cannabis cultivation under [MAUCRSA] and associated activities, including by adopting a general permit, establishing waste discharge requirements...”

*Water Code Section 13278(b)*

**State Water Board Responsibilities (cont.)**

Ensure individual and cumulative effects of water diversion and discharge associated with cannabis cultivation do not affect instream flows needed for fish spawning, migration, and rearing, and flows needed to maintain natural flow variability

*Business and Professions Code Section 26060.1(b)(1)*

**State Water Board Responsibilities (cont.)**

- Develop policy for water quality control to establish principles and guidelines (requirements) for cannabis cultivation:
  - Shall include measures to protect springs, wetlands, and aquatic habitat from negative impacts of cannabis cultivation
  - May include requirements for groundwater extractions

*Water Code Section 13149(a)(1)(A)*

**Cannabis Policy Regulatory Flow**

- General Order Waste Discharge Regulatory Program (State Water Board, Water Quality)
- Policy for Water Quality Control Requirements (State Water Board, Water Rights)
- Small Irrigation Use Registration Program (State Water Board, Water Rights)
- California Department of Food and Agriculture’s CalCannabis Cultivation Licensing

**Draft Cannabis Policy and General Order**

Focus of this presentation is documents that are out for public review and comment:

- **Draft Cannabis Policy and Staff Report:**
  - Policy describes overall structure of Board’s proposed cannabis cultivation regulatory program, water quality and instream flow requirements
  - Staff Report provides background information and rationale for requirements in the Policy
- **Draft Cannabis General Order** – includes tier structure, fee structure, and environmental management plans
Cannabis Cultivation Policy
(Principles and Guidelines for Cannabis Cultivation)

- Main Document
- Attachment A: Cannabis Cultivation Requirements
  - Section 1 – General Requirements and Prohibitions
  - Section 2 – Water Diversion and Waste Discharge Requirements
    (10 subsections)
  - Section 3 – Numeric and Narrative Instream Flow Requirements
  - Section 4 - Watershed Compliance Gage Assignments
  - Section 5 – Planning and Reporting
  - Section 6 – Useful Guidance Documents
- Attachment B: Glossary of Terms

Cannabis Cultivation Policy
(Enforcement)

- Enforcement of Policy requirements will be handled through various Water Boards authorities, including water rights, water quality, and public trust
- Appropriate penalties and other consequences for violations prevent cultivators that do not comply with requirements from obtaining an unfair competitive advantage and help ensure public confidence in regulatory framework
- Existing enforcement efforts such as Watershed Enforcement Team will continue as well

Cannabis Cultivation Policy
(Water Diversion and Waste Discharge Requirements)
Specific requirements for cultivation activities, such as:
- General erosion control measures for entire cultivation site
- Stream crossings and installation, culverts, road development
- Management of fertilizers, pesticides, and petroleum
- Cleanup, restoration, and mitigation on existing sites
- Proper soil, cultivation, and human waste disposal
- Control of irrigation runoff
- Appropriate methods of water diversion and storage
  - Maximum diversion rate: 10 gallon per minute (unless otherwise approved in existing water right)
- Winterization

Cannabis Cultivation Policy
(Numeric and Narrative Instream Flow Requirements)
Narrative Instream Flow Requirement:
- 50% of streamflow shall be bypassed past point of diversion
- Surface water forbearance period: April 1 – October 31, possibly later depending on precipitation (initial diversion before December 15 may not commence until after seven consecutive days with flow above numeric instream flow)

Numeric Instream Flow and Gage Requirements
- Compliance gages are listed in Policy. Diversions can only occur when daily average flow at assigned gage is above the minimum instream flow requirement.
- Diverters shall measure and record daily water diversion and use
- Gage installation requirements for additional gages used for compliance with numeric flow requirement
Cannabis Cultivation Policy
(Numeric and Narrative Flow Requirements cont.)

Groundwater Requirements:
• Instream low flow thresholds during the dry season are established at compliance gages as one mechanism to help monitor whether groundwater diversions are having a cumulative negative impact on instream flows
• If it is determined that groundwater diversions have the potential to significantly affect surface water supply, forbearance periods may extend to groundwater diverters

Fully Contained Springs:
• Springs that do not run off a property in the absence of diversion and do not have surface or subsurface hydrologic connectivity at any time of year during all water year types may request that the 50% bypass requirement be waived (requires substantial evidence)
• Ability to divert based on minimum instream flow at compliance gage applies

Cannabis Cultivation Policy
(Watershed Compliance Gage Assignments)

• Policy establishes minimum monthly flows at compliance gages
• Watershed areas without existing gages are assigned a compliance gage for a different location in same watershed or a nearby watershed with similar flow characteristics
• During diversion season, cannabis cultivators are required to check their compliance gage assignment at least daily and prior to diverting water to ensure water is available to divert at assigned gage
• Compliance gage assignments may change as more information becomes available

Cannabis Cultivation Policy
(Planning and Reporting)

• Specifies the plans and reports that are needed, such as:
  • Site management plan
  • Erosion and sediment control plan
  • Nitrogen management plan
  • Site closure plan
• More detail provided in Draft Cannabis General Order

Cannabis Cultivation Policy
(Useful Guidance Documents and Attachment B)

Useful Guidance Documents
• Links to helpful water quality facts and documents

Attachment B
• Glossary of technical terms used in the Policy

Cannabis Cultivation Policy
Staff Report

• Overview of Cannabis Policy regions
• Background information on legislation and regulations
• Background and rationale for:
  • Policy requirements
  • Instream flow and gaging requirements
  • Compliance gage assignments (including methodology)
  • Water quality antidegradation analysis

General Waste Discharge Requirements (General Order)

• Developed by State Water Board to implement the requirements of the Principles and Guidelines, mainly for outdoor cultivation activities
• To address discharges from legal cultivation sites for protection of water quality
• Recognizes other permitting requirements that apply, but does not implement those requirements
• If applicable, will require water rights compliance, but a water right will not be provided in the General Order
Why Prepare a General Order?

- Cannabis cultivation has grown exponentially – often located in sensitive areas
- Prop 215 initiated legal cultivation activities, Prop 64 is expected to greatly increase the activity
  - As many as 50,000 cultivation sites may exist in the state
  - A CDFA survey in August 2016 indicated 16,000 licenses would be sought
- CDFA will begin issuing cultivation licenses on January 1, 2018
  - Will require compliance with Water Boards’ requirements
  - Many Regional Boards will need to provide coverage cultivation activities, but no order is in place. Statewide General Order addresses issue.

Cannabis Cultivation Activities

General Order Approach

- Generally based on the North Coast RWQCB and Central Valley RWQCB 2015 orders
- North Coast RWQCB Waiver of WDRs (626 enrollees)
- Central Valley RWQCB General WDRs (608 enrollees)
- The General Order requires coverage based upon threat to water quality
- Tiered approach based on disturbed area and risk
  - Conditional exemptions may apply for some cultivation activities
- All dischargers must comply with applicable requirements in Attachment A of the Cannabis Cultivation Policy

General Order Discharger Classifications

<table>
<thead>
<tr>
<th>Category</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Use Exemption (non-commercial)</td>
<td>- Less than 1,000 ft&lt;sup&gt;2&lt;/sup&gt; disturbed area &lt;br&gt; - Comply with setbacks, slope requirements, etc. or enroll as Tier 1</td>
</tr>
<tr>
<td>Conditionally Exempt (commercial)</td>
<td>- Less than 2,000 ft&lt;sup&gt;2&lt;/sup&gt; disturbed area &lt;br&gt; - Comply with setbacks, slope requirements, etc. or enroll as Tier 1</td>
</tr>
<tr>
<td>Tier 1 (commercial)</td>
<td>- Disturbed area greater than 2,000 ft&lt;sup&gt;2&lt;/sup&gt; and less than one acre &lt;br&gt; - Comply with setbacks, slope requirements, etc. &lt;br&gt; - Further categorized by risk (slope and setback compliance)</td>
</tr>
<tr>
<td>Tier 2 (commercial)</td>
<td>- Disturbed area greater than one acre &lt;br&gt; - Comply with setbacks, slope requirements, etc. &lt;br&gt; - Further categorized by risk (slope and setback compliance)</td>
</tr>
</tbody>
</table>
Personal Use Exemption

- Exempt from CDFA licensing requirements (non-commercial)
  - Recreational: up to six plants per property parcel
  - Medical: up to 100 ft² per patient, or if caregiver cultivating for patients, maximum five patients (500 ft²)
- Maximum 1,000 ft² disturbed area and 20% slope
- Contiguous cultivation area (all in one place)
- Complies with setback requirements
- Implements all applicable requirements in Attachment A of the Cannabis Cultivation Policy
- Coalitions or cooperatives cannot claim this exemption
- No registration or enrollment requirement

Conditional Exemption

- Cultivators that produce commercial cannabis (medical or recreational) – CDFA license required
- Maximum 2,000 ft² disturbed area and 20% slope
- Contiguous cultivation area (all in one place)
- Complies with setback requirements
- Implements all applicable requirements in Attachment A of the Cannabis Cultivation Policy
- Registration under the General Order is required

Tier 1 or Tier 2 Enrollees

- Cultivators that produce commercial cannabis (medical or recreational) – CDFA license required
- Tier determination is based on disturbed area
  - Tier 1 disturbs more than 2,000 ft², less than one acre (43,560 ft²)
  - Tier 2 disturbs more than one acre
- Complies with setback requirements
- Implements all applicable requirements in Attachment A of the Cannabis Cultivation Policy
- Enrollment under the General Order is required

Tier 1 & Tier 2 Risk Designations (Slope and Setback Compliance)

<table>
<thead>
<tr>
<th>Low Risk</th>
<th>Moderate Risk</th>
<th>High Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>No portion of the disturbed area is located on a slope greater than 30 percent AND All of the disturbed area complies with the setback requirements</td>
<td>Any portion of the disturbed area is located on a slope greater than 30 percent AND All of the disturbed area complies with the setback requirements</td>
<td>Any portion of the disturbed area is located within the setback requirements</td>
</tr>
</tbody>
</table>

Reporting Requirements

- Conditionally Exempt dischargers
  - Site Closure Report – due 90 days prior to ending cultivation
  - Tier 1 and Tier 2 dischargers must submit reports based on the threat to water quality – due 90 days after application submittal
    - Low Risk – Site Management Plan and Site Closure Plan
    - Moderate Risk – Site Erosion Sediment Control Plan
    - High Risk – Disturbed Area Stabilization Plan
- Monitoring and Reporting Program (MRP)
  - Tier 1 and Tier 2 dischargers must submit annual monitoring reports (due March 1, each year)
  - Attachment B of the General Order contains the MRP
  - MRP can be revised by a Regional Water Board Executive Officer
Important Reminders

- All commercial cannabis activities are required to apply for registration or enrollment status under the General Order
- Existing enrollees in the R1 and R5 orders are required to enroll under the statewide General Order
  - Transition to General Order by July 1, 2018
- Previously exempt cultivators under R1 and R5 orders are required to register under General Order
- All applications will be on-line via Internet
- Technical reports are due 90 days after the application is submitted (online application portal)
- Self-monitoring reports are due annually (March 1)

Small Irrigation Use Registration Program

- Statewide Cannabis Small Irrigation Use Registration will be available after Policy adoption, expected late fall 2017
- Existing water diverters should continue to file appropriate water rights paperwork until cannabis registration is available
  - Only for surface water diverters
  - Cannabis cultivators whose water is sourced from groundwater, municipal systems, and rainwater capture do not need to file with Division of Water Rights

Questions and Reminders

Questions ?

Comment Deadline
12:00 PM (noon) on Wednesday, September 6, 2017

See website for notice (workshop dates and information about submitting comments), draft policy, staff report, and general order:
www.waterboards.ca.gov/cannabis

Stay Informed – Email Subscription List

- Sign up for our email list to receive additional information about the State Water Board’s efforts related to commercial cannabis cultivation.
- Go to: http://www.waterboards.ca.gov/resources/email_subscriptions/swrwb_subscribe.shtml
- Enter email address and name at the top of page
- Select “Water Rights”
- Check the “Cannabis Cultivators”
- Click “Submit”

Contacts

<table>
<thead>
<tr>
<th>Small Irrigation Use Registration</th>
<th>916.341.5877</th>
<th><a href="mailto:Sean.Maguire@Waterboards.ca.gov">Sean.Maguire@Waterboards.ca.gov</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Order</td>
<td>916.341.6904</td>
<td><a href="mailto:Timothy.Obrien@waterboards.ca.gov">Timothy.Obrien@waterboards.ca.gov</a></td>
</tr>
<tr>
<td>Kevin Porzio PE</td>
<td>916.341.6914</td>
<td><a href="mailto:Kevin.Porzio@waterboards.ca.gov">Kevin.Porzio@waterboards.ca.gov</a></td>
</tr>
<tr>
<td>Cannabis Cultivation Policy</td>
<td>916.323.9392</td>
<td><a href="mailto:Daniel.Schultz@waterboards.ca.gov">Daniel.Schultz@waterboards.ca.gov</a></td>
</tr>
<tr>
<td>Enforcement</td>
<td>916.322.3626</td>
<td><a href="mailto:Yvonne.West@waterboards.ca.gov">Yvonne.West@waterboards.ca.gov</a></td>
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