

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.9
(ID # 8522)

MEETING DATE:

Tuesday, December 4, 2018

FROM : AGRICULTURAL COMMISSIONER:

SUBJECT: AGRICULTURAL COMMISSIONER: Ratify and Approve Amendment No. 1 to Standard Agreement No. 17-0265 with the California Department of Food and Agriculture for Cannabis Cultivation Compliance Inspections in accordance with the Cal Cannabis Program, All Districts. [\$22,495 - 100% California Department of Food and Agriculture]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve Amendment No. 1 to Standard Agreement No. 17-0265 with the California Department of Food and Agriculture, for cannabis cultivation compliance inspections in accordance with the Cal Cannabis Program in the amount of \$22,494.94 for the period of December 1, 2018 through June 30, 2019.
2. Authorize the Chairman of the Board to sign the amendment on behalf of the County.
3. Authorize the Agricultural Commissioner to sign the Contractor Certification Clauses.

ACTION: Policy

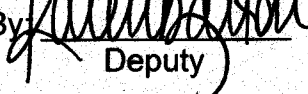

Ruben J. Arroyo, Agricultural Commissioner/Chairman 11/20/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: December 4, 2018
xc: Agric. Comm.

Kecia Harper-Ihem
Clerk of the Board

By 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$22,495	\$22,495	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: California Department of Food and Agriculture. 100%			Budget Adjustment:	No
			For Fiscal Year:	17/18

C.E.O. RECOMMENDATION:

BACKGROUND:

Summary

In June of 2017, the California Legislature passed and the Governor signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). Under MAUCRSA, the California Department of Food and Agriculture (CDFA) was designated as the state agency responsible for issuing licenses to commercial cannabis cultivators in California. Temporary licenses issued by CDFA went into effect on January 1, 2018.

On June 26, 2018, Agenda Item 3.17, the Board of Supervisors ratified and approved Standard Agreement No. 17-0265 with the California Department of Food and Agriculture for cannabis cultivation compliance inspections in accordance with the Cal Cannabis Program for the period of May 1, 2018 through November 30, 2018. Under the terms of this agreement, the Agricultural Commissioner's Office performs cannabis cultivation licensing compliance inspections for CDFA. Inspections are completed at temporarily licensed cultivation, nursery and processing facilities. CDFA has not issued licenses to applicants in the unincorporated area of Riverside County where cannabis cultivation is banned. As such, this agreement is not in conflict with the County's ban on cultivation of cannabis within the unincorporated areas. Inspections only take place at facilities in incorporated cities that allow commercial cultivation of cannabis. Within Riverside County, several cities have passed ordinances allowing the commercial cultivation of cannabis.

This Amendment No. 1 to Standard Agreement No. 17-0265 extends the period of performance of the agreement for an additional seven (7) months from December 1, 2018 through June 30, 2019. In addition, this amendment increase increases the reimbursement amount from \$200 to \$400 for each inspection the Agricultural Commissioner's Office completes.

This agreement is authorized by Section 26069.1 of the California Business and Professions Code. This agreement was approved as to form by County Counsel.

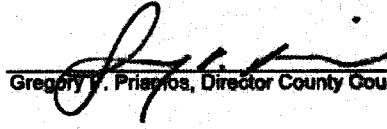
ATTACHMENTS:

Attachment A: Amendment No. 1 to Standard Agreement No. 17-0265

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA


Alex Gann

11/26/2018



Gregory P. Prietas, Director County Counsel

11/20/2018

RESOLUTION

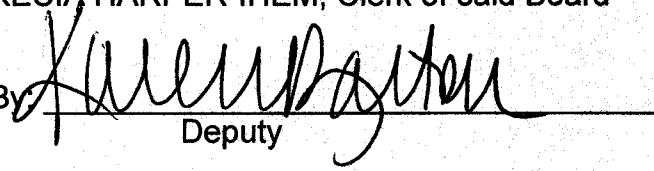
BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on Tuesday, December 4, 2018, that Chuck Washington, the Chairman is authorized and directed to execute on behalf of said County the Standard Agreement No. 17-0265, Amendment No. 1 between Riverside County and California Department of Food and Agriculture providing: for the Cannabis Cultivation Compliance Inspections.

Roll Call:

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-IHEM, Clerk of said Board

By 
Deputy

WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY
 to Riverside County Clerk of the Board, Stop 1010
 Post Office Box 1147, Riverside, Ca 92502-1147
 Thank you

STATE OF CALIFORNIA
STANDARD AGREEMENT AMENDMENT
 STD. 213 A (Rev 6/03)

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 3 Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
17-0265	1
REGISTRATION NUMBER	
18887	

- This Agreement is entered into between the State Agency and Contractor named below:
 STATE AGENCY'S NAME
CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE
 CONTRACTOR'S NAME
COUNTY OF RIVERSIDE
- The term of this Agreement is May 1, 2018 through June 30, 2019
- The maximum amount of this Agreement after this amendment is: \$22,494.94
Twenty-two Thousand Four Hundred Ninety-four Dollars and Ninety-four Cents

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

Section two is hereby extended for a new termination date of June 30, 2019.

Exhibit A, Attachment 1, is hereby amended to increase the cost per inspection (2 Pages).

Exhibit B, Attachment 1, is hereby amended to increase the cost per inspection from \$200 to \$400 (1 Page).

This amendment is necessary to cover the cost of cannabis cultivator inspections.

All other terms and conditions shall remain the same.

ATTEST:
KECIA HARPER-JHEM, Clerk
 By *[Signature]*
DEPUTY

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

FORM APPROVED COUNTY COUNSEL
 DATE 11/20/18
 BY: *[Signature]*
 DANIEL EDWARDS

CONTRACTOR	
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) COUNTY OF RIVERSIDE	
BY (Authorized Signature) <i>[Signature]</i>	DATE SIGNED (Do not type) <u>12/4/18</u>
PRINTED NAME AND TITLE OF PERSON SIGNING CHUCK WASHINGTON CHAIRMAN, BOARD OF SUPERVISORS	
ADDRESS 4080 LEMON STREET, RIVERSIDE, CA 92502	

CALIFORNIA Department of General Services Use Only
<input checked="" type="checkbox"/> Exempt per: DGS Ltr 28.8

STATE OF CALIFORNIA	
AGENCY NAME CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE	
BY (Authorized Signature) <i>[Signature]</i>	DATE SIGNED (Do not type) <u>12/20/18</u>
PRINTED NAME AND TITLE OF PERSON SIGNING JENNIFER CROW, ACQUISITIONS MANAGER	
ADDRESS 1220 N STREET, ROOM 115, SACRAMENTO, CA 95814	

DEC 04 2018 3.9

SCOPE OF WORK

County Cannabis Pilot Inspection Program

The County Agricultural Commissioner's Office (CAC) shall perform defined cannabis cultivation licensing compliance inspections for the California Department of Food and Agriculture (CDFA), Cal Cannabis Licensing Division (Division). Inspections shall be in accordance with the Medicinal and Adult Use of Cannabis Regulation and Safety Act (Act), Section 26069.1, Division 10 of the Business and Professions Code; and the Agreement for Attaining Mutual Objections between CDFA and the California Agricultural Commissioners and Sealers Association (dated July 31, 2012).

Inspections shall include the following commercial cultivation license types:

Specialty Cottage Outdoor	Small Outdoor
Specialty Cottage Indoor	Small Indoor
Specialty Cottage Tier 1	Small Mixed-Light Tier 1
Specialty Outdoor Tier 2	Small Mixed-Light Tier 2
Specialty Indoor	Medium Outdoor
Specialty Outdoor	Medium Outdoor
Specialty Mixed	Medium Mixed-Light Tier 1
Specialty Mixed	Medium Mixed-Light Tier 2
Microbusiness (Cultivator only)	Nursery
Processor	

County Responsibilities

1. The CAC shall perform compliance inspections of temporary state licensed cultivators, nursery, and processors in compliance with the Act and CDFA regulations as outlined in this agreement using the protocols and forms included as Attachments A-F.
2. The CAC is responsible for scheduling inspections and ensuring that all properties that the CAC has committed to inspecting are completed and all required documentation is submitted to the Division.
3. The CAC agrees to accept an inspection assignment from the Division, which may at times be with short notice.
4. The CAC inspector classification must be at a level that has the ability to provide testimony in an administrative, criminal, civil or other proceeding, as needed.

Temporary License Inspection Requirements

Inspections are site-based and not based on the number of temporary licenses associated with any specific premises. Activities for a property and/or premises may include more than one license but are considered one (1) inspection and require only one set of documents to be submitted. An inspection shall include all of the following:

1. Complete a CalCannabis Cultivator Inspection Form (Attachment B).
2. Provide the CalCannabis document packet to the Cultivator (Attachment D).
3. Fill out and obtain cultivator signature on CalCannabis Declaration Form (Attachment C).
4. Issue a Notice of Non-Compliance – Temporary License Holder form, when appropriate (Attachment E).
5. Submit the CalCannabis Cultivator Inspection Form, the CalCannabis Declaration Form, and the Notice of Non-Compliance Form, if applicable, to the Division within five (5) business days of inspection.

CDFA Responsibilities

1. The Division shall provide field inspection training to the CAC and designated staff.
2. The Division shall assign a Special Investigator as a point of contact and resource to the CAC for program support and to provide a local presence when requested for meetings or relevant enforcement events.
3. The Division shall provide a list of temporary cultivation license holder addresses by the 15th of the month for the following month's inspections.
4. The Division shall reimburse the CAC not more often than monthly in arrears.

Additional Terms and Conditions

1. CAC shall meet with the Division to discuss areas of mutual concern including, but not limited to training, joint inspections, and lessons learned.
2. CAC shall immediately notify the Division if they are denied access to a state licensed cultivation site, encounter recalcitrant licensees, and/or have criminal concerns.
3. CAC shall provide and maintain CAC inspection vehicles.
4. CAC shall ensure that designated supervisors and inspection personnel attend training provided by Division Special Investigators.
5. CAC shall attend required Division trainings on the California CalCannabis Track-and-Trace system.
6. CAC shall allow Division Special Investigators to accompany designated CAC inspectors and/or supervisors in the field upon request.
7. CAC shall report all serious Violations (as defined in Section 8601(e) Table A of the Emergency Regulations) to CalCannabis within 24-hours of detection.
8. CAC shall provide the Division with applicable information regarding violations, if any, issued to state licensed cultivation licensee associated with pesticide use/application, or weighing and measuring device non-compliance, if any.
9. Forms may be changed or modified based upon prior mutual agreement from both parties or as required by law.
10. Nothing in this agreement prevents or precludes the Division of Compliance and Enforcement staff from performing regulatory inspections or investigations of state licensed cannabis cultivators within the County.

Invoicing

The CAC shall submit an itemized invoice using the template provided as Attachment F, on County letterhead. Invoice shall be monthly, no later than thirty (30) days after the end of the reporting period covered by the invoice.

All invoiced expenses must fall within the parameters of the Scope of Work and must be directly related to administering and conducting Division program-related activities.

Questions about invoicing/reimbursement shall be directed to Margaret Cornell via email or by calling (916) 263-0900.

Invoices shall be sent via email to margaret.cornell@cdfa.ca.gov.

The Division shall reimburse the CAC a flat fee of ~~\$200~~ **\$400** (~~two~~ **four** hundred dollars) for each inspection completed as outlined in this agreement.

BUDGET DETAIL

COUNTY CANNABIS PILOT INSPECTION PROGRAM

County: Riverside
 Contract Manager: Ruben Arroyo

\$200 \$400 Flat fee per inspection

# of Licenses in County	Associated Assessor Parcel Numbers	*Percentage	Percentage x \$311,000.00 = County allotment	Estimated # of Inspections (allotment divided by \$200 \$400)	Average # of Inspections for each APN (# of inspections divided by APN)	Total Contract Amount
132	63	.072331	\$22,494.94	112	1.785314	\$22,494.94

*Percentage is determined by dividing cannabis parcels in county by 871, the current number of cannabis parcels in the seven counties in the Pilot Inspection Program. Percentage is then applied to CalCannabis Program budget allotted for inspection services to determine county allotment.