



COUNTY OF LAKE
COMMUNITY DEVELOPMENT DEPARTMENT
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Item #6b
9:20 AM
May 9, 2024

STAFF REPORT

TO: Planning Commission

FROM: Mireya G. Turner, Community Development Director
Michelle Irace, Principal Planner

DATE: May 9, 2024

SUBJECT: Consideration of proposed Major Use Permit (UP 21-15), and Mitigated Negative Declaration (IS 21-16) for commercial cannabis cultivation including twenty (20) A-Type 3 “Medium Outdoor” licenses for 19.6 acres of outdoor canopy; Applicant: Rancho Lake, LLC; Location: 19955 Grange Road, Middletown (APNs 014-290-08; 014-300-02, 03, & 04)

ATTACHMENTS:

1. Project Site Plans (6/26/23)
2. Draft Conditions of Approval
3. Property Management Plan (1/18/24)
4. Pest Management Plan (5/2/24)
5. Hydrogeological Analysis (8/31/23)
6. Drought Management Plan (5/24/22)
7. Biological Resource Assessment (3/3/21)
8. Draft Initial Study/Mitigated Negative Declaration (5/2/24)
9. Agency Comments
10. Tribal Comments
11. Public Comments (as of 5/3/24)

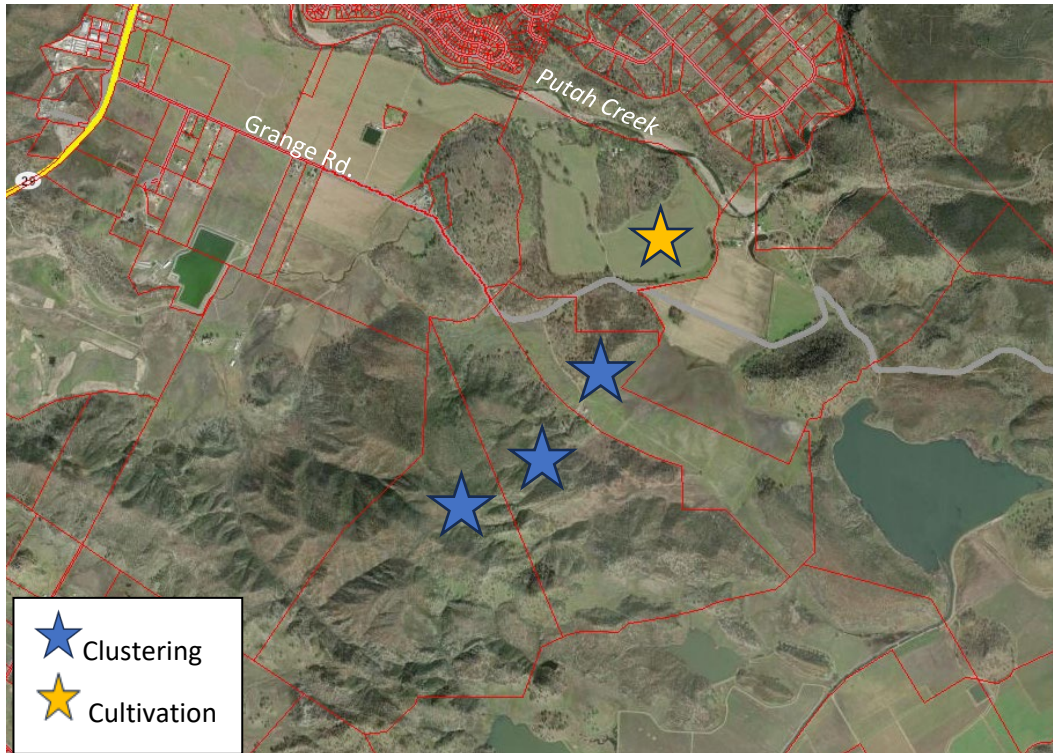
EXECUTIVE SUMMARY

The applicant, Rancho Lake, LLC, is requesting a major use permit proposed Major Use Permit (UP 21-15), and Mitigated Negative Declaration (IS 21-16), for commercial cannabis cultivation including twenty (20) A-Type 3 “Medium Outdoor” licenses for 19.6 acres of outdoor canopy (within a 34-acre cultivation area), located at 19955 Grange Road, Middletown (APNs 014-290-08; 014-300-02, 03, & 04). The proposed cultivation (Project) would occur on APN 014-290-08 (“Project parcel”), while APNs 014-300-02, 03, and 04 will be used for clustering. The proposed cultivation operation would be established in areas of the Project parcel that have been used to farm oats and hay, as well as for cattle grazing, since at least the early 1900s. Cannabis cultivated on-site would be dried within the proposed Harvest Storage and Staging Areas, then transported to State of California-licensed processing and manufacturing facilities for processing and/or extraction.

The parcel is accessed via Grange Road, a paved and County Maintained roadway. Grange Road connects to Highway 29 approximately 1 ½ miles west of the Project Property. The Project parcel

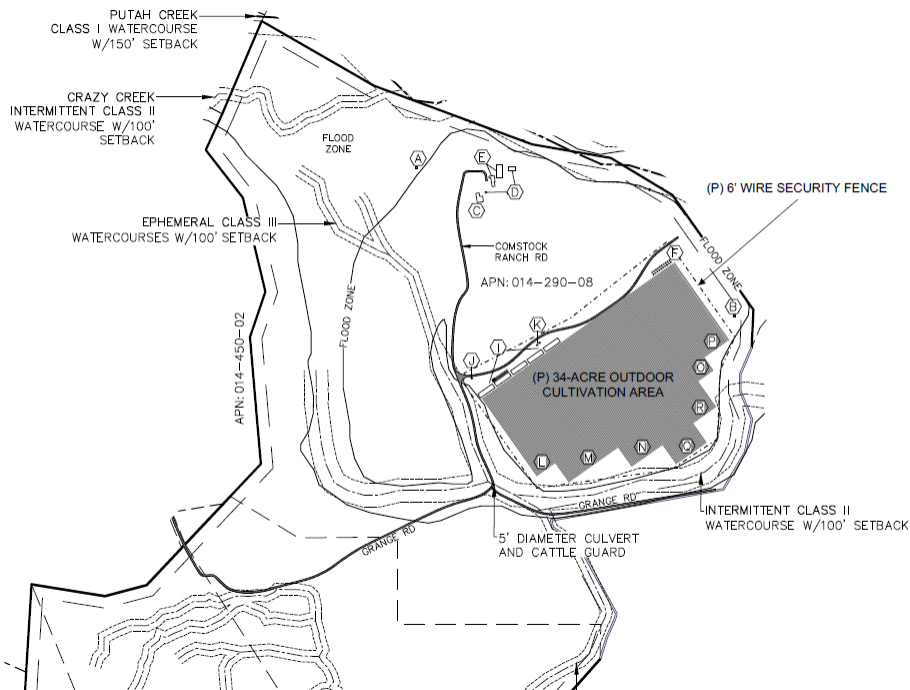
is accessed via Comstock Ranch Road, a graveled road off of Grange Road. Locking metal gates across Grange and Comstock Ranch roads control access to the parcel.

FIGURE 1 – VICINITY MAP



Source: Lake County GIS Portal

FIGURE 2 –CULTIVATION AREA SITE PLAN OVERVIEW



Source: Application Materials

PROJECT DESCRIPTION

<u>Project Title:</u>	Rancho Lake
<u>Permit Numbers:</u>	Major Use Permit UP 21-15; Initial Study IS 21-16
<u>Applicant Name & Address:</u>	Rancho Lake, LLC 2349 Circadian Way, Santa Rosa, CA 95407
<u>Property Owner:</u>	Comstock Ranch, LLC
<u>Project Location:</u>	19955 Grange Road, Middletown, CA 95461
<u>Parcel Number(s) (APN):</u>	014-290-08 (Cultivation); APNs: 014-300-02, 03, and 04 (Clustering)
<u>Parcel Size:</u>	357.4 Acres (014-290-08) 506 Acres (014-300-02) 506 Acres (014-300-03) 257.6 Acres (014-300-04) 1,627 Acres Combined
<u>General Plan Designation:</u>	RL-RC-A-RR; Rural Lands, Resource Conservation, Agriculture, Rural Residential
<u>Zoning District(s):</u>	RL-RR-A-FF-FW-WW; Rural Lands-Agriculture-Rural Residential-Floodway Fringe-Floodway-Waterway
<u>Flood Zone:</u>	“X”, “A” and “AE”; Areas to be developed are located within Flood Zone “X” (Minimal to Moderate Risk of Flood)
<u>Soils and Slope:</u>	158 Lupoyoma silt loam -moderately well-drained alluvium composed of sandy, silt, and clay loams. Slope is varied; area to be developed is on less than 10 percent slopes

Existing Features:

- Residence
- Five accessory agricultural structures/buildings (used to store hay, tools, and equipment, and to house livestock)
- Two groundwater wells

Proposed Features:

- Up to 854,940 sq. ft. (19.6 Acres) of outdoor canopy area within a 34-acre cultivation area
- Five (5) 40'x150' (6,000 sq. ft.) Harvest Storage & Staging Areas (engineered fabric structures-see photographs of examples in the Property Management Plan)
- Two (2) 10'x12' (120 sq. ft.) stormproof sheds for chemical, pesticide, hazardous material storage
- One (1) 10'x12' (120 sq. ft.) stormproof shed for office and security use
- Twenty (20) 5,000-gallon water storage tanks for irrigation and fire suppression
- An employee parking area with fourteen (14) spaces and one ADA compliant space

- On-site portable restroom and hand washing facilities
- Six-foot galvanized woven wire fencing, with access using metal gates secured by padlocks. Security cameras will be installed around the perimeters of the proposed cultivation area and at other points of access in compliance with the Lake County Zoning Ordinance.

Operation. According to the Property Management Plan (Attachment 3), the growing medium of the proposed outdoor canopy areas will be an amended native soil mixture, with drip irrigation systems covered in white plastic mulch (to conserve water resources). The proposed 6-foot wide canopy areas will be spaced 8 feet apart, to allow for the use of mechanized agricultural equipment. Six-foot tall wire fences will be erected around the proposed outdoor cultivation area, with privacy mesh where necessary to screen the cultivation/canopy area(s) from public view. Each spring, the native soil of the proposed outdoor cultivation/canopy areas will be plowed/disc'd and harrowed to create planting beds for the cultivation of cannabis. The proposed Harvest Storage & Staging Areas will be erected in July of each year and deconstructed each December. The intent is for there to be little to no evidence during the winter and spring seasons, of the cultivation activities that occurred during the summer and fall of the previous year.

Operation would occur up to seven days per week from April 15th to November 15th of each year. The operation hours will be Monday through Sunday during daylight hours from approximately 7:00 a.m. to 7:00 p.m. The Lake County Zoning Ordinance restricts deliveries and pickups to 9:00 a.m. to 7 p.m., Monday through Saturday, and Sunday from 12 noon to 5:00 p.m. Once operational, the proposed Project would staff approximately twelve (12) full-time employees, and approximately twenty (20) seasonal employees for the peak planting and harvest periods. Daily traffic commutes during regular operations would be approximately twenty-four (24) trips during regular operations, and up to forty (40) daily commutes during the peak planting and harvest periods. Weekly truck deliveries of various Project-related materials would occur throughout the cultivation season.

Power. A new PG&E electrical utility service connection would be needed to provide power to the pump in the existing onsite groundwater well. Electricity for the security cameras and security lights in and around the proposed outdoor cultivation area will be produced via individual photovoltaic solar panels with battery storage/backup systems.

Chemical Storage. According to the applicant's Property Management Plan, fertilizers and pesticides will be stored within two (2) 120 sq. ft. stormproof sheds. All solid waste will be kept in a secured area and regularly removed to be disposed of at waste disposal facility. All plant waste will be chipped/mulched and composted on site, then reused as soil amendment.

Construction. Construction would include building fences, soil preparation, installing irrigation systems, developing the employee parking areas, and erecting the Harvest Storage & Staging Areas (engineered fabric structures). Construction is expected to take 3 to 4 weeks and utilize 8 to 16 workers. The proposed Security Center and Pesticide & Agricultural Chemicals Storage Area (wooden sheds) would be delivered to the site and assembled in a day. Truck deliveries would be expected to occur, on average, every 1 to 2 days throughout the construction season. Construction staging would occur in the proposed parking and work areas. No trees or vegetation will be removed to establish the proposed cultivation operation.

POINTS OF INTEREST

Reduction in Scope

The Project was submitted in 2021, and originally proposed seventy-four (74) A-Type 3 “Medium Outdoor” cultivation licenses, with a combined canopy area of 3,196,000 sq.ft. (73.4 acres). Additionally, the Project proposed Early Activation of Use Permit for 1,900,000 sq.ft. (43.6 acres) of the total proposed 3,196,000 sq.ft. cultivation/canopy area. In order to comply with setbacks to waterways and to alleviate other operational concerns, the Project scope changed a number of times to reduce the cultivation area and canopy, until ultimately reaching the current proposal of 20 A-Type 3 “Medium Outdoor” licenses for 19.6 acres of canopy within a 34-acre cultivation area.

Hydrology and Water Use

Hydrology. As shown in Figure 3 below, the Project parcel is located in the eastern half of the Coyote Valley, within the Crazy Creek- Putah Creek Watershed. Putah Creek, a Perennial Class I Watercourse, flows from west to east through the northernmost portion of the Project parcel. Crazy Creek, an intermittent Class II Watercourse, flows from west to east through the northwest portion of the Project parcel and into Putah Creek. Multiple unnamed intermittent Class III Watercourses flow generally from west to east, through the Project parcel, and into Putah Creek. A large complex wetland occupies the valley floor in the southern half of the Project property (over 1,000 feet from the proposed cultivation operation). No cannabis cultivation activities, nor agricultural chemicals storage is proposed within 150 feet of any surface waterbody, and no ground disturbance is proposed within 100 feet of any wetland or channel. The proposed Project has been designed to adhere to the minimum setback from surface water bodies, per Article 27 of the Lake County Zoning Ordinance.

The proposed cultivation operation will increase the impervious surface area of the Project property by approximately 30,360 ft², or less than 0.2% of the Project parcel, through the installation of five 6,000 ft² engineered fabric structures (proposed Harvest Storage & Staging Areas) and three 120 ft² wooden sheds (proposed Security Center and Pesticide & Agricultural Chemicals Storage Area). The proposed outdoor cultivation/canopy areas will not increase the impervious surface area of the Project parcel nor the volume of runoff from the Project site. The proposed parking areas will have permeable gravel surfaces, and the proposed ADA parking spaces will be constructed of permeable pavers. Erosion control measures are included in the Property Management Plan.

The County’s Cannabis Ordinance requires that all cultivation operations be located at least 100-feet away from all waterbodies (i.e. spring, top of bank of any creek or seasonal stream, edge of lake, wetland or vernal pool). Additionally, the Project is enrolled in the State Water Board’s Waste Discharge Requirements for Cannabis Cultivation Order WQ 2019-001-DWQ and must comply with the Minimum Riparian Setbacks. Cannabis cultivators must comply with these setbacks for all land disturbances, cannabis cultivation activities, and facilities (e.g., material or vehicle storage, diesel powered pump locations, water storage areas, and chemical toilet placement).

Lastly, as discussed within the Initial Study prepared for the Project, Mitigation Measures BIO-1 through BIO-3 and HAZ-1 through HAZ-8 would ensure impacts related to potential

contaminants are reduced to Less Than Significant levels. See the Environmental Review section of this Staff Report below for more information.

Water Usage. A Hydrogeologic Assessment was prepared by Hurvitz Environmental Services Inc. for the Project (Attachment 5). All water for the proposed cultivation operation will come from an existing onsite groundwater well located at Latitude 38.77697° and Longitude - 122.52711°. The Well Completion Report for this groundwater well indicates that it was drilled in February of 2021 to a depth of 160 feet and completed at 140 feet below ground surface. In July of 2021, a licensed well driller conducted a 6-hour pump test of this well and concluded that it can yield more than 355 gallons per minute. Water from the groundwater well will be pumped to and stored within twenty (20) proposed 5,000-gallon water storage tanks located directly adjacent to the proposed cultivation/canopy areas. Irrigation water will be pumped from the 5,000-gallon water storage tanks to the above ground drip-irrigation systems of the proposed outdoor cultivation/canopy areas.

According to the Applicant's Property Management Plan – Water Usage section, the proposed cultivation operation has an estimated annual water use requirement of approximately 16,000,000 gallons (49.1 acre-feet), with a maximum daily water demand of approximately 90,000 gallons during the peak outdoor cultivation season, and an average daily demand of approximately 75,000 gallons over the 7-month cultivation season. 212 minutes (approximately 3 hours and 32 minutes) of pumping a day at 355 gpm would be needed to produce the average daily water demand for the proposed Project. The peak daily water demand of the proposed Project would require 254 minutes (approximately 4 hours and 14 minutes) of pumping at 355 gpm. The Hydrogeologic Assessment Report prepared for the proposed Project concluded, that based on well yield test results and the anticipated water demand for the Project, it is evident that the aquifer beneath the site can sustainably produce the water needed to meet the Project demands.

The Drought Management Plan prepared for the Project (Attachment 6) identifies Best Management Practices per the Water Conservation and Use requirements outlined in the State Water Resources Control Board's Cannabis General Order to conserve water resources during normal times and in times of drought (Mitigation Measure HYD-2). To ensure both success and decreased impacts to the surrounding areas, the applicant plans to reduce their outdoor canopy area and water usage by approximately 10 percent during drought emergencies.

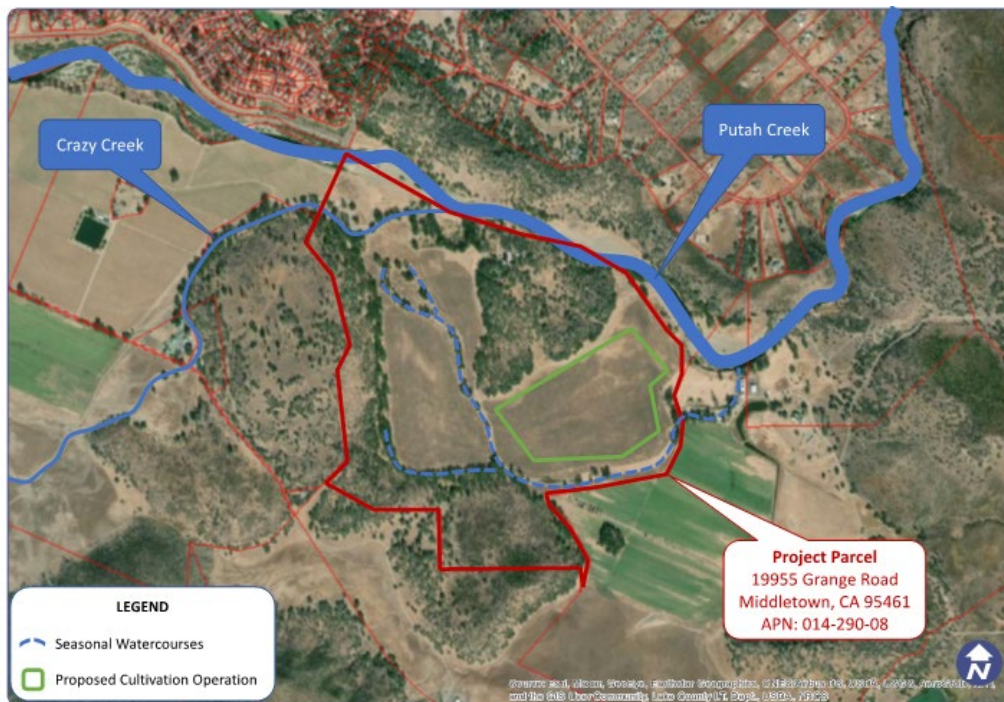
Aquifer/Groundwater Recharge. According to the Project's Hydrogeologic Assessment Report – *Groundwater Recharge* section, the estimated average annual groundwater recharge of the property is approximately 793 acre-feet. The estimated average annual groundwater recharge (~793 acre-feet) is more than fifteen times the proposed Project's estimated annual water use requirement (~49.1 acre-feet). The estimated annual groundwater recharge of the Project property during drought conditions is 396.6 acre-feet, which equates to more than eight times the proposed Project's estimated annual water use requirement. The Hydrogeologic Assessment Report concluded that the Applicant will have enough water to meet their demands without causing overdraft conditions.

Potential Impacts to Neighboring Groundwater Wells. According to the Project's Hydrogeologic Assessment Report, the calculated zone of pumping influence for the proposed cultivation operation extends approximately 220 feet from the Project well. There are no neighboring wells within 220 feet of onsite groundwater well. Therefore, impacts to

neighboring groundwater wells as a result of pumping for the proposed cultivation operation are not anticipated. Additionally, the radius of pumping influence graphs suggest that pumping would have a negligible effect on stream flow within Putah Creek.

Water level monitoring is required by the Lake County Zoning Ordinance. Ordinance Article 27 Section 27.11(at) requires the production well to have a water meter and water level monitor. With this required measure (Mitigation Measure HYD-1) in place, impacts to groundwater resources would be less than significant.

FIGURE 3- WATER RESOURCES ON-SITE



Adjacent Agricultural Uses

According to the California Department of Conservation (DOC) Farmland Mapping and Monitoring Program, no portion of the Project is mapped as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. However, the Project site is located on land identified as Farmland of Local Importance, which is defined by the DOC as, "Land of importance to the local agricultural economy as determined by each county's board of supervisors and a local advisory committee." The parcel has been used to farm oats and hay, as well as for cattle grazing since the 1900s.

The adjacent parcel (southeast of proposed cultivation area) is designated as Prime Farmland and is utilized for cattle grazing and beef production. Correspondence submitted by 276 Ranch, LLC (Luchetti Farms) notes that they operate an organic beef farm, and expresses concerns that the proposed Project will impact the adjacent farm as a result (among other things) of chemical use and pesticide drift.

As described in the Property Management Plan and Pest Management Plan for the Project, pesticide applications will be used during the growing season and only within the cultivation areas. Chemicals stored and used at/by the proposed cultivation operation include fertilizers/nutrients, pesticides, and petroleum products (Agricultural Chemicals). All fertilizers/nutrients and pesticides, when not in use, will be stored in their manufacturer's original containers/packaging inside the secure Pesticides & Agricultural Chemicals Storage Area sheds, which are proposed on the north side of the cultivation area, approximately 1,600 feet from the Luchetti Farms property line.

Staff contacted the Lake County Agricultural Commissioner regarding this issue, and they noted that it is not uncommon for conventional and organic farmed properties to exist side by side. However, the Agricultural Commissioner noted that pesticide applicators have a responsibility when making applications to not allow products to drift or to continue making an application when the weather conditions would favor potential drift. The operator (and all employees who are applying pesticides) are required to obtain a pesticide permit and recommends a private applicator certificate (PAC). The Pest Management Plan originally prepared for the Project included some pesticides that are not approved for cannabis use; however, the list of pesticides has been updated to remove unpermitted pesticides. In the event of a drift occurrence, a complaint could be submitted to their department, and they would follow up with an investigation.

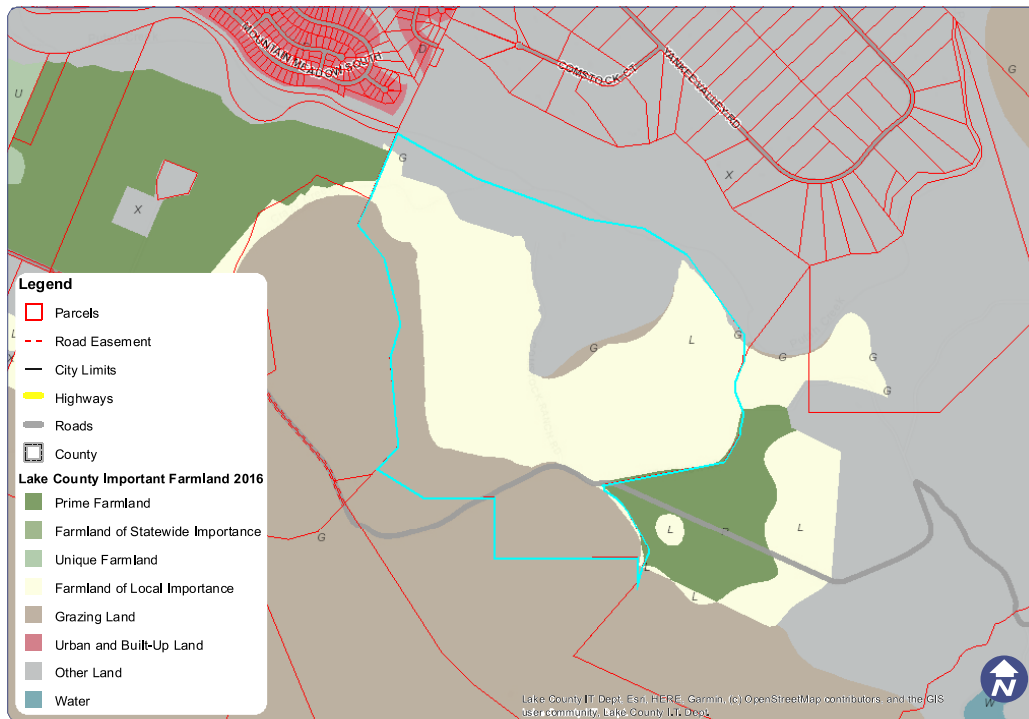
The Lake County Division of Environmental Health, which acts as the Certified Unified Program Agency (CUPA) for Hazardous Materials Management, has been consulted about the Project and the Project is required to address Hazardous Material Management in the Property Management Plan, which has been reviewed by the Lead Agency to ensure the contents are current and adequate.

Petroleum products will be stored under cover, in State of California-approved containers with secondary containment and separate from pesticides and fertilizers within the proposed Pesticides & Agricultural Chemicals Storage Area. Spill containment and cleanup equipment will be maintained within the proposed Pesticides and Agricultural Chemicals Storage Area, as well as Materials Safety Data Sheets (MSDS/SDS) for all potentially hazardous materials used onsite.

[Ordinance 3101 and 3103](#) provide additional protection to lands within the Agricultural Preserve zoning district (APZ) and lands within Farmland Protection Zones (FPZ) from cannabis cultivation through development standards and setbacks. Specifically, cannabis cultivation is only permitted within greenhouses on lands zoned APZ and there is a 1,000 ft buffer for cultivation areas from all FPZ land. As depicted in Figures 5 and 6 below, the proposed cultivation area is not located within APZ land, and is consistent with the 1,000 ft buffer for FPZ lands; the nearest FPZ land is located in the Lower Lake area along Highway 29, approximately 10 miles (as the crow flies) away from the Project parcel.

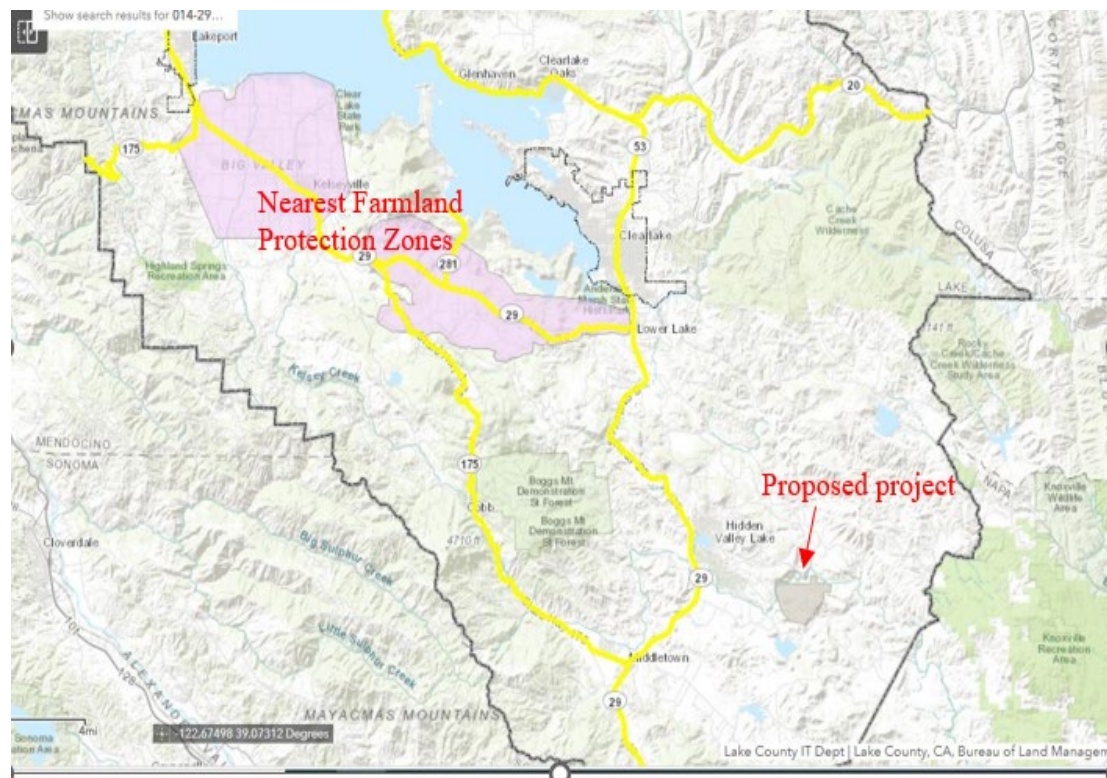
Agricultural uses as described in California Government Code §51201(c) are generally allowed in Agriculture-zoned areas, and no portion of the Project is under a Williamson Act contract. While the proposed cultivation area would be adjacent to Luchetti Farm, the Project meets all required setbacks and development standards. The Project would not interfere with the ability of the Luchetti Farm to continue grazing operations.

FIGURE 4. FARMLAND MAPPING AND MONITORING PROGRAM DESIGNATIONS



Source: Lake County GIS Portal, State FMMP Mapping

FIGURE 5- NEAREST FARMLAND PROTECTION ZONE



Source: Lake County GIS, Commercial Cannabis Exclusion Zones

PROJECT SETTING

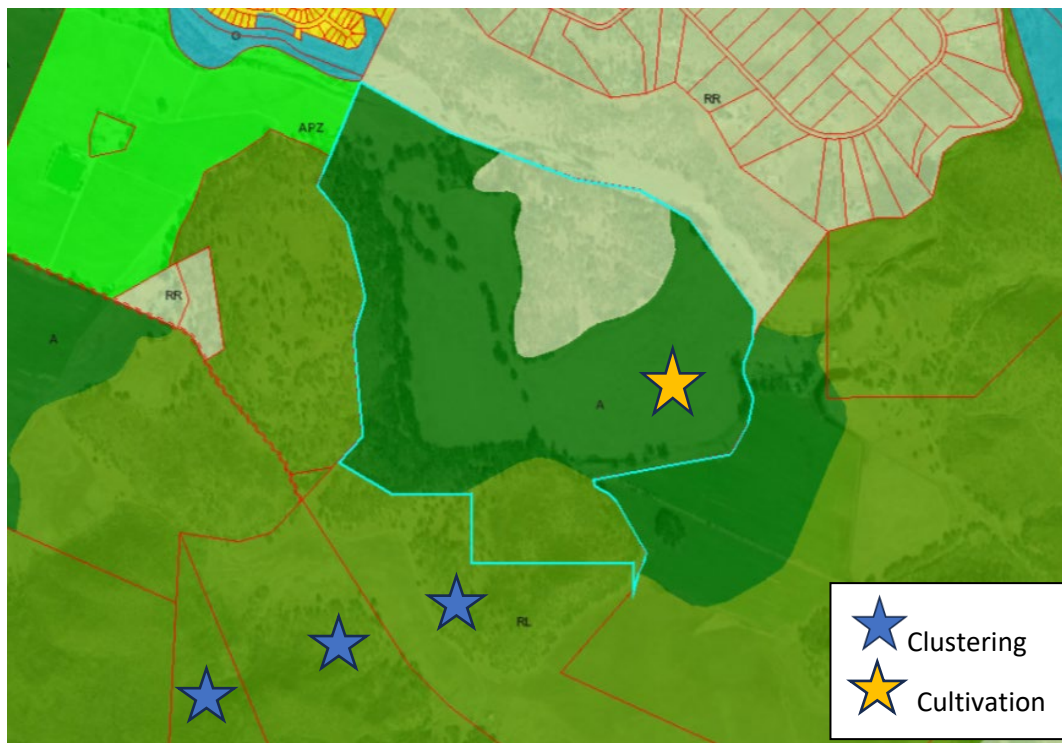
The Project parcel has been improved with internal compacted dirt and gravel access roads, a residence, five (5) accessory agricultural structures, and two (2) groundwater wells. The proposed Project is located in the Middletown Planning Area.

Current and past land uses on-site include rural residential with intensive and extensive agriculture. The proposed cultivation operation would be established in areas of the Project parcel that have been used to farm oats and hay, as well as for cattle grazing, since at least the early 1900s. The surrounding land uses are rural land, residential, agriculture, and open space, with existing ranches and vineyards, as further described below.

Surrounding Zoning and Uses

- West: APNs 014-280-15, 014-370-05, and 014-450-02; Zoned Rural Lands and Agricultural Protection; Vacant Land, Rural Residence, and Vineyard
- South and East: APNs 014-300-04 and 014-400-04; Zoned Rural Lands and Agriculture; Rural Residence and Agriculture
- North: APNs 014-290-12, 141-611-04 & 07; Zoned Rural Residential and Open Space, Vacant Land

FIGURE 6 – ZONING MAP



Source: Lake County Parcel Viewer, Zoning Layer

PROJECT ANALYSIS

General Plan Conformity

The Project parcels carry the following General Plan land use designations: Rural Lands, Resource Conservation, Agriculture, Rural Residential.

The *Agriculture* land use designation includes areas with prime farmland, vineyard soils and grazing lands, along with areas characterized by steep slopes and limited services. These lands are actively or potentially engaged in crop production, including horticulture, tree crops, row and field crops, and related activities. Wineries and the processing of local agricultural products such as pears and walnuts are encouraged within this designation. The Lake County Zoning Ordinance allows for commercial cannabis cultivation in the “A” land use zone with a major use permit.

The *Rural Lands* designation is to allow rural development in areas that are primarily in their natural state, although agricultural production can occur on these lands. Typical uses permitted include, but are not limited to, animal raising, crop production, single family residences, game preserves and fisheries. Recreational and manufacturing/processing land uses are permitted with a use permit.

The *Rural Residential* designation is designed to provide single-family residential development in a semi-rural setting. Typical uses permitted include single family residences; crop production; raising of poultry, rabbits, and other small animals for domestic use; agricultural-related services and recreation.

The *Resource Conservation* designation is to assure the maintenance or sustained generation of natural resources within the County. This category would include public and private areas of: significant plant or animal habitats; forest lands in Timberland Preserve Zones; agricultural lands within the Williamson Act; grazing; watersheds including waterways and wetlands; outdoor parks and recreation; retreats; mineral deposits and mining areas which require special attention because of hazardous or special conditions; publicly-owned land (e.g., U.S. Forest Service, BLM land, State, and County); and open space activities.

The cultivation site would be located within the “A” Agriculture-designated portion of the Project parcels. Because the RC, RR and RL-designated portions of the parcels would either be utilized for clustering or access purposes, the Project is not further analyzed for consistency with those designations.

The following General Plan policies relate to site development in the context of this proposal:

Chapter 3 Land Use

Goal LU-1: Encourage the overall economic and social growth of the County while maintaining its quality-of-life standards.

- Policy LU-1.3: Prevent Incompatible Uses. The County shall prevent the intrusion of new incompatible land uses into existing community areas.

Pursuant to Article 27, Sec. 21-27.10, Sec. 27.11 Table B of the Lake County Zoning Ordinance, the cultivation of cannabis is an allowable use within the “Agriculture” zoned land upon securing a Major Use Permit. The Project parcel proposed for cultivation activities is surrounded by large

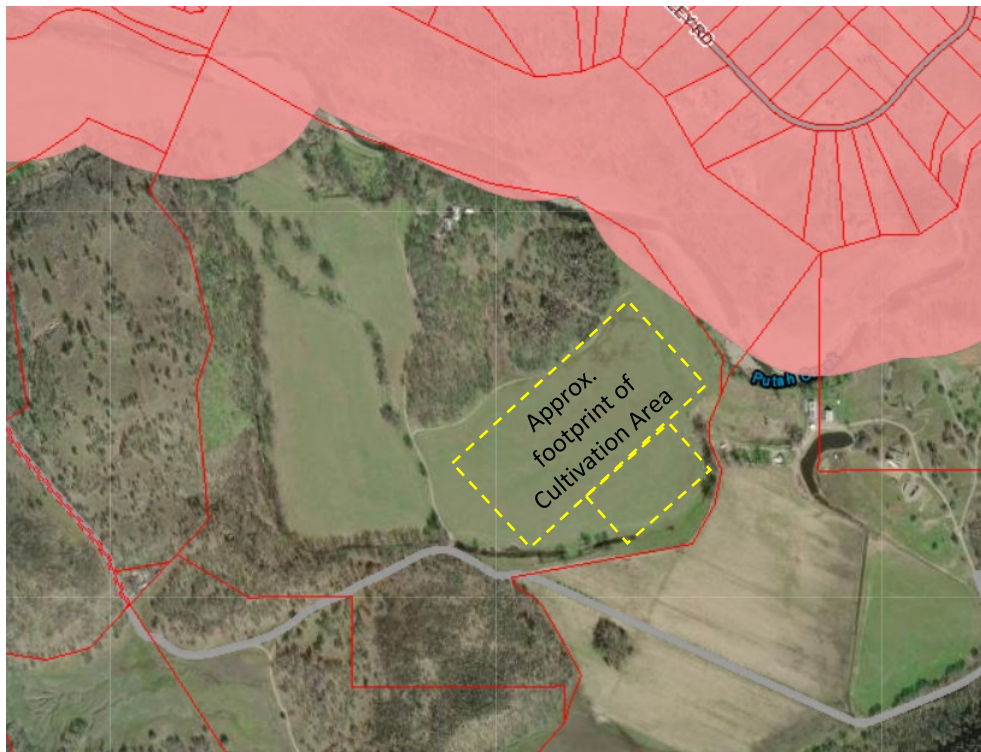
parcels with limited development. As discussed below in the *Zoning Ordinance Conformity* section, the Project meets all required development standards intended to prevent incompatible land uses. Therefore, the proposed Project would not be an intrusion of a new incompatible land use within the existing zoning and general plan designation of this area.

Goal LU-2: To clearly differentiate between areas within Lake County appropriate for higher intensity urban services and land uses from areas where rural or resource use should be emphasized.

- Policy LU-2.4 Agricultural/Residential Buffer. The County shall require adequate setbacks between agricultural and non-agricultural uses. Setbacks shall vary depending on type of operation and chemicals used for spraying.

In reference to the Lake County Zoning Ordinance Article 27, Section 27.11 (at), the County requires a minimum 100-foot setback from all property lines of the subject property, a minimum 100-foot setback from the top of bank of any surface water source, and a minimum of 200-foot setback from any off-site residences. The nearest off-site residence is located over 1,000 feet south of the proposed Project, well over the 200-foot setback for offsite residences from commercial cannabis cultivation operations. Additionally, commercial cannabis cultivation is prohibited within 1,000 feet of Community Growth Boundaries, licensed childcare facilities, churches, or youth-oriented facilities. The nearest Community Growth Boundary is the Hidden Valley Lake Community Growth Boundary. The 1,000 buffer (shown in pink in Figure 7 below) does encroach onto the parcel; however, the cultivation activities would be located outside of it and the Project complies with all other required setbacks.

FIGURE 7- 1,000 FT COMMUNITY GROWTH BOUNDARY BUFFER



Source: Lake County GIS Portal, Commercial Cannabis Exclusion Zones Layer

Chapter 7 Health and Safety

Goal HS-1: To ensure the County is protected from injury and damage resulting from natural catastrophes, man-made events, and hazardous conditions.

- Policy HS-1.3: Building and Fire Codes: The County shall ensure all buildings for human habitation are designed in compliance with the Uniform Building Code and other requirements based on risk (e.g., seismic hazards, flooding), type of occupancy, and location (e.g., floodplain, fault).

The Project proposes twenty (20) 5,000-gallon water tanks for irrigation and fire suppression. The applicant is required to obtain Building Permits, in accordance with all building and fire codes.

Goal HS-5: To protect residents, visitors, and property from hazardous materials through their safe use, transport, and disposal.

- Policy HS-5.6 Contamination Prevention: The County shall review new development proposals to ensure that soils, surface water and groundwater are protected from contamination.

The County's Cannabis Ordinance requires that all cultivation operations be located at least 100-feet away from all waterbodies (i.e. spring, top of bank of any creek or seasonal stream, edge of lake, wetland or vernal pool). Additionally, the Project is enrolled in the State Water Board's Waste Discharge Requirements for Cannabis Cultivation Order WQ 2019-001-DWQ and must comply with the Minimum Riparian Setbacks. Cannabis cultivators must comply with these setbacks for all land disturbances, cannabis cultivation activities, and facilities (e.g., material or vehicle storage, diesel powered pump locations, water storage areas, and chemical toilet placement).

The Property Management Plan has stated that all fertilizers and pesticides used be properly stored and placed within storage sheds with the use of secondary containment as required for all commercial cannabis activities. The Project also meets the required setbacks to watercourses. As discussed within the Initial Study prepared for the Project, Mitigation Measures BIO-1 through BIO-3 and HAZ-1 through HAZ-8 would ensure impacts related to potential contaminants are reduced to Less Than Significant levels. See Environmental Review section of this Staff Report below for more information.

Goal HS-7: To minimize the possibility of the loss of life, injury, or damage to property as a result of urban and wildland fire hazards.

- Policy HS-7.6 Development Guidelines: Developers and/or subsequent owners must assume responsibility for ongoing fire prevention maintenance activities for the Project, including abatement of fuel buildup, fire break maintenance, access provision, and provision of adequate water supply to meet fire flow.

The Project site is situated in a moderate fire hazard severity zone and the Project site is relatively flat. The cultivation areas and associated facilities do not further exacerbate the risk of wildfire, or the overall effect of pollutant concentrations on area residents in the event of a wildfire. The Project would improve the ability to fight fires through the upkeep of the property area and the installation of the proposed water tanks. Prior to cultivation, the applicant is required to create 100 feet of defensible space around all buildings that will be occupied by humans and / or that require

a building permit. Internal gates and roadways shall meet CALFIRE requirements for vehicle access according to PRC §4290, including adequate width requirements.

Chapter 8 Noise

Goal N-1: To protect County residents from the harmful exposure of excessive noise and prevent incompatible land uses from encroaching upon existing and planned land uses.

- Policy N-1.4 Site Planning to Reduce Noise Impacts: The County should encourage proper site planning, architectural layout, and use of building materials as methods of noise attenuation. The following techniques should be considered to reduce noise impacts: Increase the distance between noise source and receiver through the use of building setbacks and/or dedication of noise easement.

The Project is situated in a remote location with adequate setbacks from sensitive receptors so as not to create a nuisance for the community. Noise related to cannabis cultivation typically occurs either during construction, or as the result of machinery related to post construction equipment such as well pumps or emergency backup generators during power outages. Although the property size and location will help to reduce any noise detectable on the property line, mitigation measures will still be implemented to further limit the potential sources of noise. As noted in the Initial Study prepared for this Project, Mitigation Measures NOI-1 and NOI-2 restrict noise levels related to construction and operation. See Environmental Review section of this Staff Report for more information.

Chapter 11 Water Resources

Goal WR-1: Provide for the current and long-range water needs of the County and for the protection of the quality and quantity of groundwater resources.

- Policy WR-1.2: Sustainable Groundwater Withdrawal. The County shall manage groundwater resources within its jurisdiction through ordinances, Project approvals, and agreements to ensure an adequate, safe, sustainable, and economically viable groundwater supply for existing and future use within the County, to maintain and enhance the natural environment, protect existing groundwater users, the overall economy of the County, and groundwater and surface water quality and quantity in a manner consistent with existing law and with a doctrine of safe yield within the groundwater basins of the County.

Under Chapter 21, Article 27.11, the requirements for cannabis cultivation include a Water Use Management Plan to be reviewed and approved by the County. As discussed in detail within the Points of Interest section of this Staff Report, as well as the Initial Study, all water for the proposed cultivation operation will come from an existing onsite groundwater well located at Latitude 38.77697° and Longitude -122.52711°. The Well Completion Report for this groundwater well indicates that it was drilled in February of 2021 to a depth of 160 feet and completed at 140 feet below ground surface. In July of 2021, a licensed well driller conducted a 6-hour pump test of this well and concluded that it can yield more than 355 gallons per minute. Water from the groundwater well will be pumped to and stored within twenty (20) proposed 5,000-gallon water storage tanks located directly adjacent to the proposed cultivation/canopy areas. Irrigation water will be pumped from the 5,000-gallon water storage tanks to the above ground drip-irrigation systems of the proposed outdoor cultivation/canopy areas.

According to the applicant's Property Management Plan, the proposed cultivation operation is expected to have an annual water use requirement of approximately 49.1 acre-feet (~16,000,000 gallons). The applicant provided a Hydrogeologic Assessment Report prepared by a Certified Hydrogeologist for the proposed Project. The Hydrogeologic Assessment Report indicated that the aquifer storage and recharge area of the Project Property are sufficient to provide for sustainable annual water use at the site and within the area. Additionally, the Hydrogeologic Assessment Report concluded that the proposed Project is unlikely to result in significant declines in groundwater elevation or depletion of groundwater resources over time, and that the horizontal and vertical separation between the irrigation well and the nearest domestic well should not result in significant well interference.

Lastly, the Drought Management Plan prepared for the Project identifies Best Management Practices per the Water Conservation and Use requirements outlined in the State Water Resources Control Board's Cannabis General Order to conserve water resources during normal times and in times of drought. To ensure both success and decreased impacts to the surrounding areas, the applicant plans to reduce their outdoor canopy area and water usage by approximately 10 percent during drought emergencies.

Middletown Area Plan Conformity

The subject site is within the Middletown Area Plan's boundary. The Area Plan contains policies that apply to agriculture, water resources, economic development, and land use compatibility.

Chapter 3-Natural Resources

Objective 3.4.1. Encourage agricultural development in the Middletown area by supporting programs that help reduce agricultural costs and preclude intrusion of incompatible development into prime agricultural areas.

- Policy 3.4.1a. Support the continued use of agricultural lands and discourage conversion of these lands to other uses unless necessary to accommodate an orderly and logical pattern of urban development.

The parcel proposed for cultivation is zoned Agriculture "A" and has been used to farm oats and hay, as well as for cattle grazing since the 1900s. The proposed activities are agricultural in nature and are consistent with the current and past use of the property, the surrounding existing uses, and existing zoning.

- Policy 3.4.1d. Protect large agricultural tracts from water quality and erosion damage due to improper management practices.

As discussed in the Points of Interest section of this Staff Report, the project is consistent with all required setbacks from water resources, development regulations, as well as local and state regulatory requirements related to water quality and contamination. The Property Management Plan prepared for the project discusses Best Management Practices related to erosion, water quality and pesticide use. The Applicant has submitted an Erosion & Sediment Control Plan prepared by Realm Engineering that identifies installation of straw wattles and silt fencing around the cultivation site.

Objective 3.6.1. Protect and preserve archaeological and historical resources throughout the Planning Area for the long-term benefit of residents, tourists, and future generations.

- Policy 3.6.1a. Prior to approval of discretionary projects within areas of known sensitivity to archaeological resources, local Native American representatives shall be consulted concerning potential impacts to cultural resources.

A Cultural Resources Assessment (CRA) was prepared by Natural Investigations Company for the proposed Project in March of 2021. The services provided included a cultural resources literature search, Sacred Lands File (SLF) search, and an intensive pedestrian survey of the proposed cultivation area and adjacent areas (116 acres total). The CRA concluded that there are no cultural or tribal cultural resources within the Project parcel where development would occur, but there are resources of cultural and tribal cultural significance that have been recorded on the larger 1,600+ acre Project parcels. According to the CRA, the property owner is aware of these resources and the Project has been designed to avoid them; as proposed the Project will not impact the previously recorded cultural resources on the Project Property due to the Project's location and distance from the sites. Additionally, as further discussed in the Initial Study, no formal response for consultation was received during the AB 52 notification process; however, Rancho Lake, LLC has entered into a Cultural Resources Monitoring and Treatment Agreement with the Tribe that is the Most Likely Descendant of Native American human remains and associated cultural resources found on the Project Property (as designated by the Native American Heritage Commission). While the County of Lake cannot enforce third-party contracts, Mitigation Measure TCR-1 is added to ensure that the Permittee provides documentation that they have engaged with the local-affiliated Tribe(s) and that monitoring takes place. Refer to Mitigation Measures CUL-1, CUL-2 and TCR-1 in the Environmental Review section of this Staff Report for more information.

Chapter 5 – Community Development; Economic Development

Objective 5.1.5 Encourage comprehensive economic development efforts for the long-term benefit of the Planning Area aimed at increasing local employment opportunities.

- Policy 5.1.5b. Priority should be given to providing service and employment opportunities locally.
- Policy 5.1.5c. Increase local employment opportunities in order to provide an adequate number of jobs to support the local population.

Once operational, the proposed Project would staff approximately twelve (12) full-time employees, and approximately twenty (20) seasonal employees for the peak planting and harvest periods. This will provide revenue to employees who would be hired locally, who would spend money at local retail uses in the Middletown area through purchase of food, gas and other commodities and services.

Objective 5.4.2. Protect surface and ground water resources so that all residents, both now and in the future, have reasonable assurances that an adequate quantity and quality of water exists.

As noted in the above discussions, General Plan, Chapter 11 Water Resources, and in the Points of Interest section of this Staff Report, the Project would have adequate water resources and would not result in a negative impact to groundwater.

Zoning Ordinance Conformity

The subject site is zoned RL-RR-A-FF-FW-WW; Rural Lands-Agriculture-Rural Residential-Floodway Fringe-Floodway-Waterway. The following Articles within the Lake County Zoning Ordinance apply to this Project:

Article 5- Agriculture (A)

The purpose of this district is to protect the County's agricultural soils, provide areas suitable for agriculture, and prevent development that would preclude their future use in agriculture. Single family dwellings, accessory structures, and agricultural uses, including crop and tree farming, livestock grazing, animal husbandry. The cultivation of commercial cannabis is permitted in the "A" Agriculture zoning district with the approval of a major use permit for A-Type 3 medium outdoor cultivation licenses pursuant to Article 27, Section 27.11 [Table B] of the Lake County Zoning Ordinance. All proposed cannabis cultivation activities would be located within the "A" portion of the project parcel.

Article 7- Rural Lands (RL)

The purpose of this district is to provide for resource related and residential uses of the County's undeveloped lands that are remote and often characterized by steep topography, fire hazards, and limited access. None of the proposed cultivation activities would be located within this zoning.

Article 8- Rural Residential (RR)

The purpose of this district is to provide for single-family residential development in a semi-rural setting along with limited agriculture. None of the proposed cultivation activities would be located within this zoning.

Article 36 – Floodway Fringe (FF)

The purpose of this district is to provide land use regulations for properties and their improvements situated in the floodplain to ensure protection from hazards and damage which may result from flood waters. Proposed cultivation areas and structures would be located outside of the A flood zone portion of the parcel, within the X flood zone, which is identified as areas of minimal flooding.

Article 37 – Waterway Combining District (WW)

The purpose of this district is to preserve, protect and restore significant riparian systems, streams and their riparian, aquatic and woodland habitats; protect water quality; control erosion, sedimentation and runoff; and protect the public health and safety by minimizing dangers due to floods and earth slides. These purposes are to be accomplished by setting forth regulations to limit development activities in significant riparian corridors and through the establishment of an administrative procedure for the granting of exceptions from such regulations.

Pursuant to Section 37.3(b) the traditional minimum setback for intermittent waterways is thirty (30) feet from the top of bank, however Article 27(at) requires a greater setback of 100 feet to top of bank. Additionally, the State Waterboard recommends a 150-foot setback from Class I watercourses. Consistent with local and state regulations, cannabis activities would be 150 feet from Putah Creek (Class I Watercourse) and 100 feet from Crazy Creek (Intermittent Class II Watercourse) and the other intermittent and ephemeral watercourses on-site. If upgrades to the existing culverts are required as apart of 4290 requirements, a Lake and Streambed Alteration Agreement is required from CDFW (see Mitigation Measures BIO-3).

Article 27 - Uses Permitted

All uses listed in this Article and all matters related thereto, are declared to be uses possessing characteristics of unique and special form as to make their use acceptable in one or more districts upon issuance of a zoning permit, minor or major use permit in addition to any required building, grading, or health permits.

Pursuant to Article 27 of the Lake County Zoning Ordinance, outdoor commercial cannabis cultivation is permitted in the Agriculture zoning district with the issuance of a major use permit.

To support approval of a major use permit, the Project must demonstrate that all regulations within Articles 5 and 27 are met and any adverse environmental impacts are adequately mitigated.

Development & Performance Standards

This proposed Project meets the Development Standards, General Requirements, and Restrictions as specified within Article 27, subsection (at) of the Lake County Zoning Ordinance. These include:

- Minimum Lot Size (20 acres required for each A-Type 3 license): Complies. The lots are 1,627 acres in combined size. The applicant is requesting twenty (20) A-Type 3 licenses with each license requiring 20 acres.
- Cultivation area setback from property line (100 feet): Complies; the cultivation area is set back more than 100 feet from all property lines.
- Cultivation area setback from off-site residence (200 feet): Complies; the nearest dwelling is greater than 1000 feet away from the nearest cultivation area.
- Minimum and maximum fence height of six (6) to eight (8) feet: Complies; the proposed fence is six (6) feet tall.
- Maximum Canopy Area (43,560 sq. ft. per license): Complies; approval of twenty (20) licenses could result in 871, 200 sf of canopy. However, the proposed canopy area is 854,940 sq. ft. in size.

General Requirements

There are several general requirements for cannabis cultivation listed in Section 27.11(at) of the Lake County Zoning Ordinance. These include, but are not limited to, obtaining a State License, completion of background checks, obtaining property owner approval, complying with hours of operations and deliveries, access requirements, etc.

The applicant will be required to meet the General Requirements outlined in Section 27.11(at) of Chapter 21 Zoning Ordinance. If the requirements have not yet been met, a condition has been added to the Conditions of Approval (Attachment 2) to ensure compliance with the Zoning Ordinance.

The applicant has submitted a Property Management Plan (Attachment 3), outlining compliance with all regulations pertaining to cannabis operations including the following: air quality, project grounds, grading and erosion control BMP's, security, stormwater, water use, etc. In addition, the Project complies with the restrictions pertaining to the prohibited activities listed in Article 27, including healthy tree removal for the purpose of developing a cannabis cultivation site and water use that is illegally diverted.

AGENCY COMMENTS

The Project originally proposed seventy-four (74) A-Type 3 "Medium Outdoor" cultivation licenses, with a combined cultivation/canopy area of 3,196,000 sq.ft. (73.4 acres) within several cultivation areas; and was circulated for agency review in 2021. The Initial Study prepared for the Project was also circulated to the agencies in 2023 (see Environmental Review section of this Staff Report for more information). The following agencies submitted comments (Attachment 9) on this project:

- Lake County Building Division
- Lake County Sheriff's Office
- Lake County Agricultural Commissioner
- Lake County Surveyor
- Lake County Special Districts
- Lake County Water Resources
- Hidden Valley Lake Community Services District
- Pacific Gas & Electric

The Project scope was later reduced to 19 acres total of canopy within one 34-acre cultivation area. All of the original agency comments have either been addressed through the change in scope, through project design or conditions of approval. All of the aforementioned agencies were included in the public noticing for the Initial Study, as well as for this public hearing.

TRIBAL COMMENTS

In accordance with AB-52, notification of the Project was sent to all local Tribes on May 28, 2021. The Habematolel Pomo of Upper Lake responded to the request noting that the Project is not within their aboriginal territory and that they defer to the Middletown Rancheria (see Attachment 10). The Community Development Department did not receive a formal AB 52 Tribal Consultation request for this Project within the 30-day timeframe. However, Rancho Lake, LLC has voluntarily entered into a Cultural Resources Monitoring and Treatment Agreement with the Middletown Rancheria. The Tribe(s) were also notified of this public hearing.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) requires agencies to evaluate the environmental implications of land use projects. A draft Initial Study (Attachment 8) was prepared and circulated for public review in compliance with CEQA from November 1, 2023, through November 30, 2023. Agency comments were received from Pacific Gas & Electric, and the Hidden Valley Lake Community Services District (see Attachment 9). Public comments received on the Draft Initial Study are included in Attachment 11. Public comments related to water use, adjacent agricultural operations, noise, dust, aesthetics are addressed in the Points of Interest and Project Analysis sections of this Staff Report, as well as within the Initial Study.

On May 2, 2024, minor modifications to the Initial Study (in redlined track changes) were made by staff to correct typographical errors and inconsistencies; and for clarification and in order to strengthen existing analysis and mitigation measures. Modifications were also made to the Cultural Resources and Tribal Cultural Resources section to further separate the two resources, at the desire of the Planning Commission. These changes do not trigger recirculation of the Initial Study because they are minor in nature and do not result in new impacts or mitigation measures that were not previously analyzed (in accordance with CEQA Guidelines 15073.5).

The Initial Study found that the Project could cause potentially significant impacts:

- Aesthetics
- Air Quality
- Biological Resources

- Cultural Resources
- Hazards & Hazardous Materials
- Hydrology/Water Quality
- Noise
- Tribal Cultural Resources
- Utilities and Service Systems

Aesthetics. Impacts relating to Aesthetics have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure AES-1 and AES 2:

AES-1: All outdoor lighting shall be shielded and downcast or otherwise positioned in a manner that would not broadcast light or glare beyond the boundaries of the subject property. All lighting equipment shall comply with the recommendations of www.darksky.org and provisions of Section 21.48 of the Zoning Ordinance.

AES-2: The cultivation area shall be screened from public view. Methods of screening may include, but are not limited to, topographic barriers, vegetation, or 6' tall solid (opaque) fences.

Air Quality. Impacts relating to Air Quality have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measures AQ-1 through AQ-6:

AQ-1: Prior to obtaining the necessary permits and/or approvals for any phase, applicant shall contact the Lake County Air Quality Management District (LCAQMD) and obtain an Authority to Construct (A/C) permit for all operations and for any diesel-powered equipment and/or other equipment with potential for air emissions. Or provide proof that a permit is not needed.

AQ-2: All mobile diesel equipment used must be in compliance with state registration requirements. Portable and stationary diesel-powered equipment must meet all federal, state, and local requirements, including the requirements of the State Air Toxic Control Measures for compression ignition engines. Additionally, all engines must notify LCAQMD prior to beginning construction activities and prior to engine use.

AQ-3: The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning materials. Said information shall be made available upon request and/or the ability to provide the LCAQMD such information in order to complete an updated Air Toxic emission Inventory.

AQ-4: All vegetation during site development shall be chipped and spread for ground cover and/or erosion control. The burning of vegetation, construction debris, including waste material is prohibited.

AQ-5: The applicant shall have the primary access and parking areas surfaced with chip seal, asphalt, or an equivalent all weather surfacing to reduce fugitive dust generation. The use of white rock as a road base or surface material for travel routes and/or parking areas is prohibited.

AQ-6: All areas subject to infrequent use of driveways, overflow parking, etc., shall be surfaced with gravel, chip seal, asphalt, or an equivalent all weather surfacing. Applicant shall regularly use and/or maintain graveled area to reduce fugitive dust generations.

Biological Resources Impacts relating to Biological Resources have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure BIO-1 through BIO-5:

BIO-1: All work shall incorporate erosion control measures consistent with the engineered Erosion and Sediment Control Plans submitted, Lake County Grading Regulations, and the State Water Resources Control Board's Cannabis General Order (Order No. WQ 2019-001-DWQ).

BIO-2: The applicant shall maintain a minimum of a 100-foot setback/buffer from the top of bank of any watercourse, wetland, and/or vernal pool; and 150 feet from Putah Creek (Class I). Pesticides and fertilizer storage facilities shall be located outside of riparian setbacks and not within 100 feet of a well head.

BIO-3: Prior to commencement of activities within the bed or bank of a creek, a Streambed Alteration Agreement shall be obtained from the California Department of Fish and Wildlife. All the conditions of such permit shall be adhered to throughout the course of the project to reduce the impacts to a less than significant level.

BIO-4: Prior to any ground disturbance and/or vegetation removal, the applicant shall have a pre-construction survey conducted by a qualified biologist for special-status plant and animal species to ensure that special-status species are not present. If any listed species are detected, construction shall be delayed, and the appropriate resource agency (CDFW and/or USFWS) shall be consulted with and project impacts and mitigation reassessed.

BIO-5: If construction activities (including vegetation removal and all ground disturbing activities) occur during the nesting season (usually March through September), a pre-construction survey for the presence of special-status bird species or any nesting bird species should be conducted by a qualified biologist within 500 feet of proposed construction areas, within seven days prior to the commencement of such activities. If active nests are identified in these areas, CDFW and/or USFWS should be consulted to develop measures to avoid "take" of active nests prior to the initiation of any construction activities. Avoidance measures may include establishment of a buffer zone using construction fencing or the postponement of vegetation removal until after the nesting season, or until after a qualified biologist has determined the young have fledged and are independent of the nest site.

Cultural Resources Impacts relating to Cultural Resources have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure CUL-1 and CUL-2.

CUL-1: Should any archaeological, paleontological, or cultural materials be discovered during site development, all activity shall be halted within 100 ft of the find(s), the applicant shall notify a professional Archaeologist certified by the Registry of Professional Archaeologists (RPA) to evaluate the find(s) and recommend mitigation procedures, if necessary, subject to the approval of the Community Development Director. Should any human remains be encountered, the applicant shall notify the Sheriff's Department, the culturally affiliated Tribe(s), and a qualified archaeologist for proper interment and Tribal rituals per Public Resources Code Section 5097.98 and Health and Safety Code 7050.5.

CUL-2: Prior to ground disturbing activities, the Permittee shall submit a Cultural Resources Plan, identifying methods of sensitivity training for site workers, procedures in the event of an accidental discovery, and documentation and reporting procedures. Prior to ground disturbing activities, the Permittee shall submit verification that all site workers have reviewed the Cultural Resources Plan and received sensitivity training.

Hazards and Hazardous Materials Impacts relating to Hazards and Hazardous Materials have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measures HAZ-1 through HAZ-8:

HAZ-1: All equipment will be maintained and operated to minimize spillage or leakage of hazardous materials. All equipment will be refueled in locations more than 100 feet from surface water bodies. Servicing of equipment will occur on an impermeable surface. In an event of a spill or leak, the contaminated soil will be stored, transported, and disposed of consistent with applicable local, state, and federal regulations.

HAZ-2: With the storage of hazardous materials equal to or greater than fifty-five (55) gallons of a liquid, 500 pounds of a solid, or 200 cubic feet of compressed gas, a Hazardous Materials Inventory Disclosure Statement and Business Plan shall be submitted and maintained in compliance with requirements of Lake County Environmental Health Division. Industrial waste shall not be disposed of on site without review or permit from Lake County Environmental Health Division or the California Regional Water Quality Control Board. The permit holder shall comply with petroleum fuel storage tank regulations if fuel is to be stored on site.

HAZ-3: Any spills of oils, fluids, fuel, concrete, or other hazardous construction material shall be immediately cleaned up. All equipment and materials shall be stored in the staging areas away from all known waterways.

HAZ-4: All food scraps, wrappers, food containers, cans, bottles, and other trash from the project area should be deposited in trash containers with an adequate lid or cover to contain trash. All food waste should be placed in a securely covered bin and removed from the site weekly to avoid attracting animals.

HAZ-5: The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning materials. Said information shall be made available upon request and/or the ability to provide the Lake County Air Quality Management District such information to complete an updated Air Toxic Emission Inventory.

HAZ-6: Prior to operation, all employees shall have access to restrooms and hand-wash stations. The restrooms and hand wash stations shall meet all accessibility requirements.

HAZ-7: The proper storage of equipment, removal of litter and waste, and cutting of weeds or grass shall not constitute an attractant, breeding place, or harborage for pests.

HAZ-8: The applicant shall obtain an Operator Identification Number from the California Department of Pesticide Regulation prior to using pesticides onsite for cannabis cultivation.

Hydrology and Water Quality Impacts relating to Hydrology have been reduced to Less than Significant with mitigation incorporated as described by with Mitigation Measures BIO-1 through BIO-3; HAZ-1 through HAZ-8; and HYD- 1 and HYD-2 incorporated.

HYD-1: The production well shall have a meter to measure the amount of water pumped. The production wells shall have continuous water level monitors. The methodology of the monitoring program shall be described. A monitoring well of equal depth within the cone of influence of the production well may be substituted for the water level monitoring of the production well. The monitoring wells shall be constructed, and monitoring begin at least three months before the use of the supply well. An applicant shall maintain a record of all data collected and shall provide a report of the data collected to the County annually and/or upon made upon request.

HYD-2: The applicant shall adhere to the measures described in the Drought Management Plan during periods of a declared drought emergency.

Noise Impacts relating to Hydrology have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure NOI-1 through NOI 2:

NOI-1: All construction activities including engine warm-up shall be limited Monday Through Friday, between the hours of 7:00 a.m. and 7:00 p.m., and Saturdays from 12:00 noon to 5:00 p.m. to minimize noise impacts on nearby residents. Back-up beepers shall be adjusted to the lowest allowable levels. This mitigation does not apply to night work.

NOI-2: Maximum non-construction related sounds levels shall not exceed levels of 55 dBA between the hours of 7:00 a.m. to 10:00 p.m. and 45 dBA between the hours of 10:00 p.m. to 7:00 a.m. within residential areas as specified within Zoning Ordinance Section 21-41.11 (Table 11.1) at the property lines.

Tribal Cultural Resources Impacts relating to Tribal Cultural Resources have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measures CUL-1 and CUL-2, and TCR-1.

TCR-1: Prior to commencement of ground disturbing activities, the permittee shall submit documentation to the Community Development Department demonstrating that they have engaged with the culturally affiliated Tribe(s) to provide cultural monitors and that cultural sensitivity training has been provided to site workers. All ground disturbing activities shall be monitored by qualified tribal monitor(s). Qualified tribal monitor(s) are defined as qualified individual(s) who have experience with identification, collection, and treatment of tribal cultural resources of value to the Tribe(s). Such individuals will include those who:

a) Possess the desired knowledge, skills, abilities, and experience established by the Native American Heritage Commission (NAHC) through the NAHC's Guidelines for Native American Monitors/ Consultants (2005); or

b) Members of culturally affiliated Tribe(s) who: (i). Are culturally affiliated with the Project area, as determined by the NAHC; and (ii) Have been vetted by tribal officials of the culturally affiliated Tribe(s) as having the desired knowledge, skills, abilities, and experience established by the NAHC's Guidelines for Native American Monitors.

Utilities and Service Systems. Impacts related to utilities and service systems (water supply) would be Less than Significant Impact with Mitigation Measures HYD-1 and HYD-2 incorporated.

Mandatory Findings of Significance

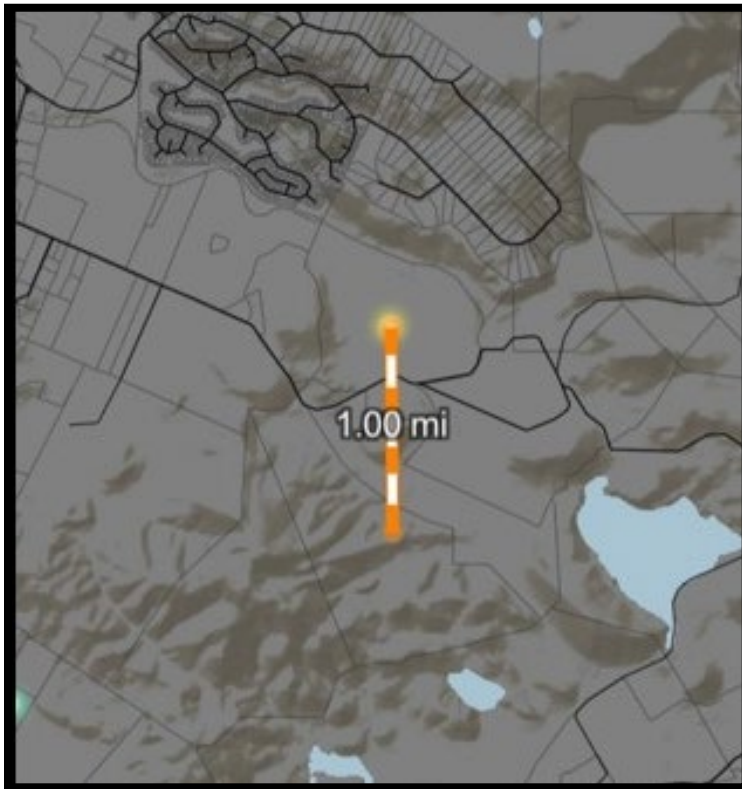
The discussion within this section summarizes potential impacts from the implementation of the project. In addition to the mitigation measures above, the applicant will apply for permits from various agencies including the Department of Cannabis Control, the State Water Resources Control Board, and the California Department of Fish and Wildlife, and any other applicable agencies to operate a commercial cannabis cultivation operation. The various agencies include complying with state regulatory setback requirements and restrictions that would then further minimize potential impacts to the environments that address natural resources. As described throughout the Initial Study and Mitigated Negative Declaration, impacts to the following have been identified but can be reduced to less than significant with implementation of mitigation measures: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Hazards and Hazardous Materials, Hydrology/Water Quality, Noise, Tribal Cultural Resources, and Utilities.

CUMULATIVE IMPACTS

Potentially significant impacts have been identified related to Aesthetics, Air Quality, Biological Resources, Cultural Resources, Hazards and Hazardous Materials, Hydrology/Water Quality, Noise, Tribal Cultural Resources, and Utilities. These impacts in combination with the impacts of other past, present, and reasonably foreseeable future projects could cumulatively contribute to significant effects on the environment. Of particular concern would be the cumulative effects on hydrology and water resources. To address this issue, the Lake County Board of Supervisors adopted Ordinance 3106 on July 27, 2021, requiring the applicant to submit a Hydrological Study and Drought Management Plan. Upon review of the Hydrological Study and Drought Management Plan, along with the implementation of hydrological mitigation measures, the Project is expected to have a less than significant cumulative impact.

As shown in Figure 8, within one mile of the proposed project there are no pending and no approved projects. However, within three miles of the proposed project, there is one pending and three approved projects. Each project is required to provide adequate water supply for their project, and with adherence to all local and state regulations, as well as implementation of and compliance with mitigation measures identified in each section, potential cumulative impacts would be reduced to less than significant levels.

FIGURE 8– PROJECTS WITHIN A ONE-MILE RADIUS



Source: Lake Co. CDD ArcGIS

FIGURE 9– PROJECTS WITHIN A THREE-MILE RADIUS



Source: Lake Co. CDD ArcGIS

MAJOR USE PERMIT FINDINGS FOR APPROVAL

The Review Authority shall only approve or conditionally approve a Major Use Permit (LCZO Section 51.4, Major Use Permits) if all of the following findings are made:

1. *That the establishment, maintenance, or operation of the use applied for will not under the circumstances of the particular case, be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use or be detrimental to property and improvements in the neighborhood or the general welfare of the County.*

The proposed use of commercial cannabis cultivation operation is a permitted use in the “A” Agriculture zoning district upon issuance of a Major Use Permit pursuant to Article 27, Sec. 21-27, Sec. 27.11 Table B of the Lake County Zoning Ordinance. The Project scope complies with the minimum regulatory requirements set by the local ordinances to address the health, safety, morals, comforts, and general welfare of those working or residing near the proposed use. The project meets or exceeds all required setbacks for this type of use, including distance to nearby sensitive receptors. Prior to the applicant constructing any type of structure(s), the applicant shall obtain the necessary permits and licenses from the appropriate federal, state, and/or local government agencies. Additionally, the CDD would conduct annual compliance monitoring inspections during the cultivation season to ensure compliance with the County’s ordinances, the approved Property Management Plan, mitigation measures, and conditions of approval.

2. *That the site for the project is adequate in size, shape, location, and physical characteristics to accommodate the type of use and level of development proposed.*

The proposal is for 19.6 acres outdoor commercial cannabis canopy area with twenty (20) A-Type 3 “Medium Outdoor” licenses. The Lake County Cannabis Ordinance allows Type 3 cultivation licenses on Agriculture zoned property when the project meets the applicable size and locational criteria and standards. Specifically, the County requires 20 acres per Type 3 cultivation license; the Project proposes to utilize four parcels, for a total of 1,627-acres to cultivate 19.6 acres of outdoor canopy within a 34-acre cultivation area. The cultivation area is flat, large enough to allow the cultivation licenses that have been applied for, and historically utilized for agricultural uses.

3. *That the streets, highways and pedestrian facilities are reasonably adequate to safely accommodate the specific proposed use.*

The Project is accessed via Grange Road off of Highway 29. Highway 29 is a paved State Highway, and Grange Road is a paved County-maintained road. A minimal increase in traffic is anticipated due to construction, maintenance and weekly and/or monthly incoming and outgoing deliveries through the use of small vehicles only. The cultivation site is located approximately five (5) miles from Middletown and approximately seven (7) miles from Lower Lake, the nearest population bases and the likely residency of employees. Up to twenty (20) employees are likely during peak harvest times, with an average of twelve (12) employees working during construction (site preparation), and during non-peak harvest times. Assuming each employee drives an average of 6 miles to and from work, a total of 144 vehicle miles per day would result during normal operations, and a total of 240 miles would result during peak planting and harvest periods. A total of two weekly deliveries would result from non-employees, adding an additional 24 miles per week. The estimated trips per day for the proposed Project are between 12 and 24 during normal operation, and up to 40 trips per day

during construction, which is expected to occur over a four-to-six-week period. The proposed Project would not generate or attract more than 110 trips per day, and therefore it is not expected for the Project to have a potentially significant level of vehicle miles traveled (VMT). Impacts related to CEQA Guidelines section 15064.3. subdivision (b) would be less than significant.

4. *That there are adequate public or private services, including but not limited to fire protection, water supply, sewage disposal, and police protection to serve the project.*

The project site will utilize a permitted onsite groundwater wells and twenty (20) 5,000-gallon water storage tanks for irrigation and fire suppression. The project parcel(s) are served by Pacific Gas & Electric (new connection required), the Lake County Sheriff's Office, California Highway Patrol (CHP), the California Board of Forestry and Fire Protection, (CAL FIRE), and the South Lake County Fire Protection District. The applicant is required to adhere to all applicable local, state, and federal regulations, mitigation measures, and conditions of approval intended to ensure adequate site. This application was routed to all the affected public and private service providers (including Public Works, Special Districts, Environmental Health, PG&E), and there are adequate public utilities and services available to the site.

5. *That the project is in conformance with the applicable provisions and policies of this Code, the General Plan and any approved zoning or land use plan.*

The cultivation of commercial cannabis is a permitted use within the Agriculture zoning district upon securing a Major Use Permit according to Article 27.11 of the Lake County Zoning Ordinance. Additionally, although the Lake County General Plan does not have any provisions specifically for commercial cannabis, both the General Plan and the Middletown Area Plan have provisions for economic development, water resources, cultural resources and agricultural resources land use compatibility. The proposed cultivation area is not located within a Cannabis Exclusion Zone and complies with the minimum setbacks and development standards. See Project Analysis section of this Staff Report for a detailed discussion of the Project's consistency with the General Plan and Zoning Code.

6. *That no violation of Chapters 5, 17, 21, 23 or 26 of the Lake County Code currently exists on the property, unless the purpose of the permit is to correct the violation, or the permit relates to a portion of the property which is sufficiently separate and apart from the portion of the property in violation so as not to be affected by the violation from a public health, safety or general welfare basis.*

There are no known violations of Chapters 5, 17, 21, 23, or 26 of the Lake County Code on the Project property.

7. *The proposed use complies with all development standards described in Chapter 21, Article 27, Section 1.i.*

As described in the Zoning Ordinance Consistency section of this Staff Report, the Project meets all Development Standards, General Requirements and Restrictions as specified within Article 27.11(at) of the Lake County Zoning Ordinance.

8. *The applicant is qualified to make the application described in Chapter 21, Article 27, Section 1.ii.(g).*

The applicant has passed a 'live scan' background check and is qualified to undertake a commercial cannabis cultivation activity subject to approval of this use permit. All employees of this project will also be required to pass a 'live scan' background check. The application complies with the qualifications for a permit described in Chapter 21, Article 27, Section 1.ii.(i).

RECOMMENDATIONS

Staff recommends the Planning Commission take the following actions:

- A. Adopt Mitigated Negative Declaration (IS 21-16) for Major Use Permit (UP 21-15) with the following findings:
 1. Potential environmental impacts related to Aesthetics can be mitigated to less than significant levels with the inclusion of mitigation measures AES-1 through AES-2.
 2. Potential environmental impacts related to Air Quality can be mitigated to less than significant levels with the inclusion of mitigation measures AQ-1 through AQ-6.
 3. Potential environmental impacts related to Biological Resources can be mitigated to less than significant levels with the inclusion of mitigation measures BIO-1 through BIO-5.
 4. Potential environmental impacts related to Cultural Resources can be mitigated to less than significant levels with the inclusion of mitigation measures CUL-1 through CUL-2.
 5. Potential environmental impacts related to Hazards and Hazardous Materials can be mitigated to less than significant levels with the inclusion of mitigation measures HAZ-1 through HAZ-8.
 6. Potential environmental impacts related to Hydrology can be mitigated to less than significant levels with the inclusion of mitigation measures BIO-1 through BIO-3, HAZ-1 through HAZ-8, and HYD-1 through HYD-2.
 7. Potential environmental impacts related to Noise can be mitigated to less than significant levels with the inclusion of mitigation measures NOI-1 through NOI-2.
 8. Potential environmental impacts related to Tribal Cultural Resources can be mitigated to less than significant levels with the inclusion of mitigation measures CUL-1 through CUL-2, and TCR-1.
 9. Potential environmental impacts related to Utilities can be mitigated to less than significant levels with the inclusion of mitigation measures HYD-1 and HYD-2.
- B. Approve Major Use Permit UP 21-15 with the following findings:
 1. That the establishment, maintenance, or operation of the use applied for will not under the circumstances, be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use or be detrimental to property and improvements in the neighborhood or the general welfare of the County.

2. The site is adequate in size, shape, locations, and physical characteristics to accommodate the type of use and level of development proposed.
3. The streets, highways and pedestrian facilities are reasonably adequate to safely accommodate the proposed use.
4. There are adequate services to serve the project.
5. This project is consistent with the Lake County General Plan, Middletown Area Plan, and Lake County Zoning Ordinance.
6. No violation of Chapter 5, 17, 21, 23 or 26 of the Lake County Code currently exists on this property, with a condition of approval implemented.
7. The proposed use complies with all development standards described in Chapter 21, Article 27, Section 1.i.
8. The applicant is qualified to make the application described in Chapter 21, Article 27, Section 1.ii.(g).
9. The application complies with the qualifications for a permit described in Chapter 21, Article 27, Section 1.ii.(i).

Sample Motions:

Mitigated Negative Declaration

I move that the Planning Commission find that potential impacts associated with this project can be mitigated to 'less than significant' through the implementation of the Mitigated Negative Declaration (IS 21-16) prepared for Major Use Permit (UP 21-15) for commercial cannabis cultivation, located at 19955 Grange Road, Middletown (APNs 014-290-08; 014-300-02, 03, & 04), will not have a significant effect on the environment, and that the Planning Commission adopt Initial Study (IS 21-16) with the findings listed in the staff report dated (May 9, 2024).

Major Use Permit (UP 21-15)

I move that the Planning Commission find that proposed Major Use Permit (UP 21-15) for commercial cannabis cultivation including twenty (20) A-Type 3 "Medium Outdoor" licenses for 19.6 acres of outdoor canopy; applied for by Rancho Lake, LLC, at 19955 Grange Road, Middletown (APNs 014-290-08; 014-300-02, 03, & 04) does meet the requirements of Section 51.4 and Article 27 of the Lake County Zoning Ordinance, and that the Major Use Permit be granted based on the findings and subject to the conditions included in the staff report dated May 9, 2024.

***NOTE:** The applicant or any interested person is reminded that the Zoning Ordinance provides for a seven (7) calendar day appeal period. If there is a disagreement with the Planning Commission, an appeal to the Board of Supervisors may be filed. The appropriate forms and applicable fee must be submitted prior to 5:00 p.m. on or before the seventh day following the Planning Commission's decision on this matter.*