



# Inaugural Annual Cannabis Inspections

7.28.2020 -9.16.2020

Katherine Schaefer, Assistant Planner

Michael Herringshaw, Code Officer






8/5/20





# Annual Inspection Rationale

- 4. Compliance monitoring (Article 27 pg. 139-140)
  - i. A compliance monitoring inspection of the cultivation site shall be conducted annually during growing season
  - ii. The permittee shall pay a compliance monitoring fee established by resolution of the Board of Supervisors prior to the inspection.
  - iii. If there are no violations of the County permit or state license during the first five years, the inspection frequency may be reduced by the Director to not less than once every five years.

		<b>COUNTY OF LAKE</b> COMMUNITY DEVELOPMENT DEPARTMENT Courthouse - 255 N. Forbes Street Lakeport, California 95453 Planning Department - Building Department - Code Enforcement				Scott De Leon Interim Community Development Director		Tocarra Nicole Thomas Deputy Community Development Director		<input type="checkbox"/> EA <input type="checkbox"/> ANNUAL <input type="checkbox"/> FOLLOW-UP			
<b>Cannabis Cultivation Inspection Report</b>													
Applicant Name						Site Address and APN:							
Date of Inspection		App/Permit #											
Permit Type		Zoning				Contact Phone							
Employees:		If YES, Number of Employees:				Estimated Number of Plants/Canopy size:							
#	Item	Code	Y	N	N/A	#	Item	Code	Y	N	N/A		
General						Water Resources							
1	Site Plan/ Location	(2)(d)(10)				15	Well Permit	(3)(v)(g)(a)					
2	Employee Age Verified	(1)(iv)				15.1	Well Meter	(3)(v)e					
2.1	Background Check	(1)(ii)(f)				16	Streambed Alteration Permit	(2)(b)(d)(ii)(vii)c					
3	Dwelling unit	N/A				a	In-stream culverts						
3.1	ADA Bathroom Handwash Station	C of A				b	In-stream dam						
4	Fence	(1)(i)				c	Grading	(2)(b)(d)(11)(v)					
5	Buildings Secure	(3)(iii)				17	SWRCB Diversion/Water Rights	(2)(b)(d)(11)(vi)(a)					
6	Lights Shielded	(1)(iii)(e)				a	Source of diversion	(2)(b)(d)(11)(vi)(a)					
8	Generator Use	(1)(iii)(d)				18	SWRCB Enrollment	(2)(b)(d)(11)(vi)(a)					
9	Misc. Docs.	N/A				a	New Standard conditions met	(2)(b)(d)(11)(vi)(a)					
Setbacks						19	Annual Water Monitoring	(3)(v)(g)(a)					
10	Public/Youth	(1)(v)				Other							
11	Residential Structure	(1)(i)				20	Defensible Space (CalFire)	4290					
13	Adjoining Parcel	(1)(i)				21	tax Collector	N/A					
Cultivation and Operations Plan						22	Security Measures	(3)(iii)					
14	Cultivation/Operations Plan	27(at)(3)				Indoor/Mixed Light							
a	Fertilizer Storage	(3)(iv)c				23	Building Permits	CBC section.105					
b	Pesticide Use/Storage/license	(1)(ii)(a)				24	Waste Discharge	(3)(iv)(e)(k)					
c	Soil	(3)(ii)				26	Building Ventilation						
d	Pest Management	(ii)(a)&(b)				SITE APPROVED: <input type="checkbox"/> YES <input type="checkbox"/> NO							
e	Hazardous Material	(b)(d)(8)(xiii)											
f	Track & Trace	(1)(ii)(o)				FOLLOW-UP NEEDED: <input type="checkbox"/> YES <input type="checkbox"/> NO							
g	Irrigation Plan	(3)(v)(g)(b)&c											
Conditions to be met:													
NON-COMPLIANCE ISSUED:						CORRECT NON-COMPLIANCES BY:							
INSPECTOR (Print Name)						INSPECTOR (Signature)							
WLEDGED BY (Print Name)						INSPECTION ACKNOWLEDGED BY (Signature)							

# Permits Assessed

- Permits Up for Assessment: 39
- Permits Assessed: 37
  - Date range: Permits granted early 2018-September 2019
    - 5 Early Activations
    - 11 Minor Use Permits
    - 21 Major Use Permits
    - 2 complex Permits
      - 6 Old Use Permits granted in 2019. These permits were merged into:
        - 2 New Use Permits granted 2020
        - Inspections conducted as "Follow-up" instead of "Annual"





## 2 Permits not assessed

- Ongoing medical emergency
- Law enforcement action taken



# In Compliance





# Security





# ADA Compliance



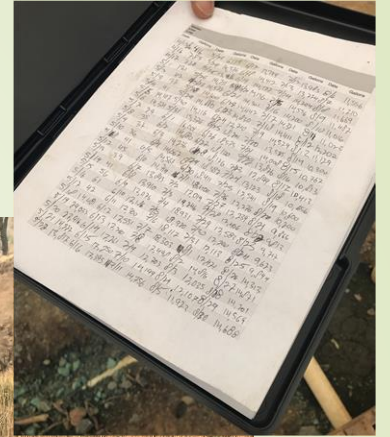


# Water





# Water





# No Grow





# Cultivation Plans






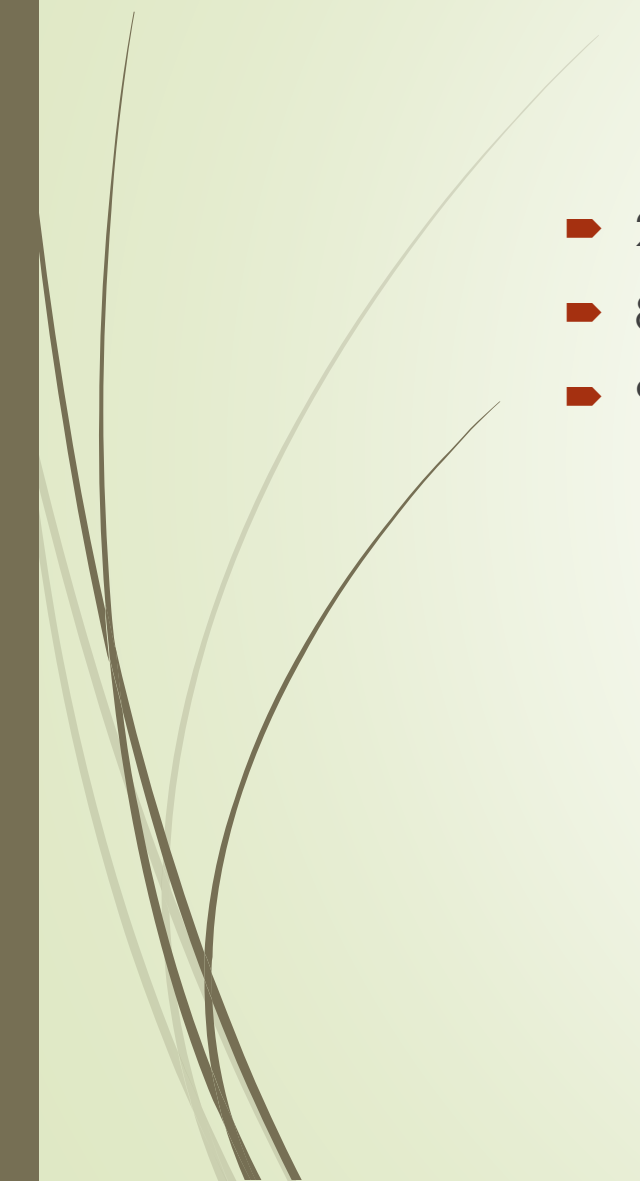
# Complications







# Results



- 20 In Compliance with no follow-up needed
- 8 In Compliance, minor follow-up
- 9 Not in Compliance at time of inspection
  - 4 are now In-Compliance
  - 3 minor follow-up still required
  - 2 major follow-ups



# Revenue



- ▶ 34 Permits paid x \$760 = \$25,840
  - ▶ Unclear (at the time) whether Early Activation permits need to pay for the Annual Review of these inspections.
    - ▶ Zoning Ordinance does not specify EAs permits paying for inspections.
  - ▶ Unclear (at the time) whether a property holding multiple permits needs to pay for each permit.
    - ▶ Zoning Ordinance also ambiguous here





# Annual Inspections Increasing Exponentially

- Numbers to consider - As of October 22<sup>nd</sup>, 2020:
  - **56** active Cannabis Early Activations Permits
  - **29** active Cannabis Use Permits
  - **63** in-process Cannabis projects
    - Approximately 8-14 months from Intake to Use Permit issuance
  - **12** Cannabis applications submitted for processing/month
- Summer 2020: **39 Permits were up for Annual Inspection/Report**
  - All Permits granted before October 1st 2019
- Summer 2021: **~85 Permits will be up for an Annual Inspection/Report**
  - All Permits granted before October 1st 2020
- Summer 2022: **~148 Permits will be up for an Annual Inspection/Report**
  - All Permits granted before October 1st 2021
- Summer 2023: **+300 Permits will be up for an Annual Inspection/Report**
  - All Permits granted before October 1st 2022



# Annual Performance Review Rationale

## 5. Annual Reports (pg. 27.140) *Lake County Zoning Ordinance*

### i. Performance Review

- (a) All cannabis permittees shall submit a “Performance Review Report” on an annual basis from their initial date of operation for review and approval by the Planning Commission.
- (b) The Planning Commission may delegate review of the annual Performance Review Report to the Director at the time of the initial hearing or at any time thereafter.
- (c) This annual “Performance Review Report” is intended to identify the effectiveness of the approved minor or major use permit, Operations Manual, Operating Standards, and conditions of approval, as well as the identification and implementation of additional procedures as deemed necessary.
- (d) In the event the Planning Commission identifies problems with specific Performance Review Report that could potentially lead to revocation of the associated minor or major use permit, the Planning Commission may require the submittal of more frequent “Performance Review Reports.”



# Next Steps

- As a result of this year's Annual Inspections, there are a number of internal changes we will be considering
  - Clarify wording in Article 27 in regards to Early Activation and Compliance Inspections/Annual Reports
  - Modify the fee language of the Lake County Zoning Ordinance (Article 27) to reflect the amount of staff time necessary to organize and conduct Compliance Visits, and process Annual Reports.



## **Two staff members, 168hrs/month for three months**

**Current 2020 cost** at \$95/hr  
**\$95,760**

**Potential 2023 cost** at \$95/hr (fees subject by change):  
**\$777,000**

vs.

Total revenue this Summer 2020  
**\$25,840**

Potential by 2023  
**\$228,000**



# Next Steps

- We request direction as to how the Planning Commission would like the Annual Reports submitted and reviewed
  - Planning Commission Reviews Documents
  - Planning Commission delegates review of documents to Director with CDD Staff
    - Return to Planning Commission with an overview of Annual Report findings



