

ATTACHMENT 1

**BOARD OF SUPERVISORS RESOLUTION APPROVING WATER
STORAGE/CONSERVATION AND RENEWABLE ENERGY SYSTEM
APPLICATIONS FOR FUNDING**

RESOLUTION NO. 22 - ____

**A RESOLUTION APPROVING WATER STORAGE/CONSERVATION AND
RENEWABLE ENERGY SYSTEM APPLICATIONS FOR FUNDING**

WHEREAS, on January 21, 2022, the County entered into an agreement with the Department of Cannabis Control (DCC) to award grants for projects that assist transitioning cannabis farmers from provisional cultivation licenses to annual licenses; and

WHEREAS, the programs as amended by the Board of Supervisors on June 14, 2022 and approved by the DCC on June 27, 2022 are described as follows:

1. Stream Protection Program. Up to \$12,300,000 is available to be used for a competitive grant program for commercial cannabis licensees to fund transition of water use from surface diversions and hydrologically connected wells during the low-flow periods of the year by increasing rainwater catchment, forbearance, and water conservation. A primary goal of the program is to increase water storage to achieve 75% of licensee's commercial cannabis cultivation water budget consistent with State Water Resources Control Board requirements. A grant of up to \$60,000 per parcel would be available.
2. Renewable Energy Program. Up to \$3,100,000 is available to implement a competitive loan/grant program for commercial cannabis provisional licensees to fund replacement of gas/diesel powered generators used for cultivation with renewable energy systems consistent with the 2023 state transition requirements. In addition to assisting provisional licensees, this program will also help some annual license holders subject to the 2023 state transition requirements to maintain their annual license. A grant of up to \$30,000 would be available per parcel; and

WHEREAS, to be eligible for either program, applicants must meet all of the following criteria:

1. Applicant is a Humboldt County cannabis cultivation permit holder or interim permit holder and State of California cannabis cultivation license holder;
2. The applicant's Humboldt County cannabis cultivation taxes are current;
3. The applicant's County cannabis cultivation permit fees have been paid;
4. Costs for eligible improvements must have been incurred after January 21, 2022;
5. No trees are removed for the projects; and

WHEREAS, the individual programs also have additional eligibility criteria that must be met:

- Water Storage/Conservation Program: The approved irrigation water source for the applicant's commercial cannabis cultivation is a well or surface water diversion; and

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- Renewable Energy System Program: The area used for commercial cannabis cultivation is not connected to the commercial electrical power grid; and

WHEREAS, to assist applicants and to create a fair, open and transparent application process, the Department developed web pages for both the Water Storage/Conservation program <https://humboldt.gov/3313/Water-Storage-and-Conservation-Grant-Pro> and Renewable Energy System program <https://humboldt.gov/3314/Renewable-Energy-Grant-Program>. These websites provide detailed descriptions of what types of projects could be funded, links to the Notice of Funding Availability (NOFA), a mock application, a Frequently Asked Questions document, links to the online application forms and staff contact information (phone number and email); and

WHEREAS, a press release was published August 10th announcing the grant program, upcoming application acceptance period and directing people to the websites for further information and for submitting the applications; and

WHEREAS, direct notification was also sent to all the farmers with active permits with the County; and

WHEREAS, dedicated Planning and Building Department staff were assigned to respond to all customer phone calls and emails, and those that came into to the office; and

WHEREAS, an application kiosk was also set up in the main lobby of the office for applicants needing staff assistance, although no-one took advantage of that resource; and

WHEREAS, applications were accepted for a two-week period August 22 – September 2 via the online application form on the Planning and Building Department’s website; and

WHEREAS, the Department received 447 Water Storage/Conservation applications and 366 applications for the Renewable Energy program by the deadline; and

WHEREAS, all applications and supporting documents were reviewed by Planning and Building Department staff to ensure each applicant meets the eligibility criteria described above; and

WHEREAS, all eligible applications were ranked by Planning and Building Department staff using the procedure described in the staff report; and

WHEREAS, the top-ranked 174 Water Storage/Conservation applications are recommended by the Planning and Building Department for funding with the money

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already received from DCC (Round 1) for a combined total of \$9,701,241.00 as shown in Attachment 3 of the staff report which is incorporated as if fully set forth herein; and

WHEREAS, the next highest-ranked 51 Water Storage/Conservation applications are recommended by the Planning and Building Department for funding with the remainder of the money already awarded by DCC (Round 2) for a combined total of \$2,446,342.00 as shown in Attachment 3 of the staff report; and

WHEREAS, as many of the remaining 131 Water Storage/Conservation applications as possible are recommended by the Planning and Building Department for funding when and if the County receives additional funding not already awarded by DCC (Round 3) for a combined total of up to \$6,864,325.00 as shown in Attachment 3 of the staff report; and

WHEREAS, the top-ranked 84 Renewable Energy applications are recommended by the Planning and Building Department for funding with the money already received from DCC (Round 1) for a combined total of \$2,472,514.00 as shown in Attachment 4 of the staff report which is incorporated as if fully set forth herein; and

WHEREAS, the next-highest 21 Renewable Energy applications are recommended by the Planning and Building Department for funding with the remainder of the money already awarded by DCC (Round 2) for a combined total of \$612,468.00 as shown in Attachment 4 of the staff report; and

WHEREAS, as many of the remaining 184 Renewable Energy applications as possible are recommended by the Planning and Building Department for funding when and if the County receives additional funding not already awarded by DCC (Round 3) for a combined total of up to \$5,204,632.00 as shown in Attachment 4 of the staff report.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors as follows:

1. The Board of Supervisors finds that the application submittal, review and ranking process utilized by the Planning and Building Department for both the Water Storage/Conservation and Renewable Energy applications was consistent with the amended program guidelines approved by the Board of Supervisors and DCC, and that it was open, transparent and fair for all applicants.
2. The Board of Supervisors hereby approves funding for the top-ranked 174 Water Storage/Conservation applications as shown in Attachment 3 of the staff report.
3. The Board of Supervisors hereby approves funding for the top-ranked 85 Renewable Energy applications shown in Attachment 4 of the staff report.

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4. The Board of Supervisors authorizes and directs the Planning and Building Director, or designee(s), to execute agreements with the applicants using as templates the draft agreements shown in Attachment 2 of the staff report, and disburse the funding for the approved Round 1 applications shown in Attachments 3 and 4 of the staff report upon the review and approval of the agreements by County Counsel and Risk Management. The Round 1 Water Storage/Conservation applications are those ranked 1 through 174 in Attachment 3 of the staff report and the Round 1 Renewable Energy applications are those ranked 1 through 84 in Attachment 4 of the staff report.
5. The Board of Supervisors directs the Planning and Building Director when funding becomes available for Round 2, to seek Board approval of a supplemental budget and execute agreements with the applicants based on the template agreements in Attachment 2 and approved by County Counsel and Risk Management and disburse the funding for all Round 2 applications in the order shown in Attachments 3 and 4 of the staff report. The Round 2 Water Storage/Conservation applications are those ranked 175 through 225 in Attachment 3 and the Round 2 Renewable Energy applications are those ranked 85 through 105 in Attachment 4 of the staff report.
6. The Board of Supervisors directs the Planning and Building Director to seek funding for all Round 3 applications and when/if funding becomes available for Round 3, to seek Board approval of a supplemental budget and execute agreements with the applicants based on the template agreements in Attachment 2 and approved by County Counsel and Risk Management and disburse the funding for the Round 3 applications in the order shown in Attachments 3 and 4 of the staff report. Eighty percent (80%) of the Round 3 funding must be disbursed to the Water Storage/Conservation program and 20% of the Round 3 funding must be disbursed to the Renewable Energy program until all the Water Storage/Conservation applications are funded. Any remaining Round 3 funds must be allocated to Renewable Energy applications. The Round 3 Water Storage/Conservation applications are those ranked 226 through 356 in Attachment 3 of the staff report and the approved Round 3 Renewable Energy applications are those ranked 106 through 289 in Attachment 4 of the staff report.

The foregoing Resolution is hereby passed and adopted by the Board of Supervisors on _____, by the following vote:

Adopted on motion by Supervisor _____, seconded by Supervisor _____ and the following vote:

AYES: _____ Supervisors: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting on _____, 2022

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NOES: Supervisors:

ABSENT: Supervisors:

Steve Madrone, Chair
Humboldt County Board of Supervisors

ATTEST:
Kathy Hayes,
Clerk of the Board of Supervisors

By: _____