

STATE OF CALIFORNIA
FISH AND GAME COMMISSION
STATEMENT OF REASONS FOR REGULATORY ACTION
(Pre-Publication of Notice Statement)

ADDENDUM

Amend Section 699.5
Title 14, California Code of Regulations
Re: Lake and Streambed Alteration Agreements.

- I. Date of Initial Statement of Reasons: April 13, 2016
- II. Date of Addendum to Statement of Reasons: June 7, 2016
- III. Dates and Locations of Scheduled Hearings:
 - Public Hearing: Date: June 13, 2016
 - Time: 10:00 am – 11:30 am
 - Location: Resources Auditorium
 - Natural Resources Building
 - 1416 9th Street
 - Sacramento, CA 95814

IV. Addendum:

There are no changes to the proposed regulations. In response to a request by the Department of Finance, clarification is provided on the estimated number of marijuana cultivation sites that may require remediation and that would be subject to the proposed fee.

For the purpose of clarification, the Department anticipates an increase in the detection of marijuana cultivation sites that require remediation. The following analysis replaces the final paragraph under Fees for Marijuana Cultivation Sites That Require Remediation in Section VII (page 16) of the Initial Statement of Reasons:

~~The Department cannot estimate the revenue the additional fees for marijuana cultivation sites that require remediation will generate. The amount of revenue will depend on the number of marijuana cultivation sites that Department staff investigate in any given year; of those sites, how many will require remediation; and of those sites, how many will need to, and actually apply for and obtain an agreement under FGC Section 1602 to complete the remediation, among other variables. However, for comparison, in 2015, the Department conducted approximately 200 inspections of marijuana cultivation sites. Of those sites, approximately 180 were not in compliance with FGC Section 1602, and almost all of those sites were over 1,000 square feet in size. If all 180 sites complied with Section 1602 by notifying the Department and obtaining an agreement under FGC Section 1602, and all 180 sites were over 1,000 square feet, under the~~

~~proposed action, the Department would receive additional revenue in the amount of \$900,000 (180 multiplied by \$5,000).~~

The State Water Resources Control Board (SWRCB) has identified more than 50,000 potential marijuana cultivation sites that likely require water right registrations. Most of these marijuana cultivation sites will also require notification to the Department of Fish and Wildlife (Department) pursuant to Fish and Game Code 1602. However, the Department cannot predict the actual number of notifications it will receive for marijuana cultivation sites and does not anticipate needing to permit all 50,000.

In 2015, the Department established a Watershed Enforcement Team (Team) that inspected approximately 200 marijuana cultivation sites. Of these sites, 180 (90%) were in violation of the Fish and Game Code including Section 1602. Of the 180 cultivation sites in violation, approximately 162 (90%) required remediation.

In 2016 the Department will add two additional Teams to increase marijuana cultivation site inspections. With additional staff and development of program efficiencies, the Department may inspect 600-1000 marijuana cultivation sites annually. Based on 2015 data, the Department anticipates 540-900 of these sites will require remediation. Annual fee revenues for remediation of marijuana cultivation sites would range from \$1.8 million to \$4.5 million depending on the actual number of sites covered and the respective area (square-feet per site) requiring remediation.

The Calculations Worksheet for the STD Form 399 has also been updated to include the above estimate of revenue from marijuana sites requiring remediation.

Pursuant to Government Code Section 11347.1, the Department will provide public notice of the Addendum to the ISOR and the amended STD Form 399 for a minimum of 15 days prior to considering the proposed regulations for adoption.