

# NOTICE OF MEETING & AGENDA

**Friday, August 16, 2024**

**1:00 p.m. – 2:00 p.m.**

**1100 K Street, Suite 101  
Sacramento, CA 95814**

## REMOTE LOCATIONS

Yolo County  
625 Court St., Room 103  
Woodland, CA 95695

Humboldt County  
825 5th Street  
Eureka, CA 95501  
Room 111

San Luis Obispo County  
Auditor-Controller-Treasurer-Tax Collector  
1055 Monterey St. Rm D-290  
San Luis Obispo, CA 93408

Santa Barbara County Admin building  
105 E Anapamu Street  
Santa Barbara, CA 93101  
4<sup>th</sup> floor – Room 413

## Zoom Access

<https://us06web.zoom.us/j/81510655991>

Meeting ID: 815 1065 5991

Call in Number: 1 (669) 444 9171

## PUBLIC COMMENT:

The Board welcomes and encourages public participation in its meetings. The public may take appropriate opportunities to comment on any issue before the Board. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment. Each speaker is limited to two minutes. If you are addressing the Board on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report.

If you would like to receive Notices and Announcements from CCA, please send an email to [subscribe@cca.ca.gov](mailto:subscribe@cca.ca.gov) and a subscription form will be sent to you or fill out our online subscription form at <http://cca.ca.gov/subscribe/>

## AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes
4. Data Update – NCS Analytics
5. Legislative Update - Public House Consulting
  - a. Letter to Drug Enforcement Administration from CSAC Re: Rescheduling of Cannabis from Schedule I to Schedule III (Docket No. DEA-1362)
6. Organizational Items
  - a. Consider adoption of Conflict of Interest Policy
  - b. Consider adoption of Statement of Incompatible Activities
  - c. Pricing sheet
7. Public Comment
8. Adjourn

August 16, 2024  
Agenda Item 3. Approval of Minutes





CCA Board Meeting  
Via Video / Teleconference Call/In-Person  
June 7, 2024  
**MINUTES**

**June 7, 2024 via Video / Teleconference Call/In Person** - Meeting called to order at 1:02pm by Tom Haynes.

**1. Roll Call**

- Rex Bohn , Supervisor Humboldt County
- X Jim Hamilton, Treasurer-Tax Collector, San Luis Obispo County, CCA Treasurer
- X Tom Haynes, Chief Financial Officer, Yolo County, CCA President
- Alisha McMurtrie, Treasurer-Tax Collector, Inyo County
- X Brittany Odermann, Deputy CEO Santa Barbara County

Others: Justin Cooley, San Luis Obispo County  
Stacie Frerichs, Executive Director  
Greg Turner, Previous Executive Director  
Adam Crabtree, Technology Consultant  
Christy Higgins, CSAC FC  
Tim Townsend, Communications Consultant  
Cara Martinson, Legislative Consultant  
Alan Fernandes, CSAC FC  
Ada Waelder, CSAC

**2. Approval of Minutes**

Minutes from BOD Meeting – May 10, 2024 presented and reviewed. Motion to approve by Justin Cooley with second by Brittany Odermann. Vote was unanimous.

**3. Organizational Update – Stacie Frerichs, Executive Director**

- A. 2024-2025 Proposed Budget – ACTION ITEM  
Stacie Frerichs presented the 2024-2025 budget for review. Revenue targets as well as expenses were presented and explained. Additional detailed information regarding revenues to come in the future. The board continued to the other agenda items and returned to vote on this item. Motion to approve by Brittany Odermann with a second by Tom Haynes. Vote was unanimous.
- B. 2024 – 2025 Work Plan - INFORMATIONAL  
Stacie Frerichs presented the work plan in 4 areas/goals:
  - Communication
  - Strategic Outreach
  - Member Services
  - Policy/Legislative

C. Contracts for Consideration – ACTION ITEM

1. Townsend Consulting, LLC Agreement

This contract provides for crucial communication services for members of the JPA. This contract is at a reduced amount from prior year and effective through December 2024. Motion to approve by Brittany Odermann with second by Justin Cooley. Vote was unanimous.

2. Public House Consulting – Agreement for Services

This contract provides for legislative tracking and light support. The scope is for monitoring and tracking and is not inclusive of legislative bill sponsorship. This contract is at a reduced amount from prior year and effective through December 2024. Correction to the contract of “retainer”. Motion to approve with correction by Justin Cooley with a second by Tom Haynes . Vote was unanimous.

3. Statement of Work-Audit Services, Clifton Larson Allen (CLA)

This contract is for fiscal year 2023 at a reduced price from original quote. These are the auditors from previous years audits. Motion to approve by Brittney Odermann with second by Justin Cooley. Vote was unanimous.

D. Board members and Executive Director extended appreciation and thanks to Greg Turner for his tenure as Executive Director of the CCA.

**4. Legislative/Regulatory Update – Cara Martinson, Public House Consulting**

Cara Martinson highlighted priority bills:

AB223 – Cara reviewed the bill which is meant to crackdown on intoxicating hemp. It is sponsored by most in the industry.

Cara recommended monitoring.

SB1059 – Cara reviewed the bill regarding tax collection. It excludes sales tax from gross receipts for local purposes.

SB1064 – This bill would revamp the State licensing system. It would consolidate State licensing to two.

Cara also discussed the CSAC county affiliates policy and how it could potentially impact CCA for the next legislative session.

**5. Platform/Federal Update – Adam Crabtree, NCS Analytics**

Adam Crabtree advised NCS will be releasing some more collaborative tools in the near future. In addition, they continue to work on the back end systems, increasing speeds and other features.

**6. Public Comment - None**

**7. Adjourned at 2:05pm - NEXT BOD MEETING – AUGUST 16, 2024 @ 1pm**



August 16, 2024

Agenda Item 5a. Letter to Drug Enforcement Administration from  
CSAC Re: Rescheduling of Cannabis from Schedule I to Schedule III  
(Docket No. DEA-1362)



OFFICERS

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San Luis Obispo County

**1st Vice President**

Jeff Griffiths  
Inyo County

**2nd Vice President**

Susan Ellenberg  
Santa Clara County

**Past President**

Chuck Washington  
Riverside County



**CEO**

Graham Knaus

July 22, 2024

Drug Enforcement Administration

Attn: DEA Federal Register Representative/DPW

8701 Morrisette Drive

Springfield, VA 22152

**Re: Rescheduling of Cannabis from Schedule I to Schedule III (Docket No. DEA-1362)**

To Whom It May Concern:

On behalf of the California State Association of Counties (CSAC), representing all 58 counties in California, thank you for the opportunity to provide comments regarding the Drug Enforcement Agency's (DEA) proposed rule to reclassify cannabis from Schedule I of the *Controlled Substances Act* (CSA) to Schedule III.

It is essential for federal cannabis policy to evolve in accordance with the latest scientific evidence and the shifting perspectives of society. Regrettably, federal drug policy has lagged behind the states, particularly those that have legalized cannabis in one form or another. For its part, California has been at the forefront of efforts to reform cannabis laws. In 1996, our state was the first to legalize the use of medical cannabis when voters approved the *Compassionate Use Act*. Twenty years later, California voters approved another statewide ballot initiative – the *Adult Use of Marijuana Act* (AUMA) – to legalize recreational use.

The *Medicinal and Adult-Use Cannabis Regulation and Safety Act* (MAUCRSA), which the California State Legislature approved in 2017, provides the legal framework for the production, transportation, and sale of cannabis in California. MAUCRSA provides for strong local control, allowing individual counties and cities to regulate in a way that best suits the needs of their communities. For instance, local governments have the right to either issue or not issue licenses for the cultivation, manufacturing, distribution, testing, or retail sales of adult-use and/or medicinal cannabis within their boundaries.

The current Schedule I status of cannabis, which categorizes it alongside substances like heroin and LSD, and which classifies the drug as more dangerous than fentanyl or cocaine, is increasingly at odds with both scientific evidence and public opinion. Schedule I classification denotes a high potential for abuse and no accepted medical use, yet numerous studies and state-level medical cannabis programs have demonstrated significant therapeutic benefits for a variety of conditions, including chronic pain, epilepsy, multiple sclerosis, and nausea. Rescheduling cannabis to Schedule III would acknowledge its medical utility while maintaining appropriate regulatory controls to prevent misuse.

If DEA's proposed rule is finalized, cannabis would join drugs such as ketamine, anabolic steroids, and testosterone in Schedule III. This category is reserved for substances that have a potential for abuse less than the drugs in schedules I and II, an accepted medical use, and for which abuse may lead to moderate or low physical dependence or high psychological dependence.

Reclassification would also help facilitate increased research opportunities by removing some of the existing regulatory barriers. At present, scientists and other researchers face onerous restrictions and must navigate an arduous approval process to study cannabis. This has resulted in a dearth of robust clinical data, limiting the development of evidence-based policies and medical treatments. By moving cannabis to Schedule III, these impediments would be substantially reduced. This would result in greater access to cannabis for clinical trials, thereby accelerating the understanding of its medical benefits and potential side effects. This, in turn, could improve patient access to safe and effective treatments.

However, CSAC remains concerned that placing cannabis in Schedule III will do little to improve industry access to traditional banking services. Due to the conflict between state and federal law, financial institutions have generally been reluctant to open or service accounts for such businesses out of fear that it could be flagged as a form of money laundering. This forces legal cannabis operators to conduct all of their transactions in cash, including payroll, property tax payments, local regulatory fees and taxes, and other typical business transactions. This makes it extremely difficult for local governments to audit these companies for taxation purposes. In addition, the all-cash nature of this industry poses a significant public safety risk for taxing and regulatory agencies, business owners, their employees, and their customers.

Thank you for the opportunity to provide comments. CSAC strongly urges the DEA to consider the substantial evidence supporting the medical benefits of cannabis and to reclassify it as a Schedule III substance. The rescheduling of cannabis is a rational step towards modernizing our drug policy, ensuring that it is grounded in scientific research and responsive to the medical needs of patients. If you have any questions or if you need any additional information, please contact Hasan Sarsour, CSAC Federal Representative, Paragon Government Relations, at (202) 898-1444.

Sincerely,



Graham Knaus  
CSAC Executive Director





August 16, 2024

Agenda Item 6. Organizational Items

- a. Consider adoption of Conflict of Interest Policy
- b. Consider adoption of Statement of Incompatible Activities
- c. Pricing sheet

**Re: Organizational Update for August 16, 2024, Board Meeting**  
**From: Stacie Frerichs, CCA Executive Director**

- Item 6. Organizational Update includes the following:
- a. Consider adoption of Conflict of Interest Policy
  - b. Consider adoption of Statement of Incompatible Activities
  - c. Pricing sheet

**Consider adoption of Conflict of Interest Policy**

As part of my review of our organization, we engaged Steve Churchwell (<https://www.buchalter.com/attorneys/steven-g-churchwell/#bio>) to review the Conflict of Interest Policy. He has recommended editing our policy to the one presented in the Board Packet. Once adopted by the Board, this policy will be submitted to the FPPC for review, a required step for multi-County agencies.

**Consider adoption of Statement of Incompatible Activities**

Another document required of every local public agency is a Statement of Incompatible Activities. There is not one available in our files, so I am submitting this Statement of Incompatible Activities for your adoption drafted in conjunction with Steve Churchwell.

**Pricing sheet**

Lastly, one of the key steps to expanding users of our services is a public pricing sheet. I have included the pricing sheet and will answer any questions at the Board Meeting.

**Next steps**

If the Conflict of Interest Policy is adopted, it will be sent to the FPPC for review. I will bring an update to the Policy and Procedures Manual with both the Conflict of Interest Policy and a few other policies that need updating. The last update of the Policy and Procedure Manual was in 2018.

The consultant team has begun trying to expand users of the “Keep Our County or City Informed” level and at the next Board Meeting, I will present the progress on the 2024-25 Workplan and a budget to actuals financial report.

**CONFLICT OF INTEREST CODE**  
of the  
**CALIFORNIA CANNABIS AUTHORITY**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs. § 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation, and the attached Appendix designating positions and establishing disclosure requirements, shall constitute the conflict-of-interest code of the **California Cannabis Authority (Authority)**.

All filers must file their statements of economic interests with the Authority. All statements must be made available for public inspection and reproduction under Government Code Section 81008.

**CALIFORNIA CANNABIS AUTHORITY**  
APPENDIX

<u>Designated Positions</u>		<u>Disclosure Category</u>
Board Members and Alternates		1, 2
Executive Director	1, 2	
General Counsel		1, 2
Consultant/New Position		*

\*Consultants/new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure requirements in this conflict-of-interest code subject to the following limitation:

The President may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and, thus, is not required to comply fully with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The President’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code.

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Disclosure Categories

**Category 1:** Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources of the type that contract with the Authority to supply goods, services, materials, or supplies.

**Category 2:** Interests in real property located within the Authority’s jurisdiction of the type purchased or leased by the Authority for its use.

# **STATEMENT OF INCOMPATIBLE ACTIVITIES FOR EMPLOYEES OF THE CALIFORNIA CANNABIS AUTHORITY**

Government Code section 1126 requires that every local public agency adopt a Statement of Incompatible Activities to establish a minimum standard of conduct for its employees. The following activities are deemed to be incompatible, inconsistent, or in conflict with the duties and obligations of employees of the California Cannabis Authority (“CCA”):

## **1. General Prohibitions**

- a. Using the prestige or influence of the CCA for private gain or advantage, or the private gain or advantage of another.
- b. Using work time, facilities, equipment or supplies for private gain or advantage, or for the private gain or advantage of another.
- c. Using confidential information available by virtue of holding a position as an employee for private gain or advantage, or for the private gain or advantage of another.
- d. Providing confidential information to unauthorized persons.
- e. Receiving or accepting money or other consideration (including, but not limited to, entertainment, lodging, travel expenses, goods, services or other items) from any private entity or individual for the performance of his or her duties as a CCA employee.
- f. Receiving, directly or indirectly, a gift from anyone who is doing or is seeking to do business with the CCA under circumstances from which it reasonably could be inferred that the gift was intended to influence the CCA employee in his or her official duties.

## **2. Prohibitions on Gifts of Travel**

- a. Accepting transportation, lodging or meals from any person or entity doing, or seeking to do, business with CCA, except where: (1) the travel is provided in connection with a meeting, seminar or conference primarily of educational value; and (2) the acceptance of the transportation, lodging, payment or reimbursement for such is not prohibited by any other provision of this Statement or any other provision of law.
- b. Claiming travel expense reimbursement from the CCA for other than CCA business.

### **3. Prohibited Public Statements**

Publishing any writing or making any statement to the media, to government officials, or members of the public that purports to represent CCA's position or policy on any matter or subject, before the Board has adopted a policy or position on the matter or subject. This section shall not preclude CCA employees, as private citizens, from expressing their personal views publicly, if clearly identified as such.

### **4. Prohibited Outside Employment**

- a. Employees must disclose, in writing, any of these:
  - i. Employment with any person or entity that contracts with CCA to provide goods, services, or any other purpose, or is seeking to contract or do business with CCA.
  - ii. Employment that involves being a partner, a trustee, an officer, or board member, or holder of a management position, or a consultant, or contractor, or employee, or an owner of an interest in any business, institution, or any agency of any type that has financial dealings with CCA.

### **5. Gifts**

Gifts that may not be accepted, pursuant to the provisions of this Statement or the Political Reform Act, shall be returned to the sender or reimbursed within 30 days.

### **6. Other Laws**

The standards of conduct set forth in this Statement are in addition to other applicable government ethics and conflict of interest laws.



# California Cannabis Authority

2024-2025 Pricing Sheet



**Keep Our County or City Informed** includes: monthly newsletter, weekly news clips, regulatory & legislative updates, policy office hours and semi-annual participant forums, billed annually

<b>Small</b> <100,000 population	\$6,000
<b>Medium</b>	\$10,000
<b>Large</b> >1,000,000 population	\$18,000

**County or City Insight** includes: dashboard of cannabis-related data for employees and/or general public, pricing in addition to the Keep Informed level

<b>Small</b> 5-10 retailers or 5-25 Cultivators	\$8,500
<b>Medium</b> 11-25 retailers or 26-75 Cultivators	\$19,500
<b>Large</b> 26-50 retailers or 76+ Cultivators	\$30,000

## Data Analytics • Policy Consulting • Revenue Review

Individually priced based on scope of work, JPA membership required

## Contact

Stacie Frerichs: [stacie@csacfc.org](mailto:stacie@csacfc.org) or Robbie Bendorf: [robbie@csacfc.org](mailto:robbie@csacfc.org)