

MCMP Humboldt, LLC

January 26, 2018

VIA EMAIL ONLY

Mr. John Friedenbach
General Manager,
Humboldt Bay Mutual Water District
P.O. Box 95
Eureka, CA 95502-0095
friedenbach@hbmwd.com

Re: MCMP Humboldt, LLC; Q Overlay Permit Additions

Dear Mr. Friedenbach:

This letter responds to the Humboldt Bay Municipal Water District's ("District") questions and requests regarding the MCMP, LLC Operations Manual and general operations. The District's comments are restated below, followed by MCMP's response. MCMP prepared these responses in furtherance of our continued efforts to address and resolve the District's concerns.

OPERATIONS PLAN

- 1. Page 75; Section 9 b): provide copy of HMBP to HBMWD. Require and provide copies to HBMWD of SPCC plan and SWPPP encompassing all operations on the property.**

MCMP will provide the cannabis manufacturing facility's Hazardous Materials Business Plan to the District if that facility will handle quantities of hazardous materials that trigger the requirement. The Operations Plan currently states that the facility does not intend to handle hazardous materials in quantities that would require a HMBP

Mercer-Fraser Company will provide a current version of the Essex facility's SWPPP to the District. The facility does not currently have an aggregate aboveground oil storage capacity greater than 1,320 gallons or a completely buried storage capacity greater than 42,000 gallons and, therefore, is not required to have a SPCC at this time.

- 2. Page 76; Section 9 c): limit amount of on-site storage of hazardous waste, solvents or other chemicals.**

MCMP agrees to limit the amount of onsite storage of hazardous waste, waste solvents, or other waste chemicals. Quantities of waste materials will not exceed 55 gallons. All hazardous waste, solvents, and other chemicals will be disposed of offsite in compliance with all applicable laws and regulations.

- 3. Page 78; Section 11 b): provide copies of all facility inspections to HBMWD within 30 days.**

MCMP will make manufacturing facility inspection reports available for the District's review at the facility within 48 hours' notice of any request by the District.

4. Page 80; Section 12: No on-site disposal of any waste.

MCMP will not dispose of any waste onsite. MCMP has revised the Operations Plan to clarify this point. A copy of the proposed revisions to the Operations Plan are attached in redline as **Exhibit 1**.

5. Page 81; Section 13 a): delete Acetone and Heptane from possible solvents. Limit to only gaseous: butane, propane and CO₂ or liquid ethanol or isopropanol with limited on-site storage quantities.

MCMP has revised the Operations Plan to remove Acetone and Heptane from the list of possible solvents. (**Exhibit 1**.) Butane, CO₂, ethanol and isopropanol are all liquids when pressurized and stored. Estimated quantities of these onsite solvents will vary but shall not exceed 55 gallons per solvent. Estimated quantities of propane, which is also a liquid when pressurized, will also vary, but are not anticipated to exceed 250 gallons.

6. Page 83; Section 14 a) i) (a): Max amount stored is subject to permit limitations of 50 gallons for ethanol. What are reasonable limits for gases: butane, propane, and CO₂?

MCMP has revised the Operations plan to note the maximum permitted storage of ethanol. (**Exhibit 1**.)

As discussed above, Butane, CO₂, ethanol and isopropanol are all liquids when pressurized and stored. Estimated quantities of these onsite solvents will vary but shall not exceed 55 gallons per solvent. Estimated quantities of propane will also vary but are not anticipated to exceed 250 gallons.

7. Page 83; Section 14 a) i) (c): Is a gas monitoring system required?

State and local cannabis ordinances do not require a gas monitoring system. A gas monitoring system may be required through the County building permit process. The manufacturing facility will comply with all applicable building code requirements.

8. Same (d): Is a fire suppression system required? If so, will building design include fire sprinkler flow containment?

It is assumed that a fire suppression system will be required. State cannabis manufacturing regulations require the facilities to be approved for use by the local fire code official. (See e.g., 17 Cal. Code Regs., § 40225(b).) A final determination on a fire suppression system, including flow containment, will be made by the County fire and building officials.

9. Same ii): Jeff Smith said CO₂ would be used. Plan should state so.

The Operations Plan states that CO₂ will be used. See section 13(a).

10. Page 84; same iv): Provide written notification to Humboldt County Building Dept. and HBMWD if any material change occurs.

MCMP will provide written notification to the County Planning and Building Department and the District if any material change occurs.

11. Page 84; c): Where will drain for eyewash be plumbed to?

MCMP anticipates that the drain for the eyewash station will be drained to the onsite septic system.

12. Page 85; d) ii): Require approval by Humboldt County Building Dept. with notice to HBMWD and public process.

Approving solvents in UL or ETL systems that are not listed as recommended for use by the manufacturers' instructions is not within the Planning and Building Department's area of knowledge or expertise. As stated in the Operations Plan, use of any solvents not listed will be approved by the system manufacturer or a Professional Engineer. MCMP will provide notice to the District of any change to the list of solvents used in the manufacturing process.

13. Page 85; f) iii): What is the maximum storage for the chemicals listed?

As discussed above, maximum storage for Butane, CO₂, ethanol and isopropanol shall not exceed 55 gallons per solvent. Maximum storage for propane not anticipated to exceed 250 gallons.

14. Page 88; Attachment 5: HBMWD was not included in Referral Agency notices.

MCMP understands that the County is looking into this question. MCMP will ensure that the District is properly listed as a referral agency for any future actions relating to the facility.

GENERAL CONDITIONS/QUESTIONS

15. How is surface water draining on site handled? Storm water control basin? Can run off be directed to Essex Road and not the river?

Surface water will be contained onsite in a stormwater runoff control basin. Runoff cannot be directed towards Essex Road due to the facility's topography.

16. Locate leach field for septic system located away from river and towards Essex Road.

The leachfield for the septic system is located away from the river, towards Essex Road. A copy of the site plan is attached as **Exhibit 2**.

17. Install sanitary seal as required by California Dept. of Water Resources on water well.

Mercer-Fraser will install a sanitary seal on the water well.

18. Provide written notice within 30 days to HBMWD for any permit changes concerning operations on the property filed with any agency.

MCMP will provide the requested notice for any permit changes concerning the manufacturing facility.

19. Prepare full EIR specific to the Cannabis Concentration Manufacturing process which includes characterization of all solvents to be used and chemicals to be stored on-site for all handling of them: 1) delivery; 2) storage; 3) use; and 4) disposal, in relation to potential impacts to our Ranney Well intakes for the public drinking water system. Include environmental and public health risk assessment to evaluate levels of significance.

The Planning Commission has determined that the project would have no impact to water quality. Based on the voluntary limitation of the types and quantities of solvents used in the manufacturing process, the nature of the closed-loop extraction system, and other project changes, MCMP has further decreased, and essentially eliminated, the likelihood of any impacts to water quality.

20. For lessee operators of Cannabis Concentration Manufacturing facility, include copy of Q zoning restrictions as attachment to and condition of lease agreement.

MCMP will include a copy of the "Q" zoning restrictions as an attachment to and condition of any lease agreement.

21. County and Mercer-Fraser consult with the Blue Lake Rancheria Tribe to ensure cultural resources (including culturally significant fish species) are protected.

Formal tribal consultation under CEQA is not applicable to this project. Moreover, the Blue Lake Rancheria Tribe already provided comments on the project. Nonetheless, MCMP is willing to engage the Blue Lake Rancheria Tribe to listen to additional concerns the tribe may have.

We trust these responses and changes to the Operations Plan satisfy the District's requests. Please let me know if you have any questions. MCMP looks forward to working with the District to address its concerns and maintain a positive working relationship.

Sincerely,



Mark Benzinger

cc: **Jeff Smith**
Ryan Sundberg