

# **CITY OF COACHELLA**

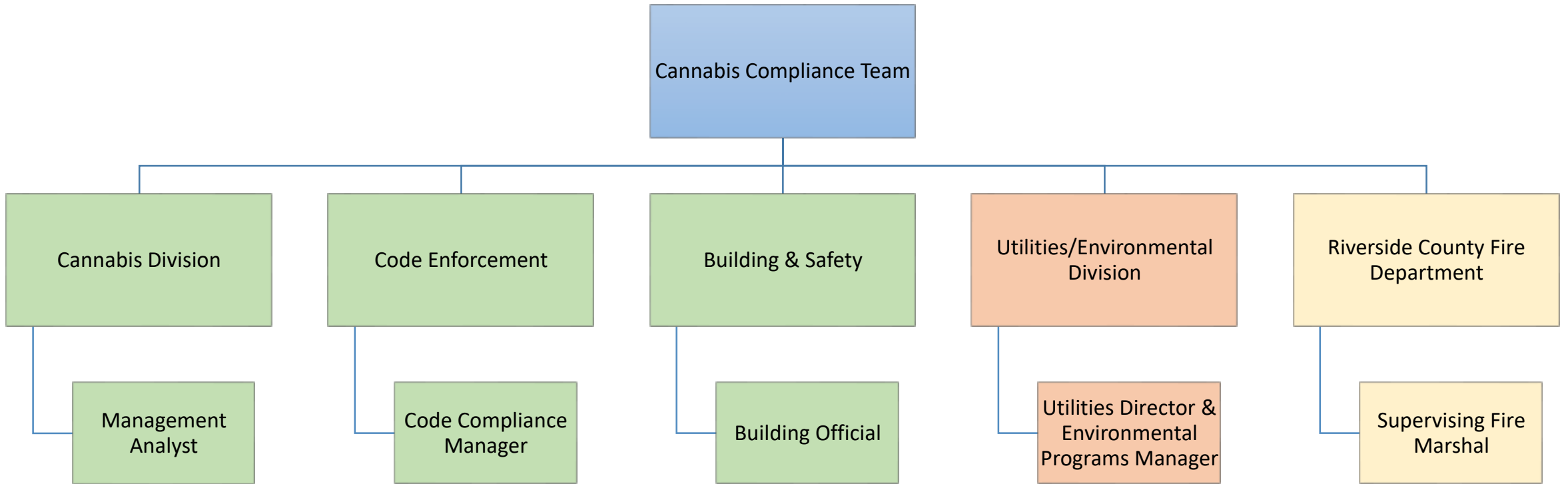
## **CITY COUNCIL MEETING**

**April 9, 2025**

**City of Coachella Cannabis Compliance Update**

# Background

- On January 27, 2016, the City Council adopted Ordinance No. 1083 to allow commercial cannabis activity that included cultivation, manufacturing, testing, and distribution of cannabis products.
  - Zoning requirements: wrecking yard and industrial zones.
- On February 14, 2018, the City Council adopted Ordinance No. 1115 to establish and regulate retail cannabis businesses.
  - Zoning requirements: commercial and industrial zones.
- Staff established a cannabis compliance team in 2023.



Cannabis Operators – Out of Compliance		
DBA	Business Type	Premise
Green Renewable Future (Del Gro)	Cultivation	Avenue 48
Ares One (Del Gro)	Cultivation	Avenue 48
Gentleman’s Cut (Del Gro)	Cultivation	Avenue 48
Greenwel Consulting (Del Gro)	Cultivation	Avenue 48
Verde Six Twelve (Del Gro)	Cultivation	Avenue 48
Verde Nine Fourteen (Del Gro)	Microbusiness	Avenue 48
Scarlett Rae Holdings	Cultivation	Avenue 48
JVTS	Cultivation	Avenue 48
AJAX Farms	Cultivation	Avenue 48
Massive Industries	Cultivation	Avenue 54
Zinc Farms	Cultivation	Polk Street
Coachella Lighthouse	Storefront Retail	Avenue 48
Coachella Greenery	Storefront Retail	Avenue 48
Coachella Canna Club	Storefront Retail	Dillon Road
D9 Manufacturing	Manufacturing & Distribution	Avenue 48

Cannabis Operators – Out of Compliance						
DBA	Building & Safety	Land Use Entitlements	Utilities	Odor Control	CRP	Taxes
Green Renewable Future (Del Gro)			X			
Ares One (Del Gro)			X			
Gentleman’s Cut (Del Gro)			X			
Greenwel Consulting (Del Gro)			X			
Verde Six Twelve (Del Gro)			X			
Verde Nine Fourteen (Del Gro)			X			
Scarlett Rae Holdings			X			
JVTS	X		X	X	X	
AJAX Farms	X		X	X	X	
Massive Industries	X		X	X	X	
Zinc Farms	X	X	X		X	
Coachella Lighthouse		X			X	X
Coachella Greenery	X				X	
Coachella Canna Club						X
D9 Manufacturing		X			X	

# Utilities Department

## Coachella Sanitary District

- Coachella Sanitary District WWTP

## California Regional Water Quality Control Board

- Per Order R7-2020-0008
  - NPDES No. CA0104493
- } Discharge & Operation Requirements

## Municipal Code Chapter 13.02

- Purpose – Comply with the laws, regulations, and rules Imposed upon by regulatory agencies and ensures city Facilities and treatment processes are protected.
- Powers – authorizes the Department Head (Department) to require the installation and maintenance of pretreatment and/or monitoring facilities and equipment



# Utilities Department

## ORDER WQ 2017-0023-DWQ

**Background:** Cannabis cultivation in CA has grown exponentially in recent years and is often located in sensitive environmental areas where the activities create significant impacts to water quality.

This General Order implements the Cannabis Policy requirements, specifically those requirements that address waste discharge associated with cannabis cultivation activities.



STATE WATER RESOURCES CONTROL BOARD  
ORDER WQ 2017-0023-DWQ  
GENERAL WASTE DISCHARGE REQUIREMENTS AND  
WAIVER OF WASTE DISCHARGE REQUIREMENTS  
FOR DISCHARGES OF WASTE ASSOCIATED WITH  
CANNABIS CULTIVATION ACTIVITIES



# Utilities Department

## ORDER WQ 2017-0023-DWQ

**Requirements:** Cannabis cultivators require coverage under this Board Order:

There are several ways to meet coverage, including holding wastewater discharge and disposing of it at an approved facility.

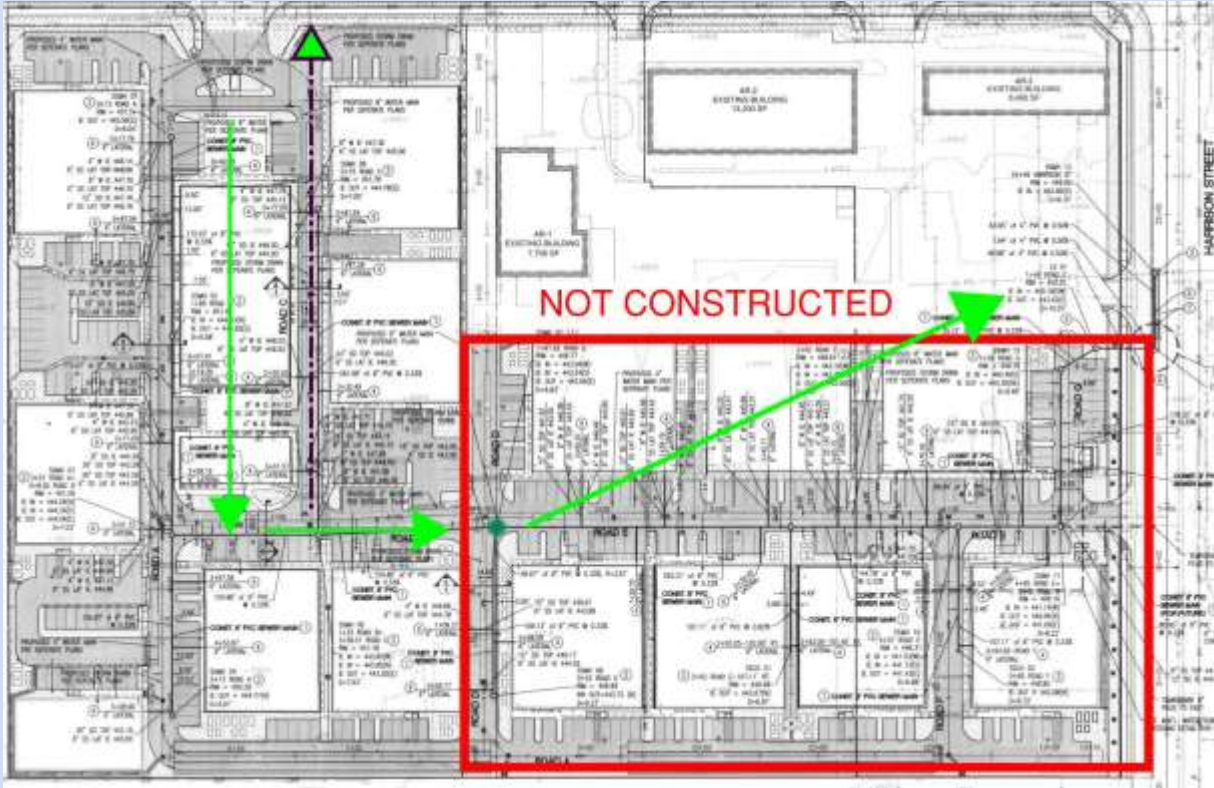

Sending the waste discharge to the local Community Wastewater System if allowed by the local agency and by meeting all of their requirements.



STATE WATER RESOURCES CONTROL BOARD  
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# Utilities Department

Business Name	Business Type	Compliance Issue
<div>Del Gro Complex:</div> <div><ul style="list-style-type: none"><li>Ares One</li><li>Green Renewable Future</li><li>Verde Six Twelve</li><li>Greenwel Consulting</li><li>Verde Nine Fourteen</li><li>Gentleman's Cut</li></ul></div>	Cultivator	<div><ul style="list-style-type: none"><li>Nov 2023: One year Wastewater Discharge Permit issued. Businesses were made aware that within one year of the issuance of the permit a sample box and separate ag wastewater line must be installed.</li><li>Dec 2024: NOC (Notice of Correction) letters were sent out to the business making them aware of the sample box and ag drain line violation.</li><li>Dec 2024: Utilities Dept. met with Del Gro representative and agreed on an additional one year extension conditioned on submitting plumbing plans and DFU (drainage fixture count) schedule by 3/31/25</li><li>March 2025: Applicant has indicated plans are ready for review, staff has directed applicant to the Building Department for submittals</li></ul></div> <div></div> <div></div>

# Utilities Department

Business Name	Business Type	Compliance Issue
JVTS	Cultivator	<ul style="list-style-type: none"><li>• May 2024: Initial on site inspection performed, business was provided with the inspection report informing them of the sample box and ag drain line requirement.</li><li>• Sept 2024: 2<sup>nd</sup> site inspection performed, business was provided with the inspection report informing them of the sample box and ag drain line requirement.</li><li>• Dec 2024: NOC letter sent to business making them aware of the continued sample box and ag drain requirement.</li><li>• Feb 2025: Utilities Dept. meet with business representative. Business is unsure if they will discharge to were or contain and haul ag wastewater. Utilities Dept. will give 30 days to determine the discharge process.</li><li>• March 2025: Business has opted to contain and haul their ag wastewater.</li><li>• March 2025: Utilities Dept. provided the business with a NOC letter insuring business is aware of the requirements to contain and haul. Business must demonstrate the process in which wastewater will be disposed of, eliminate any drains located inside grow rooms, and notify SWRCB (State Water Resources Control Board) of the change to the discharge process. Business will have 90 days to submit documentations to the Utilities Department and Development Services Department.</li></ul>
Ajax Farm Boys	Cultivator	<ul style="list-style-type: none"><li>• May 2024: Initial on site inspection performed, business was provided with the inspection report informing them of the sample box and ag drain line requirement.</li><li>• July 2024: No response from business</li><li>• Nov 2024: Utilities Dept. approved plumbing plans submitted, sample box and ag drain line must be installed by Dec 2025</li><li>• March 2024: Under construction</li></ul>



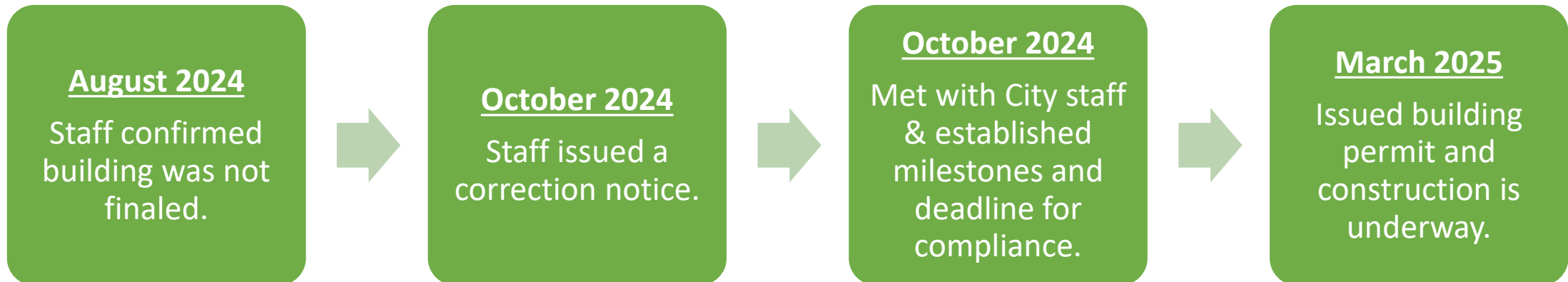
# Utilities Department

Business Name	Business Type	Compliance Issue
Scarlett Rae	Cultivator	<ul style="list-style-type: none"><li>• April 2024: Initial on site inspection performed, business was provided with the inspection report informing them of the sample box and ag drain line requirement.</li><li>• Sept 2024: NOC letter sent to business making them aware of the continued sample box and ag drain requirement.</li><li>• Nov 2024: No response from business</li><li>• Dec 2024: 2<sup>nd</sup> NOC letter sent, Business must reach out to the Utilities Dept. and address the NOC issue.</li><li>• Jan 2025: Utilities Dept. meet with business representative. Business is unsure if they will discharge to were or contain and haul ag wastewater. Utilities Dept. will give 30 days to determine the discharge process.</li><li>• March 2025: Business requested an additional 30 days to determine the discharge process, Utilities Dept. agreed, business must confirm discharge process by April 13<sup>th</sup>.</li></ul>
Mike Solomon 53800 Polk St	Cultivator	<ul style="list-style-type: none"><li>• Feb 2024: Business Submitted T.I. plans to D.S., Utilities Dept. has commented on the required sample box and Ag drain line for this facility.</li><li>• March 2024: Initial on site inspection performed, business was provided with the inspection report informing them of the sample box and ag drain line requirement.</li><li>• March 2024: Utilities Dept. has informed the business that it will allow the existing ag drain plumbing to stay in place, conditioned on Building Dept. approval. Facility must still installed a sample box.</li></ul>

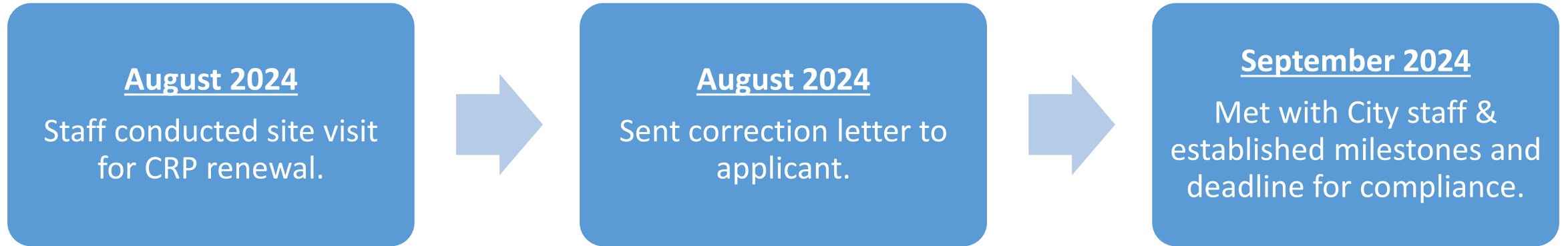
# JVTS



# AJAX



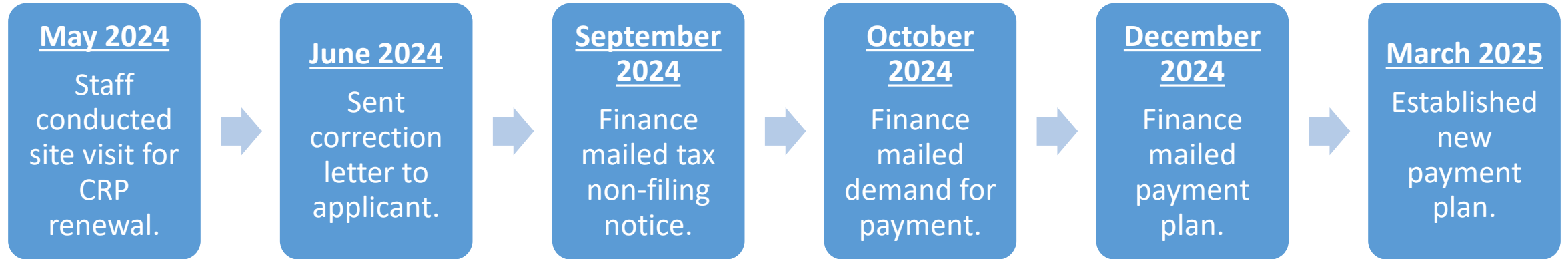
# Massive Industries



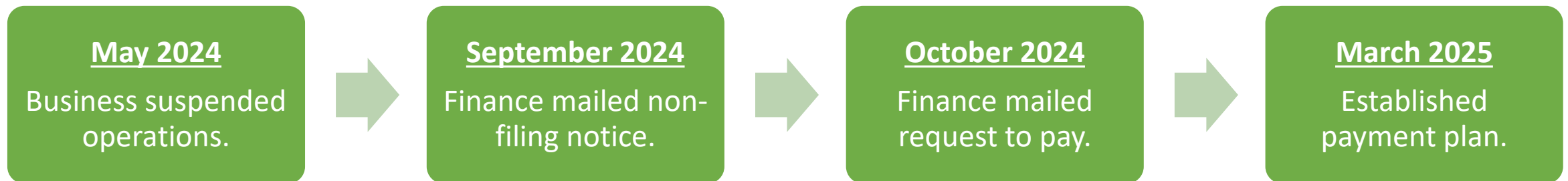
# D9 Manufacturing



## Coachella Lighthouse



## Coachella Canna Club



# Coachella Greenery



# Cannabis Tax Revenue (FY 2020-2025)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Cultivation	\$1,229,184	\$669,246	\$551,597	\$301,765	\$167,962
Manufacturing	\$32,125	\$2,156	\$1,957	-	-
Distribution	\$75	\$21,418	-	-	-
Retail	\$636,130	\$684,349	\$535,086	\$722,760	\$196,968
Total	\$1,897,514	\$1,377,168	\$1,088,640	\$1,024,525	\$364,930

# Compliance Solutions

- Implement milestones with deadlines.
- Monthly progress check-ins with businesses that are out of compliance.
- Staff biweekly compliance meetings.