IA TO THE STORAGE DISTRICT

ARVIN-EDISON WATER STORAGE DISTRICT

April 28, 2020

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Director of Water Resources
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Dear Landowner:

The purpose of this letter is to make you aware that the Bureau of Reclamation (Reclamation) has issued a Policy regarding the cultivation of products prohibited under the Controlled Substance Act (CSA).

As Arvin-Edison is a contractor receiving water from Reclamation, Arvin-Edison must also comply with the requirements of federal law, including the CSA. Reclamation has issued this Policy to inform the public how it will meet its obligations with regards to the cultivation of marijuana, which is prohibited under the CSA (21 U.S.C. 802(16)).

The CSA's prohibitions include "hot hemp," which is hemp that exceeds applicable legal standards. This last point is important, as recent changes in state law or County ordinances regarding marijuana cultivation are not applicable to Reclamation. In fact, due to these recent changes in state law, Reclamation has issued this Policy to clarify that federal water may <u>not</u> be used in the cultivation of marijuana (including "hot hemp"), and the steps Reclamation will take should any such uses be discovered.

Under Reclamation Policy, the use of federal water or Reclamation facilities in the cultivation of marijuana is prohibited unless there is an exemption or exception issued pursuant to the CSA. The Policy then outlines the steps Reclamation employees are to take once the cultivation of marijuana with federal water or use of federal facilities is discovered:

Should Reclamation employees become aware that Reclamation facilities or the water they supply are being used to facilitate federally prohibited cultivation of marijuana, they will, through their line management, bring this to the attention of their regional director, who will report such use to the Department of Justice and document the reporting action(s).

A copy of Reclamation Policy PEC TRMR-63 is enclosed and can also be found at https://www.usbr.gov/recman/temporary releases/pectrmr-63.pdf.

Arvin-Edison is not a law enforcement agency. As noted above; however, Arvin-Edison's contract with Reclamation requires Arvin-Edison to comply with federal law. It is with this in mind, the undersigned Board of Directors' wanted to make our landowners aware of the current Reclamation policy in this matter.

Please contact our office if you have any questions regarding this policy and we will coordinate with Reclamation in obtaining a response to your question(s).

Landowner April 20, 2020 Page 2

Thank you,

The Board of Directors:

President #dwin Camp

Secretary John C. Moore

Director Derek Yurosek

Director Charles Fanucch

Vice President Jeffrey Giumarra

Director Kevin Pascoe

Director Depnis Johnston

Director Tito Martinez

Encl.

cc: Jeevan Muhar, Engineer-Manager

David Nixon, Deputy GM

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Reclamation Manual

Policy

TEMPORARY RELEASE

(Expires 05/16/2021)

Subject: Use of Reclamation Water or Facilities for Activities Prohibited by the

Controlled Substances Act of 1970

Purpose: The purpose of this Policy is to provide a clear statement of the Bureau of

Reclamation's intent to operate consistently with the Controlled

Substances Act of 1970 with respect to the potential use of Reclamation

water or facilities for the production of marijuana.

Authority: Reclamation Act of 1902 (ch. 1093, 32 Stat. 388); Controlled Substances

Act of 1970 (Pub. L. 91-513, 84 Stat. 1236, as amended by the

Agricultural Improvement Act of 2018 (Pub. L. 115-334); codified as

amended in various sections of 21 U.S.C.)

Approving Official: Commissioner

Contact: Director, Policy and Programs (84-50000)

- 1. **Introduction.** The Controlled Substances Act of 1970 (CSA) and its implementing regulations prohibit the cultivation of marijuana, as defined at subsection 102(16) of the CSA (codified at 21 U.S.C. 802(16)). Reclamation's obligation as a Federal agency to uphold Federal law prohibits it from approving the use of Reclamation water or facilities to facilitate activities prohibited by the CSA that are not within a relevant exception or exemption established by Federal law. The legalization of marijuana's cultivation under some state laws necessitates a clear statement of Reclamation's obligations under the CSA.
- 2. **Applicability.** This Policy applies to Reclamation staff involved in the administration of Reclamation water-related contracts.
- 3. **Policy.** Reclamation will operate its facilities, make available contract water, execute and administer its water-related contracts, and otherwise perform its contractual and legal duties in a manner that is consistent with the CSA, as amended.² Specifically:

¹Spelled "marihuana" in the statute.

²This Policy does not apply to the use of Reclamation project water or facilities in the cultivation of hemp, as defined in the Agricultural Marketing Act of 1946 (7 U.S.C. 16390), which is no longer a prohibited activity under the CSA, as amended by the Agricultural Improvement Act of December 10, 2018 (2018 Farm Bill) (Pub. L. 115-334). Section 10113 of the 2018 Farm Bill added the current definition of "hemp" to the Agricultural Marketing Act and removed hemp from the CSA's definition of "marijuana" (section 12619(a), codified at 21 U.S.C. § 802) and from its schedule of controlled substances (section 12619(b), codified at 21 U.S.C. 812(17)). Hemp cultivation is regulated by the United States Department of Agriculture (USDA) and responsible state agencies (see 7 U.S.C. 1621, et seq.). Reclamation staff should direct contractors and water users to the USDA and the responsible state agency for associated information.

Reclamation Manual

Policy

TEMPORARY RELEASE

(Expires 05/16/2021)

- A. Reclamation will not approve use of Reclamation facilities or water in the cultivation of marijuana that is prohibited under the CSA and not within an exception or exemption established by Federal law.
- Should Reclamation employees become aware that Reclamation facilities or the water they supply are being used to facilitate federally prohibited cultivation of marijuana, they will, through their line management, bring this to the attention of their regional director, who will report such use to the Department of Justice and document the reporting action(s).
- C. Throughout this process, a Reclamation employee, to be designated by the responsible regional director, will compile and maintain a record documenting all activities and communications regarding known or potential uses of Reclamation water or facilities for federally prohibited cultivation of marijuana. These records will include all relevant memos, emails, letters, records of telephone conversations, etc. about known or potential uses of Reclamation water or facilities to cultivate marijuana, including responses by Reclamation employees.
- D. Reclamation does not have a responsibility or designated role in actively seeking enforcement of the CSA.
- 4. Commingled Water. This Policy does not apply to non-contract water commingled with contract water in non-Federal facilities.
- **Definitions.** The definitions cited in Reclamation Manual Policy, Water-Related Contracts-General Principles and Requirements, PEC P05, apply to this Policy (see especially the terms "Contract Water" and "Water-Related Contract" at Paragraphs 3.D. and 3.R.).

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