

April 24, 2018

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SHASTA COUNTY BOARD OF SUPERVISORS

Tuesday, April 24, 2018

REGULAR MEETING

9:00 a.m.: Chairman Baugh called the Regular Session of the Board of Supervisors to order on the above date with the following present:

District No. 1 - Supervisor Kehoe
District No. 2 - Supervisor Moty
District No. 3 - Supervisor Rickert
District No. 4 - Supervisor Morgan
District No. 5 - Supervisor Baugh

County Executive Officer - Larry Lees
County Counsel - Rubin E. Cruse, Jr.
Administrative Board Clerk - Kristin Gulling-Smith
Chief Deputy Clerk of the Board - Mary Williams

INVOCATION

Invocation was given by Pastor Phil Harper, Community of Christ Church.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance to the Flag was led by Supervisor Moty.

REGULAR CALENDAR

PRESENTATIONS

CERTIFICATES OF RECOGNITION
SHASTA HIGH SCHOOL MOCK TRIAL PROGRAM

The Board presented certificates of recognition to the Shasta High School Mock Trial Program in recognition of their recent achievements. (Supervisor Kehoe)

PRESENTATION
SHERIFF'S OFFICE VOLUNTEERS

Undersheriff Eric Magrini acknowledged the Sheriff's Office volunteers, who serve the citizens of Shasta County on a daily basis.

PRESENTATION
SHASTA PUBLIC LIBRARY SYSTEM UPDATE

Shasta Public Libraries Director Anna Tracy provided an update on the Shasta Public Library System.

PUBLIC COMMENT PERIOD - OPEN TIME

Rob McDonald spoke regarding the County policy on medical marijuana and citizens' Constitutional rights.

William Gilbert spoke regarding issues with the County and County employees.

Director of Resource Management Rick Simon recognized Bill Walker for nearly 30 years of employment with Shasta County and presented him with a plaque to mark his retirement from the County.

Greg Hector spoke regarding drug addiction treatment and rehabilitation programs within the County, and on state funding for assistance programs.

ITEMS PULLED FROM CONSENT CALENDAR

Chairman Baugh noted that the items regarding Shasta County's Mental Health Services Act Permanent Supportive Housing funds administered through the California Housing Finance Agency and the agreement with Bowman Systems, LLC, had been pulled for discussion.

CONSENT CALENDAR

By motion made, seconded (Moty/Morgan), and unanimously carried (except for the lease and service agreement with Macy's Flying Service, Inc., from which Supervisor Rickert recused herself), the Board of Supervisors took the following actions, which were listed on the Consent Calendar:

Approved the minutes of the meeting held on April 17, 2018, as submitted. (Clerk of the Board)

Approved and authorized the Chairman to sign an agreement with Kings View Corporation in an amount not to exceed \$1,665,923 during the entire term of the agreement to provide mental health services for eligible youth for the period date of signing through June 30, 2018, with two automatic one-year renewals. (Health and Human Services – Children's Services)

Approved and authorized the: Chairman to sign a renewal revenue agreement with the United States Department of Interior through the Bureau of Reclamation in an amount not to exceed \$86,515.78 for the Opportunity Center to provide grounds maintenance services for a base year from May 1, 2018 through April 30, 2019, with four optional one-year renewals; and Health and Human Services Agency (HHSA) Director, or any HHSA Branch Director designated by the HHSA Director, to sign amendments, including retroactive, that do not result in a substantial or functional change to the original intent of the agreement and do not result in a change in compensation for a total not to exceed \$438,476.23 through April 30, 2023, as long as they otherwise comply with the Administrative Policy 6-101, *Shasta County Contracts Manual*. (Health and Human Services – Regional Services)

Approved and authorized the Chairman to sign a renewal lease agreement with The June Girard Fund Limited Liability Company in the amount of \$48,000 per month (\$1.14 per square foot) for 41,973 square feet of office space located at 2600 Park Marina Drive, Redding, California, for the period July 29, 2018, through June 30, 2028, with three optional three-year extensions with annual adjustments not to exceed +2% or -2%, based on the Consumer Price Index. (Child Support Services)

Approved and authorized the Chairman to sign a renewal revenue agreement with the California Department of Parks and Recreation, Division of Boating and Waterways in an amount not to exceed \$584,990 for the purpose of performing boating and enforcement activities on Shasta County waterways (excluding Whiskeytown Lake) for the period July 1, 2018, through June 30, 2019. (Sheriff)

Took the following actions: Approved and authorized the Chairman to sign a revenue lease and service agreement with Macy's Flying Service, Inc. in the amount of \$2,200 annually to lease a 10,000 square-foot area at the Fall River Mills Airport for a fixed base operator (FBO) aerial agricultural operation for the period from the date of execution through August 1, 2041, with

annual cost adjustments beginning in 2020 based on changes in the Consumer Price Index, provided the adjustment shall not exceed six percent in any one year; and found that the proposed action is exempt from environmental review under the California Environmental Quality Act (CEQA) based on the following categorical exemptions: CEQA Guidelines 15301 (Existing Facilities), 15303 (New Construction or Conversion of Small Structures), and 15311 (Accessory Structures); there are no unusual circumstances under CEQA Guideline 15300.2(c); and each exemption stands as a separate and independent basis for determining that the proposed action is not subject to CEQA. (Public Works)

ACTION ON ITEMS PULLED FROM CONSENT CALENDAR

CALIFORNIA HOUSING FINANCE AGENCY **SHASTA COUNTY'S MENTAL HEALTH SERVICES ACT** **PERMANENT SUPPORTIVE HOUSING FUNDS**

Director of the Health and Human Services Agency (HHSA) Donnell Ewert gave a presentation regarding the Woodlands housing complex. Director Ewert explained that the complex was originally supposed to be for 75 units but had to be reduced to 55 due to financing issues. Of those units, 19 are funded through the Mental Health Services Act (MHSA) fund through the California Housing Finance Authority (Cal HFA) and are for housing people with mental illness.

With cooperation between Cal HFA, the City of Redding, and the County, an additional 20 units will be built, with five of them funded through the MHSA, giving a total of 24 units for housing people with mental health issues. The plan brought to the Board is a draft and will be finalized on May 15th, but can be submitted with the application now to qualify for Cal HFA's tax credit competition in July. Once the plan is finalized, the Mental Health, Alcohol, and Drug Advisory Board will review the plan and make recommendations to the Board of Supervisors, after which HHSA will return to the Board to submit the plan for final approval.

In response to questions by Supervisor Rickert, Director Ewert confirmed that of 19 people living at Woodlands through the HHSA program, only one was lost over the last year, giving the program a very good retention rate. Director Ewert also confirmed that HHSA was able to secure other financing from Partnership Healthplan of California and assistance from North Valley Catholic Social Services, and will be seeking subsequent financing later this year in order to build five housing units for people with mental health concerns in the intermountain area.

By motion made, seconded (Moty/Rickert), and unanimously carried, the Board of Supervisors took the following actions: Approved County support for PC Redding Apartments Limited Partnership's (PCRA) application for Shasta County's Mental Health Services Act

(MHSA), Permanent Supportive Housing funds administered through the California Housing Finance Agency (Cal HFA) for the provision of permanent supportive housing for persons with psychiatric disabilities for the development project, Woodlands 2; approved County participation in the Permanent Supportive Housing Program; and delegated authority to the Health and Human Services Agency (HHSA) Director, or any HHSA Branch Director designated by the HHSA Director, to negotiate, sign, and submit the Cal HFA Local Government Special Needs Housing Program (SNHP) Finance Application documents, so long as they otherwise comply with Administrative Policy 6-101, Shasta County Contracts Manual: Attachment A, Local Government Certification; Attachment B-1, SNHP Regulated Unit Occupancy Restrictions; and documents related to the Cal HFA SNHP Finance Application. (Health and Human Services Agency – Office of the Director)

AGREEMENT: BOWMAN SYSTEMS, LLC
HOMELESS MANAGEMENT INFORMATION SYSTEM

Director of Housing and Community Action Agency Laura Burch gave a presentation on the Homeless Management Information System (HMIS). HMIS is used for collection of data on the homeless population, with about 1500 currently being tracked. This information is used to help provide services and statistics, as well as being a requirement of the U.S. Department of Housing and Urban Development (HUD) and a prerequisite to apply for funds. In October 2017, the County purchased 50 licenses, but the need has increased due to marketing by staff and HUD requirements. Over the coming weeks, Director Burch will be making local presentations highlighting actions of the Community Action Agency within the county.

By motion made, seconded (Kehoe/Rickert), and unanimously carried, the Board of Supervisors approved and authorized the Chairman to sign an amendment, effective date of signing, to the agreement with Bowman Systems, LLC to provide the Homeless Management Information System (HMIS) to add 100 licenses (for a new total of 150) and to increase maximum compensation not to exceed by \$39,125 (for a new total not to exceed \$80,000 during the entire term of the agreement), retaining the original term October 31, 2017 through October 31, 2018. (Housing and Community Action Programs)

REGULAR CALENDAR, CONTINUED

GENERAL GOVERNMENT

ADMINISTRATIVE OFFICE/BOARD OF SUPERVISORS

LEGISLATIVE UPDATE/SUPERVISORS' REPORTS

County Executive Officer (CEO) Larry Lees had no legislative update.

Chairman Baugh discussed the potential for improvements to the Department of Resource Management's processes; he also asked CEO Lees to bring the topic forward to the next Board meeting for direction from the Board.

Supervisor Rickert stated that she was asked by one of her constituents to bring forward an issue regarding small internet antenna systems on properties of five acres or more and would like to meet with someone from Resource Management to discuss the topic.

CEO Lees reminded the Board of Supervisors that further discussion should be reserved until the item is agendaized at a future meeting.

In response to questions by Supervisor Moty, Counsel Cruse and CEO Lees both stated that they did not believe the issue of small antenna systems had been brought before the Board.

Chairman Baugh submitted to CEO Lees and Counsel Cruse his thoughts regarding a panhandling ordinance for the unincorporated areas of Shasta County, including Cottonwood.

Supervisor Moty recently attended the California State Association of Counties Finance Annual Conference.

Supervisors reported on issues of countywide interest.

SCHEDULED HEARINGS

AGRICULTURAL COMMISSIONER/SEALER OF WEIGHTS AND MEASURES

RESOURCE MANAGEMENT

SHERIFF

ORDINANCE NO. 740

MORATORIUM ON THE CULTIVATION OF HEMP UNINCORPORATED AREAS OF SHASTA COUNTY

This was the time set aside to conduct a public hearing to consider an Uncodified Urgency Ordinance that extends a Temporary Moratorium on the Cultivation of Industrial Hemp within the Unincorporated Areas of the County of Shasta for 22 months and 15 days, previously established by Ordinance Number 739. Agricultural Commissioner/Sealer of Weights and Measures Paul Kjos

provided a presentation on the request to extend the current moratorium. Commissioner Kjos requested the extension so that there is further time to assess the impact that this plant may have on the County. The production of hemp is prohibited for most people until the Industrial Hemp Advisory Board provides recommendations to the Secretary of Food and Agriculture and the regulatory framework determined by those recommendations is in place. The Notice of Hearing and the Notice of Publication are on file with the Clerk of the Board.

In response to questions by Supervisor Rickert, Commissioner Kjos stated that he has not spoken to any universities directly, but he has heard that the University of California and California State University systems are not doing anything with hemp due to it still being on the federal Schedule I list. There is a current discussion at the federal level about removing hemp from the Schedule I list, but there is no current timeframe for that to happen.

In response to questions by Chairman Baugh, Commissioner Kjos explained that several local growers had contacted his office regarding the potential cultivation of hemp for hemp fiber or extraction of CBD oil. Commissioner Kjos stated that there are no manufacturing or processing facilities in the area for hemp.

In response to questions by Chairman Baugh, Commissioner Kjos stated that he is not familiar with the specifics on return or value of the crop and would need to do further research and that from the perspective of an Agricultural Commissioner, hemp would just be another available crop for rotation options.

In response to questions by Supervisor Rickert, Commissioner Kjos expressed agreement that hemp would probably grow well in Shasta County, but that there would be a need for a local processing facility.

The public hearing was opened.

Rob McDonald spoke regarding the legalization of both marijuana and hemp and the local knowledge base available regarding both plants, as well as currently available hemp products, the market for them, and the potential for additional employment opportunities.

Matthew Madeiros thanked Commissioner Kjos for working with him. Mr. Madeiros explained that hemp is not related to cannabis except as a member of the same plant family and that it does not contain notable amounts of THC. Mr. Madeiros spoke about hemp products already available in the area, all of which are imported from outside the United States and the potential of CBD oil products. He asked that if the federal government removes hemp from the Schedule I list, the Board of Supervisors explore the possibility of ending the temporary moratorium earlier than the 22 months and 15 days, because there is a possibility of large outside agricultural producers entering the market and preventing smaller local organizations from being able to

compete. Mr. Madeiros' organization is examining the possibility of building a hemp manufacturing/processing plant in the area.

In response to questions from Supervisor Moty, Mr. Madeiros explained that hemp does have an odor but that it is not as pungent as marijuana.

In response to questions from Chairman Baugh, Mr. Madeiros explained that extract is one of the most valuable byproducts of hemp, followed by textiles and then hemp seed or protein; his organization would be leading with cold-pressed CBD oils, as they can be used for different purposes without any psychoactive effect. Mr. Madeiros stated that he was not aware of any complaints from medical marijuana growers about cross contamination, and that hemp cultivation would also help drive out illegal marijuana growing operations, as the hemp would ruin cannabis crops.

In response to questions by Supervisor Rickert, Mr. Madeiros stated that he is not an expert in the subject of water usage for growing hemp but that there are techniques available to minimize the water usage. Mr. Madeiros explained that hemp follows the standard seasons of planting in the spring to harvest in the fall, with the possibility of utilizing greenhouses for crops during the winter. Mr. Madeiros explained that hemp would follow the same standards for pesticides as any other agricultural crop, as well as established organic standards, if those apply. Mr. Madeiros stated that ideally, they would be planting now, but a lead time of three to six months would work for the next growing season or for starting with greenhouse grows as soon as possible.

In response to questions by Supervisor Morgan, Mr. Madeiros stated that his organization would like to process hemp within Shasta County and does plan to build a processing plant, but he cannot specify the location at the present time.

In response to questions by Supervisor Kehoe, Mr. Madeiros explained that the temporary moratorium would give an advantage to large producers rather than local growers because the federal government is moving to declassify hemp as a Schedule I crop and large outside agricultural corporations would be able to enter the hemp market quickly once the declassification happened. Mr. Madeiros stated that the ability to start planting hemp now would allow local growers to have a step up in the process. Mr. Madeiros explained that larger companies can move into adjacent counties or even to different states, where growing hemp is allowed, and grow in a very large scale, so allowing local groups to start growing sooner would allow them to become more stable and sustainable businesses.

In response to questions by Supervisor Baugh, Mr. Madeiros stated that his organization, Seven Hills Land and Cattle, owns 2900 acres west of Redding.

Jerome Venus spoke in support of hemp's possible uses, including medical CBD use for people and pets, and in favor of hemp growth as an economic and employment opportunity for the county.

Jon Payne spoke in favor of hemp and pointed out a lack of knowledge about hemp, which leads to misconceptions. He stated that a federal bill for declassifying hemp is gaining support in the Senate and that at least one university in California, the University of California, Los Angeles, is definitely growing hemp for research. Mr. Payne expressed that his organization has a partnership with one of the largest growers in the nation and that Shasta County is behind because large agricultural corporations are already involved. He also stated that his organization would like to bring the manufacturing business to the area.

In response to questions by Supervisor Kehoe, Mr. Payne stated that the research entity of his organization is Epsilon Research Group and that the parent company is Ag Extracts of Kern County.

In response to questions by Supervisor Rickert, Mr. Payne stated that his organization will be using both groundwater and surface water, including wells. Mr. Payne explained that, at this time, he is unable to state which major company his organization is partnered with.

In response to questions by Supervisor Morgan, Mr. Payne explained that his organization is staying under the maximum allowable THC requirements and breeding their own strains of hemp, and that they will be able to change their plans if the state's plans changes. Mr. Payne explained that they use a commercial testing group but that they plan on developing their own mobile testing unit in order to get instant results. He also explained that the state is looking at giving growers who go over the maximum allowable THC amount 48 hours to destroy their crop and that is not a good financial outcome; research groups have more leeway, but that is not his organization's goal.

The public hearing was closed.

Commissioner Kjos stated that in regards to concerns about pesticides, there are no current pesticides labeled for use with cannabis or hemp because they are both still on the Schedule I list; however, there are generically-labeled pesticides that can be used. Commissioner Kjos also stated that the national organic program is run by the federal government and does not currently recognize hemp for the same reasons, but the California organic program offers generic rules that can be applied to cannabis or hemp.

In response to questions by Chairman Baugh, Commissioner Kjos stated that even if hemp were an approved agricultural crop, illegal pesticides would not allowable to use on it.

In response to questions by Chairman Baugh, Counsel Cruse explained while the ordinance under consideration states that the legislative body may, by a four out of five vote, extend the

temporary moratorium for 22 months and 15 days and contains a directive for staff to bring something back for consideration in one year, nothing would prohibit the Board from directing staff to bring something back to the Planning Commission and the Board of Supervisors for consideration or action sooner than that deadline.

In response to questions by Supervisor Moty, Counsel Cruse stated that the Board of Supervisors does have the ability to repeal the temporary moratorium at any time.

In response to questions by Supervisor Moty, Commissioner Kjos stated that once the state gets regulations put in place, it would be possible to bring something back in less than one year. Commissioner Kjos said that doing so would be a matter of a few weeks.

Supervisor Moty motioned to approve the temporary moratorium with the condition that staff return to the Board within six weeks of state hemp regulations being put into place, and it was seconded by Supervisor Rickert.

In response to questions by Supervisor Kehoe, Commissioner Kjos stated that as far as job creation went, hemp would probably be used as a replacement crop, whether in rotation or not. He also stated that he has not done a lot of research on the crop's value for the county regarding processing or manufacturing hemp products, but that it would be a boon to Shasta County to have the ability to process hemp within the county, especially as many other crops are not readily grown in Shasta County.

In response to questions by Chairman Baugh, Counsel Cruse clarified that the motion made was to approve the staff recommendation to impose a temporary moratorium on industrial hemp cultivation and also to direct staff to develop regulations regarding hemp within six weeks of the state finalizing its regulatory framework in order to bring them to the Planning Commission and then to the Board of Supervisors for final approval and adoption.

In response to questions by Supervisor Moty, Commissioner Kjos explained that if the state advisory board's timeline changes and appears to make that directive an unattainable deadline, he would work with County Counsel to develop regulations for the county. Supervisor Moty stated that if that were to happen, staff should come back to the Board for further direction. Commissioner Kjos explained that the State County Agricultural Association will be involved with developing the state regulatory framework.

By motion made, seconded (Moty/Rickert), and unanimously carried, the Board of Supervisors took the following actions: introduced, waived the reading of, and adopted an Urgency Interim Ordinance that extends for 22 months and 15 days a temporary moratorium, previously established by Ordinance Number 739, on the cultivation of industrial hemp by "Established Agricultural Research Institutions" and others within the unincorporated areas of the County of Shasta, while County staff determines the impacts of such unregulated cultivation and reasonable

regulations to mitigate such impacts; found that the Urgency Interim Ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) for the reasons stated in the Urgency Interim Ordinance; directed the Agricultural Commissioner, the Director of Resource Management, and the Sheriff to conduct an assessment of the impacts that the unregulated cultivation of industrial hemp by "Established Agricultural Research Institutions" and others would have on the environment and on the health and safety of the citizens of Shasta County, and determine whether there are reasonable regulations to mitigate any identified adverse effects; and directed the Agricultural Commissioner, the Director of Resource Management, and the Sheriff to develop such reasonable regulations, if any, for consideration by the Planning Commission and the Board of Supervisors before April 24, 2019, or as soon as possible thereafter, or within six weeks of the state finalizing its regulatory framework.

(See General Ordinance Book)

CLOSED SESSION ANNOUNCEMENT

Chairman Baugh announced that the Board of Supervisors would recess to a Closed Session to take the following actions:

Confer with legal counsel to discuss one case of anticipated litigation, pursuant to Government Code section 54956.9, subdivision (d), paragraph (4) *Initiation of Litigation: One Potential Case*.

11:26 a.m.: The Board of Supervisors recessed to Closed Session.

11:45 a.m.: The Board of Supervisors returned from Closed Session and reconvened in Open Session with all Supervisors, County Executive Officer/Clerk of the Board Larry Lees, and County Counsel Rubin E. Cruse, Jr. present.

REPORT OF CLOSED SESSION ACTIONS

County Counsel Rubin E. Cruse, Jr. reported that the Board of Supervisors met in Closed Session to discuss Initiation of Litigation: One Potential Case: reportable action was taken:

In the matter of potential initiation of litigation, the Board of Supervisors, by a 5-0 vote, gave approval to legal counsel to initiate legal action and the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the County's ability to effectuate service of process on one or more unserved

parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

There was no other reportable action.

11:47 a.m.: The Board of Supervisors adjourned.

Chairman

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By _____
Deputy