

BOARD OF SUPERVISORS MEETING
August 23, 2016

“For all items *NOT* on the agenda”

(Each Speaker Limited to 3 Minutes)

Voluntary Sign-In Sheet
(Public Appearances – 9:00 am)

1. Charles L. Ciancio
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Date: 8/22/16

To: Anyone

Subject: Real World Realities

From the puzzled looks, I get from California Professional Licensed Foresters, Headwaters Committee, and Humboldt Board of Supervisors, I can see I am alone or almost alone in what I see happening into the future. As a seventy plus year old rural person and forester with fifty plus years field experience, I see older, wiser, field experienced folks ignored.

As I and many other rural folks have been slow to learn, minority vote in more populous areas (influenced by inexperienced media, those with money and power, legalese, protectionists, politicians, and regulators I call the Fourth Branch of Government) controls what happens in rural areas like Humboldt County.

I have not been shown evidence the following thoughts can be ignored:

1. Fire can be a wonderful thing in the right place and time. Ignored is destruction of wild lands, forests, and habitats needed by many things, properly done harvesting of trees helps to prevent fire, and fire hurts and kills those fighting fire.
2. Humans are spoiling their nest, "I" is being replaced with "We", and workers are SOL.
3. Open space and rural areas (like Humboldt County which is around 50% supported by tax dollars) are losing.
4. Without humans, many critters and species hurt and kill other critters and species, competition for sunlight, water, and nutrients holds back wanted plants and young trees, disturbance creates habitats for fish and other wanted things, and on an on an on an on.
5. Open space is being eliminated (like in California as conformed by many where 80% of the wood used comes from out of the state while privately owned timber lands produce enough wood for state needs, and small timberland owners, faced with little to no return on timber revenues are selling and leaving)
6. Having been on juries, involved as Registered Professional Forester, and as hunter and fishermen, I see people wrongly punished for doing things not harmful to humans.

7. It is not about Trump any more. Hillary, Trump, and all our past Presidents have been wealthy and have not gone hungry. I see Trump stating some real world realities faced by me which pushes me to vote for Trump.

Does no one take the time to pay attention to what older folks have learned? Those better at the perception game are winning, real world truths are losing, lots of pay to play is happening, the world is in a mess, basis for World War III is being put in place, and many humans and many species are headed for bad times.

Charles L. Ciancio

California Registered Professional Forester (RPF) #317

(An old tired field forester no one gives much attention who has lived in a working man's world)

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Prop 64: The last state pot tax left

Medical cannabis tax bills fail to pass through committees

By Will Houston

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The California Legislature's attempts to tax the medical marijuana industry have officially failed as of this month. But whether the state will legalize and tax the recreational marijuana market will be decided by voters this November.

The halted advancement of two medical marijuana tax bills was met with varying reactions by marijuana policy organizations.

"We opposed both bills because we thought it was really premature for the Legislature to get into taxation in advance of the election," said Dale Gieringer, director of the California branch of the National Organization for the Reform of Marijuana Laws (NORML). "This issue is going to be on the ballot in the November election and I think we really have to wait for the dust to clear before we know what else should be done."

Failed tax proposals

The two medical marijuana tax bills introduced into the Legislature earlier this year never made it to a second floor vote, and instead died after being held in the committee review process.

First to go down in June was North Coast state

PROP. 64 » PAGE 3



McGuire



Wood

Prop. 64

FROM PAGE 1

Sen. Mike McGuire's bill, SB 987, which would have created a 10 percent tax on medical cannabis dispensary sales. On Aug. 11, a separate bill, AB 2243, by North Coast state Assemblyman Jim Wood (D-Healdsburg) that would tax medical cannabis cultivation was held in the Senate Appropriations Committee, essentially rendering it dead.

"We don't have any real policy reasons we can see at this point, but every year good things die in (the committee's suspense file) and unfortunately this was one of them," Wood's spokesman Paul Ramey said of the bill's failure to advance.

McGuire (D-Healdsburg) is a member of the Senate Appropriations Committee. He said he does not know why both his and Wood's bills were not advanced through their respective committees, but added that the bills have faced opposition by three various factions of the Legislature: Republicans who oppose any tax measures, bipartisan opposition to cannabis taxes, and those who oppose medical marijuana in general due to its illegal status with the federal government.

McGuire defended both bills, calling them "equitable and fair."

He further stated they would have provided millions of dollars in revenue to enforce against illegal marijuana grows that damage the environment; provide desperately-needed funding to address the \$1 billion backlog in the state parks system; fund drug and alcohol treatment pro-

grams; fund public safety funds for local governments; and provide funds for the state.

"Ultimately, the decision now is in the hands of the voters," he said.

Proposition 64

A ballot measure that would legalize recreational marijuana use, known as Proposition 64, is set to go before voters this November and will contain its own set of tax measures. The measure includes both a 15 percent sales tax on marijuana products as well as a flat tax on commercial marijuana cultivation.

If Proposition 64 is approved, the medical marijuana taxes proposed by Wood and McGuire would have been removed.

Proposition 64 was also brought up by the Assembly Revenue and Taxation Committee in its review of McGuire's bill and may have contributed to its 5-4 vote against the bill.

"All of this, however, raised the question of whether it might be appropriate to defer the establishment of a tax regime until after the voters have had a chance to decide whether to legalize recreational marijuana," the committee's June 20 analysis states.

Should voters choose not to pass Proposition 64, McGuire said he and Wood would work together to reintroduce a medical marijuana tax proposal.

The medical marijuana tax bills were initially written to mirror the tax schemes in Proposition 64, but were later modified to address concerns raised by the marijuana industry. Unlike the flat cultivation tax in Proposition 64, Wood's bill would have created a tiered tax structure in which larger growers would be taxed at higher rates.

"I don't know how much wiggle room there will be to do that if the initiative would pass," Ramey said.

While the California Grower's Association was not supportive of McGuire's bill, it did support Wood's bill specifically because of the tiered tax rate. "(Proposition 64) was not written in such a way that it was really considerate and mindful of small business interests," California

Grower's Association Executive Director Hezekiah Allen said. "When we ask for specific policy like a tax incentive for small businesses, those are absent in Prop. 64."

McGuire said his bill exempted impoverished and severely ill medical marijuana users from having to pay any sales tax on medical marijuana purchases.

"Under (Proposition 64), if you are sick and vulnerable, you still have to pay the local sales tax," he said. "Our bill said if you are sick or vulnerable or economically challenged, you don't pay a dime in taxes."

However, other entities are more supportive of taxing the recreational market over the medicinal industry.

Reactions to taxes

The topic of whether to tax medical marijuana has

become a controversial topic within Humboldt County's cannabis community, and the climate is no different at the state level.

The Marijuana Policy Project's State Policies Director Karen O'Keefe said the national organization was opposed to medical marijuana tax bills, but supports a tax on recreational use.

"We're already concerned that medical cannabis in California is subject to sales taxes and local taxes," she said. "There should not be an additional tax levied on the backs of patients."

While he did support the tiered tax structure of Wood's bill, Gieringer of California NORML said his organization opposes any taxation of medical cannabis. He said that too much taxation would result in patients relying on the black market to buy their medicine.

"The tax on medicine was excessive and uncalled for given that they would stimulate the illegal adult use market," he said. "... If (Proposition 64) fails in November, we're happy to reconsider this whole issue next year. But to try to do something now is premature."

Will Houston can be reached at 707-441-0504.

Little pot here after legalization

By John Moore

It looks like an initiative is going to be on the Nov. 8 ballot, Proposition 64, which will make cannabis legal in California, under state law. Polls show it is likely to pass. Demand is likely to decrease, if it's totally legal, as is believed to have happened with alcohol at the end of prohibition in 1933.

As various articles, and an excellent editorial, in the Times-Standard have discussed, some people claim that the cannabis growers of Humboldt County are bringing in around \$1 billion a year. I'm a little skeptical of that, but let's say it's about right. I'm thinking very little cannabis is going to be grown in Humboldt County after legalization. But probably enough for the local trade.

I can tell you from firsthand knowledge that weed grows very well in the oven-like, triple-digit heat in Sacramento. If it ever comes to pass that there are no restrictions to prevent ordinary farmers from growing the stuff, then one 500,000 acre farm in California's Central Valley would probably be able to supply the entire country. It is hardly likely, in my opinion, that anti-drug, neo-prohibitionists could stop agribusiness from planting any highly profitable cash crop. All serious farming is done on what

is commonly known as "bottom land," and there's very little of it in Humboldt County. California's Central Valley, on the other hand, is one very large piece of bottom land.

Cannabis grows a lot better, and becomes higher quality smoking herb, when grown in warm areas. Most of the THC, the main molecule that gives the beneficial effects, is in so-called "hairs", on leaf outer cell layers. Those leaf hairs are there to shade the leaves, and the hairs tend to get much denser in sweltering heat.

So, again, I'm guessing there probably isn't going to be any significant cannabis growing in Humboldt County for export after legalization. That means the \$1 billion of income will stop, and the number of people with no money will drastically increase. There is no reason to think that the local drug industry will switch to some other illegal drug. Opium poppies do not grow well here, and meth is made from chemicals that do not come from here. The chemicals used to make meth can be shipped to other areas more easily than to Humboldt County. Like most things, drugs will come to Humboldt County, and Humboldt County money will flow out.

In addition to unemployed pot growers and processors, there will be a bunch of law enforcement people with no pot grow-

ers or dealers to arrest. No more tearing out plants. No more big busts. No more hash lab fires. No more trespass grows damaging the environment. Just a whole lot more Dumpster-diving bums, and cutthroats. On the positive side, if you're a police officer, that could provide a lot more work for law enforcement people. So the net effect may be that there will be more law enforcement jobs after pot is legalized. And our massive bum-industrial complex that passes out "hand-ups" to the "needy" might find itself working overtime.

Another thought: a neighbor reports that while visiting relatives in South Dakota, they noticed that there is ditch-weed growing along rural roads, which is actually weed, evidently descended from cannabis that was grown there before it was banned in the late 1930s. If it grows that well in South Dakota, which, by the way, has very hot summers, and also has over 50 million acres of farmland, then it's a sure bet that, if pot later becomes legal nationwide, almost all of it will be grown there. It's also a sure bet that the packs of marijuana cigarettes in the grocery store, that come from South Dakota, will have brand names like "Humboldt Skunk" and "Pure Humboldt." Put that in your pipe and smoke it.

John Moore resides in Eureka.

MARIJUANA

As deadline looms, 'good standing' undefined

Existing operators have until Tuesday to register with county

By Will Houston

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What does it mean to be a medical marijuana business operator in good standing?

For Humboldt County and California's recently created Bureau of Medical Cannabis Regulation, the answer to that is not entirely clear yet. But whatever it becomes will have important consequences for existing medical marijuana businesses that are seeking to stay legal and continue operating without much delay.

Under the state's Medical Marijuana Regulation and Safety Act that took effect at the start of 2016, medical cannabis operations that existed before Jan. 1, 2016, that were deemed to have been in "good standing" with their local government will be fast-tracked through the state's licensing system, which is set to come online in 2018.

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Marijuana

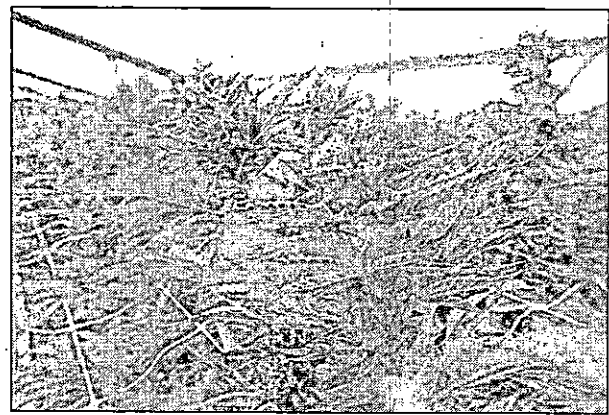
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As the Bureau of Medical Cannabis Regulation is still trying to determine how to structure itself, bureau spokeswoman Veronica Harms said it's too early to say how they will process and vet these "good standing" applicants.

"The bureau hasn't determined any of those details at this time and will be worked out during the regulation process," Harms wrote in an email to the Times-Standard on Friday. "The bureau is in the process of scheduling pre-regulatory meetings, which will be announced at a later date."

How "good standing" is defined has been left up to local governments to decide.

While Humboldt County's recently created Cannabis Services Division has developed a concept of what "good standing" means, the deadline to fall under that designation is drawing



The interior of a greenhouse at a Honeydew medical marijuana farm owned by Sean Stamm.

TIMES-STANDARD FILE

very close.

Cannabis Services Division Senior Planner Steve Lazar said what is known is that local operators will need to fulfill base requirements to even be considered to be a "good standing" business: your operation must have existed before Jan. 1, 2016, you must obtain a commercial permit from the county, and you must register your operation with the county by Tuesday.

"In most cases, someone who completes the permit application

process and is approved, they will get a good standing designation," Lazar said.

As Tuesday's deadline looms, Lazar said they have been hit with a flood of registrations with more coming in on a "minute-by-minute" basis. Nearly 900 operators had registered with the county as of Aug. 18, each hoping to continue or create various businesses from dispensaries, transportation, cultivation and laboratory testing.

"It's a little bit of a mixed bag,"

Lazar said.

Of these 900 registrants — which was expected to grow to 1,000 by this weekend — Lazar said the majority have declared themselves as existing growers.

What is taking more time to figure out is how these "good standing" applicants will be reviewed and how to determine whether a medical cannabis farm or business had in fact existed before Jan. 1.

For many outdoor and mixed-light grows, verifying their existence is easier as they often can be seen from satellite imagery, Lazar said. For indoor grows, transportation and distribution, proving their existence becomes more complicated and is still a challenge to overcome in the coming months.

Lazar said that they will also be conducting background checks looking for past criminal activity using the aid of the county District Attorney's Office, Sheriff's Office, Department of Health and Human Services Public Health Division, and the Agricultural Commissioner's Office. Appli-

cants with past criminal convictions will most likely not fall under the "good standing" class of businesses, Lazar said.

While existing cannabis growers only have until Tuesday to be considered for "good standing" designation, the county is still accepting commercial permit applications until the end of this year.

But even if marijuana business owners don't get this classification, that doesn't mean they won't be able to get permits.

In a previous interview with the Times-Standard, a spokesman for state Assemblyman Rob Bonta (D-Oakland) who wrote the "good standing" clause stated that the number of licenses won't be limited.

"I think a lot of people are worried about is that licenses will run out," Bonta's senior legislative aide Max Mikalonis said. "They think, 'If I don't have priority, I'm not going to get it,' and that's just not the case."

Will Houston can be reached at 707-441-0504.

Airport may be sued over water quality

County rejected settlement that asked for \$35K in attorney fees

By Will Houston

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The California Redwood Coast-Humboldt County Airport may be the target of a federal environmental lawsuit that alleges the county failed to properly monitor for storm water pollution in nearby rivers and creeks.

California River Watch, a non-profit public benefit corporation based in Sebastopol, put the county on notice back in May stating that it would file a lawsuit over alleged U.S. Clean Water Act violations within 60 days if no settlement was reached.

River Watch offered settlement terms that would have required the county to pay \$35,000 in attorney's fees, cease its alleged illegal discharges and begin monitoring for copper, lead and zinc in waters near the airport.

But the county Board of Supervisors rejected the settlement on Tuesday stating that no water quality violations have occurred and that there is no legal requirement for it to perform the additional tests.

"Basically, our response from the county was, 'No, we're not in violation, we're not doing anything wrong and we're not sending you any money,'" county Counsel Jeffrey Blanck said.

The board also voted to send a letter to River Watch's legal counsel David Weinsoff briefly explaining its stance.

"If at some point in the future you can present actual evidence of a violation, rather than unsubstantiated speculation, please let the Humboldt County Counsel's office know," the letter states.

The basis of the River Watch's concerns is storm water pollution

River

FROM PAGE 1

as regulated by the federal Clean Water Act.

In order to comply with the act, the airport has to obtain an industrial storm water permit from the state. The permit requires the county to conduct yearly sampling tests for a variety of pollutants to determine whether the airport's operations are impacting local rivers and creeks.

Blanck said the airport has complied with these requirements and has established that lead, copper and zinc are not significant pollutants in the nearby waters.

"If you do know you have excess amounts of other elements, then yes, you need to test for them," Blanck

said.

However, Weinsoff states that lead, copper and zinc are common pollutants at airports. River Watch claims that the airport is operating illegally by allowing polluted storm water runoff to enter Strawberry Creek, Widow White Creek and the Mad River, which is already listed as an impaired waterway for sediment under the Clean Water Act.

"We believe that the county, while satisfying the minimum that should be required, should be looking at the maximum that is required," Weinsoff said.

In response to the county's assertion that it is not required to monitor for lead, copper and zinc pollution, Weinsoff stated, "Reasonable minds will differ."

"We look to our govern-

ment to aspire to the highest level of environmental protection," he continued.

River Watch was able to reach a settlement with the Sonoma County Board of Supervisors earlier this year over similar concerns at the Charles M. Schulz-Sonoma County Airport, Weinsoff said. Sonoma County agreed to begin sampling for zinc, copper and lead, to update its storm water pollution prevention policies, and pay River Watch \$23,500 in attorney fees, according to the settlement agreement.

California River Watch has filed several Clean Water Act lawsuits against local agencies in the past including Eureka, Arcata, Fortuna and the Humboldt Waste Management Authority.

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