Weekly ReCAP for February 21, 2020

Next CPC meeting March 2, 2020, <u>now starting at 3:00 p.m.</u> (to avoid <u>night driving</u>) at the Volunteer Center, San Andreas. New members are welcome, and members only will be able to participate in any closed session. Directions below:

The address for the Volunteer Center is 255 Lewis Avenue, San Andreas, CA (P.O.Box 196, San Andreas, CA 95249)

We share the same address as the San Andreas Elementary School, but we are located on the lower terrace, just down from the school office.

In San Andreas at the blinking light in town, take Main Street (old Hwy 49) past the Metropolitan, across the little bridge and turn right on Lewis Avenue. After about one block, Lewis Ave turns into a one-way street and our driveway is at the bottom of the *steep* hill, at the end of the chain link fence.

BOS meeting February 25, 2020 – Agenda is available online

PC meeting February 27, 2020- agenda available online

RCRC – The Barbed Wire – February 7, 2020

RCRC Engages in PG&E Co-Op Discussion and Outlines Questions on Behalf of Rural Communities

In early January, RCRC staff and a number of members of the RCRC Board of Directors met with San Jose Mayor Sam Liccardo and Mr. Dan Richard (at their request) to explore the option of Pacific Gas and Electric Company (PG&E) becoming a customer-owned utility post-bankruptcy. In response to those meetings, RCRC posed a list of lengthy questions on how such a co-op model would be structured, governed, and operated.

"Given the devastating impacts recent wildfires and PSPS events have had on our member counties, we are interested in improving utility governance, increasing responsiveness to customers, and enhancing safety cultures," stated the letter, signed by eight members of the RCRC Board of Directors. "Energy usage and demographics make rural California sensitive to the prospective rate hikes that will be necessary to upgrade PG&E's aging infrastructure to reduce future wildfire risk, increase system reliability, and avoid the need for widespread PSPS events. We are intrigued by your efforts to refocus PG&E on its customers, reduce the cost of acquiring capital for system improvements, and compensating wildfire victims. At the same time, we have many questions about how a very large customer-owned utility will be structured and operated."

The questions RCRC posed cover a number of issues associated with the proposal, including items related to:

- Governance;
- Corporate structure;
- CPUC oversight, service territory, and protections for rural ratepayers;
- Taxation;
- Provider of last resort; and,
- Financial and operational stability.

As a whole, RCRC would very much like to see an alternative model for the PG&E territory that vastly improves the status quo once it emerges from bankruptcy. However, until the questions posed in the letter are answered, RCRC cannot endorse the proposal.

RCRC's letter can be accessed here. As of publication, RCRC has not received a response.

RCRC Files Comments on the Draft Water Resilience Portfolio Initiative

Earlier this week, RCRC staff provided input on the Draft Water Resilience Portfolio Initiative, a suite of recommended actions to help California cope with more extreme droughts and floods, rising temperatures, declining fish populations, aging infrastructure and other challenges.

"We appreciate that the Draft creates an opportunity for us to step back and re-assess how we think about California's collective water future: from the upper watersheds to the managed systems that support our communities," outlined Mary-Ann Warmerdam, RCRC Senior Legislative Advocate. "The Public Comment Draft outlines a series of actions that recognizes regional diversity, local water management challenges, and the need for statewide investments in a variety of sectors. RCRC believes the comprehensive nature of the Draft is both its strength as well as its weakness. Namely, we would suggest that effort be made to identify priorities that can be achieved in specified timeframes; without some sense of the priorities, we are concerned that everything is a priority effectively translating into nothing being a priority, or so history would suggest."

RCRC's letter can be accessed here.

President Trump Delivers 4th State of the Union Address

On Tuesday, President Trump delivered his 4th State of the Union (SOTU) address. During the address, President Trump called on Congress to "rebuild America's infrastructure," by passing the Senate Environment and Public Works Committee bill along with calls for increasing rural broadband access.

The *America's Transportation Infrastructure Act* (ATIA) (<u>S. 2302</u>) is the Senate's \$287 billion reauthorization of the expiring Fixing America's Surface Transportation Act. The ATIA is largely a continuation of highway policy as it has been done for decades, although it also has a first-ever climate title and buy-in from Democrats on the Environment and Public Works Committee. In contrast to the

Senate bill, last week House Democrats announced their \$760 billion infrastructure plan, which includes yet-to-be produced surface transportation legislation from House Transportation Chairman Peter DeFazio (D-Oregon) and a laundry list of other priorities. The two competing pieces of legislation are nowhere close to a compromise agreement. However, with President Trump's promotion of the Senate's bill in his SOTU address, with its significantly lower price tag, the Senate proposal has quickly become the more realistic goal for an infrastructure deal. Despite calls for compromise, both the Senate and House proposals are unlikely to ultimately pass the opposing chamber unless the November elections significantly alter the Congressional power balances.

Cannabis Update

On Wednesday, Politico held a webinar with its staff of Cannabis reporters. The hour-long briefing focused on the current status of federal Cannabis legislation among other areas of Cannabis policy.

The following is of particular interest to RCRC member counties:

Federal Cannabis Banking Legislation

On banking legislation, the <u>Senate version of the bill</u> has been "slowly meandering through the Senate" with its status subject to change week-by-week. Despite this stalling, some Senators continue to express optimism in its revival, including one of the bill's Senator sponsors Jeff Merkley (D-Oregon). Senate Banking Committee Chairman Mike Crapo (R-Idaho) recently issued his guidance on what he would like changed in the legislation in order to gain his support. Of the multiple changes that Senator Crapo detailed, the one that has seen by far the most industry backlash has been his proposal to only permit banks to accept marijuana clients that sell products with a maximum two percent THC concentration. This two percent THC cap is significantly lower than most commercially viable cannabis products and is viewed as a non-starter for the currently legal cannabis industry. THC level caps in general are also a concern for the banking industry, which worries that the existence of any THC cap would burden banks with the responsibility of monitoring and policing their cannabis clients in order to avoid penalty or fines from regulators. Crapo has expressed some room for negotiation on his criticisms of the bill, but negotiations on the specifics of what he would compromise have yet to be discussed.

As for next steps for the legislative process, the lead Senators on the bill, Senator Merkley and Senator Cory Gardner (R-Colorado), are due to meet to discuss an immediate response to Senator Crapo's demands, but have yet to do so because of the delay caused by the impeachment trial. However, the window for getting a final version of the bill through the Senate and signed by the President is becoming more and more narrow given the month and a half delay and the quickly-approaching deadline of the November elections.

Additional Marijuana Legislation

<u>The MORE act</u>, which is Representative Jerry Nadler's (D-New York) bill to de-schedule marijuana and create a variety of social equity drug rehabilitation programs, is currently working its way through the eight committees of jurisdiction. It has passed the House Judiciary Committee and the House Small Business Committee waived its jurisdiction, meaning that as of now only six more remain. Further

news is expected within the next two weeks on whether the remaining committees will hold a hearing or waive their jurisdiction.

Bill of the Week: Assembly Bill 1958 (Cooper) - State Plan of Flood Control

RCRC has lent its support to Assembly Bill 1958, authored by Assembly Member Jim Cooper (D-Elk Grove). AB 1958 would protect critical flood protection infrastructure by bolstering the maintenance of levees throughout California.

AB 1958 strengthens protections against the various threats to premature levee damages by prohibiting a person from concealing, defacing, destroying, modifying, cutting, altering, or physically or visually obstructing any levee that is part of the State Plan of Flood Control. In addition, AB 1958 would authorize the Central Valley Flood Protection Plan and/or its designees to inspect and remove any obstructions made to any levee, and further authorizes peace officers to enforce provisions punishable by a misdemeanor.

RCRC's letter can be accessed <u>here</u>. AB 1958 was introduced mid-January and awaits committee assignment. Please contact Mary-Ann Warmerdam, RCRC Senior Legislative Affairs Advocate, at (916) 447-4806 or mwarmerdam@rcrcnet.org for more information.

BULLETIN BOARD

Announcements regarding hearings, grants, and public comment notices of importance to California's rural counties.

GO-Biz Announces Cannabis Equity Grants for Local Jurisdictions

The Governor's Office of Business and Economic Development (GO-Biz) has announced \$30 million is available for cities and counties to promote equity and eliminate barriers to populations and communities that were disproportionately harmed by cannabis prohibition. Grant applications must be received by March 9, 2020 and will be awarded no later than May 1, 2020 for assistance in Cannabis Equity Assessment and Program Development, or Assistance for Cannabis Equity Program Applicants and Licensees.

Reducing Wildfire And Public Safety Power Shutoffs Impact

By Tracey Petersen / MML / Feb 8, 2020

Sonora, CA — While all California utilities plan to continue shutting off power to customers during dry and windy conditions to prevent sparking deadly wildfires, their 2020 plans are now in the hands of the

California Public Utilities Commission as required by the state after devastating wildfire blamed on utilities.

The companies have outlined ways to shorten outages by targeting smaller areas to avoid widespread blackouts. PG&E says its wildfire mitigation plan expands and enhances the company's existing Community Wildfire Safety Program, which is designed to address the growing threat of extreme weather and wildfires across its service area.

"We know how much our customers rely on electric service. Proactively turning off power disrupts lives and presents its own safety risks, which need to be carefully considered and addressed," said Debbie Powell, PG&E Vice President, Asset & Risk Management, Community Wildfire Safety Program. "Turning off power for safety is not how we strive to serve our customers, and we are committed to reducing the impacts without compromising safety."

The plan calls for expanded trimming of vegetation that can cause a fire when it strikes electrical equipment and to fortify power lines, making them less likely to produce sparks or become vulnerable to fire damage.

In a news release, PG&E officials vowed that outages would be "smaller in scope and shorter in duration" and it would lessen "overall impacts of shutoffs while working to keep customers and communities safe during times of severe weather and high wildfire risk."

Last fall the company was heavily criticized for not taking a more targeted approach. Although the work proposed should help decrease the need for power outages over time, PG&E admitted it will remain a necessity in extreme fire danger.

PG&E Requesting Rate Increase

By B.J. Hansen / MML / Feb. 11, 2020

Sacramento, CA — Pacific Gas and Electric is requesting state regulators approve rate increases to help fund fire prevention efforts and the company's increasing insurance costs.

Two separate proposals were submitted to the California Public Utilities Commission for consideration and combined they would increase monthly electricity rates by around \$9.10 and natural gas rates by \$1.80. In total, \$1.4-billion would be collected over a two year period.

The first proposal would help collect money to harden the company's electrical grid and repair infrastructure damaged during windstorms last year. The second proposal would help cover increasing insurance costs. The California Public Utilities Commission will review the proposals at an upcoming meeting. They come as PG&E works to emerge from bankruptcy.

Copper Valley promises hotel, homes, more

by Dakota Morlan / The Calaveras Enterprise / Feb 12, 2020

The Enterprise sat down with Mike Fletcher, one half of CV Development Partners, on Monday to discuss their evolving plans for Copper Valley, which encompasses Copperopolis' town square, its golf course, and thousands of acres of surrounding land.

Fletcher and his partner, Tom Hix, acquired Castle & Cooke's entire Copperopolis land portfolio in 2018. Hailing from Carmel-by-the-Sea and the Bay Area, respectively, the two developers who have reported past real estate projects valued at a combined \$2 billion now spend the majority of their time at Copper Valley, Fletcher said.

Just over a year ago, the pair laid out their plans for Copperopolis during a presentation for members of the former Saddle Creek Golf Course community. Since then, the golf club and course have received a facelift and rebranding under the umbrella name of Copper Valley. Also renamed, The Square at Copper Valley has seen some major changes, with a 29-room hotel scheduled to open this summer.

Copper Valley also has a spokesdog named Copper.

According to Fletcher, CV Development has shifted its focus from retail to making Copper Valley a launching pad to the foothills, Yosemite National Park and other outdoor pursuits. The long-neglected square and its hotel, called The Gateway Hotel, will be "the heartbeat" of this new community, Fletcher said.

"I think if we had not come along, honestly, it would have ended up with a fence around it," Fletcher said of the "ghost town" square, which was built by Castle & Cooke in 2008 for \$53 million. "Some people hadn't paid rent for eight years."

Now, all available commercial units have been leased out, he said.

"We spent pretty much the first year really trying to understand what the needs were for the community, and, clearly, it's different. The world has changed from what it was when this was built."

Now, the developers are ready to "lift the veil" on upcoming projects. Fletcher describes their current vision for Copper Valley as a family-friendly, low-priced alternative to California city-living.

"Affordable housing, amazing views, amazing lifestyle, less crime, better air quality, no traffic and a high quality of life within a couple hours of everything that they need," Fletcher listed the potential draws.

However, CV Development's choice to preserve the "rural character" of Copperopolis has led to downsizing the number of homes they originally planned. According to Fletcher, approximately 1,600 new residential units is the target number for the developers by the end of their 12- to 14-year schedule.

In the Copper Ranch development, located between the golf course and Lake Tulloch, the planned number of homes has been reduced to 88 from the initial 2,300 that were proposed by Castle & Cooke, Fletcher said.

Though plans are "constantly evolving," Fletcher said, there are some projects that will likely come to fruition in 2020.

The Square

Beyond the construction of The Gateway Hotel, which will occupy the bottom floor of the clock tower building at The Square, other commercial units are being expanded and remodeled to meet the needs of anticipated guests.

Formerly known as Roasters, the coffee shop at the square has been transformed into Baldi's Copper Valley Café – a full-service restaurant operated by Drifters Marina Bar & Grill owners Craig and Jennifer Baldi. The space was expanded with the addition of a dining room, and within several months, another wing will be added for coffee, gelato and desserts, according to Fletcher.

The Governor's Mansion, currently called the Courthouse, located in the southern corner of the square, will be converted into a meeting and banquet space with a full-service kitchen. Near the Governor's Mansion, a pool area is planned to serve hotel guests and residents with a VIP membership.

Tentatively moving into The Square will be a Dignity Health Clinic, which will occupy a nearly 3,000-square-foot space. Fletcher said that the plan is in the permitting stages and may come to fruition within nine months.

Additionally, negotiations with the Copperopolis United States Post Office have been promising, according to Fletcher, and their move to The Square may be coming soon.

"I can't tell you the deal is done yet, but I think we're close," said Fletcher, who believes the post office will bring much-needed local traffic to the square.

Quail Creek

Located near the southwestern border of the former Saddle Creek community, Quail Creek will be one of the first new residential developments built in Copper Valley.

The community will constitute 55 of the roughly 900 total homes that are planned for Copper Valley, with additional homes and condominiums planned near The Square.

Three model home units in Quail Creek are currently under construction, and five residential units will break ground next week. With a wide range of designs and deluxe details such as an indoor/outdoor bathtub, Fletcher said he is more excited about the project than any other homes he's worked on.

The units will max out at 2,600 square feet and will overlook the 3,171-acre Oak Canyon Ranch, a failed residential development proposal that was designated as permanent grazing land in 2016.

"They're the most gorgeous lots I've ever seen in my life," said Fletcher, who added that the homes will include state-of-the-art solar power technology and generator options, as well as fire-retardant building materials and low fire risk landscaping. "I just really believe in it."

The Quarry

Another addition that Fletcher anticipates will draw more traffic to The Square is The Quarry, a kid-friendly entertainment center and outdoor amphitheater.

Designed with an organic, old quarry feel, the multi-level indoor event center and arcade will cover up to 12,000 square feet and occupy the undeveloped property near the Governor's Mansion at The Square. Construction is scheduled to begin in July, and the center may open as early as December.

The outdoor venue of The Quarry will include a small water park, batting cages and 18-hole mini golf. Indoor golf and a mechanical bull are also in the works, as well as casual dining options.

"The whole area is going to be transformed into something that isn't anywhere in the community," Fletcher said.

The Warehouse District

In an open parking lot area to the west of The Square, CV Development is planning to provide an alternative for those in the technology industry who are seeking a more relaxed, affordable lifestyle.

The Warehouse District will provide incubator space and a venue for farmers markets and specialty products, with a train station-themed Asian food restaurant tentatively planned nearby.

Construction may begin as early as August, and Fletcher said he and Hix are actively pursuing small campus opportunities with technology companies, in the hopes that the industry will bring more young people to the region.

"(It) wouldn't change the feel of the area, but it would broaden it so it's not primarily an empty nester community and bring some vitality here," Fletcher said. "So I think it's an amazing opportunity for some of the tech companies to have a place that is tastefully done."

Townhomes and condominiums

According to Fletcher, one of the top priorities of CV Development is to provide affordable housing options for a workforce that is anticipated to grow exponentially if projects go as-planned.

Half of the 40 planned condominium units near The Square may enter the construction phase as early as May, with the second half soon to follow.

Half of the 34 planned townhomes are scheduled to break ground in July.

Future projects

Further down the road, plans include the development of the approximately 850 remaining lots in Copper Valley, as well as 88 homes in Copper Ranch.

An expansion of The Golf Club at Copper Valley is also on the distant horizon, and bungalows near the golf course are being purchased by the developers for future remodeling.

In the meantime, CV Development seeks to bolster the recreational draw of Copper Valley, offering lake access, horseback riding, archery, beehive experiences, concierge services and buses to other destinations in the foothills.

"It's going to take a while for people to start getting to know the area again," Fletcher said. "If you build the destination and create the lifestyle experiences, people will get it and come."

Community workshop to discuss plans for new multi-use path in San Andreas

By Davis Harper / The Calaveras Enterprise / Feb 13, 2020

Plans for a multi-use path along Pope Street and Lewis Avenue in San Andreas will be the subject of an upcoming community workshop.

The workshop will be held on Feb. 18 at 5:30 p.m. at San Andreas Elementary School, Room 17, the Calaveras Council of Governments (CCOG) announced in a Feb. 12 press release.

The Pope Street Study, a "Class 1 Facility and Safe Routes Gap Fill Plan," is a planning blueprint that aims to improve safety for pedestrians and bicyclists, enhance safer routes to school for San Andreas Elementary School students, promote active living and connect key features in the community with complete streets alternatives, among other goals.

Additional benefits of the plan, according to CCOG, include reducing greenhouse gas emissions and improving air quality and community health.

One of the main features of the study, the multi-use path will provide pedestrian and bicycle connectivity for the "core historic residential neighborhood" in San Andreas to San Andreas Elementary School to the north and the County Government Center, social services, health care facilities and park to the south.

Complete streets improvements to California Street and Main Street between Highway 49 and the elementary school are also included in the plan. "Complete streets" are designed to enable safe access for all users of all ages and abilities by making it easy to cross the street, walk to shops and bicycle to work, according to Smart Growth America.

"Although the historic residential core of San Andreas and roadway connections radiating outward have valuable character and familiar functionality, they lack modern amenities that promise to improve safety, mobility, character and economic activity," a description of the plan reads. "These narrow streets, designed for automobiles, are overdue in accommodating the mobility demands of today. The (plan) promises to provide fresh energy in the community through public engagement, multi-modal improvements and new attention to community assets."

An American Community Survey found that 91.7% of San Andreas residents drove to work, 3.3% walked, 2.3% took public transportation, 1.3% took a taxi or drove a motorcycle and no respondents biked in 2017, according to CCOG.

The study and associated workshop were funded by a \$158,469 California Department of Transportation Sustainable Transportation Planning Grant to CCOG and the county, according to CCOG Executive Director Amber Collins. After the workshop, the next steps will be to finalize the plan, which will include an implementation and finance plan, Collins said. The plan will be used to position the county and CCOG to obtain funds to construct the identified improvements.

For more information, visit popestreetconnectivity.com.

RCRC the Barbed Wire - Feb. 14, 2020

RCRC Releases 2019 Annual Report

RCRC released its 2019 Annual Report earlier this week. The Annual Report provides a high-level overview of some of the important advocacy and economic development work that RCRC and its affiliate organizations have executed throughout the year.

"We are grateful for the opportunity to work with the RCRC Board of Directors on executing our mission to improve the quality of life in California's rural communities," stated Greg Norton, President and CEO.

RCRC's 2019 Annual Report can be accessed here.

Senate Insurance Committee Looks at Wildfire Insurance Issue

On Wednesday, the Senate Insurance Committee held an informational hearing to once again look at the issue of residential insurance non-renewals in high wildfire risk areas throughout California. Representatives from the California Department of Insurance and the insurance industry sparred back and forth over what would best fix the problem – a mandate to write policies versus allowing insurers to raise rates statewide to a more nationally competitive average. The hearing also featured representatives from the reinsurance industry and the companies that provide catastrophe modeling for the insurers.

RCRC testified at the hearing, noting that all parties have been discussing the non-renewal issue for several years with little movement on a real solution, leaving rural residents caught in the middle. The hearing offered little resolution, but Committee Chair Senator Susan Rubio noted that more hearings on the topic would be scheduled in the near future.

Infrastructure Update

On Monday, the Trump Administration released its proposed fiscal 2021 budget. Included in the proposal is \$1 trillion set aside for infrastructure, over the next decade, offset by savings in mandatory spending. That's \$190 billion from 2021 to 2030 to "support major investment in infrastructure" plus a 10-year, \$810 billion reauthorization of the surface transportation programs.

This would replace a five-year transportation bill, known as the FAST Act, set to expire later this year. Like many other past Presidential budget proposals, this infrastructure plan is likely to be abandoned altogether when it comes time for the Congressional appropriations process later this year. As such, the White House has continued to maintain its support for the Senate's surface transportation bill that rolled out last year (<u>S. 2302</u>).

Rural Broadband Update

The Federal Communications Commission (FCC) <u>announced</u> its new Rural Digital Opportunity Fund (RDOF) for faster broadband speeds in order to help close the digital divide in rural areas. Through a two-phase reverse auction mechanism, the FCC will direct up to \$20.4 billion over ten years to finance up to gigabit speed broadband networks in unserved rural areas, connecting millions more American homes and businesses to digital opportunity.

Last month, the FCC released a <u>breakdown</u> of how many homes and businesses are estimated to get connected in each state, with California, Texas, and Michigan expected to benefit most. The vote to set rules surrounding the program proceeded over objections from four House Democrats from California - Anna Eshoo (D-Palo Alto), Jerry McNerney (D-Stockton), Doris Matsui (D-Sacramento), and Tony Cardenas (D-San Fernando), who wrote to FCC Chair Ajit Pai on Wednesday seeking postponement "to ensure that federal and state mechanisms for investing in broadband are better coordinated." That <u>letter</u> echoes the concerns of California state regulator.

Hemp Update

The U.S. Department of Agriculture (USDA) <u>announced</u> last week that it is expanding insurance options for hemp farmers, launching two programs that protect the crop from natural disasters. To be eligible, growers must have planted hemp for at least a year and have a contract for its sale. There also is a minimum requirement of five acres for hemp grown for CBD and 20 acres for hemp harvested to be used as grain or fiber. These new programs will reduce some of the risks of farming a brand-new crop.

As part of the same announcement, the USDA also announced that it will not be amending its proposed rules for hemp to increase the allowable THC limit, arguing that only Congress can change that specific policy. Lawmakers and industry stakeholders have made numerous appeals to the USDA to change its regulations on how much THC is allowed to be present in the crop. As it stands, hemp is defined under the 2018 Farm Bill as having no more than 0.3 percent THC, with a negligence threshold of 0.5

percent. The USDA will also be opening a second public comment period following the 2020 harvest season to solicit more input on the current interim final rule before issuing final regulations.

Supervisors decide on location for new Animal Services building

By Davis Harper / The Calaveras Enterprise / Feb 19, 2020

A nearly seven-acre parcel of county-owned property west of the county courthouse in San Andreas will be the location of a new Animal Control Services building, the Calaveras County Board of Supervisors decided unanimously Tuesday.

Replacing the current aging facility has been the subject of Grand Jury reports since 1999.

In 2014, the board dedicated the parcel in San Andreas for a new shelter, which was to be developed by 2019, according to County Administrative Officer Al Alt.

Alt said the parcel in San Andreas would be an efficient choice, since it had already gone through environmental planning for the development, although subsequent changes to the project could have made that invalid. Using those planning documents as a base for the project would save the county time and money, Alt said. Alternative locations were the Government Center below the main library, Highway 4 and Vallecito Road and Calaveras County Water District property on Angels Road in San Andreas.

Assistant CAO Brian Moss, who was involved in the planning, told supervisors he is a "big advocate of the project."

"The idea was to build the shelter and house large animals at the north end of the property and build some structures down there as well," Moss said. "Very ideal for the purposes for a project like this and that plot allows for expansion in the future as well."

Moss added that much of the necessary infrastructure to support the new development is already in place.

For next steps, the facilities ad hoc committee will discuss the size and type of structure for the new building, among other specifications, after which financing discussions can begin, Alt said.