Chapter 1: BLM and Indemnification

A. CEQA Violations Due to Illegal Access

Principle: The California Environmental Quality Act (CEQA) requires that all foreseeable components of a project — including site access — be disclosed and evaluated. CEQA Guidelines §15126.2(a) mandates assessment of whether inadequate access would result in significant environmental effects, while Guideline §15064(f)(5) prohibits ignoring known hazards or inconsistencies in the project record [A1].

The California courts have long held that deferring environmental analysis of key project elements is unlawful. In *Sundstrom v. County of Mendocino* (1988), the court invalidated a CEQA approval where the county deferred analysis of significant issues, noting that CEQA requires timely disclosure and evaluation [A2]..

Argument: In this case, the only available access route crosses federally managed land (under the jurisdiction of the Bureau of Land Management (BLM) and U.S. Forest Service). Federal agencies have already made clear that cannabis-related transport is not authorized across these lands. Any assumption that such access might be granted later is speculative and inconsistent with CEQA's principle of full and accurate disclosure [A1].

Conclusion: From a CEQA perspective, **lawful access is not optional**. A project without lawful access is not feasible, and a permit cannot be granted [A3]. This principle has direct application here: a road without lawful access is categorically unsuitable under CEQA, and the omission of this barrier renders the review fatally deficient.

Finally, CEQA requires that the review process itself be transparent and fair. Evidence of misrepresentation, omission, or prejudicial conduct is admissible in a CEQA appeal, and a pattern of such conduct strengthens the claim of error [A4]. This is not about assigning blame to staff, but about ensuring integrity in the process and preserving the defensibility of the County's decisions

Footnotes for Section A

- [A1] CEQA Guidelines §15126.2(a), §15064(f)(5).
- [A2] Sundstrom v. County of Mendocino (1988) 202 Cal. App. 3d 296, 311.
- [A3] Friends of B Street v. City of Hayward (1980) 106 Cal.App.3d 988, 1002 (project without lawful access is infeasible and cannot be approved under CEQA); see also San Joaquin Raptor Rescue Center v. County of Merced (2007) 149 Cal.App.4th 645, 654–655 (accurate disclosure of access is required). [A4] CEQA principle that

- evidence of misrepresentation or prejudice is admissible in appeals; a pattern of misconduct strengthens the appeal.
- [A4] Pub. Res. Code §21168.5 (CEQA approvals invalid where there is a "prejudicial abuse of discretion"); Western States Petroleum Assn. v. Superior Court (1995) 9 Cal.4th 559, 573 (prejudice exists where decisionmakers or the public are deprived of relevant information); Clark v. City of Hermosa Beach (1996) 48 Cal.App.4th 1152, 1172 (misleading or incomplete disclosure is prejudicial)

B. Federal Land Access Barrier

Principle: The Poverty Flats applicant must cross federal lands in order to reach the project site. [Figure 1]The access route traverses the Lake Berryessa Snow Mountain National Monument, land under the jurisdiction of the U.S. Department of the Interior and managed by the Bureau of Land Management (BLM) [B1]. This land is not private, county, or state property; it is federally protected land subject to exclusive federal authority.

Argument: Unlike local or state roads, which are presumed open to public travel unless specifically restricted, federally managed lands operate under the opposite presumption. Commercial use of federal roads is prohibited unless expressly authorized by the controlling agency ("closed unless opened") [B2]. Such authorization requires issuance of a Right-of-Way (ROW) Grant under the Federal Land Policy and Management Act or a Special Use Permit. Without such authorization, commercial passage across BLM land is unlawful regardless of the commodity or purpose of travel [B3].

State Guidance Confirms Federal-Land Prohibition. California's own regulator (DCC) warns that because cannabis remains illegal under federal law, you cannot "use or possess cannabis on federal lands, like national parks." Possession includes carrying/transport; a distributor or employee transporting cannabis on BLM/USFS roads necessarily possesses it there. Thus, a route that depends on federal land is not legally operable regardless of County permits. [B2a]

BLM has already informed the County that it cannot authorize cannabis transport across federally managed lands [B4][Figure 2]. Consequently, the applicant does not have, and cannot obtain, the required authorization. Attempting to use this route would constitute federal trespass, subject to penalties of up to six months' imprisonment and a \$5,000 fine under federal trespass statutes, and up to five years' imprisonment when combined with possessing a federally controlled substance with intent to distribute [B5].

Federal case law confirms that local or state easement claims cannot override federal control of its lands. In *Mills v. United States* (2006), the Interior Board of Land Appeals upheld BLM's denial of a right-of-way, holding that no access right exists without federal approval [B6]. In *Clouser v. Espy* (9th Cir. 1994), the Ninth Circuit affirmed the U.S. Forest Service's discretion to restrict access even where private property interests were implicated [B7]. Similarly, in *United States v. Vogler* (9th Cir. 1988), the court held that federal agencies may impose restrictions on asserted rights-of-way to protect federal purposes [B8]. The Ninth Circuit in *Adams v. United States* (1993) further explained that an R.S. 2477 right-of-way conveys only a right of passage, and the United States retains authority to regulate and restrict activities inconsistent with federal law [B9]. The Tenth Circuit has reached the same conclusion, holding in *Sierra Club v. Hodel* (1988) that federal agencies may restrict right-of-way uses that conflict with federal interests [B10].

Because the only available route to the project site requires unlawful federal trespass, the project is infeasible under CEQA. A permit cannot lawfully be issued for a project dependent on access that federal law prohibits [B11].



Figure B1: Federal Lands in Relation to Poverty Flats



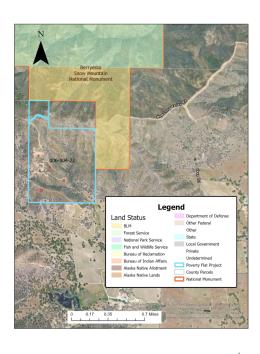


Figure B2: Letter from BLM to CDD indicating access across federal lands for Poverty Flats is not authorized.

Footnotes for Section B

- [B1] U.S. Department of the Interior, Bureau of Land Management jurisdiction over Lake Berryessa Snow Mountain National Monument.
- [B2] Veh. Code \$21101 (state/local presumption of public road use, subject to restrictions); contrasted with 43 CFR \$2808.10 (federal lands prohibit unauthorized use without ROW).
- [B3] 43 U.S.C. §1761 et seq. (FLPMA ROW requirements); 43 CFR §2808.10 (unauthorized commercial use).
- [B4] BLM correspondence to Lake County CDD denying authorization for cannabis transport.
- [B5] Federal charging and federal-land prohibitions. Transport over BLM- or USFS-managed roads necessarily constitutes possession on federal land; the proper federal charge template is "possession of a controlled substance with intent to distribute," 21 U.S.C. § 841(a)(1) (and, where applicable, attempt or conspiracy under § 846). Simple possession is separately chargeable under 21 U.S.C. § 844. Federal land regulations independently prohibit possession, storage, transport, or

delivery of controlled substances on public lands, including: 36 C.F.R. § 2.35 (National Park Service), 43 C.F.R. § 8365.1-4 (BLM), and 36 C.F.R. § 261.58(bb) (U.S. Forest Service). Unauthorized use of BLM roads also exposes users to BLM trespass authority under 43 C.F.R. Part 2808 and Part 9230. (General fines may be imposed under 18 U.S.C. § 3571.)

- [B6] Mills v. United States (2006) 170 IBLA 353.
- [B7] Clouser v. Espy (9th Cir. 1994) 42 F.3d 1522.
- [B8] *United States v. Vogler* (9th Cir. 1988) 859 F.2d 638, 642.
- [B9] Adams v. United States (9th Cir. 1993) 3 F.3d 1254, 1258–1259.
- [B10] Sierra Club v. Hodel (10th Cir. 1988) 848 F.2d 1068, 1088–1089.
- [B11] Friends of B Street v. City of Hayward (1980) 106 Cal.App.3d 988, 1002 (project infeasible without lawful access); San Joaquin Raptor Rescue Center v. County of Merced (2007) 149 Cal.App.4th 645, 654–655 (CEQA requires accurate disclosure of access constraints); CEQA Guidelines §15126.2(a) (analysis must include significant environmental effects and feasibility, including legal constraints).
- [B12] Department of Cannabis Control (DCC), What's legal: "Cannabis is still illegal under federal law, which means you also cannot: Use or possess cannabis on federal lands, like national parks; Take cannabis across state lines." (emphasis added). Department of Cannabis Control website: https://cannabis.ca.gov/consumers/whats-legal/

C. County Liability for Knowing Approval

Principle: The County has not merely faced the hypothetical risk of liability; it has repeatedly engaged in the practice of approving permits for projects that require unlawful federal access. The Planning Commission has approved multiple cannabis projects across BLM-managed lands where the Bureau of Land Management (BLM) had already notified the County that lawful access did not exist.[C8] Figure 3 shows just a subset of the several projects known to have this issue.

Argument: Federal law prohibits aiding and abetting criminal conduct (18 U.S.C. §2) and engaging in conspiracies to violate the law (18 U.S.C. §371) [C1]. By approving permits under circumstances where the applicant cannot lawfully access the project site without trespassing on federal land, the County has stepped beyond neutral regulation and into active authorization of unlawful activity.

The legal risk is heightened by the County's *knowledge*. Once the Community Development Department (CDD) and County Counsel are informed—through direct BLM correspondence—that lawful access is unavailable, subsequent approvals cannot be characterized as routine administration. They amount instead to willful authorization of unlawful conduct [C2]. At that point, the County's actions are properly construed as willful misconduct (knowingly approving unlawful activity) or willful negligence (ignoring foreseeable legal consequences).

Criminal liability may arise from:

- Aiding and abetting federal trespass or cannabis transport across federal land [C3].
- Conspiracy if the County is viewed as facilitating or coordinating an unlawful scheme [C4].

Civil liability may arise from:

- Willful misconduct or gross negligence in knowingly approving permits dependent on federal trespass [C5].
- Misrepresentation or abuse of discretion in CEQA findings and permitting decisions [C6].

The County's pattern of approvals also heightens exposure under the federal Racketeer Influenced and Corrupt Organizations Act (RICO). RICO liability arises when an entity derives financial benefit (permit fees, tax revenues) from a pattern of unlawful activity [C7]. Here, the repeated approvals documented in Figure 3 demonstrate not an isolated error, but a systemic practice of sanctioning projects that cannot proceed without trespass across federal lands.

Conclusion:

In short, once CDD knows lawful access does not exist, approving a permit is no longer an administrative act—it is official approval of trespass. By repeating this practice across multiple projects, the County has established a documented pattern of conduct that creates both criminal and civil exposure.

Application Number	Descriptions	Date Approved by the Planning Commission	BLM notice to CDD of illegality
UP 19-31	Badlands	4/2021	
UP 19-40	CUA Enterprises	4/2021	Yes

UP 19-46	Frosty Oaks		Yes
UP 21-49	Lemon Glow	Pending	Yes
UP 23-09	Poverty Flats	5/2025	Yes
UP 23-60	Benmore	5/2024	Yes
MUP 18-16	Benmore	12/2018	Yes
EA 18-06	Benmore	12/2018	Yes
CE 18-83	Benmore	12/2018	Yes
UP 20-21	High Valley Oaks	6/2024	Yes
UP 20-33	Liu Farms	6/2024	
UP 20-82	BG Property Mgmt.	8/2021	

Figure 3: Subset of Projects Approved by the Planning Commission without lawful access across BLM lands.

Footnotes for Section C

- [C1] 18 U.S.C. §2 (aiding and abetting); 18 U.S.C. §371 (conspiracy).
- [C2] Pub. Res. Code §21168.5 (CEQA approvals invalid where there is a prejudicial abuse of discretion); *Friends of B Street v. City of Hayward* (1980) 106 Cal.App.3d 988, 1002 (CEQA requires denial where project lacks lawful access); *San Joaquin Raptor Rescue Center v. County of Merced* (2007) 149 Cal.App.4th 645, 654–655 (CEQA findings invalid where record omits or misstates access constraints).
- [C3] 18 U.S.C. §1856 (trespass on federal lands); 21 U.S.C. §844 (transport of controlled substances).
- [C4] *United States v. Feola* (1975) 420 U.S. 671, 693 (conspiracy liability where parties knowingly engage in unlawful scheme).
- [C5] City of Santa Barbara v. Superior Court (2007) 41 Cal.4th 747, 754 (no immunity for gross negligence or willful misconduct).
- [C6] Pub. Res. Code \$21168.5 (abuse of discretion standard under CEQA).
- [C7] 18 U.S.C. §1962(c), (d) (RICO liability for pattern of unlawful activity).

• [C8] BLM Letters to CDD for various projects dated January 8; 2025, November 16, 2024; June 12, 2020; November 4, 2020; Planning Commission Meeting Minutes from April 8, 2020 and April 22, 2020 where CDD acknowledges several other project already approved where the applicant must cross federal lands illegally. Link to minutes:

https://countyoflake.legistar.com/View.ashx?M=M&ID=1162235&GUID=724CEEC8-B418-4260-93F5-77E1033F44FB

https://countyoflake.legistar.com/View.ashx?M=M&ID=1162234&GUID=BAC8A255-0BDB-4FDD-AF6C-80AD4C8E092B

D. Indemnification Agreements and the Pattern of Misconduct

Principle. To address the known legal barrier of federal-land access, the County has required cannabis applicants to sign Indemnification Agreements (IAs) [D5]. These agreements purport to shift liability onto the applicant by stating that the County is not responsible for violations of federal law arising from cannabis transport across federal land. [Figure 4] But contracts cannot legalize illegal conduct, bind federal agencies, or excuse an agency's approval of a project it knows cannot lawfully operate. See Cal. Civ. Code §1668 (contracts exempting a party from a "violation of law" are void as against public policy), and City of Santa Barbara v. Superior Court (exculpatory clauses can't shield gross negligence/willful misconduct) [D1].

Argument:

Indemnity can't cure illegality or bind BLM. An IA reallocates civil risk between signatories; it cannot legalize conduct federal law prohibits or bar federal enforcement. Under BLM's own rules, using public lands without a required authorization is trespass and a prohibited act (43 C.F.R. §2808.10).

Why the IA Fails: Public-Policy Bar & Gross-Negligence Rule. California forbids contracts that exempt a party from responsibility for its own violation of law (Civ. Code \$1668), and courts refuse to enforce clauses purporting to shield gross negligence or willful misconduct—squarely relevant where an agency knowingly advances an unlawful access plan [D1].

CEQA requires a stable, lawful, feasible project. Approving a project that depends on illegal access (or speculative "workarounds" like future helicopter lifts) violates CEQA's requirements for a stable, accurate project description and feasibility supported by evidence; "figure-it-out-later" approaches are unlawful deferral. See County of Inyo v. City of Los Angeles (stable, accurate description), Save Our Peninsula (no approval without

substantial-evidence feasibility of water/logistics), and Sundstrom (no deferring mitigation to future studies) [D4].

Origin of the flawed path (April 8 → April 22, 2021).

- Apr 8, 2021 (Jerusalem Grade/Badlands hearing): The minutes document staff recommending continuance due to proximity to BLM land and to obtain legal direction, with Commissioners explicitly tabling the item for counsel review.
- Apr 22, 2021 (continued hearing): The minutes show staff stating the project "was continued... due to being surrounded by BLM land," and that legal counsel provided an "indemnification letter," which was read into the record; the page then displays the "ASSUMPTION OF RISK AND INDEMNIFICATION AGREEMENT." The same minutes note "the indemnification letter for item 8 (CUA) would apply to this applicant as well," confirming adoption of the IA path.

Knowledge + repetition = pattern. By spring 2021, the County had documented notice (BLM risk; minutes; IA recitals) that cannabis transport over BLM lands requires federal authorization and that using BLM lands without authorization is trespass. Repeating the IA workaround across permits (e.g., CUA Jerusalem Grade (UP 19-40), Badlands (UP 19-31)) created a paper trail of knowing approvals for projects that could not be lawfully accessed or operated—transforming IAs from "risk management" into evidence of a pattern of misconduct [D3], [D6].

The legal effect is twofold.

- 1. The underlying illegality of access remains unaddressed; BLM trespass risk persists and cannot be waived or indemnified.
- 2. The IAs harm the County's position: they memorialize the County's knowledge that federal-land transport is unlawful while CEQA independently bars approvals lacking lawful, feasible access or resting on deferred, speculative logistics [D4].

Conclusion. Because CEQA demands a lawful, feasible access plan now, and because indemnity cannot substitute for legal feasibility or sanitize known violations of federal law, the County's IA practice is not a cure—it is confirmation of a defective permitting approach. The Major Use Permit must be denied unless the applicant demonstrates a non-BLM, lawfully documented access right and a compliant distribution plan; any later material revision would constitute a new project requiring full environmental review [D4].

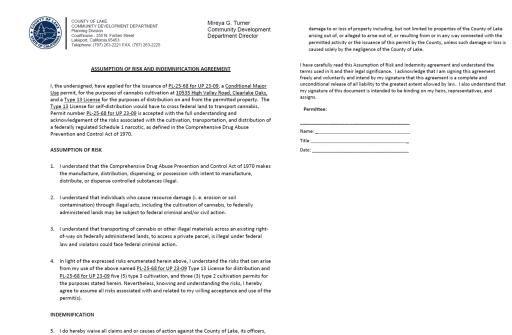


Figure 4: Indemnification Agreement for Applicants needing to cross federal lands.

Footnotes for Section D

employees and agents arising out of my participation in the permitted activity and hereby release, hold harmless, defend, indemnify and discharge the County of Lake, its officers,

employees and agents from any and all losses, damages and liability, (including without limitation attorney's fees and other costs and fees of litigation) of every nature, whether for

[D1] City of Santa Barbara v. Superior Court (2007) 41 Cal.4th 747 (exculpatory clauses unenforceable as to gross negligence); see also Cal. Civ. Code §1668 (contracts that exempt a party from a violation of law are void).

Page 2 of 2

[D2] Sample IA language acknowledging cannabis transport across federal lands is unlawful (quote your exhibit's exact clause).

[D3] Record of repeated County use of IAs since 2020 to address federal-access issues.

[D4] CEQA's no-deferral / stable-project line: Sundstrom v. County of Mendocino (1988) 202 Cal.App.3d 296; Save Our Peninsula Committee v. Monterey County Bd. of Supervisors (2001) 87 Cal.App.4th 99; County of Inyo v. City of Los Angeles (1981) 124 Cal.App.3d 1 (stable, accurate, finite description)

[D5] April 22, 2021 Meeting Minutes of the Planning Commission hearing (see 2:29pm item): continued cannabis items "due to [being] surrounded by BLM land," legal counsel provided an indemnification letter, and the "Assumption of Risk and Indemnification Agreement". Text appears in the minutes. "...Nicole Johnson County Legal Counsel stated that the indemnification letter was separate from the permit but

she had <u>added language to existing permit which required applicant to sign prior to permit becoming effective</u>...."

https://countyoflake.legistar.com/View.ashx?M=M&ID=1162234&GUID=BAC8A255-0BDB-4FDD-AF6C-80AD4C8E092B

[D6] April 08, 2021 Meeting Minutes of the Planning Commission hearing 9:18am hearing item where the Commissioners acknowledged the issue. Staff recommended continuation "due to its location to BLM land" and to obtain legal direction; item tabled for counsel review (origin point of the IA detour).

https://countyoflake.legistar.com/View.ashx?M=M&ID=1162235&GUID=724CEEC8-B418-4260-93F5-77E1033F44FB

E. Prejudicial Misconduct in the Planning Commission Hearings

Principle: CEQA requires that decisionmakers be provided with accurate, stable, and finite project information [E1]. Misleading advice, concealment of critical facts, or prejudicial framing of issues constitutes an abuse of discretion under CEQA [E2]. In multiple hearings — including Poverty Flats and Liu Farms — County Counsel and CDD engaged in a recurring pattern of conduct that deprived decisionmakers of accurate information and constrained their ability to lawfully deny permits.

Argument:

1. Mischaracterization and False Equivalence

Transcript (Poverty Flats, 2:06:15):

Nicole Johnson: "...there is no distinction in that regard between federal lands and California lands... it doesn't matter if you are transporting over federal lands or through California jurisdiction... federal law still applies..."

Why This Was Misleading: State Guidance Directly Refutes Counsel's "No Distinction" Claim. County Counsel told Commissioners there is "no distinction" between transporting on federal versus California lands. The State's cannabis regulator says the opposite: you cannot use or possess cannabis on federal lands because federal law still applies there. Since transport = possession on the route, the County cannot invoke "state legality" as a shield for federal-land transport. [E3]

Counsel equated federal lands with state/local roads, creating a false equivalence. In reality, state/local roads are presumed open unless restricted, while federal lands are closed unless expressly authorized [E3]. Commissioners were misled into believing there was no meaningful barrier to lawful access.

2. Trivialization and Concealment of the Indemnification Agreement

Transcript (Poverty Flats, 2:06:06):

Nicole Johnson: "...this indemnity... effectively makes every party involved aware that it is a risk and it remains a risk and provides for indemnity in relation to that risk..."

Transcript (Poverty Flats, 2:25:42–2:26:00):

Commissioner Fields: "So we are not seeing that indemnification document..."

Commissioner Irace: "Oh, was it not included?"

Why This Was Misleading: The IA was excluded from the record. Commissioners were denied the chance to review the actual agreement and instead had to rely solely on Counsel's minimization. This concealed the IA's true function — to shield the County — and deprived the Commission of informed review [E4].

3. Improper Constraint on Commission Authority

Transcript (Poverty Flats, 2:07:28):

Nicole Johnson: "...the county can only do what the county has authority to do which in this case is approve use on a particular piece of property... your commission and the board do not have authority to give permission to engage in criminal activities as defined by the federal rules..."

Why This Was Misleading: Counsel improperly narrowed the Commission's role to onparcel issues, obscuring CEQA's requirement to consider the entire project, including access [E5].

4. "Just Don't Get Caught" Framing and Failure to Correct

Transcript (Poverty Flats, 2:10:51):

Commissioner Fields: "There's a lot of interstate roads throughout California."

Transcript (Poverty Flats, 2:10:55):

Commissioner Zoller: "Maybe this is not part of our decision-making... they can't drive that out because they get in trouble... anyway there's a risk of getting in trouble."

Transcript (Poverty Flats, 2:11:06):

Nicole Johnson: "...it really just depends on the federal agency responsible for policing... and whether or not they aggressively enforce. The county doesn't make those decisions... This permit does not give permission and does not provide a defense if federal agents enforce those rules."

Why This Was Misleading: Rather than correcting confusion, Counsel reframed the issue as an enforcement gamble, telling Commissioners it depended on whether federal agencies

"aggressively enforce." This reframing minimized CEQA's statutory requirement that projects without lawful access must be denied [E6].

5. Pattern Across Multiple Hearings – Liu Farms Examples

The same prejudicial tactics appeared in the Liu Farms hearing (Transcript pp. 38–42)

Evasion of Board Approval Question

Public Comment (Timestamp ~2:27:55):

"Has the Board of Supervisors approved the indemnity agreement?" Counsel gave no direct answer.

Diversion to BLM Concerns About Illegal Grows

Counsel: "I've spoken with BLM ... their concern was less legal grows, more about illegal activity ..."

Trespass Mischaracterized as a "Gray Area"

Counsel: "It's right now a precarious sort of gray area of the law ..."

"Just Don't Get Caught" Rationale

Counsel: "It really depends on whether federal agencies aggressively engage in enforcement ..."

Red Herring on Legal vs. Illegal Growers

Counsel: "We have no way of predetermining which applicants will engage in illegal activity and which will not ..."

Minimization of County Liability

Counsel: "The County itself would not necessarily be held accountable ..."

Abdication of Duty

Counsel: "BLM has the authority ... we cannot ... Unless there's evidence of current violations ... anticipating violations is not something [for] our findings."

Why These Were Misleading: Each statement either diverted attention, minimized the legal barrier, or reframed CEQA's statutory requirements as discretionary. Collectively, they illustrate a systemic pattern of misrepresentation, concealment, and prejudicial advice across multiple hearings [E7].

Conclusion

These transcripts establish not isolated mistakes but a **pattern of prejudicial misconduct** by CDD and County Counsel since at least 2020. Decisionmakers were repeatedly misled about the nature of federal access, denied access to key documents, and improperly

constrained in their authority. Under CEQA, such misconduct constitutes prejudicial abuse of discretion and invalidates the permit approvals [E8].

Footnotes for Section E

- [E1] Laurel Heights Improvement Assn. v. Regents of Univ. of California (1988) 47 Cal.3d 376, 393.
- [E2] Clark v. City of Hermosa Beach (1996) 48 Cal.App.4th 1152, 1172; CEQA Guidelines §15151.
- [E3] 43 CFR §2808.10 (unauthorized use of BLM land prohibited). See also DCC What's legal ("cannot use or possess cannabis on federal lands"). Department of Cannabis Control website: https://cannabis.ca.gov/consumers/whats-legal/
- [E4] CEQA Guidelines \$15151 (EIR/MND must contain sufficient information to permit informed decisionmaking); Laurel Heights Improvement Assn. v. Regents of Univ. of California (1988) 47 Cal.3d 376, 393 (CEQA requires full disclosure of project impacts and constraints); Clark v. City of Hermosa Beach (1996) 48 Cal.App.4th 1152, 1172 (failure to provide or accurately characterize material information constitutes prejudicial error)
- [E5] Friends of B Street v. City of Hayward (1980) 106 Cal.App.3d 988, 1002.
- [E6] San Joaquin Raptor Rescue Center v. County of Merced (2007) 149 Cal.App.4th 645.
- [E7] Liu Farms hearing transcript, pp. 38–42
- [E8] Pub. Res. Code §21168.5; Western States Petroleum Assn. v. Superior Court (1995) 9 Cal.4th 559, 573

F. Omission and Evasion of Federal Access Issues

Principle: CEQA requires that all material facts — including legal barriers — be disclosed in the environmental record. Selective omission of known constraints, or evasion of agency review, constitutes prejudicial abuse of discretion [F1]. In the case of Poverty Flats and other cannabis permits, the County engaged in a recurring pattern of omission and evasion regarding the federal access issue.

Argument:

1. Omission from the MND

The Mitigated Negative Declaration (MND) failed to disclose that the project lacked lawful access because its route crossed federal land. The document also omitted the BLM denial letters and the Indemnification Agreement drafted in response to that denial. By excluding these facts, the MND presented a "sanitized record" that concealed the illegality of the project's access route [F2]. Courts have held that such omissions invalidate approvals. In *Sundstrom v. County of Mendocino* (1988), deferring or omitting key issues was found to unlawfully evade CEQA review [F3].

2. Evasion of Federal Input

The County not only omitted facts from the MND, but also failed to fully engage the federal agencies with jurisdiction. Requests for Review (RFRs) were not sent to the Bureau of Land Management, despite the fact that BLM managed the land directly impacted by the project [F4]. This omission was not inadvertent: correspondence already in the County's possession made clear that BLM opposed cannabis-related activities on its lands. Avoiding further consultation ensured that the federal denial could not appear in the CEQA record.

3. Withholding from Decisionmakers

Decisionmakers were deprived of critical facts. At the Planning Commission hearing, Commissioners asked directly about the absence of the indemnification agreement from their record:

Transcript (Poverty Flats, 2:25:42–2:26:00):

Commissioner Fields: "So we are not seeing that indemnification document..."

Commissioner Irace: "Oh, was it not included?"

4. Legal and Criminal Exposure from Omission

Omitting known legal barriers exposes the County to both civil and criminal liability.

- **Civil exposure (CEQA)**: Abuse of discretion for failing to disclose material facts (Pub. Res. Code §21168.5). Misrepresentation or concealment of key issues renders approvals unlawful [F6].
- **Civil exposure (tort):** Willful misconduct and negligence for foreseeable harm resulting from permits knowingly issued without lawful access.

Criminal exposure:

 Gov. Code \$6200 — felony for falsification or concealment of government records.

- Penal Code §118 perjury if sworn CEQA certifications omit or contradict known facts.
- o 18 U.S.C. §2, §371 potential federal complicity if omissions facilitate unlawful trespass or transport.

5. A Pattern of Evasion Since 2020

The pattern has been consistent across multiple projects — Liu Farms, Benmore, High Valley Oaks and Poverty Flats — where federal access denials and indemnification agreements were omitted from CEQA documents and RFRs. These were not isolated oversights but deliberate omissions that reflect a practice of evasion [F7].

Conclusion: CEQA requires disclosure, not concealment. By omitting critical facts from the MND, avoiding federal input, and withholding information from decisionmakers, the County engaged in deliberate evasion. These omissions both invalidate the CEQA process and expose the County to significant legal and criminal liability [F8].

Footnotes for Section F

- [F1] CEQA Guidelines \$15151 (disclosure must permit informed decisionmaking).
- [F2] Omission of federal access issue, BLM denial letters, and IA from Poverty Flats MND.
- [F3] Sundstrom v. County of Mendocino (1988) 202 Cal. App. 3d 296.
- [F4] Failure to transmit Requests for Review (RFRs) to BLM despite direct jurisdiction.
- [F5] Poverty Flats transcript, 2:25:42–2:26:00 (Commissioners Fields, Irace); Public Comment re: astonishment of Supervisor learning of IA post hoc.
- [F6] Pub. Res. Code §21168.5 (abuse of discretion standard under CEQA).
- [F7] Evidence of repeated omissions since 2020 (Liu Farms, Benmore, High Valley Oaks, Poverty Flats).
- [F8] Pub. Res. Code §21168.5 (approvals invalid for prejudicial abuse of discretion, including failure to disclose material facts); CEQA Guidelines §15151 (disclosure must permit informed decisionmaking); Sundstrom v. County of Mendocino (1988) 202 Cal.App.3d 296, 311 (deferring or omitting critical issues violates CEQA); see also Gov. Code §6200 (falsification of records), Penal Code §118 (perjury), and 18 U.S.C. §§2, 371 (aiding and abetting; conspiracy).

G. Obstruction, Administrative Overreach, and Fiduciary Failure

Principle: CEQA requires that the lead agency's decisionmakers — the Planning Commission and Board of Supervisors — be given the facts necessary to make an informed decision [G1]. In the case of Poverty Flats and related permits, Community Development Department (CDD) staff and County Counsel went beyond omission and created procedural obstacles: key documents were not provided, authority was mischaracterized, and indemnification policies were adopted outside delegated powers.

Argument:

1. Obstruction of Review

The Indemnification Agreement (IA), central to the County's handling of federal access issues, was not included in the Planning Commission record. Commissioners questioned this directly:

Transcript (Poverty Flats, 2:25:42–2:26:00):

Commissioner Fields: "So we are not seeing that indemnification document..."
Commissioner Irace: "Oh, was it not included?"

Regardless of intent, the effect was that Commissioners were denied the opportunity to review the IA themselves and instead had to rely solely on Counsel's oral characterization. This obstructed independent evaluation of the agreement's legality and policy implications [G2].

The same effect was seen at the Board of Supervisors. Testimony confirmed that the Board had not been informed of the IA's existence, nor of BLM's denial letters, even though staff routinely summarized permit applications for Board review [G3]. The Board was thus deprived of the opportunity to exercise oversight on issues of significant legal risk.

2. Administrative Overreach by Contract

Government Code provides that the powers of a county are exercised exclusively by its Board of Supervisors [G4]. Contracts binding the County — particularly those affecting liability — require Board approval. Yet CDD and Counsel unilaterally created and enforced indemnification agreements with cannabis applicants. These agreements were never reviewed or approved by the Board.

Transcript (Poverty Flats, 2:29:25):

Director Turner: "...we do not run indemnifications past the board of supervisors for their approval ... we've never taken that to the board for their approval..."

This admission confirms that staff acted outside their authority by creating and implementing a liability-shield contract without Board oversight. It also shows that the IA was adopted as a **departmental practice**, not a policy decision by the County's governing body.

This overreach altered the County's permitting framework, creating a liability-shield strategy never authorized by elected officials. In doing so, CDD and Counsel effectively engaged in policy-making by contract — a role reserved exclusively for the Board.

3. Misrepresentation of Authority

Counsel further complicated lawful decisionmaking by misrepresenting the Commission's role. At the Poverty Flats hearing, Counsel asserted:

Transcript (Poverty Flats, 2:07:28):

Nicole Johnson: "...the county can only do what the county has authority to do which in this case is approve use on a particular piece of property... your commission and the board do not have authority to give permission to engage in criminal activities as defined by the federal rules..."

This framing diverted the Commission's attention to what it "cannot do" rather than what CEQA requires it "must do" — deny permits without lawful access. By improperly constraining the scope of Commission authority, Counsel undermined the Commission's duty under CEQA [G5].

4. Hypocrisy in Delegated Authority

The contradiction is stark. While Counsel told the Commission and the Board they had **no authority** to "give permission to engage in criminal activities under federal rules," the CDD itself issued permits that required precisely that — crossing federal land with cannabis. In other words, CDD exercised the very authority it denied to the governing bodies.

By drafting and enforcing indemnification agreements, approving permits dependent on unlawful access, and withholding these facts from oversight, CDD effectively made binding policy choices while disclaiming that the Commission or Board had such power. This hypocrisy reveals not just obstruction but a conscious inversion of roles: staff assumed authority to act while stripping decisionmakers of the authority to prevent unlawful outcomes [G6].

5. Fiduciary Duty and Institutional Ratification

The Board of Supervisors has a fiduciary duty to residents to ensure lawful governance. Once placed on notice that permits are being issued based on unlawful federal trespass, inaction risks being construed as institutional ratification. What began as departmental misconduct becomes institutional misconduct if the Board ignores or endorses these practices [G7].

In City of Santa Barbara v. Superior Court (2007), the California Supreme Court held that public entities are not immune from claims involving willful misconduct. Similarly, CEQA case law recognizes that concealment or obstruction of material facts invalidates approvals [G8]. If the Board knowingly permits staff to obstruct disclosure and approve unlawful projects, the County's liability escalates from departmental to institutional.

6. Pattern of Obstruction

The record demonstrates not a single misstep, but a **systematic pattern of obstruction** since at least 2020. This pattern is evident across multiple projects — including Liu Farms, Benmore, High Valley Oaks and Poverty Flats:

- **Withholding of documents**: Indemnification Agreements and BLM denial letters consistently excluded from MNDs, Commission packets, and Board memos.
- Manipulation of review: Requests for Review (RFRs) avoided or selectively sent, ensuring federal agencies were not asked to weigh in during CEQA circulation.
- Mischaracterization of authority: Counsel repeatedly asserted that Commissions could not consider federal access, discouraging lawful denials.
- **Policy by staff fiat**: Indemnification Agreements implemented as standard practice without Board review or approval.
- **Deflection at hearings**: Misleading statements and enforcement-framing tactics shifted attention from CEQA's legal requirements to discretionary "risk management."
- **Compartmentalization**: Only the CDD and Counsel handled the IA and federal denial letters, insulating decisionmakers and preventing institutional accountability.

Conclusion: This pattern demonstrates a **deliberate imbalance**: decisionmakers were told they lacked authority, while staff exercised that authority in their place. The effect was to deny both the public and the County's governing bodies full and accurate disclosure of the legal barriers facing cannabis projects.

Footnotes for Section G

• [G1] CEQA Guidelines §15151 (decisionmakers must be provided accurate, sufficient information).

- [G2] Poverty Flats transcript, 2:25:42–2:26:00 (Fields, Irace).
- [G3] Public comments, Poverty Flats hearing (Lamb, Amaral); testimony that Board never reviewed IA.
- [G4] The Board of Supervisors holds the exclusive authority to set county policy and approve contracts; staff may administer policy but cannot create or bind the County by contract. See Gov. Code §§23005, 25203, 25303 (Board exercises all county powers and supervises county officers); Board of Supervisors v. Superior Court (Anderson) (1994) 23 Cal.App.4th 830, 847 (Board has a nondelegable fiduciary responsibility for county affairs); City of Santa Barbara v. Superior Court (2007) 41 Cal.4th 747, 754 (public entities are not immune from claims involving willful misconduct).
- [G5] Friends of B Street v. City of Hayward (1980) 106 Cal.App.3d 988, 1002 (CEQA requires consideration of access).
- [G6] This reflects the hypocrisy of CDD exercising authority to issue permits and adopt indemnification agreements while telling the Planning Commission and Board they lacked such authority. CEQA does not permit agencies to mislead or constrain decisionmakers. See Pub. Res. Code §21168.5 (approvals invalid for prejudicial abuse of discretion); Western States Petroleum Assn. v. Superior Court (1995) 9 Cal.4th 559, 573 (prejudice exists when decisionmakers are deprived of material information); Clark v. City of Hermosa Beach (1996) 48 Cal.App.4th 1152, 1172 (misleading or incomplete disclosure is prejudicial).
- [G7] The Board of Supervisors has a fiduciary duty to ensure lawful governance and cannot disclaim responsibility for staff misconduct once on notice. See *Board of Supervisors v. Superior Court (Anderson)* (1994) 23 Cal.App.4th 830, 847 (Board holds a nondelegable fiduciary responsibility for county affairs); *City of Santa Barbara v. Superior Court* (2007) 41 Cal.4th 747, 754 (no immunity for willful misconduct by public entities); *Sundstrom v. County of Mendocino* (1988) 202 Cal.App.3d 296, 311 (concealment or deferral of material issues constitutes prejudicial abuse of discretion under CEQA).
- [G8] City of Santa Barbara v. Superior Court (2007) 41 Cal.4th 747, 754; Sundstrom
 v. County of Mendocino (1988) 202 Cal.App.3d 296

H. Comparative Evidence - Lake County as an Outlier

Principle: CEQA requires consistent application of environmental standards. When other jurisdictions face the same legal barrier — lack of lawful access across federal lands — they have denied cannabis permits. Lake County's approach of issuing permits despite the barrier is therefore not only unlawful under CEQA, but also inconsistent with regional norms [H1].

Argument:

1. BLM's Statement – A Unique Problem in Lake County

The Bureau of Land Management has confirmed that conflicts over cannabis transport across federal land arise **only in Lake County**. In a June 2025 meeting, officials from the BLM Ukiah office stated they were not aware of this issue occurring in any other California county. They specifically noted that counties within their jurisdiction such as Mendocino, Humboldt, and Sonoma had not presented this problem [H2].

This federal agency perspective establishes that Lake County's conduct is not a matter of interpretation but an outlier practice contrary to how other counties have handled the same issue.

2. Mendocino County - Documented Example of Denial

Mendocino County provides a clear example of the lawful approach. Administrative Permit AP_2018-0061 was denied for failure to demonstrate lawful access. In an email dated June 30, 2025, Mendocino County Planner Jamie Lynn Henry summarized the denial as follows:

"According to the Denial Letter associated with Administrative Permit AP_2018-0061, the application was denied pursuant to Mendocino County Code Section 20.192.025(A)(3), which authorizes denial of an administrative permit if the required findings cannot be made. Specifically, the application failed to satisfy the finding outlined in Section 20.192.020(D), which requires that 'adequate utilities, access roads, drainage improvements, and other necessary facilities have been or are being provided.'

The project site is landlocked and can only be accessed by crossing federally owned land. Because cannabis remains illegal under federal law, the use of federal land for access to a cannabis cultivation site is not permitted. As a result, the application was denied, as legal and adequate access to the site could not be demonstrated." [H3]

This direct statement from Mendocino Planning confirms that projects without lawful access are denied as infeasible. It also supports BLM's observation that Lake County is the only jurisdiction persisting in approving permits dependent on unlawful federal access.

3. Lake County's Outlier Status

The contrast is stark:

• **BLM**: Confirms that conflicts over cannabis transport across federal land arise only in Lake County, not in Mendocino, Humboldt, or Sonoma.

- **Mendocino County**: Denied cannabis permit AP_2018-0061 because lawful access could not be demonstrated.
- Lake County: Approved permits knowing lawful access was missing, substituting indemnification agreements and concealing federal denials.

This discrepancy places Lake County outside accepted CEQA practice and exposes its approvals to heightened legal vulnerability.

4. Implications for Liability and Review

Lake County's deviation from regional norms strengthens claims of arbitrariness and abuse of discretion [H4]. Courts reviewing CEQA cases consider whether a county has applied standards consistently and transparently. Here, the record shows that Lake County did not. Instead, it chose an outlier path that compounds its legal and fiduciary exposure:

- CEQA liability for approving infeasible projects.
- Civil liability for knowingly exposing residents to unlawful approvals.
- **Institutional credibility loss** by operating contrary to peer counties and federal guidance.

Conclusion: BLM has confirmed that only Lake County presents this problem. Mendocino County's denial of Permit AP_2018-0061 demonstrates how other jurisdictions correctly apply CEQA by denying projects without lawful access. Lake County's approvals, by contrast, reflect an unlawful pattern of obstruction and misconduct that distinguish it as an outlier.

Footnotes for Section H

- [H1] CEQA Guidelines \$15003(i) (CEQA must be applied consistently and with full disclosure to ensure fair and uniform treatment).
- [H2] Statement of Bureau of Land Management officials (Ukiah office) in meeting with author (June 2025), confirming that conflicts over cannabis transport across federal land have arisen only in Lake County and not in other counties within their jurisdiction, including Mendocino, Humboldt, and Sonoma.
- [H3] Email correspondence from Jamie Lynn Henry, Planner I, Mendocino County Planning and Building Services, to author (June 30, 2025), summarizing the denial of Administrative Permit AP 2018-0061 for lack of lawful access across federal land.
- [H4] Topanga Assn. for a Scenic Community v. County of Los Angeles (1974) 11 Cal.3d 506, 515 (approvals invalid where findings are arbitrary, capricious, or

unsupported by substantial evidence, including departures from uniform application of standards).

I. Summary and Remedy

Principle: The record now shows a consistent and documented pattern of misconduct surrounding the issuance of cannabis permits in Lake County:

Argument:

- Federal Barrier Ignored All access to the Poverty Flats site requires travel across federally managed land. BLM has expressly denied authorization for cannabis transport across such lands, and has confirmed that no other county in California presents this problem. Without lawful access, the project is infeasible under CEQA [I1].
- 2. Indemnification Used as a Substitute for Lawful Access Beginning in 2021, the County adopted indemnification agreements as a standard practice. These contracts were never reviewed or approved by the Board of Supervisors, yet were used to shield the County from liability while knowingly authorizing projects that required unlawful access [12].
- 3. **Omission and Evasion** CEQA documents systematically excluded BLM denials and the indemnification agreements, and Requests for Review were not sent to BLM. This omission deprived the public and decisionmakers of critical information, producing a "sanitized record" inconsistent with CEQA's disclosure mandate [13].
- 4. **Obstruction and Hypocrisy** Counsel and CDD misrepresented the scope of Commission authority, claiming that neither the Commission nor the Board could act on federal illegality, while at the same time issuing permits and adopting indemnification agreements that presupposed federal trespass. This hypocrisy undermined lawful decision making and shifted authority away from elected officials [14].
- Comparative Outlier BLM confirmed that this issue exists only in Lake County.
 Other counties, including Mendocino, have denied permits where lawful access
 could not be demonstrated. Mendocino's denial of Administrative Permit AP_2018 0061 proves the lawful outcome under CEQA [I5].

Conclusion:

Remedy Under CEQA

CEQA does not tolerate concealment, omission, or obstruction. The statute requires that projects be accurately described, legally feasible, and fully evaluated. Where decisionmakers are deprived of material information, approvals are invalid as prejudicial abuse of discretion [16].

In this case, the cumulative record shows:

- Lawful access is missing and cannot be obtained.
- The County knew of this defect but attempted to evade it through indemnification and omission.
- Decisionmakers were obstructed and misled.
- Federal authorities have confirmed the illegality and its uniqueness to Lake County.
- Neighboring counties apply CEQA properly by denying such permits.

On-the-record, County Counsel's "no distinction" framing is squarely contradicted by the State's own guidance: DCC warns you cannot use or possess cannabis on federal lands, and transport over BLM/USFS roads is possession on federal land [17]. The approval therefore depends on federally prohibited conduct and is legally infeasible. Therefore, the only legally defensible remedy is to reverse the approval of the Poverty Flats permit. CEQA requires denial of any project lacking lawful access. Reversal is necessary both to correct the unlawful approval and to restore the integrity of the County's decision making process.

Footnotes for Section I

- [I1] 43 CFR §2808.10 (unauthorized use of federal land prohibited without ROW); BLM correspondence confirming denial of cannabis transport authorization.
- [12] Poverty Flats transcript (Director Turner, 2:29:25) acknowledging indemnification agreements never reviewed by Board of Supervisors.
- [I3] Sundstrom v. County of Mendocino (1988) 202 Cal. App. 3d 296, 311 (concealment or deferral of material issues invalidates CEQA approval).
- [I4] Poverty Flats transcript (Counsel Johnson, 2:07:28) disclaiming Commission authority; Pub. Res. Code §21168.5; *Clark v. City of Hermosa Beach* (1996) 48 Cal.App.4th 1152, 1172 (misleading or incomplete disclosure is prejudicial).
- [15] Email from Jamie Lynn Henry, Planner I, Mendocino County Planning Department, to author (June 30, 2025), summarizing denial of AP_2018-0061 for lack of lawful access.

- [16] Pub. Res. Code §21168.5 (approvals invalid for prejudicial abuse of discretion); CEQA Guidelines §§15126.2(a), 15124, 15151; Laurel Heights Improvement Assn. v. Regents of Univ. of California (1988) 47 Cal.3d 376, 393.
- [17] Department of Cannabis Control website: https://cannabis.ca.gov/consumers/whats-legal/