



COLAB SAN LUIS OBISPO COUNTY

WEEK OF JANUARY 29 - FEBRUARY 4, 2017

**HILL AND GIBSON ACKNOWLEDGE COLAB
PRESENCE IN THEIR TIRADES
(SUPPORT CONTINUED SUCCESS/ATTEND OUR MARCH 30 EVENT)**



COLAB 8th ANNUAL
San Luis Obispo County



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Thursday, March 30, 2017



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THIS WEEK

**NO BOARD MEETING
(5th TUESDAY)**

LAST WEEK

**BOS SETS 5 DAY ANTI - OIL TRAIN RALLY
PHILLIPS 66 APPEAL SLATED FOR 5-DAY MEGA HEARING
MARCH 13-17
(LARGE AGITATED CROWDS EXPECTED)**

**HILL AND GIBSON COMPLAIN ABOUT KEY COMMITTEE
APPOINTMENTS**

DRAFT AG POND ORDINANCE REVIEWED

DRAFT OAK TREE ORDINANCE OK'D FOR MORE WORK

**BOARD MAJORITY OPPOSES CHUMASH HERITAGE MARINE
SANCTUARY – FORMAL ACTION AT FUTURE MEETING**

APCD GETS UPDATE ON DUNE DUST ISSUE

PC CONTINUES ONTARIO RIDGE TRAIL MATTER

SLO COLAB IN DEPTH

(SEE PAGE 13)

ENVIRONMENTALISM PROVIDES MORAL COVER FOR NEW TAXES TO FUND PENSIONS

BY ED RING

FOR TAX RAISERS, END OF DROUGHT IS BAD NEWS

BY JON COUPAL

THIS WEEK'S HIGHLIGHTS

HILL AND GIBSON ACKNOWLEDGE COLAB PRESENCE IN THEIR TIRADES

Supervisor Gibson wanted to remain as the County's representative to the California State Association of Counties (CSAC), which lobbies on behalf of the state's 58 counties. CSAC's largest purpose is to insure that the State provides money to counties for state mandated functions. It also encourages the Legislature to provide increasing funding in general. Since there is never enough money, it is supportive of tax increases and expanding the ability of the counties to charge new taxes and fees. As the County's rep, Gibson was supportive of government expansion at all levels as well as higher taxes, (like the Proposition 30 "temporary" income tax increase, which confirmed California as the highest state personal income tax in the nation).

We don't know exactly how he voted on matters such as carbon taxes, groundwater regulation, or other items that come before the CSAC Board of Directors or its Executive Committee because there was no regular reporting during SLO Board meetings. When asked about that during last week's meeting, he snapped that people should go on the CSAC website and look it up for themselves.

In any case the new Board determined to elect Supervisor Peschong. Later that day the peevish Gibson posted a Facebook message, widely complaining about a number of the appointments. With respect to CSAC he stated:

- Freshman Supervisor John Peschong replaced me on the California State Association of Counties (CSAC) Board of Directors. Peschong has yet to

finish CSAC's New Supervisors Institute. I had served CSAC for 10 years, having chaired multiple policy committees and been a member of the Executive Committee and various working groups.

In a similar vein he complained that he and Hill were re-elected on other local agency boards:

- Adam Hill was removed from the Economic Vitality Corp., where he has served for eight years. The county's two spots on the EVC were taken by Peschong and Lynn Compton.

And

Two Local Agency Formation Commission (LAFCO) spots were taken by Compton and Arnold, who are likely interested in disrupting the establishment of water districts that might manage the Paso Robles and other water basins. Retired 1st District Supervisor Frank Mecham vacated one spot and I was voted out of the other, presumably punished for my audacity in advocating orderly growth of cities and careful analysis of special districts operations.

COLAB NOTE: As a LAFCO Commissioner, Gibson supported the doomed Paso Basin AB 2453 Water District at the Board of Supervisors, in Sacramento, and ultimately at LAFCO in teeth of demonstrated opposition by thousands of residents who would have been forced into the district. Did he ever carefully analyze the South County Sewer District?

Gibson believes that somehow COLAB was the cause of this switch in policy and related representation. He introduced the subject with the patently false accusation:

*As expected, the 3-2 COLAB majority moved to dominate important committee and outside board assignments. Much of this is more symbolic than not, but it exhibits a disturbing ruthlessness we've not ever witnessed in SLO County politics. **These people aim to loot whatever they can as fast as they can on behalf of their pro-offshore oil, ...COLAB masters.***

Other than its absolute falsity, the statement confirms Gibson's ideological bias that extracting oil and gas from under the seabed constitutes "looting." How about from Price Canyon? Or should the vital business only be allowed outside of Gibson's elitist and privileged world? The peasants in Bakersfield and west Texas can live with it so that Gibson could fly his plane and drink martinis at the Sacramento Hyatt with his associates for the past 10 years.



Hill and Gibson with Tom Fulks (center) promote the Alternate Left movement

And how did the oh so scientific and intellectually superior Gibson determine that 3 of his Board colleagues are subject to “COLAB masters”

Gibson concluded his Facebook message with a promise to fight the Board Majority and presumably COLAB.

Not to be outdone, Supervisor Hill lashed out in a January 25th SLO New Times Commentary:

The new majority of the board is in lockstep with the radical right. They take their cues from a combustible demagogue who’s paid to lobby in the plural as COLAB (Coalition of Labor, Agriculture, and Business), and they have their supporters show up to spew personal attacks, conspiracy theories, and “alternative facts.”

And

Over the last couple of years, Debbie Arnold and Lynn Compton, with assistance from the often invertebrate Frank Mecham, decreed SLO County would: 1) oppose access to free internet for low-income families; 2) oppose legislation that would stop discrimination against Section 8 low-income housing seekers; 3) oppose the local Children’s Bill of Rights, a non-binding statement of aspirations for our county’s youth.

And

So, with a third COLABorator seated now, it’s vital that you, the public, get involved. Our future depends on your engagement with a Board of Supervisors majority that is far more ideologically extreme than most people in our county.

Here again is the same old theme that, somehow, a Board member is overly influenced by COLAB.

Both Gibson and Hill, in defense of their zealotry, miss the point. COLAB is a government watchdog that supports more limited government, less taxation, economic growth, and freedom. We judge policies and programs on the basis of how they conform to or deviate from these principles.

The fact that someone elected to the Board of Supervisors may in some instances adhere to similar criteria for evaluating policy which are advocated by COLAB does not make them COLAB running dogs.

That Hill and Gibson have falsely proclaimed such a lie, demonstrates their own desperation and fear.

The current personal attacks actually underscore why they are unfit to be Chairs of the Board of Supervisors, LAFCO members, CSAC reps, and EVC Board members.

No Board of Supervisors Meeting on Tuesday, January 31, 2017 (Not Scheduled)

Generally the Board does not hold meetings on the 5th Tuesday of the month.

LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, January 24, 2017 (Completed)

Item 3 - Phillips 66 Appeal/Mega 5-Day Board Meeting. The Board set the week of March 13-17 for the appeal hearing on the Planning Commission's denial of the Phillips 66 rail spur/expanded use of tank cars.

Background: Apparently the staff expects large crowds and extensive public comment and is therefore recommending that the Board allot 5 days (March 13-17) in case the time is required for comment, questions, and ultimate deliberations. This is smart from an operational standpoint because it will allow the Sheriff, San Luis Obispo City Police Department, and other agencies to concentrate crowd management efforts into one week. On the other hand it will allow the opponents to concentrate and not have to return for separate hearing dates. During the Planning Commission's first hearing, which took several days, the County rented the Freemont Theater as a viewing and staging area. People rotated into the Board Chambers as their turn came up.

Item 18 - Annual Report on Public Facilities Fees. The Board received the report on fees received in fiscal year (FY) 2015-16 on developments (residential, commercial, and industrial) to help offset the cost of future infrastructure that will be required as the impacts of the new development occur. The funds are accumulated over time and then expended on particular capital improvement projects as needed.

It turns out that a large amount of these fees and other fees in a separate Parks program (Quimby), which were generated over the past decade in Nipomo (perhaps \$11 million) from large planned community developments, were not expended in the Nipomo area. Normally such fees are expended in the area impacted by the new developments and expanded population. Instead, a reported 80% of the dollars collected were exported to the 2nd and 3rd Districts. Supervisor Compton, who represents the Nipomo area, has requested a financial breakdown and reconciliation. She stated that she was experiencing inordinate delays in obtaining this information.

Background: The fee rates are displayed in the table below. Thus a 100-unit garden apartment would have to pay \$3,691 per unit or \$369,100. It would also separately have to pay large exactions to the road fund, school district, APCD, water district, sewer district, and others. These are on top of the costs of permitting, EIRs, and all the rest.

| Facility | Residential (Per dwelling unit) | | Non-residential (Per 1,000 square feet) | | |
|--------------------|------------------------------------|--------------|--|---------|------------|
| | Single Family | Multi-Family | Office | Retail | Industrial |
| Parks | \$2,303 | \$1,753 | n/a | n/a | n/a |
| Law Enforcement | \$280 | \$213 | \$378 | \$226 | \$163 |
| General Government | \$533 | \$406 | \$719 | \$432 | \$309 |
| Fire* | \$1,994 | \$902 | \$902 | \$902 | \$902 |
| Library | \$454 | \$345 | \$239 | \$143 | \$103 |
| Subtotal | \$5,564 | \$3,619 | \$2,238 | \$1,703 | \$1,477 |
| Administration Fee | \$111 | \$72 | \$45 | \$34 | \$29 |
| Total | \$5,675 | \$3,691 | \$2,283 | \$1,737 | \$1,506 |

*Note: Fire fees are 90 cents per square foot for residential units and the amounts shown illustrate a typical 2,210 square foot single family unit and a typical 1,000 square foot multi-family unit.

Item 25 - Request to review and determine appointments of Board Members to various committees and commissions. The Board made appointments of themselves to a variety of statutory and voluntary boards and commissions. The appointments to the Local Agency Formation Commission (LAFCO – 2 appointments), California State Association of Counties Board of Directors (CSAC – 1 appointment), and the Economic Vitality Corporation Board (EVC – 2 appointments) were contested.

Supervisor Bruce Gibson wished to remain as the County’s representative to the California State Association of Counties (CASC), which is a lobbying organization (primarily focused on Sacramento). He has been the representative for a decade and cited his long-term experience as a key reason to maintain him in the position. When Supervisor Peschong was nominated and ultimately appointed, there was an acrimonious and personal debate on the issue. Gibson challenged Peschong's qualifications and demanded that he prove why he was qualified.

Similarly, when Compton and Peschong were appointed to the Economic Vitality Corporation (Hill and Gibson dissenting) and Arnold and Compton were appointed to LAFCO (Hill and Gibson dissenting), the rhetoric was amped up. Hill and Gibson asserted that Arnold, Compton, and Peschong are beholden to large developers who have contributed to their campaigns. It was also asserted that the same 3 supervisors are somehow beholden to COLAB. It should be noted that COLAB does not provide campaign contributions to candidates, fund political action committees, or endorse candidates. A review of campaign expenditure filings indicates that Hill, of all the Supervisors, has been the overwhelming beneficiary of campaign contributions from developers as well as labor unions, including county unions on whose contracts (salaries, pensions, conditions of work) he routinely votes.

The bitterness of Hill and Gibson underscores their arrogance. Apparently, and in their minds, how could anyone else ever fill the important director positions? Like 3rd world dictators they would like to serve for life. In this case the Board majority rejected Peronism.

| TITLE | 2016 Appointments | 2017 Interest |
|--|-----------------------------------|--|
| Adult Services Policy Council | Lynn Compton | |
| Behavioral Health Advisory Board | Frank Mecham | |
| Cal ID Advisory Board | Frank Mecham | |
| Carrizo Plain National Monument Advisory Committee | Debbie Arnold | Debbie Arnold |
| Cal Poly Campus Planning Committee | Debbie Arnold | |
| California State Association of Counties (CSAC) | Bruce Gibson; alternate Adam Hill | John Peschong, Bruce Gibson, Lynn Compton (alternate), Adam Hill (alternate) |
| Community Action Partnership of San Luis Obispo (CAPSLO) | Debbie Arnold | Debbie Arnold |
| Economic Vitality Corporation | Adam Hill and Lynn Compton | John Peschong, Adam Hill, Lynn Compton |
| Fire Safe Council | Frank Mecham | Debbie Arnold |
| First 5 Children & Families Commission | Bruce Gibson | Bruce Gibson |
| Homeless Services Oversight Council | Debbie Arnold | Debbie Arnold |
| Latino Outreach Council | Debbie Arnold | John Peschong |

| | | |
|---|---|--|
| Local Agency Formation Commission (LAFCO) | Bruce Gibson, Frank Mecham; Adam Hill (alternate) | Debbie Arnold, Bruce Gibson, Lynn Compton, Adam Hill (alternate) |
| Model of Care Partnership Oversight Committee (MOCPOC) Martha's Place | Bruce Gibson | Bruce Gibson |
| Nacimiento Water Project Commission | Frank Mecham | John Peschong |
| National Estuary Program Executive Committee | Bruce Gibson | Bruce Gibson |
| Psychiatric Health Facility Committee | Lynn Compton | Lynn Compton |
| Rural Counties Representatives of California (RCRC) | Lynn Compton, Debbie Arnold (alternate) | Lynn Compton, Debbie Arnold (alternate) |
| SB/SLO Regional Health Authority (CenCal) | Adam Hill | Adam Hill |
| South County Area Transit (SCAT) | Lynn Compton | Lynn Compton |
| Student-Community Liaison Committee | Debbie Arnold; Adam Hill (alternate) | Debbie Arnold, Adam Hill (alternate) |
| Visit SLO Advisory Committee | Lynn Compton | Lynn Compton |

Item 26 - Submittal of an update on the proposed Chumash Heritage National Marine Sanctuary and request to provide staff direction as necessary. The Board voted 3/1, Hill and Gibson dissenting to direct staff to prepare a letter and Resolution opposing the establishment of another Marine Sanctuary. The Board heard a presentation from the Federal Region 9 Superintendent of the National Oceanic and Atmospheric Administration (NOAA – a bureau of the US Commerce Department) on the benefits of a proposed “Chumash Heritage National Marine Sanctuary.” Opponents were not allowed to provide a counter presentation and were relegated to 3-minute public comments interspersed with those from the Sierra Club, ECO SLO, and a clique of angry leftists (some of who gestured towards, taunted, and otherwise demeaned those in the audience who opposed the Sanctuary program).

There were 39 speakers, with 20 supporting the Sanctuary and 19 in opposition.

One speaker accused COLAB of being a front for Santa Barbara County billionaires who want to drill for oil in SLO County. We would like to meet the ones who are pro-fossil fuel and pro-nuclear. In fact, a number Santa Barbara County billionaires are opposed to fossil fuels and have funded various efforts to restrict or outlaw oil and gas development.

Hill blamed COLAB for generating opposition to the Sanctuary and inciting the fishing industry as a cover for promoting off shore oil development. He may have forgotten that many fishermen are opposed to offshore oil development (although one did point out during public comment that off shore oil platforms become an attractant to marine life and function as feeding areas and little sanctuaries themselves).

Background: Supervisor Arnold had requested an update on the proposed Federal condemnation of a huge area of the Pacific Ocean off the coast of San Luis and Santa Barbara Counties. The proposed sanctuary is billed as benign, but one need only visit the website for the existing Monterey Bay Sanctuary to understand the vast array of restrictions.

The purpose of the proposed Chumash Marine Heritage Sanctuary is to restrict and/or foreclose the public use of ocean resources (and to impact adjacent land uses) within a vast area offshore, running from Cambria to Santa Barbara. As the analogous existing Monterey Sanctuary’s website makes clear:

Resource Protection Overview:

There are a variety of resource protection issues within the Sanctuary region due to the sensitivity of habitats and species in the region, the long stretch of adjacent populated coastline, and the multiple uses of the marine environment. The Sanctuary addresses these issues through a variety of means to reduce or prevent detrimental human impacts.

Note: It’s those problem humans again. Note the emphasis on “detrimental human impacts.”



PROPOSED CHUMASH SANCTUARY

Item 30 - Update On Agricultural Irrigation Pond Regulation Ordinance. The Board received an update on the staff’s progress in drafting a revised ordinance stiffening the regulation of agricultural ponds and the accompanying permitting process. There was no formal action, although the staff listened to various Board member comments and took notes. After review and recommendation from the Planning Commission, the matter will be back before the Board for formal consideration and probable adoption of an ordinance.

Background: As predicted, this effort is primarily a consequence of the reckless and destructive clear cutting of over 300 acres of Oak trees by a subsidiary of the Resnick corporate farming

empire last year. One feature of the Resnick project is a large agricultural water storage basin in an area with a marginal and fractured water supply. As neighbors see other basins being constructed in various locations they become very concerned about how the pumping will affect their wells.

At this point and as summarized in the staff report, the key components of the revised ordinance would include:

- 1. Eliminates the ARP option for agricultural ponds. ¹ As a result, all new agricultural ponds greater than 1 acre-foot in capacity require a grading permit reviewed and issued by the County Planning and Building Department. Agricultural ponds with a capacity of 1 acre-foot or less remain exempt from any permitting requirements. The permitting history and ARP process for agricultural ponds is described below under the “Detailed Information” section.*
- 2. Requires hydrogeological studies for agricultural ponds. As part of the Planning and Building Department review of the grading permit application for ponds greater than 1 acre-foot in capacity, analysis requires pertinent hydrogeological studies. These studies assess impacts to groundwater supplies and well interference and drawdown 1. Eliminates the ARP option for agricultural ponds. As a result, all new agricultural ponds greater than 1 acre-foot in capacity require a grading permit reviewed and issued by the County Planning and Building Department. Agricultural ponds with a capacity of 1 acre-foot or less remain exempt from any permitting requirements. The permitting history and ARP process for agricultural ponds is described below under the “Detailed Information” section.*
- 3. Requires the incorporation of design measures and management strategies to minimize evaporation from agricultural ponds.*
- 4. Requires agricultural ponds, overlying a LOS III groundwater basin, to offset evaporative water loss on a 1:1 basis.*

The question then arises: What is the County attempting to achieve? Part of the answer appears to be to prevent the loss of water to the groundwater basins through evaporation from the ponds. One problem, as we pointed out last week, is that the County staff has not proven that a significant evaporation problem from ag ponds even exists.

Item 31 - Status of Staff Work on the Permanent Oak Tree Regulation Ordinance. The Board heard an update on the work on the preparation of an ordinance from the staff. The emphasis is to prevent clear-cutting without interfering with normal maintenance and reasonable development activity. The Board seemed satisfied that the staff was following its direction to craft an ordinance which includes:

- 1. Prohibit the clear-cutting of healthy Oak woodlands;*
- 2. Consideration of appropriate zoning;*
- 3. Size (or amount) of removal;*
- 4. Consideration of slopes; and*

¹ ARP refers to an alternative review process to which applicants were able to opt in for their permit. Instead of the County processing the permit, the applicant could use a separate process administered by the Las Tablas Resource Conservation District (the RCD). It was alleged that the RCD was too easy on the Resnick project.

5. *Use of management plans for oak woodlands.*

**Air Pollution Control District (APCD) Meeting of Wednesday, January 25, 2017
(Completed)**

Item C-1: Joint Presentation (APCD, State Air Resources Board, and State Parks Department) on Status of Rule 1001 (Dunes Dust) Implementation. The State Parks' presentation was a muddle. The Department is going through some sort of reorganization and process improvement study. Most of the executives who were originally involved in the Oceano Park issue are gone. The current staffers are in acting capacity. They seemed overwhelmed. Hill and Gibson attacked like wolves. The State Parks guy actually asked Gibson why he was so aggressive. It turns out that the Parks staff still disagrees with the APCD staff on the actual meaning of the data. Moreover the local staff is fearful that the real issue is that the ultimate goal is to close the Park.

Hill accused the Parks Department of being more concerned about their jobs and the riding constituency than the health of people on San Luis Obispo County. Hill said, "it didn't take this long to build, design, and launch the Apollo 11."

Gibson took up the same mantra: We're 5 years into the issue of mitigating the dust issue but nothing has happened. "What is a team of new program managers going to do to solve the problem?"

Board member Headding of Morro Bay pressed the State Parks representative for a time line. Headding asserted that people's lives were at risk.

Gibson said that Parks has had a poor record in addressing the problem for a long time: As we are ten years into this, accept the science and show us some real plans on how to solve the probe.

The Air Recourses Board staff gave a long technical presentation. At this point it appears that the technical work will continue forward.

The New Times published a column by Supervisor Hill the following day blaming Supervisors Arnold and Compton for what he sees as lack of progress. In a longwinded diatribe criticizing Peschong, Arnold and Compton, he singled out Arnold and Compton on dust matters (Peschong is new and could not have had any impact). "Add to this their foul behavior at the Air Pollution Control Board (APCD), where they have long denied the science documenting dust pollution from the Oceano Dunes."

There was no prefatory write-up, so the public had no idea what was coming. There was an extensive PowerPoint presented by the State Air Board staff. It should have been included in the electronic agenda package. This is why all the local elected boards and commissions should require that any PowerPoints to be used during the meetings be included in the agenda packages and electronic agenda files.

Obviously, when the PowerPoint is provided after the meeting, it is too late for the public to provide informed opinion to the board in question.

If staff fails to comply, the various bodies should refuse to hear the items.

Planning Commission Meeting of Thursday, January 26, 2017 (Completed)

Item 17 - Ontario Ridge Trail Re-location, Public Expropriation of Private Property, and Coastal Commission Abuse. The Commission heard and then continued the matter. The staff is going to attempt to work out a change in alignment to bypass a Chumash sacred site.

Background: The financially successful couple bought a legal ocean view lot on Cave Landing Road above Avila Beach. They planned a magnificent contemporary home. The County took years to approve the project and serially messed with owners. Once approved, the project was appealed to the Coastal Commission, which denied the project. The owners sued and lost the case on a portion of the denial.

Historically there was a trail used by the public to cross the property. When the original subdivision was approved the County required a trail as a condition of approval, but not this trail. The public never paid for the trail, but acquired its use by adverse possession through extensive public use of the trail. The trail, which crosses very steep terrain, has eroded and has become hazardous. The item before the Planning Commission here is to designate a new route for the trail.

If the County approves the new route and the owners allow the County to perfect its title, it is possible that negotiations could take place between the owners and the Coastal Commission that would eventually allow them to build their home.

Central Coast Regional Water Quality Control Board Meeting of Thursday, January 26, 2017 at 9:00 AM - Santa Barbara County Administration Building, 1st Floor Hearing Room - 105 East Anapamu Street, Santa Barbara.

Item 7 - Consideration of a Proposed Resolution Adopting the Human Right to Water as a Core Value and Directing Its Implementation in Central Coast Water Board Programs and Activities . It was not known at the time of this writing what the action the Commission took. They had a long day, including a tour of a City of Santa Barbara water treatment plant.

Background: This item contains substantial policy buried in an extensive report, which might be mistaken for a feel good item. The Resolution and attendant staff report and work program contain many policies and initiatives that could make the infamous and costly Ag Water Discharge program even worse.

Please go to the link:

http://www.waterboards.ca.gov/centralcoast/board_info/agendas/2017/january/item7/item7_att4.pdf

Then scroll down past some of the enviro letters to see Grower Shipper of the Central Coast's comment and analysis.

The County should have been opposing this on behalf of its farmers and ranchers.

SLO COLAB IN DEPTH

In fighting the troublesome, local day-to-day assaults on our freedom and property, it is also important to keep in mind the larger underlying ideological, political, and economic causes and forces.

ENVIRONMENTALISM PROVIDES MORAL COVER FOR NEW TAXES TO FUND PENSIONS

BY ED RING

There are two intertwined themes that define unionized government in California. First, funding government retiree pensions will soak up every new source of tax revenue they will ever collect. Second, cloaking new taxes and fees – and new agencies – in the virtuous raiment of environmentalism will deflect criticism and demonize critics. Here's why:

Now that Democrats have a super-majority in California's state legislature, expect to see plentiful new taxes to pile onto the [\\$5.0 billion in new state and local taxes](#) that were approved by voters on November 8th. After all, [California's projected 2017-18 state budget](#) still has a \$1.6 billion deficit. And that's nothing. Here is a look what sort of deficit challenges California's state and local governments are actually facing:

California State/Local Pension Funds Consolidated
Est. Funding Status and Required Contributions at Various ROI

| | Projected Long-Term Annual Rate-of-Return | | | | |
|--|---|--------------|--------------|--------------|--------------|
| | 7.5% | 6.5% | 5.5% | 4.5% | 3.5% |
| Impact of ROI on Unfunded Liability | | | | | |
| Pension fund assets | 751.8 | 751.8 | 751.8 | 751.8 | 751.8 |
| Funded ratio | 75% | 66% | 59% | 52% | 46% |
| Pension fund liabilities | 1,002.4 | 1,132.2 | 1,280.7 | 1,448.5 | 1,641.5 |
| Total Unfunded Liability | 250.6 | 380.4 | 528.9 | 696.7 | 889.7 |
| Impact of ROI on Normal and Unfunded Contribution | | | | | |
| Normal Contribution % (2.5% multiplier, eligibility at 57) | 16.1% | 21.2% | 27.9% | 36.6% | 48.0% |
| Normal Contribution \$ - NOT incl. employee's 1/3 share | 13.5 | 17.8 | 23.4 | 30.7 | 40.3 |
| Unfunded Contribution (30 year level payments) | 24.6 | 34.5 | 44.2 | 53.6 | 62.6 |
| Total Required Taxpayer Contribution | 38.1 | 52.3 | 67.6 | 84.3 | 102.9 |

During 2015, California’s state and local governments combined contributed about \$34 billion to their employee pension funds. As can be seen on the chart, even if those funds could earn 7.5% per year, on average, year after year, for the next several decades, they were \$4.0 billion short. At 6.5% returns, which is the new rate projection that CalPERS is adopting, they were \$18 billion short. At 5.5% returns, which is the rate used by the credit rating agency Moody’s when evaluating the fiscal health of cities and counties, they were \$33 billion short. *Every year.*

[As reported in the Los Angeles Times](#), California Democratic lawmakers are proposing a 17-cents-per-gallon gas tax increase, indexed to inflation, and a diesel tax increase of 30 cents per gallon. This assault on consumers joins California governor Brown’s proposal to add \$65 to the annual Vehicle Fee.

As for environmentalism – what better reason to increase the vehicle license fee, or increase the tax on gasoline? From an extreme environmentalist’s perspective, it’s every bit as much a “sin tax” as the new taxes on sodas and cigarettes. And there’s real money to be had – over \$2.0 billion per year on the license fees and over \$7.0 billion per year on the gasoline taxes. As for fixing roads? Move over. The pension funds are between \$4.0 and \$33.0 billion short, or more, depending on who you ask. *Per year.*

Another “green” source of revenue that has the potential to contribute billions to the coffers of unionized government are California’s new “cap and trade” fees, quietly implemented over the past few years. Here, from the state budget summary, are how some of these funds are proposed to be spent next year:

Continued on the next page.

2017–18 Cap-and-Trade Expenditure Plan

(In Millions)

| Program | Amount |
|---|------------------------------|
| Continuous Appropriations | |
| High-speed rail | \$375 |
| Affordable housing and sustainable communities | 300 |
| Transit and intercity rail capital | 150 |
| Transit operations | 75 |
| Subtotal, Continuous Appropriations | (\$900) |
| Discretionary Spending | |
| Public transit and active transportation projects | \$500 |
| Clean transportation and petroleum use reduction | 363 |
| Transformative Climate Communities | 142 |
| Carbon sequestration | 128 |
| Short-lived climate pollutants | 95 |
| Energy efficiency and renewable energy | 28 |
| Subtotal, Discretionary Spending | (\$1,255^a) |
| Total | \$2,155 |

^aDoes not total due to rounding.

Here are three additional points that exemplify the chain of cause and effect, linking the interests of public sector unions, environmentalists, and (very counter-intuitive) the Wall Street establishment.

- Politicians controlled by public sector unions declare new infrastructure – freeways, utility upgrades, improved water infrastructure, upgraded grid, investment in airports and seaports, etc., to be environmentally unsound. The real reason, however, is they want the tax revenue to go to increasing pay and benefits for public employees.
- Environmentalists come up with a “market-based” way to curb dangerous greenhouse gasses, an “emissions auction” plan, which in turn (1) enables Wall Street trading firms to collect a fee on literally every BTU of fossil fuel consumed in America, and (2) empowers public sector agencies to redefine their jobs (mass transit workers, firefighters, code inspectors, teachers – even police since crime increases during hot weather) as coping with, educating about, or mitigating the effects of global warming, allowing these government agencies to collect the proceeds of the emissions auctions.
- Without an endlessly appreciating asset bubble, every public employee pension fund in the United States would go broke. To pump up this asset bubble, environmentalist restrictions artificially accelerate price appreciation for land, housing, gasoline, electricity, and other basic needs. And of course, financial institutions reap spectacular profits during periods of rapid asset appreciation, and property taxes go up.

There's nothing wrong with reasonable environmental regulations. Nobody wants to go back to the 1970's, when the air in California's coastal cities was dangerously polluted. But these new laws aren't cleaning our air. They're making it impossible to build homes, or roads, or civil infrastructure. They're hyper-regulating our industries – right down to trying to control how often our dairy cows burp. They are becoming as tyrannical as they are absurd.

The next time your state legislator or your local elected official comes up with a new tax or fee they justify on environmentalist grounds, follow the money. Because ALL new taxes and fees end up in the pension funds, paying for retirement packages worth far more than the average taxpayer can possibly hope to achieve.

Ed Ring is the vice president of policy research for the [California Policy Center](#). This article first appeared in the California Public Policy Center's January Prosperity Center of 17,2017

FOR TAX RAISERS, END OF DROUGHT IS BAD NEWS

BY JON COUPAL

As I write this, it is raining in Sacramento. Pouring, actually. And even though I live about 200 yards from the Sacramento River, I have confidence that the levees within the city limits are in good shape. (As well they should be given that Sacramento's flood control agency collects millions of dollars from local property owners annually to keep them maintained).

In a word, California is wet. Rain totals and snowpack measurements are the highest we've seen in about a decade. But despite the fact that flood gates at major dams throughout the state are now open, levies have been breached and there is serious flooding in both Southern California and the Central Valley, the State Water Resources Control Board refuses to declare the drought over.

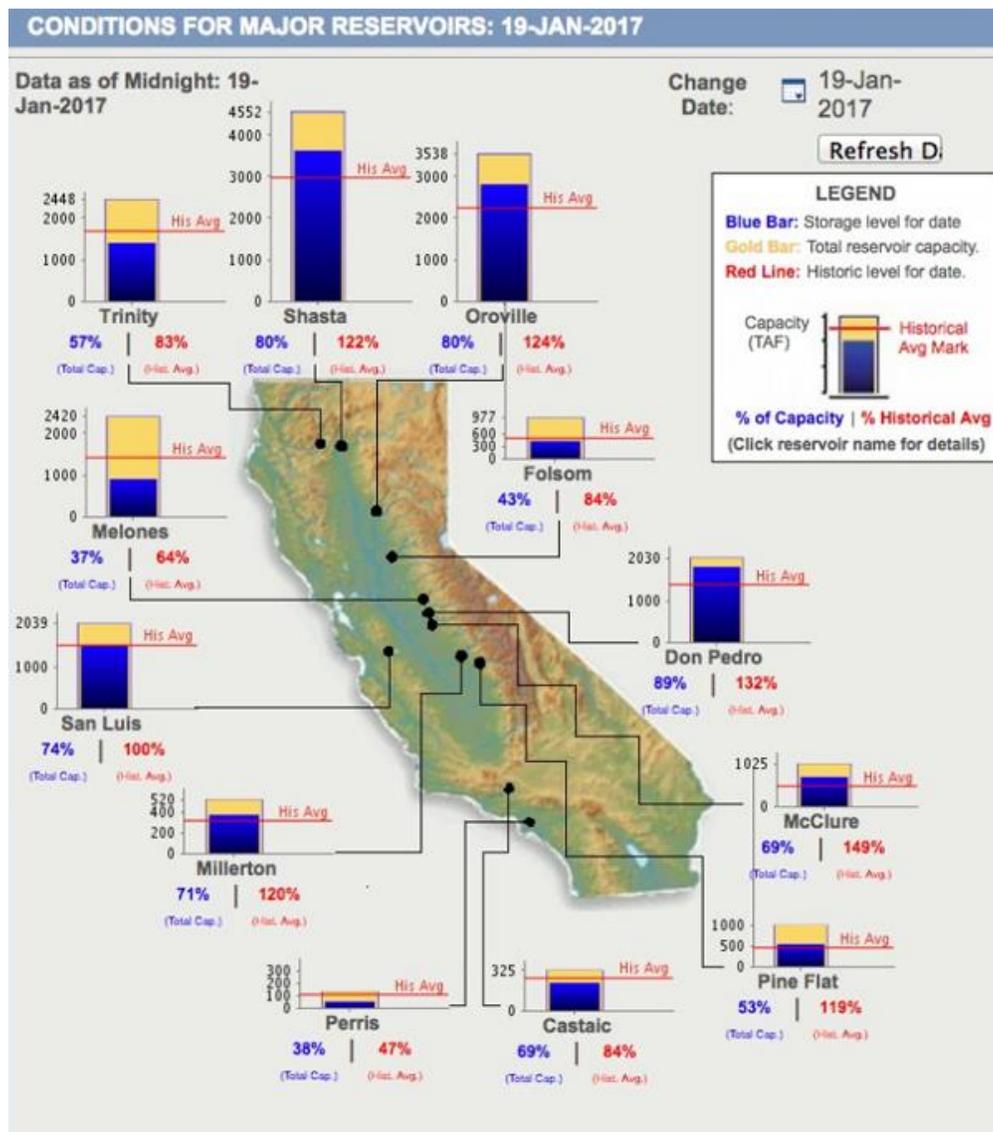
As taxpayer advocates in a high tax state, we're accustomed to seeing a political motivation in most statements coming from government. But this time, we're not alone. Local water officials gave the State Water Resources Control Board an earful last week about the failure to call the drought over. A representative of the California Water Association, an organization comprised of local water districts, noted that the Yolo Bypass (designed to prevent flooding in Sacramento by releasing vast amounts of water into uninhabited farm land where it eventually flows back into the delta) now "looks like Lake Michigan." But state water officials were not persuaded and decided to keep the draconian drought regulations in place "for a few more months. "So are state officials being overly prudent? Even if they have the best of intentions, they are losing credibility by claiming that a "drought emergency" still exists. But what if the intentions of some state politicians – including the governor – are not so noble?

Back when the drought was real, there were calls by the governor that certain constitutional protections for taxpayers were preventing the state from dealing with the crisis. Proposition 13's

voter approval requirements as well as Proposition 218’s “cost of service” water rate limitations were the targets of complaints. Indeed, after a Court of Appeal decision over the summer upheld Proposition 218’s commonsense requirement that water rates had to reflect the true cost of providing the water to water users, Governor Brown lashed out claiming that this deprived him of any tools to deal with the water shortage. (This was nonsense, as nothing in Propositions 13 or 218 took away an array of tools available to local governments to incentivize conservation and disincentivize waste).

The real problem for the politicians and bureaucrats is that if the drought is truly over, which common sense tells rain soaked citizens that it is, then this removes one more justification for repealing or weakening those laws designed to prevent governmental overreach.

Jon Coupal is president of the Howard Jarvis Taxpayers Association — California’s largest grass-roots taxpayer organization dedicated to the protection of Proposition 13 and the advancement of taxpayers’ rights.





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(Revised 9/2016)