



COLAB SAN LUIS OBISPO WEEK OF JUNE 17 - 23, 2018

THIS WEEK

**DECEPTIVE OILWELL BAN ON AGENDA FOR
ADOPTION OR PLACEMENT ON NOVEMBER
BALLOT**

**GRAND JURY REPORTS: SPEND MORE ON
BEHAVIORAL HEALTH**

**LARGE STUDY OF DIABLO CLOSURE
IMPACTS & ECON DEVELOPMENT STRATEGY
TO LAUNCH**

**CIVILITY CODE OF CONDUCT PROPOSED FOR
SUPERVISORS**

FORMAL FY 2018-19 BUDGET ADOPTION

LAST WEEK

BUDGET REVIEW WEEK

**PLANNING COMMISSION DEALS WITH YET
ANOTHER COASTAL COMMISSION INTRUSION
(SEPARATE FROM LAST WEEK'S COASTAL BOS ITEM)**

SLO COLAB IN DEPTH

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Water Rationing Laws Exemplify the Malthusian Mentality of California's Legislators

By Ed Ring

THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, June 19, 2018 (Scheduled)

Item 5 - Grand Jury Report Critical of the County's Psychiatric Public Health Facility (PHF). The Civil Grand Jury report found the facility to be programmatically inadequate and physically dilapidated. Its key recommendation is for the County to construct and operate a new psychiatric hospital.

The County should find or build a new psychiatric hospital facility, with sufficient room for patient treatment and recovery. Funding could come from reserves sources (County and/or MHSA) or pursuing a state grant.

Such a new building and its operation would cost an initial millions and millions ongoing which the County does not have because the facility and its operation would have to meet full hospital accreditation standards in order to receive State and Federal cost reimbursements from Medi-Cal, Medicare, and other programs.

The deeper question is why the populations of both non-criminal and criminal justice related incidence of non-substance abuse mental illness, substance abuse, and related problems such as homelessness are growing so exponentially and epidemic in California society. You would think in the most progressive State many of the underlying problems would have been reduced or eradicated over the decades.

Heredity, prenatal nutrition of the mother, disease, poverty, and environment all contribute.

Stress, competition, battle fatigue, and parental abuse are all frequently reported causes. The decline in behavioral standards and social values in general are certainly underlying causes. The

sanctity of marriage and the nuclear family is especially troubling, and the exponentially growing incidence of childbearing by unmarried parents is also a contributor.

The general promotion of value relativism by the intelligentsia, educators, not-for-profits, foundations, and governments lies at the heart of this decay. Even many mainstream churches have lost their way.

Lack of structure and discipline in the education system and the abandonment of the canon (history, classics, language, mathematics, science, and other breadth requirements, which teach values) also contribute.

Easy access to a variety of legal and illegal narcotics since the 1960's has played a major role. It also compounded America's historic abuse of hard spirits. It will be interesting to see how the current political fad to promote marijuana use to fund overspending governments turns out in this regard.

The increase of narcotics, alcohol, industrial pollution, over the counter drugs, and a variety of prescription drugs in the pre-natal environment may also contribute.

The State and local hobbling through regulatory and environmental extremism of the housing industry is also a factor, imperiling both physical and mental health. After all where you live, particularly as a child, has everything to do with your chances in life.

In a bit of irony, the Board of Supervisors will be rejecting the idea of building and operating a new mental hospital because it does not have the funding (see item 6 below). This will take place on the same day that the Board is being asked to ban the oil and gas industry and related potential new taxes and royalty agreements. Can banning off road riding on the La Grande tract at the Oceano Dunes be far behind?

Item 6 - Grand Jury Report on Behavioral Services in the County – Spend Lots More. This report focuses on the broader perspective of the inadequacy of the services (not in terms of quality) but in terms of access, frequency, and system coordination. The same question and forces described in item 5 above are in play here. Some Samples:

Recommendation 1: Increase financial support to Behavioral Health from the County General Fund to accomplish the following within the next fiscal year. (Note: Some of this expense is reimbursable by Medi-Cal.):

a. Reduce the wait time to enter the Full-Service Partnership program from months to weeks.

b. Add clinicians and case managers to the mental health clinics thereby reducing wait time below the 10-day requirement and reducing the time between maintenance appointments.

c. Add full time system navigators to all mental health clinics and encourage Cen-Cal (the local Medi-Cal affiliate) to add them at medical clinics.

d. Add two additional Mental Health Evaluation Teams, one in North County and one in South County.

Recommendation 6: *Use innovation and incentives, such as County backed bonds or tax breaks to support the building of private psychiatric and substance abuse facilities within the County.*

Again and while the Board will adopt a “balanced budget” on this same agenda, these recommendations will be rejected as infeasible because there is insufficient revenue. Meanwhile shutting down oil and gas wells (see item 43 below), closing the dunes recreation, prohibiting 5-star destination resorts, prohibiting high tax paying estate and ranchette houses, rationing water instead of investing in abundant water construction and production, hamstringing the Phillips 66 Refinery, limiting Ag vertical integration, promoting stack-and-pack housing, and turning the Diablo site into a tax exempt preserve are all part of the prevailing policy theory of the County’s scheme of land use.

Item 7 - County and Cities Reach Agreement on Cost Sharing for New Animal Shelter Construction and On Going Operations. Essentially the County will contribute the first \$1 million of the \$13.2 million cost of building the facility. The cities and County will share in the remaining \$12.2 million cost based on their estimated usage. The cities are getting a good deal anyhow. It is a total pain for a government to operate an animal shelter. Someone is always unhappy.

Item 8 - Contract (\$325,000) with the Economic Vitality Corporation to Study the Economic Impact of the Closure of the Diablo Nuclear Plant – How to Replace that Impact Loss Through a Strategic Economic Development Plan. This Board item will initiate the first part of a contract with the EVC, which will manage the process. The entire process is expected to take several years and ultimately cost \$1.2 million. The cities and business community are expected to contribute and raise funds.

The EVC has selected Vital Economy Alliance (Vital) of Brattleboro, Vermont to be the consultant for the effort. Vital is really a consortium of consultants from different parts of the country with specialties in economic analysis, communications, community process, etc. Vital specializes in rural communities and regions which may not support industrial development. The effort seems to be very process heavy with many “stakeholder groups” and meetings. A danger is that it is a giant Delphi process to reach a predetermined conclusion – a “green economy,” whatever that is.

It is not clear where Vitals’ agricultural industry experience stands. Government clients included:

Clallam County, Washington

Commonwealth of Virginia



Federal Home Loan Bank of Des Moines

Federal Reserve Bank of St. Louis

Industry Canada

Kingston, Ontario

State of Alabama

San Bernardino, California (Not clear if City or County)

Province of Nova Scotia, Canada

Province of New Brunswick, Canada

Province of Manitoba, Canada

Trinidad and Tobago

Tioga County New York

Tasmania, Australia

State of Mississippi

State of Maine

State of Iowa

State of Illinois

State of Delaware

Wonder if any of these engagements dealt with the loss of a major industry in a jurisdiction comparable to San Luis Obispo County? Maybe Trinidad?



And again, perhaps not.

Items 31 and 32 - Further Action on Boundary Modifications for the Los Osos Groundwater Basin and the Santa Maria Groundwater Basin. Authorization for the staff to petition the State for boundary modifications based on updated detailed hydrological information was approved several weeks ago. The action here is for the Board as Water Agency to pass resolutions supporting its actions as Board of Supervisors.

Item 33 - Boundary Change for the Paso Robles Groundwater Basin. This one will request the State to make the Basin Boundary for management purposes congruent with the Monterey/ SLO County line. Each County and its constituent basin governments would manage its portion to SGMA standards. In the end they would have to dovetail their respective plans to balance the entire basin.

Item 38 - Request to approve a Fiscal Year (FY) 2018-19 renewal service contract (Clerk's File), with the option to renew for two additional years (through June 30, 2021), for Emergency Shelter, and Wraparound Foster Care (WFC) with Family Care Network, Inc. (FCNI), a local foster family agency in the amount of \$6,655,000. The write-up underscores this component of the social decay which is ravaging California under the progressive left regime:

Statewide there are approximately 60,000 children and youth in foster care annually, 2 and countywide the Department of Social Services of San Luis Obispo County (DSS) provides foster care services to roughly three hundred and seventy-five (375) children and youth each year.

Several of FCNI's Annual Reports are attached to the Board item, are quite impressive, and are well worth a look. See the site:

https://fcni.org/sites/default/files/flipbook/annual_report_16-17/?page=1

Policy Impact: As in Item 5, above the County is attempting to plug the dike against eroding social conditions, declining economic opportunities, and basic values decay. To the extent that abolition of the economic ladder provided by the oil industry contributes to family disarray, the public should be outraged at the proposal to ban the oil and gas industry in SLO County in agenda Item 43 below.

Item 42 - Review and adoption of a Code of Civility. Chairman Peschong is proposing that the Board adopt a code of Civility. Apparently some other jurisdictions in the county have adopted it. The write-up states:

CIVILITY SLO COUNTY BACKGROUND

A Strategy to Empower the Collective Voice of Elected Officials throughout the Region

Background In August of 2017, 32 eager San Luis Obispo County residents from various backgrounds including government staff, elected officials, leaders from Cal Poly, Cuesta and

K12, as well as a diverse mix of minds from the SLO County nonprofit and business communities gathered in the wee hours to fly to Denver to proactively learn, vision and plan for the future of San Luis Obispo county.

Of the many topics areas explored in Colorado, perhaps the most impactful to the group was the concept of Regionalism; the idea that regions that learn to work together will do better for their citizens, their future and the quality of everyone's lives.

Led by a man by the name of Tom Clark, the Denver Metro area made a concerted effort to move from a region of competition within local jurisdictions to one of cooperation through establishing trust, growing opportunity for all and collectively (and respectfully) navigating the pitfalls along the way.

As the SLO County delegation returned home from the trip there was an eagerness to fan into flame the newly ignited regionalism spark in our community. The group saw great promise in cultivating a shared, regional approach to shared, regional challenges for the benefit of our collective community prosperity.

There were five elected officials that went on the trip - Supervisor John Peschong, Supervisor Debbie Arnold, Mayor Heidi Harmon, Mayor John Shoals and Councilmember Andy Pease - who came together for a series of conversations to address one question: What can we do to inspire greater collaboration among elected leaders throughout the region?

As the group came together to discuss regional collaboration, which is rooted in trusted relationships, the regional Code of Civility was born and ultimately shared and embraced by colleagues throughout the county as a proactive, collective first step in cultivating a culture of civility and collaboration in our region.

CODE OF CIVILITY

A healthy democracy respects the people's right to debate issues with passion. A healthy democracy not only tolerates disagreement but also welcomes it in order to refine ideas and create policies that benefit the greater good.

The deterioration of civility across the country and within our community poses a threat to our democracy and our civic well-being. This deterioration:

- Compromises the integrity of a healthy, representative democracy
- Closes the door on depth of thought, reducing complex problems to harmful oversimplification
- Deters potential leaders from running for office or serving in government
- Poisons the civic well and discourages citizens from engaging on pressing community issues

- Casts the spotlight on poor behavior rather than shining a light on possible solutions
- Sets a poor example for our children

We have crafted this Code of Civility as a promise to each other, and to the people and institutions we serve, that we will always strive to conduct our debates - whether in person, online, or in written communication - in ways that allow for the widest range of opinions on ideas and policies, yet also respect the dignity, integrity and rights of those with whom we might disagree. With our individual and collective commitment to this code, we welcome our elected colleagues, the press and the public to hold us accountable.

In our deliberations we pledge to:

Listen First

We will make an honest effort to understand views and reasoning of others by listening to understand, not listening to find fault, allowing thoughtful discussion to lead to the best possible outcomes.

Respect Different Opinions We will invite and consider different perspectives, allowing space for ideas to be expressed, opposed and clarified in a constructive manner.

Be Courteous

We will treat all colleagues, staff and members of the public in a professional and courteous manner whether in person, online, or in written communication, especially when we disagree.

Disagree Constructively We strive to advance solutions to community issues; when faced with disagreement, we do more than simply share our concerns with differing positions, we work to propose a course of action of mutual benefit.

Debate the Policy Not the Person We will focus on the issues, and not personalize debate or use other tactics that divert attention from the issue.



Item 40 – So-Called “Fracking” - SLO County Oil and Gas Well Ban. The proposed deceptively labeled measure has qualified on the basis of receiving over 20,000 signatures of which an audit sample of 630 proved to be 85% accurate, which means that the Board can certify the signatures as valid. The Board has 2 choices at this point:

1. Adopt the ordinance banning new oil and gas wells and fracking, even though there is no fracking in San Luis Obispo County.

Or

2. Place the measure on the November 6, 2018 general election ballot.

An issue has arisen in that a prudent step would be for the Board of Supervisors to request an independent opinion from the elected Auditor Controller on the potential negative financial impacts if the measure passes. This would be included in the ballot materials. The proponents are apoplectic about this and have been bombarding the Board members with communications demanding that they omit this important step. God forbid that the voters know the truth!

Larger Public Policy Purpose:

Banning oil wells, closing nuclear plants, creating energy chaos, socializing energy production and distribution, deliberately creating water shortages and forcing water rationing, forcing people out of their cars, herding people into dense zero lot line stack-and-pack housing, mandating solar panels on homes (new homes are just the first step), taking over the health care system (Newsome’s single payer promise), and relentlessly increasing fuel taxes are all components of the left progressive plan to deindustrialize and impoverish California.

This in turn creates the pre-conditions and crises for justifying the elimination of private property of all types and the regimentation of society.

At The Board Meeting:

It is expected that a large crowd of progressive left “Fracktivist’s” will be at the Board meeting to bully the Board and attempt to compel them to adopt the ordinance without a vote of the people. The Sierra Club, ECOSLO, and Surfrider Foundation are all exhorting a big turnout.



Background:

The proposed measure is deceptively labeled an anti-fracking measure. The problem is there is no fracking in SLO County. Also deceptively, the measure states that existing oil wells can remain in service as **non-conforming** uses until they are depleted. The problem

in this case is that some maintenance activities for existing wells are banned or will require substantial permitting and will be subject to rejection and challenge. Once a use is made nonconforming, there are all sorts of problems which Planning congers up. You want to put in a new pump, no – you need a storage building, no – you need a new tank, no – after all the use is non-conforming. How can the County approve its extension? This is another reason the measure is so deceptive and dishonest.

In the end the intent of the proponents is to drive the oil and gas industry out of the County. What if they decide next that red meat, single occupancy vehicles, and home fireplaces are bad for society? There is no end to the progressive left agenda. As they say, a primary target is the potential expansion of the Price Canyon oilfield. Charles Varney of Oceano is the front face of this effort. He helped lead the lynching of the Phillips 66 tank car proposal. He is also deeply involved in the Ocean Dunes recreation shutdown effort. If they can kill the Price Canyon oilfield, which provides feedstock to the Phillips Refinery, they may force the refinery's closure. It is already suffering from pipeline closures by the County of Santa Barbara (which also prohibited the transportation of the former piped oil in trucks).

PROPOSED SLO OILWELL BAN IS ILLEGAL - MONTEREY COUNTY WILL NOT APPEAL COURT DECISION VOIDING ITS VOTER APPROVED OIL AND GAS WELL BAN

In December, 2017 Monterey County Superior Court Judge Thomas Wills ruled that its voter approved Measure Z, which banned all new oil and gas wells, banned water injection wells, and restricted maintenance activities, was illegal. He did decide, with ironic logic, that provisions of the ordinance banning fracking were legal because there is no fracking in Monterey County. There would be no way for an appellant oil producer to appeal an anti-fracking provision because they had not yet been harmed. Industry witnesses in the trial testified that they did not intend to undertake fracking.

Significantly, several months ago, the Monterey County Board of Supervisors determined not to appeal the case, citing the probability that the appeal process would cost millions of dollars of taxpayer money and had no guaranteed results. We, of course cannot know what the Monterey County Counsel and their outside expert consulting attorneys said in closed session, but it apparently it wasn't good. The oil companies, for their part, agreed to no fracking, pointing out that the oil-bearing strata in Monterey County consist of alluvial sands and do not lend themselves to fracking.

The Court held in part: *...that California's state oil and gas legal and regulatory scheme "fully occupies the area of the manner of oil and gas production" and therefore preempts the Monterey County policy banning underground wastewater injection and prohibiting the drilling of any new wells. Because Measure Z sought to regulate the manner of oil and gas production by restricting particular production techniques it "is in conflict with general law and is therefore preempted."*

The Court also held that Measure Z conflicted with both state and federal law governing underground injection. The Safe Water Drinking Act directed the Environmental Protection ...Agency “to oversee underground injection throughout the United States” and granted the State of California the primary enforcement responsibility. The county measure “directly conflicts” with the state’s mandate.

Monterey County’s oldest continuously producing oilfield at San Ardo has been in operation for over 70 years. The proponents of the oil and gas well ban, led by the Center for Biological Diversity, have filed an appeal. They will be able to spend millions on that appeal as they are ultimately funded by the usual coterie of Hungarian billionaires, Russian cronies of Vladimir Putin, Iranian Ayatollahs, and Middle Eastern oil sheiks who operate through a network of US foundations. They could care less about climate change, CO2, and water quality. They want to destroy the United States and Israel.

The measure qualified on the basis of the 20,313 signatures collected. However it is illegal on its face. Will the SLO County Counsel and the Board of Supervisors challenge it and resist having to spend money processing it and placing it on the ballot? Ultimately and if the voters approve it, the County will have to spend millions defending it or else incur the wrath of the SLO county progressive left machine.

At least they know now that if it passes, the County will be in Court spending a ton of money to defend it. Reportedly, Monterey County has already spent in excess of \$1million defending their version up to this point and prior to the settlement.

The full text of the measure can be viewed at the link below:

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/8831/VGV4dCBvZiB0aGUgTWVhc3VyZS5wZGY=/12/n/95211.doc>

Matters After 1:30 PM

Item 48 - Adoption of the Proposed FY 2018-19 County Operating and Capital Budgets.

The Board has already voted tentative approval of all the Budget sections. This item is likely to be a formality. The Adopted Budget will be about \$733 million all in when the County dependent special districts and enterprise funds are counted.

Local Agency Formation Commission (LAFCO) Meeting of Thursday, June 21, 2018 (Cancelled)

Apparently there are no burning issues.

LAST WEEK’S HIGHLIGHTS

**Special Board of Supervisors Meetings of Monday, June 11, and Wednesday, June 13, 2018
(Completed)**

Item 2 - Budget Hearing for the Fiscal Year 2018-19 Recommended Budget. The County's Recommended and Supplemental Budget documents can be viewed at the following link:

<https://www.slocounty.ca.gov/budget>.

The Board conducted its usual perfunctory review of the \$622 million Budget (Actually \$733 million when all sources and the County dependent district enterprise funds are considered). It should be noted that SLO County is not unique in this regard. In recent years this has become more typical, at least in California. Some of the underlying causes include:

1. Modern officials by their academic educations, socialization, and institutional training have been inculcated with the values of collaboration, affectation of mutual respect (at least on the surface), and reluctance to engender conflict. These may be admirable values in many organizational settings, but they undermine the representation of various constituencies in the political environment.
2. Professional expertise of staff can be daunting to lay elected leaders who fear appearing to be asking “stupid questions” or otherwise not “getting it.”
3. Elected officials may fear offending professional staff. An irritated or angry executive or manager may have a long memory and lay traps in the future or manipulate services to the disadvantage of an offending elected.
4. Counties are unique and unlike most cities, in that six of the Department Heads are directly elected. Accordingly Supervisors may be chary of offending a powerful Sheriff, DA, or Auditor Controller. They may also be seeking endorsements from these officials at reelection time in the future. A penetrating public review of one these budgets could generate future ill will.
5. Similarly unions make campaign contributions to some elected officials. Critical questioning of payroll allocations, overtime expenditures, lost time (absenteeism due to sickness and workers compensation, and the vacancy rate in each agency) may offend certain constituencies.
6. Receiving random sample vignettes about positive programs does not constitute a systemic review.
7. Being briefed in private office meetings does not inform the public.
8. San Luis Obispo County is one of the few counties which operate an elaborated system of performance measures at the departmental level. These require a considerable staff effort. It

would be of great benefit if the Board spent several afternoons in late May and early June reviewing these with management in terms of the budget requests.

At the Meetings: There were few ripples on the general Budget process except for an acrimonious exchange between Supervisor Gibson and Supervisor Arnold about partially funding the preparation of SGMA Plans utilizing Water Agency funds and general funds. Gibson wants overlies in various basins to tax themselves for the planning because they are the “beneficiaries.” Perhaps he forgot that recently the Board unanimously approved the bailout of the Cayucos Fire District at a new \$1.5 million per year and growing forever. The Cayucans decided that they did not want to add to taxes they already pay for the district.

Additionally during the Wednesday session on the contributions to community service not-for-profits, Hill called for budget discipline and blamed the Board majority for lack of budget discipline.

Background: Significantly, and except for the segment on the not-for-profit agency requests, the public has been virtually absent during the annual Budget hearings for the past 6 years.

1. Overall the Budget is balanced for one fiscal year. However the ability to balance is partially dependent on running an employee vacancy rate of around 7% to cover the costs of negotiated and pending labor contracts. While the number of authorized employee positions is slightly increased, hundreds will be vacant at any given time.

2. The official Budget is presented as \$622.2 million; however there are revenues and expenditures which are not included. Thus the full financial picture totals \$738 million per the table below:

State Controller Schedules		San Luis Obispo County				Schedule 1	
County Budget Act		All Funds Summary					
January 2010		Fiscal Year 2018-19					
	Total Financing Sources				Total Financing Uses		
Fund Name	Fund Balance Available as of June 30, 2018	Decreases to Obligated Fund Balances	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Obligated Fund Balances	Total Financing Uses
1	2	3	4	5	6	7	8
Governmental Funds							
General Fund	\$30,526,617	\$0	\$491,129,099	\$521,655,716	\$520,960,569	\$695,147	\$521,655,716
Special Revenue Fund	554,044	4,483,189	67,982,936	73,020,169	68,722,235	4,297,933	73,020,168
Debt Service Fund	4,326,884	83	19,447,700	23,774,667	13,799,116	9,975,551	23,774,667
Capital Projects	0	0	3,727,000	3,727,000	3,727,000	0	3,727,000
Total Governmental Funds	\$35,407,545	\$4,483,272	\$582,286,735	\$622,177,552	\$607,208,920	\$14,968,631	\$622,177,551
Other Funds							
Enterprise Fund	\$0	\$3,060,189	\$18,093,834	\$21,154,023	\$21,154,023	\$0	\$21,154,023
Internal Service Fund	0	8,192,832	61,118,071	69,310,903	69,200,884	110,019	69,310,903
Special Districts	3,634,266	5,716,290	16,106,147	25,456,703	19,071,572	6,385,131	25,456,703
Total Other Funds	\$3,634,266	\$16,969,311	\$95,318,052	\$115,921,629	\$109,426,479	\$6,495,150	\$115,921,629
Total All Funds	\$39,041,811	\$21,452,583	\$677,604,787	\$738,099,181	\$716,635,399	\$21,463,781	\$738,099,180

Note that in addition to the formal budget there are enterprise funds, internal service funds, and the budgets of the county dependent special districts and service areas. It is not clear why these are not simply presented in the same way as the County departments, which in most cases are actually administering them as part of their normal work.

Planning Commission Meeting of Thursday, June 14, 2018 (Completed)

Item 4 - Coastal Commission Puts Kibosh on Flood Hazard Ordinance Update. The County updated its flood hazard plan and maps to conform to FEMA requirements. This was important for property owners to be eligible for flood insurance. The portion of the update that lies in the coastal zone had to be submitted to the Coast Commission for approval.

You guessed right! The Coastal Commission wrote back and said the update is “inconsistent with the Coastal Zone Land Use Ordinance and the Coastal Plan.” **Yikes – now what?** The County staff worked for several years with FEMA and got them to agree that the County could manage the FEMA requirements for the updates through the Building Code and would not have to change the Coastal Ordinances and Plans.

The County will now withdraw its application to the Coastal Commission and maintain its existing Plan and ordinances. Wonder how much this wasted in aggravation, dollars, and staff time over the years.

This item will eventually be on the Board of Supervisors agenda for final action once the Planning Commission is done with it.

Policy Impact: In the big picture, a great deal of government expense is due to friction and conflict between various government agencies. This actually saps dollars from services and capital investments such as roads.

The County should track the costs of administrative projects such as this so as to be able to demonstrate the problem to legislators and voters.

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

Water Rationing Laws Exemplify the Malthusian Mentality of California's Legislators

By Ed Ring

As reported in the Sacramento Bee and elsewhere, on May 31st Gov. Jerry Brown "signed a pair of bills Thursday to set permanent overall targets for indoor and outdoor water consumption."

After pressure from the Association of California Water Agencies and others, the final form of these bills, Assembly Bill 1668 by Assemblywoman Laura Friedman, D-Glendale, and Senate Bill 606 from state Sen. Bob Hertzberg, D-Los Angeles, offers water districts more flexibility in enforcing the new restrictions. But the focus of AB 1668, limiting indoor water use to 50 gallons per resident per day, is a step too far. Way too far. There's nothing wrong with conserving water. But urban water consumption in California is already low, and squeezing even more out of Californians will be costly and bothersome without making much difference in the big picture. Here is a table showing California's overall water consumption by user:

Total Water Supply and Usage in California

<i>acre feet (millions)</i>	<i>%</i>	<i>category</i>
150.0		California Rainfall - Dry Year
300.0		California Rainfall - Wet Year
31.0	48%	Water Diversions - Environment
27.0	42%	Water Diversions - Agriculture
6.6	10%	Water Diversions - Urban
2.9	4.5%	Urban - Commercial/Government/Industrial
3.7	5.7%	Urban - Residential
64.6	100%	Total Water Diversions

As can be seen, in a state where total human water diversions total around 65 million acre feet (MAF) per year [1], in 2010 residential customers only consumed 3.7 MAF [2, 3]. According to more recent data obtained by the Sacramento Bee from California's State Water Resources

Control Board, by 2017 the average California resident consumed 90 gallons per day, which equates to around 4.0 MAF per year. Slightly more than half of that is for indoor water, which means that on average, Californians are already consuming less than 50 gallons per day per resident!

So why the new law? We must immediately rule out the desire to save significant amounts of water. On average, Californians are already in compliance with the new restrictions on indoor water consumption, meaning only a minority of households, those over the new cap, will be forced to reduce consumption. And while AB 1668 also mandates individual “water budgets” for outdoor water consumption, even if they cut all outdoor water use by *another* 20% that would only save 400,000 acre feet. But at what cost?

THE COST TO FURTHER REDUCE INDOOR WATER CONSUMPTION

Here is a fairly recent analysis of what it costs to implement comprehensive indoor water savings

Cost to Retrofit a Home to Reduce Water Consumption

3,000	Tankless water heater or circulation system
1,250	Water efficient dishwasher
1,250	Water efficient clothes washer
1,000	Water efficient toilet (2x)
500	Low flow faucets (4x)
500	Low flow shower heads (2x)
<hr/>	
7,500	Total cost of water efficiency retrofit

That’s a lot of money. But why? How many households are still “overusing” water, if the average consumption is only around 50 gallons per day?

For what it would cost Californians who are not taking their clothes to the laundry mat, who prefer to wash their dishes in the sink, who are not willing to stand under shower heads that cannot rinse soap out of long hair, who don’t want to purchase side loading dishwashers because it hurts their back to load and unload them, how much water will actually be saved? And how does one “overuse” indoor water? Doesn’t it flow down to the sewage treatment plant, where these plants release all that water back into the streams and aquifers, or even in some cases pump the water back uphill to be reused by residents?

THE COST TO FURTHER REDUCE OUTDOOR WATER CONSUMPTION

For outdoor water use, the solutions are even more draconian, and, of course, are disproportionately aimed at people who happen to live in homes with yards. People with lawns where their children play, people with trees that provide shade, people with aesthetically pleasing hedges that offer privacy, people with who love to grow flowers and vegetables – people who love living things. In the short run, these people will be visited by water agency bureaucrats, who will assign a “water budget.” How much will that cost, forcing local water agencies to reach out individually to 12.5 million residential property owners?

In the long run, the costs to manage outdoor water use will get much higher. Every home will need to have two meters, one to measure indoor water use, one to measure outdoor water use. These meters, increasingly, will be “smart,” able to monitor time-of-day use in anticipation of variable pricing depending on when you water. (Don’t water your plants after 9 a.m.!) And eventually, first in new construction, and later in retrofits, every home will have two sources of water supply – one pipe to provide potable water for indoor use, and a separate pipe to provide marginally less potable reclaimed water for outdoor use.

This is epic folly. These conservation measures, as described, are going to cost consumers tens of billions of dollars. When fully implemented, the total annual savings might be around 500,000 acre-feet. That’s *less than one percent* of California’s total human water diversions for agriculture, the environment, commercial, industrial, and residential use.

And not one dime of this money will be instead paying for water treatment, water storage, or desalination projects that could add millions of acre-feet to California’s annual water supply.

THE ALTERNATIVE TO THE MALTHUSIAN MENTALITY

Thomas Malthus was an English cleric and scholar living in the early 19th century who developed the theory that global population increases exponentially, while global production increases arithmetically. His theory, and the eventual collapse of civilization that it implies, has enjoyed lasting and ongoing influence. In California, it found its earliest expression in a 1976 speech by Gov. Jerry Brown, who announced that we had entered an “era of limits.” For over forty years now, Governor Brown, and like-minded environmentalists and the politicians they’ve influenced, have embraced the Malthusian vision. But there is an alternative.

One of the most thoughtful and bipartisan visions to counter the Malthusian mentality is offered by the so-called EcoModernists, who in April 2015 published the “EcoModernist Manifesto.” The powerful premise they offer to confront the Malthusians is this: “Both human prosperity and an ecologically vibrant planet are not only possible, but inseparable. By committing to the real processes, already underway, that have begun to decouple human well-being from environmental destruction, we believe that such a future might be achieved. As such, we embrace an optimistic view toward human capacities and the future.”

The devil is in the details, of course. What “real processes” are they referring to? One of the authors, Michael Shellenberger – who just ran as a Democratic gubernatorial candidate in this week’s primary – offers concrete examples. Shellenberger, who runs the nonprofit “Environmental Progress” in Berkeley, is a progressive Democrat. And yet he strongly advocates nuclear power, desalination plants, and permitting suburban housing developments on California’s vast tracts of cattle rangeland.

There is a convergence possible here, of pro-growth progressive Democrats joining independent voters and Republicans to embrace ecomodernism instead of Malthusianism. In practical terms, this would mean rejecting rationing of water, energy, land and transportation, and instead investing in infrastructure for the 21st century. In ideological terms, it would mean rejecting environmentalist extremism rooted in pessimism in favor of economic growth rooted in optimism.

THE HIDDEN AGENDA OF CALIFORNIA’S MALTHUSIANS

California's voters have not questioned Malthusian policies, partly because they've been oversold the environmentalist agenda, and partly because too many of them have been convinced that nothing matters more than the color of their skin or the consequences of their gender. As a result, leftist oligarchs have been left free to consolidate their interests. Water rationing is just one manifestation of policy-driven artificial scarcity. This Malthusian policy also informs suppression of energy development, land development, and sensible investment in road and freeway upgrades. Public money is diverted to preposterous projects such as high-speed rail, while private investment in energy and housing is proscribed to exclude all but the wealthiest players. And those politically connected billionaires then make outrageous profits when their products – energy, utilities, and housing – are produced at constant costs but sold at scarcity driven sky-high prices.

The reason Malthusian ideology constitutes the conventional political wisdom in California has little to do with the environment. It has to do with power and profit. These spectacularly wealthy special interest billionaires have coopted politicians, mostly Democrats, to spew the rhetoric of environmentalism and identity politics because it makes them richer, at the same time as it has made everyone else poorer. Everyone knows that California has the highest cost-of-living in the United States. But less understood is where all that money is going. It is going into the pockets of left-wing billionaires. To ensure government complicity, government unions get their cut, in the form of staggeringly over-market rates of pay and benefits.

POLICIES SHOULD NURTURE ABUNDANCE, NOT ENFORCE RATIONING

Permanent water rationing sets a horrific precedent. It also is just the wrong way to solve water scarcity. Let farmers sell their water to cities without losing their grandfathered water rights. For that matter, reform the water rights that allow farmers to buy water for next to nothing. Invest in more surface and ground storage to harvest storm runoff. Build desalination plants on the coast of Los Angeles County – BIG ones like they use in the Middle East, producing millions of acre-feet per year – using less energy than the Tehachapi pumps.

Water is life. People should be able to use as much water as they are willing to pay for, and if they are required to pay a slight premium for overuse, that can fund investment in more water infrastructure. But the law as written will impose punitive fines for overuse. For less money than the cost of implementing water rationing, Californians could experience water abundance. From fragrant lawns to a rejuvenated Salton Sea, to not having to choose between taking a shower and doing the laundry, Californians can enjoy a better quality of life.

We don't have to live in a society defined by Malthusian struggle. We can create abundance of water and energy in ways that are largely if not completely decoupled from environmental harm. Conservation has its place but when it is the only solution and is not accompanied by increasing supply it reveals its hidden agenda: Greed for money on the part of the firms that manufacture the instruments of conservation, greed for power on the part of the politicians that enforce conservation, and a contempt for the aspirations of ordinary people on the part of environmentalists who have let their principles run amok.

Nobody should have to submit to monitoring of how they use water and submit to punitive fines if they use more than their ration. The idea that everyone has to submit to draconian restrictions

on their water use is ridiculous. It comes from a Malthusian mentality that is admirable in moderation and tyrannical in the extreme.

This article first appeared in the June 12, 2018 California Policy Center. Edward Ring co-founded the California Policy Center in 2010 and served as its president through 2016. He is a prolific writer on the topics of political reform and sustainable economic development.

Ring has been interviewed, published or quoted by the Los Angeles Times, the Wall Street Journal, the Economist, Forbes, Die Zeit, Real Clear Politics, Politico, American Greatness, City Journal, Zero Hedge, KFI Los Angeles, KABC Los Angeles, KOGO San Diego, KGO San Francisco, and other media outlets. Ring has an undergraduate degree in Political Science from UC Davis, and an MBA in Finance from the USC.



ANNOUNCEMENTS

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STOP The Oil & Gas **SHUTDOWN** In San Luis Obispo County

Join Community Leaders, Small Businesses and Working Families in Opposing the Oil and Gas Shutdown Initiative



A Complete Shutdown of Oil and Gas Production

Safe and productive onshore oil and gas operations have been an important part of San Luis Obispo County's economy for decades. This initiative includes drastic provisions that would lead to the shutdown of all operations in the County.

The Loss of More Than 200 Jobs and Millions of Dollars to our County's Economy

If the oil and gas shutdown initiative passes, over 230 mainly blue-collar workers and their families who are reliant on the

oil and gas industry will be threatened with losing their jobs. The impact of this job loss would ripple throughout our county. In addition to the loss of jobs, San Luis Obispo County would also lose an industry that is responsible for \$64 million in economic output. Considering the pending closure of Diablo Canyon – and the looming economic strain that it will put on our county – we cannot afford the loss of another major employer.

Loss of Revenues for Local Schools, First Responders and Public Programs

The annual taxes and fees paid by the oil and gas industry provide over \$1 million to our County's General Fund. Our public safety departments, public schools and county programs benefit from these resources. A shutdown would force the county to make even more cuts to these vital services – forcing cuts in firefighting services, taking police officers off of our streets, opportunity away from our students and assistance from those who need it most.

More Oil and Gas will be Imported from Foreign Countries and Threaten Our Environment


While our country is making the transition to a greater reliance on renewable energy, it is important that we maintain our energy independence in the interim. Shutting down local oil production in California does not result in less consumption -- rather it means replacing local oil and jobs with foreign oil to meet our energy needs. As long as we need oil and natural gas to drive our cars, heat our homes and make electricity, it's better to produce it responsibly here in California where we have the strictest global environmental regulations in the world.

Hurts Those Who Can Least Afford It

California's gas prices are already among the highest in the country. Without local production in San Luis Obispo and other counties to meet our energy needs, gas prices and energy costs could rise, placing the heaviest burden on disadvantaged communities and working-class families.

Paid for by Stop the Oil and Gas Shutdown, a Coalition of Concerned San Luis Obispo Taxpayers, and Energy Companies that Create Jobs for Our Local Economy, Committee Major Funding from California Resources Corporation

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**AUTHOR & NATIONALLY SYNDICATED COMMENTATOR BEN SHAPIRO
APPEARED AT A COLAB ANNUAL DINNER**

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