



# **COLAB SAN LUIS OBISPO COUNTY**

**WEEK OF JUNE 19-25, 2016**

## **THIS WEEK**

**STUPID & WASTEFUL OAK TREE MASSACRE  
WILL CREATE MORE REGULATION FOR  
EVERYONE**

**NEW SEPTIC TANK REGS WILL HIT  
HOMEOWNERS HARD**

**FINAL VOTE ON COUNTY BUDGET**

**APCD FEE INCREASES ON FOR FINAL VOTE**

**APCD BOARD BEHAVIOR STANDARDS ON  
AGAIN**

## **LAST WEEK**

**BUDGET LOVEFEST CONTINUES**

**LONG RANGE CLIMATE CHANGE GRAPHS  
PROVIDE PERSPECTIVE**

# SLO COLAB IN DEPTH

(SEE PAGE 19)

## Comparing Federal and California State Retirement Exposures

By Marc Joffe

### THIS WEEKS HIGHLIGHTS

#### Board of Supervisors Meeting of Tuesday, June 21, 2016 (Scheduled)

**Item 4 - Monthly Drought Report.** Nothing seems to have changed here. The drought continues unabated.

##### Reservoir Levels (% of capacity):

Reservoir	% of Capacity	Current Acre Feet Storage
Nacimiento	33%	123,670
Whale Rock	35%	13,683
Lopez	29%	14,107
Salinas	13%	3,003

Source: [www.slocountywater.org](http://www.slocountywater.org) County of San Luis Obispo

#### Stupid Oak Tree Massacre Will Result In More Regulation

**Item 34 - General Public Comment For Matters Not On the Agenda.** It is probable that a large crowd will show up for general public comment to protest and demand an Oak Tree Protection Ordinance.

Over 100 citizens attended an ad hoc meeting Monday evening, June 13<sup>th</sup>, to demand action because a local branch of an out-of-County agricultural corporation (Justin Vineyards, a unit of the Ag. Barron Stewart and Lynda Resnick's Wonderful Company) insensitively and illegally (no grading permit) bulldozed thousands of oak trees. News reports indicate that Resnick was one of the backers of the recently voter rejected AB 2453 Paso Basin Water District (including a \$12,000 campaign contribution to the supporters). This will beckon a new scheme of regulation, and everyone will be punished. Note the large irrigation reservoir that has been scooped out. Those who criticized the proposed AB 2453 water district proposal on the grounds that some backers had larger water storage and sales agendas were maligned by proponents as conspiracy theorists and worse. What do they say now given this demonstration of arrogance and ruthlessness?

The damage is illustrated in the pictures below.



**Before**

**After**

**Item 35 - Adoption of the 2016-17 Annual County Budget.** Last week, during the Monday hearing, the Board gave conceptual approval to the budget. It is not expected that there will be any big changes during this session. One possibility is that Supervisor Hill will have a list of surprise grants to various not-for-profits that he favors. Last year he persuaded the Board to distribute money to several entities that were not on the regular not-for-profit list and which had not gone through the regular vetting process. On the other hand, he and other Board members already added \$200,000 last Wednesday. We will see if they are done. The CEO has done a good job locking up much of the natural revenue growth in various reserves. This reduces the propensity for program expansion somewhat.

See a summary of last week's budget "review" in Last Week's Highlights below, Item 2.



**Item 38 - Hearing to consider adoption of the 2015-2020 Analysis of Impediments to Fair Housing Choice/Fair Housing Plan of the County of San Luis Obispo ("Fair Housing Plan"). All Districts. It is recommended that the Board continue this item to September 20, 2016.** This item has been continued several times. It is likely to be controversial. The write-up states in part:

*The formal name of the Fair Housing Plan is the “Analysis of Impediments to Fair Housing Choice / Fair Housing Plan.” The proposed Fair Housing Plan was prepared by County staff and its consultant pursuant to applicable federal laws. The federal Department of Housing and Urban Development (HUD) has completed its review and finds the Fair Housing Plan to be acceptable.*

*This item is recommended for continuance because several housing-related items will be coming to your Board throughout the summer and fall. Bringing this item back on September 20 fits better in the overall order.*

There must be problems of some kind. It is not clear how it might play into the election campaigns, which will be geared up in September. The draft document of 115 pages, analyzes the barriers faced by various groups to obtaining housing in the seven cities and the unincorporated County. The key findings include:

*Impediment 1: Lack of Fair Housing Education, Outreach, and Enforcement Infrastructure in San Luis Obispo County and on the Central Coast.*

*Impediment 2: High Housing Costs Constrain the Ability of Low-Income Latino Households in the Central Coast to Live in San Luis Obispo County.*

*Impediment 3: Limited Access to Public Transportation, Particularly in Northern San Luis Obispo County*

*Impediment 4: Inconsistent State Housing Policies and Lack of Available Funds.*

*Issue 5: Efforts to Develop Permanent Supportive Housing Are Exemplary and Should Be Taken to Scale. (More should be done).*

**Not Enough Land Zoned For Garden Apartments:** As COLAB has been pointing out for years, there is insufficient land zoned for the development of rental units on an economy of scale basis.

*San Luis Obispo County exercises zoning and land use authority throughout its unincorporated areas. In addition, to its zoning ordinance, the County’s Growth Management Ordinance exerts a significant impact on residential development patterns and housing affordability. Some of the County’s populated unincorporated areas lack sufficient land that is zoned for multi-family housing to make those communities truly accessible to low-income Latino households and persons with disabilities. Similar patterns persist in the County’s incorporated cities. Although the City of San Luis Obispo has taken a proactive approach to ensuring that there is adequate land zoned for multi-family housing to meet future needs, some communities tightly restrict the ability of developers to meet the needs of low-income households who are disproportionately members of protected classes.*

So is the current scheme of County land use and that of some cities inherently discriminatory?

The full draft report can be accessed at the link:

<http://www.slocounty.ca.gov/Assets/PL/Housing/DRAFT-Analysis+of+Impediments+-+Fair+Housing+Plan+-+SLO+County.pdf>

**Item 44 - Request to authorize the Director of Planning and Building or designee (Chief Building Official), to submit a letter to the Regional Water Quality Control Board advising of San Luis Obispo County's intention to prepare a Local Area Wastewater Management Plan (LAMP). All Districts.** A few years ago the State adopted severe septic system regulations, which are administered by the regional water boards. The Central Coast Regional Water Quality Control Board (CCRWQCB) adopted a very potent and extreme set of regulations. Counties may administer their own plans, inspection procedures, and enforcement programs in conformance with the overall CCRWQCB (the Regional Board) regulation.

**Damned if you Do and Damned if you Don't:** The report states that the County administration would be fairer in terms of process and enforcement and less costly in terms of fees than the regional Board. This item would authorize the staff to notify the Regional Board of SLO County's intention to prepare a LAMP. It turns out Planning staff has already prepared a draft LAMP.

In any version, adoption of a LAMP will render some properties undevelopable, cause some older septic systems to be declared illegal, and force the homeowner to replace them, sometimes for tens of thousands of dollars. Separately both private sector septic service companies and the County will be charging for more inspections, more application review, and more services.

We quote a substantial portion of the Board letter on this item because it provides a faint idea of the difficulties that are about to descend on the suburban and rural homeowners and others in San Luis Obispo County.

*After multiple delays, on June 19, 2012, the SWQCB adopted regulations entitled "Water Quality Control Policy for the Siting, Design, Operation and Maintenance of Onsite Wastewater Treatment Systems (Policy)." On November 13, 2012, the Office of Administrative Law approved the Policy which established an effective date of May 13, 2013. Our local Regional Water Quality Control Board, (RWQCB), adopted these new changes into the Local Basin Plan on May 30, 2013, with an effective date of June 3, 2014.*

*These new regulations formally take effect in May 2019. The new regulations break-up septic systems into five tiers:*

☐ *Tier 0 covers septic systems already in use. If the septic system is operating properly, then the septic system may remain operational.*

- ☐ Tier 1 provides guidelines for the basic level of service the County may offer for new or replacement septic systems. These regulations are very strict.
- ☐ Tier 2 allows the County the flexibility to provide basic and Advanced Treatment Systems for the public through the development of a Local Area Management Plan (LAMP). The Plan must be approved by the Board of Supervisors and the RWQCB by May 2019.
- ☐ Tier 3 covers septic systems in areas with water impairment. Our County does not have any of these areas.
- ☐ Tier 4 covers septic systems that have failed and need to be repaired. When these systems are repaired they return to Tier 0, unless the repair required the addition of an advanced septic system which will require annual inspection and permitting.

*The requirements for the Tier I provider are onerous, and leave the local agency with few options for helping home owners and builders with placement of conventional and advanced septic systems. Any proposed septic system that does not meet the Tier I regulations will have to be approved by the RWQCB. This path will cost the owner more money for permits, and take longer for approval. The Planning and Building Department is seeking to become a Tier 2 provider. Adoption of the LAMP is required to become a Tier 2 provider and allow the County to provide oversight and permits for on-site wastewater systems.*

*The Department of Planning and Building requests authorization from the Board of Supervisors to send a Letter of Intent to the RWQCB. The Letter of Intent informs RWQCB that we will be moving forward with the adoption of a Local Area Management Plan, (LAMP). This is important as it allows the County to continue to plan check and inspect septic systems locally without RWQCB involvement. As stated earlier, the Tier 1 standards are very strict. Tier 1 standards only allow County to approve basic septic systems. Tier 1 standards will limit the development of many lots. Tier 1 standards require all septic systems to be designed by an Engineer. The Tier 1 design rates limit the County to approving septic systems with percolation rates between 1-120 minutes per inch. Tier 1 standards prohibit the County from approving seepage pits, at grade septic systems, or mounds (we currently have this authority). Tier 1 regulations do not allow for advanced septic systems and will require all new lots to be a minimum of 2 ½ acres.*

*As a Tier 2 provider, the County will be performing 99% of all septic system plan checks and inspections (through the Planning and Building Department) without the extra delay and cost of sending permit applicants to the RWQCB for review and approval.*

*A requirement of the LAMP is that we will keep track of local public water well conditions to assure there is no groundwater degradation due to local septic systems. We will be required to maintain in-house records of all septic system installations, repairs, and upgrades. We will conduct education and outreach programs to owners of septic systems, and provide help with designs for reuse of graywater.*

*The RWQCB requires notification within two years of the adoption of the Policy for any local agency to become a Tier 2 provider. As stated earlier, these regulations change the way local agencies are allowed to oversee onsite wastewater systems. If the chooses not to pursue adoption of a LAMP, the by default we become a Tier I provider.*

*The County has informed RWQCB of this June 21, 2016 hearing date requesting authorization to proceed with the LAMP.*

Some features of the Draft LAMP which has already been prepared include:

**Lot size restrictions (which are in addition to the normal zoning density requirements).**

These are based on the amount of rainfall in a particular area. Fortunately most of SLO County falls within the lower limits, but this could impact a property owner in the northwest coastal part of the County. Cayucos averaged 17.45 inches over the past 30 years. San Simeon averaged 28.7 inches over the past 30 years. It's amazing how much difference a few miles makes.

**LOT SIZE REQUIREMENTS**

*P&B does not have a minimum lot size requirement for lots proposed to be created and developed based on the use of an OWTS. The average density for any subdivision of property made pursuant to the Subdivision Map Act proposing to use OWTS shall not exceed the allowable density values in the table below for a single-family dwelling (SFD), or its equivalent, without additional studies completed by a qualified professional demonstrating no adverse impacts to groundwater quality will occur. Lots created for commercial developments with flows that exceed those of a SFD will also require such studies. Where those studies show there will be impacts to groundwater quality that exceed the RWQCB Basin Plan standards, any proposed development must utilize an OWTS with supplemental treatment as per Chapter 7 of this LAMP to mitigate those impacts or lot sizes shall be increased to eliminate any adverse groundwater impacts. Where zoning regulations require greater lot sizes, those regulations shall take precedent.*

**AVERAGE ALLOWABLE DENSITIES FOR SUBDIVISION LOTS**

AVERAGE ALLOWABLE DENSITIES FOR SUBDIVISION LOTS:	
Average Annual Rainfall (in/yr)	Allowable Density (acres/SFD unit)
0 – 15	2.5
>15 – 20	2.0
>20 – 25	1.5
>25 – 35	1.0
>35	0.75

**How The Planning Department Will Torture Existing Homeowners and Often Cost Them Tens of Thousands of Dollars:**

Every time a septic tank is pumped, the private sector service company will be required to file a report with the County Planning and Building Department (P & B). If there are any problems or issues, P & B will require that they be fixed. This could range from relatively minor adjustments to major construction or even replacement costing tens of thousands of dollars. In this instance the septic pumpers are being converted into a County testing and reporting agency. Of course the system sets up an inherent conflict of interest in that the pumpers are often part of or affiliated with a company that does septic repairs and installations. They are actually incented to find problems.

*Whenever a septic tank is pumped for service, the pumper shall completely inspect the entire septic system and complete a County of San Luis Obispo Septic Tank Inspection Report. One copy of the report shall be given to the homeowner, one copy will be kept by the pumper, and one copy shall be sent to the Department of Planning and Building within 30 days.*

Once the County determines that your system is substandard, you will be required to bring it up to current standards and/or replace it if you want to add a bedroom, put in a pool, add a bathroom, etc. Who knows what an imaginative and meddlesome County staff will be able to concoct in this regard. What happens when it's time to sell the property? Will upgrades ultimately be required to clear escrow?

**SUBSTANDARD SYSTEMS**

*All OWTS within San Luis Obispo County that do not meet minimum design requirements of this LAMP shall be deemed substandard. Sites with substandard OWTS shall be prohibited from having future additions or modifications to the property that would potentially increase wastewater flow to the OWTS or decrease the amount of usable area available for the OWTS.*

**You May Never Get A Permit:** Even if percolation test borings show no problem, staff may deny your permit application because the drought has lowered the water table. As stated in the provision below, P & B will monitor the borings for a "sufficient time" to determine if groundwater will rise. What if the drought lasts ten years? What if it lasts forever as some climate change aficionados have predicted?

5. During periods of below normal average rainfall, or after periods of drought where there has not yet been sufficient ground water recharge, the absence of groundwater in test borings in areas where groundwater is suspect may not mean that approval to issue a septic tank permit can be granted. It may be necessary for P&B and the qualified professional to monitor the test borings for a sufficient period of time to determine where groundwater will rise to during normal to above normal rainfall.

Of course this is all just one more accumulative component of the much broader policy to restrict and prohibit single-family freestanding houses in suburban and rural areas. It can also be used to constrain future agricultural activities such as tasting rooms. In the end your property becomes more socialized and a little less your actual private property.

How many more engineers, planners, enforcers, supporting clericals, and managers in P & B will this new regulation necessitate?

A copy of the County's draft LAMP can be viewed at the Website:

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/6111/QXR0YWNobWVudCAyIC0gRHJhZnQgTEFNUCB0dC5wZGY=/12/n/62486.doc>

**Item 44 - Cayucos Vacation Rental Appeal.** Earlier in the year the staff denied a permit for a beachfront vacation rental because the property is less than 100 feet from other vacation rentals. The ordinance requires that new vacation rentals must be at least 100 feet from existing vacation rentals. The idea is to prevent overconcentration. The key substantive objection is that often vacation renters have parties and make noise. After all, they are on vacation and larger properties may host extended family groups or unrelated groups of young people. Obviously some folks don't want to be next to the guys from Animal House rocking out at 2:00 AM.

The owner applicant in this case has appealed stating that the location of the property and its design would forestall noise from reaching the neighbors. Staff has prepared a fairly extensive analysis to disprove the applicant's reasoning and recommends denial of the appeal.



In a narrow sense this one doesn't raise any big policy concerns. It's a residential neighborhood, and the granting of legal vacation rental status by the County is restricted. As long as the neighbors maintain their legal vacation rental status, this applicant could never rent the property short term. The house is 2500 sq. ft. and has 4 bedrooms. It could hold quite a crowd.

It is not the actual act of renting that is problematical, but the potential for noise, which is the problem cited in this instance. Would it be possible to restrict the number of rental occupants? It is probable that there would be couples who would rent the house who would not wish to bring the whole gang. Additionally, would it be possible to issue a permit with conditions which forbid noise, too many cars, or other disturbances? Perhaps it could be a year-to-year permit based on performance.

#### **APCD Air Pollution Control District Meeting of Wednesday, June 22, 2016 (Scheduled)**

**Item B-3: Final Hearing and Adoption of FY 2016 - 17 Fee Increases.** The APCD Board will probably adopt the proposed increases. Staff reported last month that no one attended either of the fee increase workshops that were held last spring. They reason that the 1,000 or so annual recurring permit holders must be OK with the fees, since there is no apparent interest. Supervisor Hill amplified this point during the May APCD meeting, when the fees were first presented. The primary list of fees is related to annual permit renewals. It is based on a pollution potential severity algorithm that assigns points to each type of business or Ag operation. These points are then multiplied times a fee factor, which is going from \$80 to \$83. The point system is displayed in Addendum I, starting on page 25 of this Weekly Update. It is extensive but deserves public disclosure beyond the affected businesses and agricultural operators.

Last month COLAB requested that the APCD Board, as elected representatives of the people, exercise some due diligence and poke at the system calculations and fees. What actual work in hours is necessary for the staff to undertake in terms of monitoring and analysis that justifies the costs and resulting fees? For example a bakery is 58.3 points. Thus its annual renewal fee, at \$83, would be \$4,389. What analysis does the APCD staff actually conduct at an existing and previously permitted bakery that costs \$4,380? If the staffer who does the analysis is making \$100 per hour, that staffer would have to spend 44 hours analyzing the smoke or whatever comes from the Bakery. They do this every year. It seems impossible to justify.

When COLAB asked the question about the bakery during the hearing, staff stated that the facility generates ozone and ethanol. The fact that it generates ozone is not dispositive of the required work. This was a non-answer. The Board ignored the non-answer and moved on. No one questioned why this should require \$4,380 worth of inspection and monitoring every year. Has the bakery violated the limits? How hard is it for someone to sample the air at various random intervals? For example, many people have a pool maintenance person who comes every

week, tests the water, and does actual physical work (vacuums the pool). It doesn't cost \$4,380 per year. Or you can endure a regular regimen of dental teeth cleaning (every 3 months) for a lot less.

### **Ag Diesel Engines Singled Out for Higher Fees:**

For whatever reason, some businesses are subjected to special double multipliers:

#### *AGRICULTURAL DIESEL ENGINE REGISTRATION FEE*

*a. Annual fees for registration of agricultural engines under Rule 250, Agricultural Diesel Engine Registration shall be 2.625 times the permit renewal factor "x" per engine rounded down to the nearest dollar.*

*b. For engines that do not have a registration according to the requirements of Rule 250, Registration of Agricultural Diesel Engines, the initial registration fee shall include the sum of all past applicable fees.*

*U. WINE OPERATIONS REGISTRATION FEE: Fees for registration of wine operations as required by any regulation shall be 2.65 times the District's permit renewal factor (see section E. above).*

**Background:** It has been several years since the APCD has adopted any across-the-board fee increases. It appears that they are testing the waters. The narrative suggests that the fee increases are small and will have little effect. One general concern is the increase in the "hourly rate," which is proposed to be raised from \$115 per hour to \$125 per hour. Note: This hourly rate is for general work, not the annual re-permitting rate of \$83 per unit discussed above and in the addendum on page 25.

**Item B-4: APCD Board Norms.** Last month the APCD continued this item because 4 of the 5 County Supervisors were in Sacramento receiving the latest revealed knowledge and threats from the State water satraps about the State Groundwater Management Act (SGMA). The item is back in revised form. Instead of being entitled "Principles of Decorum," it is now "Board Norms." The "norms," which have replaced the proposed "Principles of Decorum," are shorter. Apparently the Executive Committee met and revised the staff draft. Since this was a continued item, the issue arises of whether it was proper for the Executive Committee (an official sub-body of the Board) to meet, draft revisions, and the place them on the agenda. The matter was already on the agenda under consideration as drafted and was simply continued.

The new version states:

#### *APCD MISSION*

*As stewards of healthful air supporting a healthy environment, our Mission is to realize and*

*preserve clean air for all, to promote community and individual responsibility for air quality through education, and to provide quality and cost-effective service.*

*The APCD Board members individually and collectively commit to the following:*

*1. To uphold the APCD Mission as the highest purpose for achieving constructive solutions for matters before the Board.*

*2. To treat the public, staff and Board members with courtesy and respect.*

*3. To respect the rights of others to hold and express differing opinions.*

*4. To debate issues without malice, refraining from derogatory remarks that reflect upon the integrity, motives or personality of others.*

*5. To publicly state if ex parte information was received that may affect decision-making.*

*6. To conduct an orderly meeting without side conversations, interruptions, delaying tactics or use of personal electronic devices.*

*7. To address the Chair first to gain recognition prior to speaking. Once recognized, to be allowed to speak without interruption, limiting comments and questions to the subject matter before the Board.*

*8. To avoid issuing individual direction regarding APCD policy or other substantive matters to staff members.*

*9. To respect past decisions of the Board and move forward in a positive manner.*

*10. To contact staff with significant questions on an agenda item in advance of the Board meeting, if possible, so staff can be properly prepared to respond.*

*11. To seek ongoing training and information on APCD mandates and programs, both as new and returning members.*

*12. To conduct all APCD affairs with fairness, honesty, integrity and respect.*

**Background:**

Readers may remember that the APCD conducted a facilitated workshop on the tone and conduct of its meetings. This was the result of an incident during a meeting last year where Supervisor Hill, backed up by Supervisor Gibson, attacked a public speaker because he criticized the science behind the Dunes Dust Rule. That speaker was demoted at his state job as a result of Supervisor Gibson filing a complaint against him. The alleged problem for the 2 supervisors and later Mayor Marx was that they believed he was appearing on State time to make a private complaint. There was significant public controversy, and the workshop was calculated to paper the issue over. As a result of the workshop, which was inconclusive, the staff prepared the APCD Principles of Decorum below (Now Old Version).

*The APCD Board is committed to ensuring that all interactions of Board members with each other, staff and the public are conducted in an open, respectful and appropriate manner and reflect the mission and values of the agency. To that end, every Board member individually commits to honoring the following guiding principles:*

*1. To keep the APCD Mission and public health protection as the highest purpose for achieving constructive solutions for matters before the Board.*

**COLAB NOTE:** This first principle is seriously flawed and fails to recognize the purpose of elected officials in a democracy. Contrary to the assertion in the text, their highest purpose is not to achieve “constructive solutions for matters before the Board.” Their primary purpose and reason for existence is to represent their constituents and the public in general. Their most important function is to protect the public from abuses by the APCD. Constructive solutions (whatever that means) may have a severe deleterious effect on personal freedom, private property, capitalism, and survival of the country. To assert that they are there to serve the purpose of a government agency is to vitiate the whole idea of elected officials who jealously guard the primary values of the country and civilization.

*2. To treat others as they would like to be treated and accord the utmost courtesy to each other, to staff and to the public appearing before the APCD Board, including addressing each other by title (e.g. – Chairperson, Vice-Chair, Director, etc.).*

*3. To respect the dignity of individuals and organizations and the right of all people to hold and express different opinions at our meetings.*

*4. To debate respectfully and without malice or rancor, refraining at all times from rude, abusive and/or derogatory remarks that reflect upon a person’s integrity, motive or personality.*

*5. To publicly share substantive information that is relevant to a matter under consideration that a Board member(s) may have received from sources outside the public decision-making process.*

6. *To preserve appropriate order and decorum during all meetings and discourage side conversations, disruptions, interruptions or delaying efforts, including restricting the use of personal electronic devices while seated at the dais, unless there is an urgent personal matter.*

7. *To first address the Chair to gain recognition before speaking; once recognized, the member shall not be interrupted while speaking except to make a point of order. Comments and questions should be limited to the issue before the Board, and cross-exchange between Board members and the public should be avoided.*

8. *To support the maintenance of a positive and constructive work place for APCD employees and for citizens and businesses dealing with the APCD. Members shall recognize their role and responsibility in interactions with APCD staff to ensure they do not provide individual direction to staff that could be perceived as exerting undue influence or a conflict of interest.*

9. *To respect past decisions of the Board and move forward in a positive manner.*

10. *To call staff with significant questions on an agenda item in advance of the Board meeting so staff can be properly prepared to respond.*

11. *To seek ongoing training and information on APCD mandates and programs, both as new and returning members.*

12. *To conduct all APCD affairs with fairness, honesty, integrity and respect.*

### **The Incident Which Led To This Whole Charade:**

During an APCD meeting on June 17, 2015 an item about the dunes dust rule was under discussion. During public comment the following incident occurred.

**More Intimidation:** At the end of the hearing, a speaker named Will Harris came to the lectern for public comment on the item. He stated that he was employed by the California Geologic Survey, which is a Division of the State Department of Conservation. It appears the Division is responsible for preventing damage from earthquakes and other geologic forces. Harris made a presentation in which he stated that the APCD has never determined background levels (that is the naturally occurring amounts) of dunes dust. This is important because the impact of the off-road vehicles could not be determined without this information. Harris asserted that the background levels are currently far lower than in past times, because the State has propagated so much vegetation over the decades that the amount of dust overall is much lower. As Harris finished Hill accused Harris of representing “someone.” Hill said in an accusatory voice, “Who

told you to come today?” Harris replied that no one told him to come. Hill: “So you are representing yourself?” Harris: “I came because of my professional experience.”

Gibson (muttering in the background/mic was OFF): “Attending for whom, the state?” The APCD Board then went through a discussion of the continuation of the DUST RULE matter. Arnold tried to get them to consider alternative 1 (the Waage version). In the end, all voted for continuation except Arnold and Harmon. As the meeting was about to adjourn SLO Mayor Marx returned to the Harris issue and expanded on it: Marx - something to the effect: Mr. Harris’s performance as a paid advocate did not disclose that he was representing someone else. I found this very disturbing. She then asserted that members were meeting with outsiders such as Kevin Rice, who has sued the APCD and on occasion has discussed closed session items. She did not name which members or member. She said: We need to know if there are ex parte conversations. She stated that paid consultants must identify themselves as such. Harris attempted to come to the lectern on a point of order, since he had been personally called out and publicly humiliated and impugned by a sitting Mayor and County Supervisor. Hill forcefully called him out of order and would not let him speak. As the meeting ended Hill glared at Harris and said menacingly, wait until we talk to your superiors in Sacramento. Other members of the APCD did not challenge Hill’s behavior, thereby countenancing intimidation, threats, and a clear Brown Act violation.

## LAST WEEK’S HIGHLIGHTS

### Board of Supervisors Meetings of Monday, June 13, 2016 and Wednesday, June 15, 2016 (Completed)

**Item 2 - Budget Hearings for the Fiscal Year 2016-17 Proposed Budget. The County's Proposed and Supplemental Budget documents can be viewed at the following link:**

**[http://www.slocounty.ca.gov/admin/Budget/2016-17\\_Proposed\\_Budget.htm](http://www.slocounty.ca.gov/admin/Budget/2016-17_Proposed_Budget.htm)**

**As far as we could see, COLAB is the only civic organization that studied the budget, reported on it ahead of time, attended the key hearing, and provided public commentary.** The Board held its budget hearing on Monday. The annual budget review and adoption is one of the most important policy considerations of any governmental jurisdiction. In the case of SLO County, the basic County operating budget totals \$574 million. Additionally there is a Special District Other Agency Budget, an Internal Service Funds Budget, and an Enterprise Fund Budget, which add another \$142.8 million, for a grand total of \$716.6 million.

The Board spent exactly 5 hours (minus a few minutes for a morning break) on the main budget of \$574 million. There were only 32 questions asked of the staff by the Board members. Arnold and Compton were the most persistent questioners. Gibson, Hill, and the CEO displayed some irritation at their asking questions. Mecham clearly wanted to get the whole thing over. At \$716 million, that's \$22.4 million per question.

No questions were asked whatsoever on the Administrative Department Group, which includes the CEO's office, County Assessor, Auditor Controller, Board of Supervisors, Clerk-Recorder, and Treasurer-Tax Collector. Similarly, no questions were asked on the Financing Section, which includes Countywide Computer Replacement, Debt Service, Building Replacement, Post-Employment Benefits, and Pension Obligation Bonds.

Much of the hearing time was taken up by presentations of departmental program initiatives, including a degree of self-congratulation, especially by a team consisting of the Heath Director, Mental Health Director, and others with regard to a reportedly successful program designed to remedy problems in the foster care system and child protective services. This was a useful and important presentation in and of itself about the often tragic circumstances involving abandoned, abused, and at risk children and youth. The problem is that it should have been presented at a different time, since it deflected attention from the budget consideration. There were other less lengthy presentations that were interesting but not particularly pertinent to the Board's responsibility to question budget and staffing.

Refreshingly, the Sheriff, in a presentation about the emergence of gang problems in neighboring counties and steps to forestall their expansion in SLO County, actually stayed on point and related his resource needs to the performance measures included in the Budget and their relationship to staffing and dollars requested.

Eventually, even Compton and Arnold were worn down by the glares of their colleagues when they ventured to ask questions or propose alternatives. By the afternoon session the staff had fully anesthetized the Board and blew the whole recommendation through unaltered except for the addition of a couple of Sheriff's deputies.

There was virtually no public interest in the budget, which might suggest that everyone is perfectly happy with the County's policies, fiscal status, fees and taxes, regulations and other critical actions.

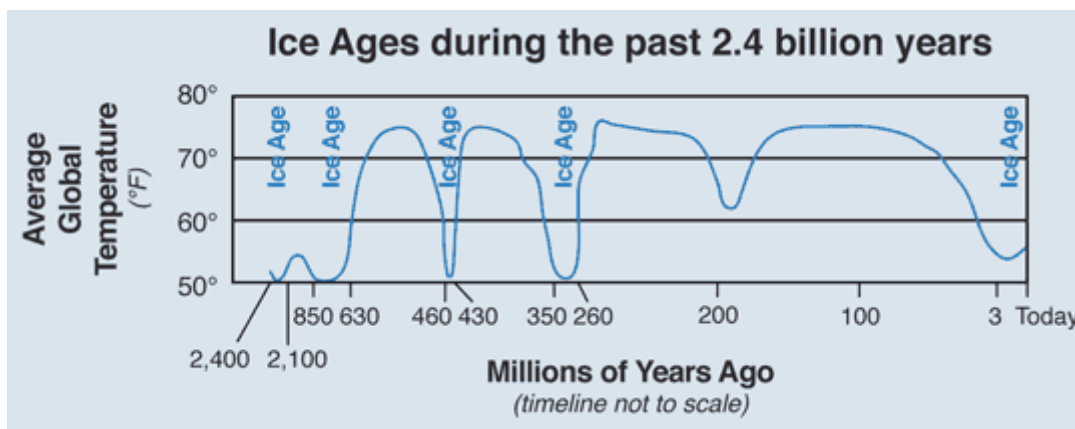
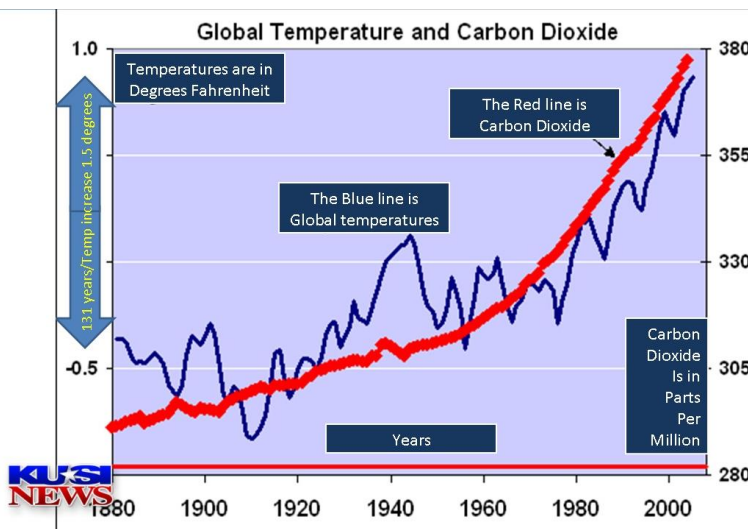
The Wednesday session focused on distribution of about \$1.8 million to various not-for-profit health, human service, arts, economic development, and natural resource agencies. The Board added about \$200,000 to the proposed \$1.8 million. Additionally they beefed up their individual district budgets for "community projects" (money to pass out to civic groups) by \$20,000 per district above the current \$30,000.

In the end the budget lovefest continued.

The Board will formally adopt the Budget on Tuesday, June 21, 2016 during its regular meeting.

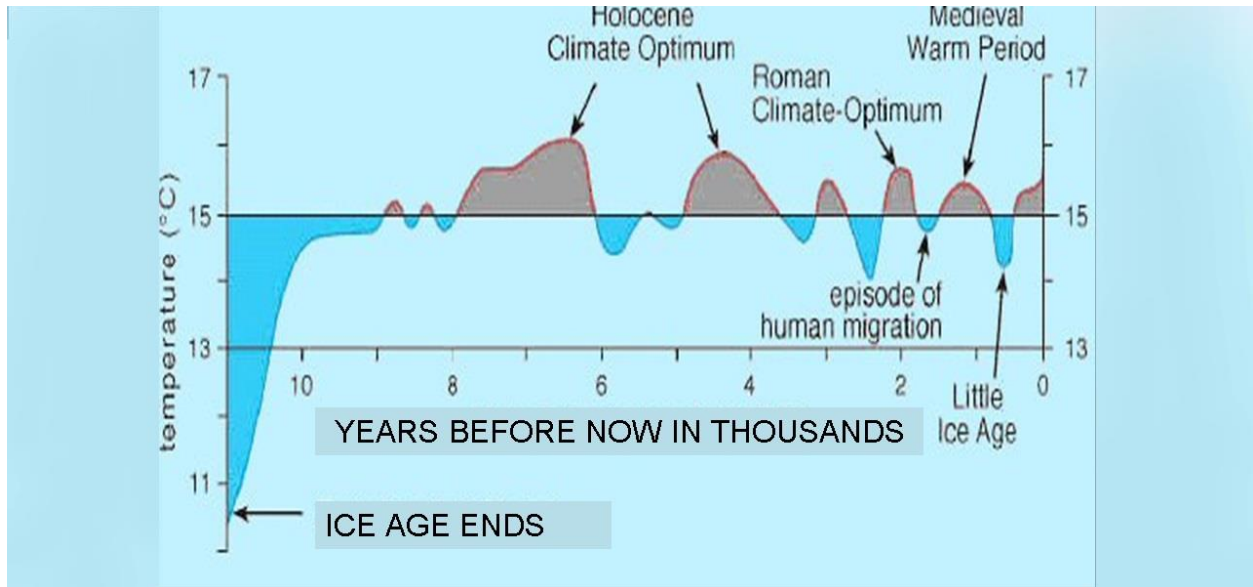
### Long-Range Climate Charts

Last week, during a COLAB meeting, we were asked if we could find graphs about the history of climate trends. Several versions are displayed below, ranging from 2.4 million years to near term. It should be noted that some academics that support anthropogenic warming theory vigorously disagree with these charts and excoriate their authors in the most severe fashion. They adhere to charts such as the one to the immediate right, which frames the picture in a very limited time scale. Once the picture is expanded to include a longer scale, the perspective changes. It was a lot warmer in 250,000 BC than it is now.



PREHISTORIC MAMMALS ENJOY A WARMER CLIMATE PERIOD – NOT A LOT OF FUR ON THESE GUYS.

## Temperatures Since the Last Ice Age Ended



But 30,000 years ago, during the most recent glacial epoch, things were very cold over much of the northern hemisphere. Everyone bulked up. Note that recent warmer periods correspond to periods of civilizational efflorescence.

Recent centuries have been relatively cool.

The new County Budget contains \$380,000 for a consultant and a new staff position to manage the consultant, who will develop land use plans to “manage” sea level rise generated by global warming. The Board of Supervisors didn’t even



blush. No doubt these new plans and regulations will restrict development wherever the consultant says sea level rise is going to endanger human settlement. Goodbye Avila, Los Osos, Oceano, San Simeon, and Cayucos. The other waterfront towns are pretty much on bluffs.

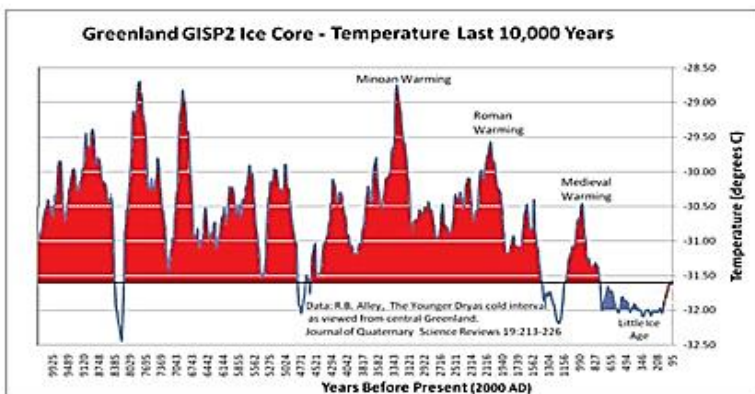
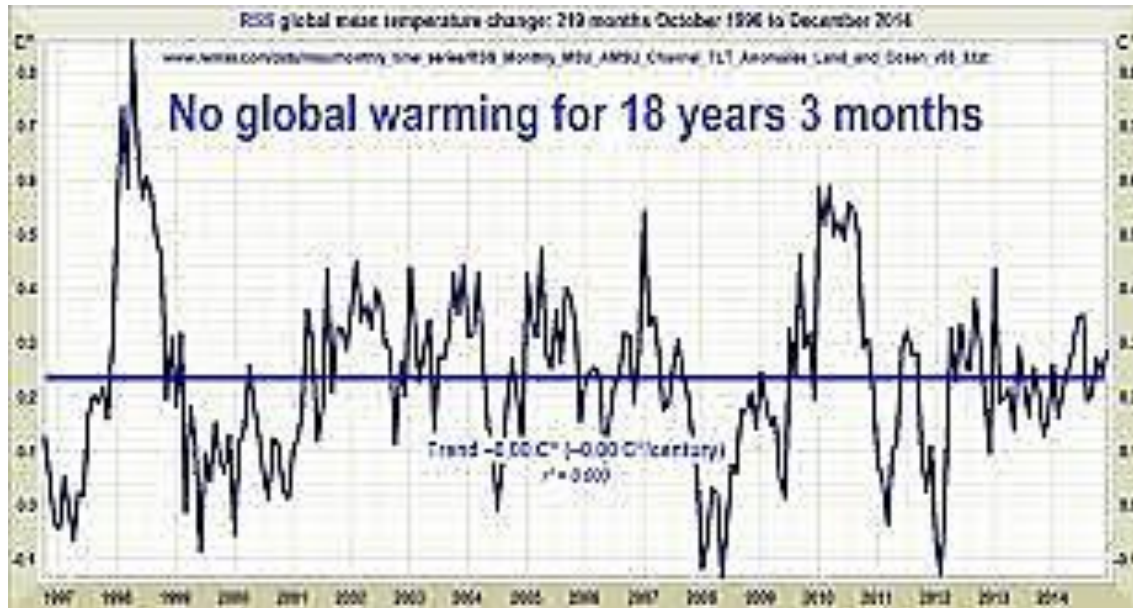


Figure 5.12.1. Temperature over the last 10,000 y from the GISP2 ice core, Greenland. Adapted from Alley, R.B., 2000. The Younger Dryas cold interval as viewed from central Greenland. *Quaternary Science Reviews* 19: 213–226.

## A VERY NEAR TERM PERSPECTIVE



# 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.

## Comparing Federal and California State Retirement Exposures

By Marc Joffe

Californians may be accustomed to living with the specter of a public pension crisis. But the federal government's problem with its retirement system – including Social Security – is far worse, and yet none of the three remaining major-party candidates for president has a plan to do anything about it.

The California Policy Center generally focuses on state and local issues. But with just days left before California's June 7, we offer this comparison of California and federal exposure to pension liability.

## State Retirement Expenditures

According to the governor's May Budget Revision, the state will make a total of \$8.1 billion in pension contributions during the 2016-2017 fiscal year. This amount represents a sharp increase from the current fiscal year level of \$7.1 billion and fiscal 2014-2015 contributions of \$6.3 billion. (These numbers exclude Other Post Employment Benefit payments.)

The rapid increase is attributable to lackluster stock market performance, more conservative actuarial assumptions implemented by CalPERS and a teacher's pension reform that increased the state's responsibility for CalSTRS. However, even the newly increased contribution levels are unlikely to resolve chronic underfunding in both CalPERS and CalSTRS because these two systems assume a 7.5% annual rate of return, which seems unrealistic in today's slow growth, low interest rate economy.

Figures 1 and 2 provide a longer term perspective on the growth of state pension costs. These graphs go back to the 1999-2000 budget year when the governor signed SB 400, a bill that provided a large, retroactive increase in pension benefits. In that year, pension contributions were only \$1.2 billion.

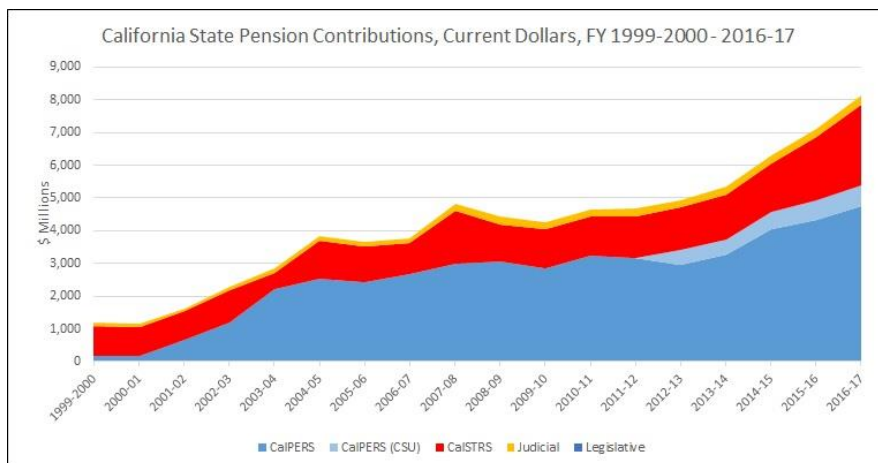


Figure 1 Above

Figure 2 Below



Because of inflation and the growth of the state economy, it may be more helpful to look at state pension contributions in relation to some broader economic indicator. In previous CPC studies, we have shown pension costs as a percentage of overall government revenue – identifying a number of California cities and counties that devote over 10% of their income to retirement plan contributions.

The state's position is much better than that of the most burdened counties and cities. In 2014-2015 (the last year for which audited financial statements are available), \$6.3 billion of pension contributions represented 2.29% of total state revenues – including general fund revenue, other governmental fund revenue and business type activity revenue – which totaled \$276 billion. We project that this ratio will rise to about 2.76% in 2016-2017.

For those interested in general fund statistics only, pension contributions accounted for 5.57% of general fund revenue (on a budgetary basis) in 2014-2015 and are projected to rise to 6.49% in 2016-2017. These ratios overstate California's pension burden, because many employees are compensated with resources outside the general fund.

On the other hand, some California state spending effectively subsidizes pension costs incurred by city, county, school districts and special districts. For example, most of the state's \$87.6 billion education budget for 2016-2017 will be distributed to local educational authorities, which will use some of these funds to make employer contributions to public employee pension systems.

As Ed Ring reported in a recent CPC study, total California government employer pension contributions in 2013-2014 were \$21.2 billion. While only one quarter of this total was directly paid by the state government, some portion of the local government share would not have been made in the absence of state aid payments.

Ring's report also offers some insight into how much state pension contributions would have to rise if more realistic return assumptions were used. For example, if pension funds used a 5.5% return assumption, pension fund contributions would have to triple from current levels.

## **Social Security**

The vast majority of federal retirement expenditures take the form of Social Security benefits. Because most American workers are eligible for Social Security, the program is quite large. In the current federal fiscal year, Social Security expenditures are projected to be \$911 billion or just over 27% of federal revenues. About 83% of these costs take the form of retiree and survivor benefits, 16% goes to disabled workers and under 1% covers administrative expenses.

Each year, the Social Security Board of Trustees publishes an actuarial report. The report includes short- and long-term projections, with an emphasis on the status of the Social Security trust fund. The latest report shows that the trust fund contained about \$2.8 trillion in assets at the end of calendar year 2014. The report also projects that the trust fund will be exhausted in 2034 based on a set of intermediate cost assumptions. The report also includes projections based on two alternative scenarios: one reflecting higher-cost assumptions (such as greater longevity) and lower cost assumptions. Under the high-cost scenario, the trust fund would be exhausted by 2030, while under the low-cost scenario the trust fund maintains a positive balance throughout the report's 75-year projection horizon.

Although discussion of Social Security often revolves around the trust fund, this emphasis is misplaced. Unlike CalPERS or CalSTRS, the Social Security trust fund does not contain real assets. Instead, it holds special-issue U.S. Treasury bonds. Since the trust fund is part of the federal government, its assets are merely IOUs issued by its owner. The situation is analogous to an individual removing money from his piggy bank and replacing it with a note showing the amount he plans eventually to put back. This may be a good commitment device, but any financially knowledgeable third party would not consider the note a meaningful asset.

One might argue that the Treasury bonds in the trust fund represent a claim on federal assets, but as shown in its latest audited financial statements, the federal government has a negative net position. Total federal assets of \$3.2 trillion are easily exceeded by \$13.2 trillion of federal debt securities held by the public and \$8.2 trillion of other liabilities. So the IOUs held by the Social Security trust fund compete with claims held by many external parties for a relatively small pool of federal assets.

While the trust fund assets are not economically meaningful, they do have a legal significance – but even that is less than meets the eye. Under current law, if the trust fund is exhausted, benefit payments must be immediately reduced so that they are equivalent to Social Security revenues, which mostly derive from Federal Insurance Contribution Act (FICA) taxes paid by employees and employers. Under the trustee’s intermediate scenario, benefits would fall to 79% of the then-current level when the trust fund is exhausted in 2034.

However, this sudden, sharp reduction is extremely unlikely. Given the large number of Social Security recipients, the high voting propensity of older voters and the power of AARP, the benefit cut would almost inevitably be reversed, with additional costs borne by the general fund. There is a recent precedent for general fund transfers of this type: when Congress temporarily reduced FICA taxes in 2011 and 2012, the loss of trust fund income was offset by general fund transfers.

Rather than view Social Security through the trust fund prism, its fiscal impact is better understood in terms of its net impact on the consolidated federal budget. In other words, we should look at the difference between Social Security revenues and expenditures. The trustee report includes interest on the Treasury bonds held by the Social Security trust fund, but this notional income should be disregarded: the interest is paid and received by the same entity, the federal government.

Figure 3 shows Social Security’s net cash flow in constant dollars back to 1957. Projected revenues are depicted by three lines, with shaded areas in between. The middle line reflects the trustee’s intermediate assumptions, with the low cost and high cost scenarios shown by the lowest and highest lines respectively. As the chart shows, program revenues and expenditures were roughly equal for the first three decades. Between the late 1980s and the last decade, revenues exceeded expenditures, often by large margins. In the late 1990s, this surplus helped balance the federal budget; later, it offset budget deficits that developed under the George W. Bush Administration.

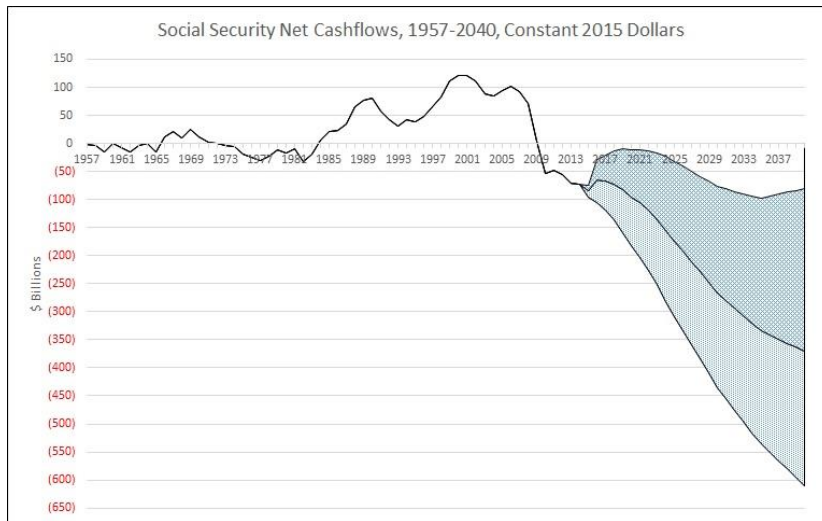


Figure 3

Increased disability insurance claims associated with the Great Recession and the beginning of baby boomer retirements ushered in a series of negative net balances beginning in 2010. These deficits are expected to continue under all three trustee scenarios, and to become quite large under the intermediate and high cost assumptions. By 2040, the shortfall reaches \$371 billion under the intermediate scenario and \$610 billion under the high cost scenario – in 2015 constant dollars.

Unprecedented deficits of this magnitude have very serious implications for the federal budget, especially when combined with escalating Medicare and Medicaid costs. Last year, the Congressional Budget Office projected that the ratio of publicly held debt to GDP will increase from 74% currently to 107% by 2040.

### Federal Employee Retirement Programs

The federal government also has a large number of employees and retirees eligible for defined pension benefits. According to its latest annual report, the Civil Service Retirement and Disability Fund, paid \$81 billion of retirement benefits in fiscal year 2015, or 2.49% of federal revenues. The system reported an Unfunded Actuarial Liability of \$804.3 billion and Assets of \$858.6 billion, implying a funded ratio of only 51.6%. Further, the fund's assets are almost entirely invested in U.S. Treasury securities. Similar to the Social Security Trust Fund, the economic meaning of these investments is questionable.

The Defense Department also provides retirement benefits. The latest available actuarial report shows \$54.8 billion of benefits paid in fiscal year 2013 and a 35% funded ratio. Last year, President Obama signed a Defense Authorization Bill containing a military pension reform. Instead of a straight defined-benefit plan, new recruits joining the armed forces after January 1, 2018 will be placed in a hybrid plan containing a 401(k)-style component with an employer match. The defined benefit component will remain, but will be reduced by 20%. This reform should improve the program's funded ratio, but won't reduce military pension costs by very much – if at all. Under the current system, service members must remain in the military for

20 years to become eligible for pension benefits. Vesting in federal matching payments under the new defined contribution plan will begin after two years.

### **Comparing the Federal and State Governments**

Overall, the federal government has much greater exposure to pension costs than does the state of California. Civilian and military pension benefits consume a proportionately larger amount of the federal revenue than the share of total state revenue absorbed by CalPERS and CalSTRS contributions. Further, the federal government is responsible for providing most American workers pension benefits through Social Security, which absorbs more than a quarter of federal revenue and has an inadequate level of pre-funding, even if one considers Treasury securities to be an acceptable investment vehicle for a federal retirement system.

That said, it is worth considering some advantages the federal government has relative to the state in dealing with pension costs. First, the U.S. constitution does not provide a right to accrued benefits. In an emergency, Congress and the president could cut or terminate benefits to Social Security recipients, federal civilian retirees or veterans. This is not the case for the state of California.

As Alexander Volokh points out: “In California, when a public employee begins work, he not only acquires a right to the pension accumulated so far — presumably zero on the first day, and increasing as he works longer — but also the right to continue to earn a pension on terms that are at least as generous as the ones then in effect, for as long as he works. And if pension rules become more generous in the future, then those more generous terms are the ones that are protected.”

As I discussed earlier, I do not expect Social Security benefits to be reduced when the trust fund runs out, so the fact the Social Security recipients do not have access to the courts may be a distinction without a difference. But it is still true that the federal government has a tool for reducing benefit costs — especially during a fiscal emergency — that is not available to the state.

Further, there is a widespread belief that the federal government is less vulnerable to a fiscal emergency than California because it has access to the printing press. In other words, if the federal government cannot obtain enough tax revenue to pay retirement benefits, it could do so with newly created money.

While this is a fair distinction, it comes with a couple of caveats. First, at the national level, money creation has become the role of the Federal Reserve, which has some degree of political independence. Strictly speaking, the president cannot order the Fed Chair to create money. Second, U.S. state and local governments have been able to create circulating IOUs in the past. During the Depression, numerous cities issued scrip, while, in 2009 the state issued IOUs to vendors amidst a budget crisis. These IOUs were eventually traded on a secondary market.

These caveats notwithstanding, it is true that a central government controlling an international reserve currency does have more fiscal flexibility than a state which is legally obligated to balance its budget each year. So the federal government’s ability to absorb pension obligations is greater than California’s. This is fortunate, because the federal government’s exposure is so much greater.

### **Solutions**

We have seen that both California and the federal government face high and rising pension costs, and that each has not fully accounted for these obligations. The drivers of these problems are similar, and are duplicated throughout much of the developed world: retirement of the large baby-boom generation, increased longevity and a failure of political institutions to deal effectively with long-term problems.

While the specific policies to improve pension sustainability differ across jurisdictions, the basic ideas are similar. These include:

- Paring back benefit levels, especially for the most highly paid, most affluent beneficiaries.
- Increasing retirement ages and then indexing them to longevity.
- Increasing employee contributions.
- Replacing deceptive accounting techniques and rosy actuarial assumptions, with conservative, fact-based financial reporting.

Finally, libertarians and fiscal conservatives working on these issues should re-evaluate their tactics. In 2005, George W. Bush's strategy of using the impending Social Security crisis to justify a partial switch to personal accounts was roundly rejected by Democrats and Republicans alike. While many of us in the public-sector pension reform community like the idea of 401ks, we need to understand that employees – especially those who are risk-averse or financially unsophisticated – prefer defined benefits. Rather than attacking defined-benefit plans, we should try to fix these plans so that they don't bankrupt the governments that offer them.

*This article first appeared in the June 2, 2016 California Policy Center Research Studies. Marc Joffe is the founder of Public Sector Credit Solutions and a policy analyst with the California Policy Center. Joffe founded Public Sector Credit Solutions in 2011 to educate policymakers, investors and citizens about government credit risk. PSCS research has been published by the California State Treasurer's Office, the Mercatus Center and the Macdonald-Laurier Institute among others. Prior to starting PSCS, Marc was a Senior Director at Moody's Analytics. He has an MBA from New York University and an MPA from San Francisco State University.*

## **ADDENDUM I**

### **APCD ANNUAL PERMIT RENEWAL CALCULATION TABLE**

Multiply \$ 83 dollars x the point factor to determine the annual permit renewal fee for 2016-17. For example a large bakery (see item 3 below on the schedule) would pay  $83 \times 58.5 = \$ 4855$ .

*PERMIT RENEWAL FEE SCHEDULE. Any article, machine, equipment or other contrivance in the categories listed below for which a Permit to Operate or a Permit to Sell or Rent is issued, shall be re-evaluated and the permit renewed periodically and renewal fees assessed in accordance with the schedule below. The renewal fees for a Permit to Sell or Rent shall be one-*

*half of that amount indicated in that schedule. Total renewal fees shall be determined for each emission unit by multiplying the permit renewal factor “x” by the renewal fee formula shown below. The current permit renewal factor “x” is \$83.0080.00.*

**Permit Category Renewal Fee Formula:**

1. Air monitoring and data handling oversight - per station 132.2x
2. Asphaltic concrete batch plants 32.3x
3. Bakery facility with a total heat input rating of all combustion devices that is >3.0 million British thermal units per hour (mmBtu/hr) 58.5x
4. Boilers, steam generators, heaters, or other gaseous, liquid, or solid fuel fired combustion equipment, except fossil fuel fired power plants (in terms of the design heat input rating)
  - a. less than 5 mmBtu/hr and limited to 90,000 therms per year or less 10.3x
  - b. 5.0 million British thermal units per hour (mmBtu/hr) or less 24.4x
  - c. greater than 5.0 mmBtu/hr but less than or equal to 10.0 mmBtu/hr 34.1x
  - d. greater than 10.0 mmBtu/hr 39.5x
5. Brick or concrete block manufacturing facilities (in terms of the annual production rate)
  - a. 0.50 million blocks per year or less 4.9x
  - b. greater than 0.50 but less than or equal to 1.0 million blocks per year 9.8x
  - c. greater than 1.0 million blocks per year 20.7x
6. Cement handling equipment 17.1x
7. Chemical manufacturing process unit 10.3x
8. Coastal Dune Facilities subject to dust control requirements
  - a. Basic facility 11.5x
  - b. Control Site Monitor or Activity Area Monitor per monitoring site 51.0x
  - c. Ambient air monitoring station 502.0x
9. Coffee roasting (in terms of the annual production rate)
  - a. 50.0 tons per year (tpy) or less with emission controls 5.1x
  - b. 50.0 tpy or less without emission controls 10.3x
  - c. greater than 50.0 tpy with emission controls 13.6x
  - d. greater than 50.0 tpy without emission controls 27.1x

910. Concrete batch plants (in terms of the annual production rate)

- a. 10,000.0 yards per year or less 4.9x
- b. greater than 10,000.0 but less than or equal to 25,000.0 yards per year 9.8x
- c. greater than 25,000.0 yards per year 20.7x

101. Crematory incinerators 8.5x

112. Crude oil and distillate oil storage facilities (basic) 29.3x

123. Crude oil and distillate oil pump station (basic) 24.3x

134. Degreasers 10.3x

145. Driers or kilns 15.2x

156. Dry Cleaning Operations

a. Perchloroethylene based 10.3x

b. Other solvent based 6.0x

167. Electrolytic plating operation 34.1x

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178. Ethylene Oxide Sterilizers 37.7x

189. Feed and grain mills

a. any cyclone vented to atmosphere 13.7x

b. no cyclone vented to atmosphere 6.8x

1920. Fiberglass products manufacturing 37.7x

201. Fixed or internal floating roof petroleum storage tank 19.4x

212. Floating roof petroleum storage tank 28.5x

223. Fossil fuel fired power plant >100 mmBtu/hr (basic)

a. total for all boilers at a facility with total oxides of nitrogen emissions of more than 100 tons per year in the previous calendar year 4,218.6x

b. total for all boilers at a facility with total oxides of nitrogen emissions of less than 100 tons per year in the previous calendar year 3,461.6x

c. each gas turbine and any associated duct burner per mmBtu/hr of heat input capacity 0.70x

234. Gasoline dispensing facility and associated vapor recovery system (basic) 2.2x

245. Gasoline dispensing (only one applied to any given nozzle)
- a. vapor recovery nozzle 0.63x
  - b. multi-product, single nozzle fueling point 1. 9x
256. Gasoline storage facility, loading rack, and associated vapor recovery system(s) – bulk 18.4x
267. Gasoline storage facility and associated vapor recovery system - retail and consumer account 2.87x
278. Gasoline vapor recovery, annual testing
- a. base testing fee
  - b. in-station diagnostics additional testing fee
- 3.80x
- 3.80x
- 2.2x
289. Internal combustion engine
- a. first prime use engine per facility 12.0x
  - b. each additional prime use engine per facility 5.6x
  - c. additional fee for any engine >3,000 bhp 112.8x
  - d. each emergency standby use engine 4.9x
  - e. each portable diesel engine used for construction or maintenance 4.9x
  - f. each portable non-diesel engine used for construction or maintenance 3.0x
  - g. each engine <50 hp that is part of a process that requires a permit 3.0x
2930. Landfill gas collection 62.1x
301. Marine loading terminal 79.2x
312. Marine unloading terminal 40.2x
323. Miscellaneous 10.3x
334. Motor vehicle and mobile equipment coating (in terms of the volatile organic compound (VOC) content of materials used)
- a. 100.0 gallons per year or less 4.9x

- b. greater than 100.0 but less than or equal to 700.0 gallons per year 9.2x
- c. Greater than 700.0 gallons per year 16.4x
- 345. Multiple chambered incinerators, including pathological incinerators 39.5x
- 356. Onshore dewatering process units associated with offshore oil and gas production 96.0x
- 367. Oil and gas production and processing facilities (basic) 402.2x
- 378. Oil and gas production and processing facilities (basic for producers of 300.0 bbl per day or less) 55.8x
- 389. Oil production vapor recovery systems 67.6x
- 3940. Oily water treatment systems 54.5x
- 401. Paint bake oven 10.3x
- 412. Petroleum coke production (basic) 2,036.5x
- 423. Petroleum loading rack - Note: gasoline bulk plants are covered by the Gasoline Storage (bulk) category above 36.3x
- 434. Petroleum processing sulfur recovery and tail gas units 97.9x
- 445. Petroleum refineries (basic) a. refineries with authorized capacities of 16.22 million barrels per year (mmbbl/yr) or less 925.0x
- b. refineries with authorized capacities below 16.30 mmbbl/yr from 16.22 mmbbl/yr to 18.00 mmbbl/yr 971.0x
- c. refineries with authorized capacities above 16.30 18.00 mmbbl/yr 1,311.0x
- 456 Petroleum refining process units 121.3x
- 467 Printing operation (in terms of the VOC content of materials used)
  - a 100.0 gallons per year or less 2.8x
  - b. greater than 100.0 but less than or equal to 700.0 gallons per year 9.1x
  - c. greater than 700.0 gallons per year 36.6x
- 478. Public and private waste water treatment works
  - a. basic operation 13.1x
  - b. anaerobic digester 3.2x
- 489. Rock crushing, screening, sizing, and storage operations (in terms of the annual production rate)

a. 10,000.0 tpy or less 4.9x

b. greater than 10,000.0 but less than or equal to 100,000.0 tpy 9.8x

c. greater than 100,000.0 tpy 20.7x

4950. Sand and gravel screening, sizing, handling, and storage operations (in terms of the annual production rate)

a. 10,000.0 tpy or less 4.9x

b. greater than 10,000.0 but less than or equal to 100,000.0 tpy 9.8x

c. greater than 100,000.0 tpy 20.7x

501. Sandblasting equipment 6.0x

512. Soil decontamination land treatment, landfarm, or thermal destruction unit (in terms of the volume placed into the decontamination process)

a. 5,000.0 yards per year or less 53.0x

b. greater than 5,000.0 yards per year 106.0x

523. Soil decontamination process unit 10.3x

534. Surface coating or adhesive application operation (in terms of the VOC content used) -

Note: autobody shops are covered by the Motor Vehicle Coating category above

a. 100.0 gallons per year or less 2.8x

b. greater than 100.0 but less than or equal to 700.0 gallons per year 9.1x

c. greater than 700.0 gallons per year 36.6x

545. Wine Fermentation and Storage PERMIT RENEWAL FEE SCHEDULE. Any article, machine, equipment or other contrivance in the categories listed below for which a Permit to Operate or a Permit to Sell or Rent is issued, shall be re-evaluated and the permit renewed periodically and renewal fees assessed in accordance with the schedule below. The renewal fees for a Permit to Sell or Rent shall be one-half of that amount indicated in that schedule. Total renewal fees shall be determined for each emission unit by multiplying the permit renewal factor "x" by the renewal fee formula shown below. The current permit renewal factor "x" is \$83.0080.00.

1. Air monitoring and data handling oversight - per station 132.2x

2. Asphaltic concrete batch plants 32.3x

3. Bakery facility with a total heat input rating of all combustion devices that is >3.0 million British thermal units per hour (mmBtu/hr)

58.5x

4. Boilers, steam generators, heaters, or other gaseous, liquid, or solid fuel fired combustion equipment, except fossil fuel fired power plants (in terms of the design heat input rating)

- a. less than 5 mmBtu/hr and limited to 90,000 therms per year or less 10.3x
- b. 5.0 million British thermal units per hour (mmBtu/hr) or less 24.4x
- c. greater than 5.0 mmBtu/hr but less than or equal to 10.0 mmBtu/hr 34.1x
- d. greater than 10.0 mmBtu/hr 39.5x

5. Brick or concrete block manufacturing facilities (in terms of the annual production rate)

- a. 0.50 million blocks per year or less 4.9x
- b. greater than 0.50 but less than or equal to 1.0 million blocks per year 9.8x
- c. greater than 1.0 million blocks per year 20.7x

6. Cement handling equipment 17.1x

7. Chemical manufacturing process unit 10.3x

8. Coastal Dune Facilities subject to dust control requirements

- a. Basic facility 11.5x
- b. Control Site Monitor or Activity Area Monitor per monitoring site 51.0x
- c. Ambient air monitoring station 502.0x

9. Coffee roasting (in terms of the annual production rate)

- a. 50.0 tons per year (tpy) or less with emission controls 5.1x
- b. 50.0 tpy or less without emission controls 10.3x
- c. greater than 50.0 tpy with emission controls 13.6x
- d. greater than 50.0 tpy without emission controls 27.1x

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101. Crematory incinerators 8.5x

112. Crude oil and distillate oil storage facilities (basic) 29.3x

123. Crude oil and distillate oil pump station (basic) 24.3x

134. Degreasers 10.3x

145. Driers or kilns 15.2x

156. Dry Cleaning Operations

a. Perchloroethylene based 10.3x

b. Other solvent based 6.0x

167. Electrolytic plating operation 34.1x

B-3-13

APCD 6/22/16

San Luis Obispo County APCD 302-3 6/22/2016 9/5/2013

Permit Category

Renewal

Fee Formula

178. Ethylene Oxide Sterilizers 37.7x

189. Feed and grain mills

a. any cyclone vented to atmosphere 13.7x

b. no cyclone vented to atmosphere 6.8x

1920. Fiberglass products manufacturing 37.7x

201. Fixed or internal floating roof petroleum storage tank 19.4x

212. Floating roof petroleum storage tank 28.5x

223. Fossil fuel fired power plant >100 mmBtu/hr (basic)

a. total for all boilers at a facility with total oxides of nitrogen emissions  
of more than 100 tons per year in the previous calendar year 4,218.6x

b. total for all boilers at a facility with total oxides of nitrogen emissions

of less than 100 tons per year in the previous calendar year

3,461.6x

c. each gas turbine and any associated duct burner per mmBtu/hr of heat input capacity 0.70x

234. Gasoline dispensing facility and associated vapor recovery system (basic) 2.2x

245. Gasoline dispensing (only one applied to any given nozzle)

a. vapor recovery nozzle 0.63x

b. multi-product, single nozzle fueling point 1. 9x

256. Gasoline storage facility, loading rack, and associated vapor recovery system(s) – bulk 18.4x

267. Gasoline storage facility and associated vapor recovery system - retail and consumer account 2.87x

278. Gasoline vapor recovery, annual testing

a. base testing fee

a.b. in-station diagnostics additional testing fee

3.80x

3.80x

2.2x

289. Internal combustion engine

a. first prime use engine per facility 12.0x

b. each additional prime use engine per facility 5.6x

c. additional fee for any engine >3,000 bhp 112.8x

d. each emergency standby use engine 4.9x

e. each portable diesel engine used for construction or maintenance 4.9x

f. each portable non-diesel engine used for construction or  
maintenance 3.0x

g. each engine <50 hp that is part of a process that requires a permit 3.0x

2930. Landfill gas collection 62.1x

301. Marine loading terminal 79.2x

312. Marine unloading terminal 40.2x

323. Miscellaneous 10.3x

334. Motor vehicle and mobile equipment coating (in terms of the volatile organic compound (VOC) content of materials used)

a. 100.0 gallons per year or less 4.9x

b. greater than 100.0 but less than or equal to 700.0 gallons per year 9.2x

c. Greater than 700.0 gallons per year 16.4x

345. Multiple chambered incinerators, including pathological incinerators 39.5x

356. Onshore dewatering process units associated with offshore oil and gas production

96.0x

367. Oil and gas production and processing facilities (basic) 402.2x

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378. Oil and gas production and processing facilities (basic for producers of 300.0 bbl per day or less) 55.8x

389. Oil production vapor recovery systems 67.6x

3940. Oily water treatment systems 54.5x

401. Paint bake oven 10.3x

412. Petroleum coke production (basic) 2,036.5x

423. Petroleum loading rack - Note: gasoline bulk plants are covered by the Gasoline Storage (bulk) category above

36.3x

434. Petroleum processing sulfur recovery and tail gas units 97.9x

445. Petroleum refineries (basic)

a. refineries with authorized capacities of 16.22 million barrels per year (mmbbl/yr) or less 925.0x

b. refineries with authorized capacities below 16.30 mmbbl/yr from 16.22 mmbbl/yr to 18.00 mmbbl/yr 971.0x refineries with authorized capacities above 16.30 18.00 mmbbl/yr 1,311.0x

456 Petroleum refining process units 121.3x

467 Printing operation (in terms of the VOC content of materials used)

a. 100.0 gallons per year or less 2.8x

b. greater than 100.0 but less than or equal to 700.0 gallons per year 9.1x

c. greater than 700.0 gallons per year 36.6x

478. Public and private waste water treatment works

a. basic operation 13.1x

b. anaerobic digester 3.2x

489. Rock crushing, screening, sizing, and storage operations (in terms of the annual production rate)

a. 10,000.0 tpy or less 4.9x

b. greater than 10,000.0 but less than or equal to 100,000.0 tpy 9.8x

c. greater than 100,000.0 tpy 20.7x

4950. Sand and gravel screening, sizing, handling, and storage operations (in terms of the annual production rate)

a. 10,000.0 tpy or less 4.9x

b. greater than 10,000.0 but less than or equal to 100,000.0 tpy 9.8x

c. greater than 100,000.0 tpy 20.7x

501. Sandblasting equipment 6.0x

512. Soil decontamination land treatment, landfarm, or thermal destruction unit  
(in terms of the volume placed into the decontamination process)

a. 5,000.0 yards per year or less 53.0x

b. greater than 5,000.0 yards per year 106.0x

523. Soil decontamination process unit 10.3x

534. Surface coating or adhesive application operation (in terms of the VOC content used) -  
Note: autobody shops are covered by the Motor Vehicle Coating category above

a. 100.0 gallons per year or less 2.8x

b. greater than 100.0 but less than or equal to 700.0 gallons per year 9.1x

c. greater than 700.0 gallons per year 36.6x

545. Wine Fermentation and Storage SanFermentation and wine barrel storage amounts shall be based on a three calendar year historical average. Calendar year barrel storage is the highest amount in storage at any one time for the calendar year.

If there are less than three years of historical data, the amount shall be based on the higher of: 50% of the permitted capacity or the average annual amounts for the available years.

a. Base fee all facilities 5.3x

b. White wine fermentation fee per 1,000 gallons per year 0.006x

c. Red wine fermentation fee per 1,000 gallons per year. 0.015x

d. Wine barrel storage fee per 1,000 gallons 0.045x

556. Wood working operation. 9.3 x

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**MEMBERSHIP OPTIONS:**

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