

WEEKLY UPDATE AUGUST 23 - 29, 2020

THIS WEEK

NO BOARD OF SUPERVISORS MEETING

SLO PENSION TRUST VOLATILE INVESTMENT MARKETS

PLANNING COMMISSION HIGHER DENSITY HOUSING MANDATES & CANNABIS OPERATIONS

FAILURES, FIRES & FALSENESS THANK THE PROGRESSIVE LEFT AS YOU SWEAT IN THE DARK & SMOLDER – SEE COLAB IN DEPTH FOR DETAILS

LAST WEEK

PHILLIPS 66 PLANT TO SHUT DOWN

SLO RIOT GANG THREATENS DA, SHAKES DOWN BUSINESSES – BROWN SHIRTS BACK

BE PREPARED FOR A REALLY BIG RIOT STAFFED BY OUTSIDERS SLO TRIBUNE EDITORS SUPPORT SURRENDER SEE LAST WEEK'S UPDATE FOR THE ARTICLE

SUPERVISOR HILL OFFICE ROMANCE REVEALED

SEXUAL HARASSMENT CHARGES BEING INVESTIGATED SEE LAST WEEK'S UPDATE FOR THE ARTICLE

MAJOR PASO BASIN WATER SHIFTS BLOCKED

LARGE CANNABIS RESTRICTIONS FAIL ON TIE VOTE – REAL ISSUE WAS FAIRNESS OF THE PROCESS & RULES APPLIED UNDER

MOVING THE GOAL POSTS ON CANNABIS MIGHT BE APPLIED TO OTHER CROPS OR LAND USE ISSUES IN THE FUTURE

LAFCO CANCELED

COLAB IN DEPTH

READ THE NATIONAL EDITORIAL BELOW SEE MORE ARTICLES ON ENERGY POLICY FAILURE ON PAGE 20

THE WALL STREET JOURNAL.

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REVIEW & OUTLOOK

California's Green Blackouts

Millions of Californians have lost power in recent days amid a brutal heat wave, and state regulators warn of more outages in the days and perhaps years to come.

Welcome to California's green new normal, a harbinger of a fossil-free world. "These blackouts, which occurred without prior warning or enough time for preparation, are unacceptable and unbefitting of the nation's largest and most innovative state,"

Gov. Gavin Newsom declared Monday while ordering regulators to pull out all stops to keep power on. "This cannot stand."

Mr. Newsom is demanding an investigation, though he can start with his party's obsessions over climate and eliminating fossil fuels. Even former Gov. Gray Davis admitted the culprit is the state's anti-fossil fuel policies. "The bottom line is, people don't want lights to go down," he told Politico. "People also want a carbon free future. Sometimes those two aspirations come into conflict." They certainly do.

California's Independent System Operator (Caiso) has been warning for years that the state's increasing dependence on intermittent renewables, especially solar, is making it harder to ensure reliable power. Renewables currently make up about 36% of California's electric generation, and Democrats have set a 60% mandate for 2030 and 100% for 2045.

Caiso in part blamed cloud cover, weak winds and failures at a couple of power plants for this weekend's power outages. But this happens when you rush to shut down power plants to meet government diktats and reduce the amount of reliable baseload power. Unlike fossil-fuel plants, solar and wind can't ramp up quickly when other power generators go down.

Solar power also plunges in the evening, and the state didn't have enough backup power to compensate to meet high demand. Dozens of natural-gas plants that can ramp up power on demand have closed since 2013—enough to supply about four million households—so California is relying more on energy imported from other states when needed. In normal times it imports about 15% of its energy. But the Golden State's neighbors are also experiencing heat waves, and many have also been replacing fossil fuels with renewables too.

Over the weekend, Caiso imported hydropower from the Pacific Northwest, and the U.S. Bureau of Reclamation released emergency water flows from the Glen Canyon Dam on the Colorado River to generate hydroelectricity. Californians are fortunate that reservoirs were relatively full this year after a somewhat wet winter.

Los Angeles's Department of Water and Power, which draws nearly 20% of its electricity from out-of-state coal, also chipped in supply. And Mr. Newsom on Monday waived the state's emissions standards to allow businesses and utilities to run fossil-fuel generators, many procured for emergency power outages during wildfire seasons. The power outages will get worse and more frequent as the state becomes more reliant on renewables. The Public Utilities Commission (PUC) has directed utilities to triple their battery storage for electricity by 2026. But this won't make up for the natural-gas and nuclear plants that are slated to shut down in the interim— or the state's power shortfalls during the heat wave.

Batteries are also expensive and present their own environmental hazards. Caiso has warned that the PUC isn't accounting for battery recycling and replacement costs or how several days of cloudy weather could reduce solar energy storage. Batteries need to be replaced after 10 or so years, and disposing of their toxic metals is expensive.

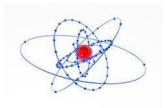
According to the Energy Information Administration, the capital costs for a solar plant with an attached battery system run between 50% and 150% higher than for a new natural-gas plant. Natural-gas plants are still much less expensive after accounting for fuel costs, and they generally have a lifespan of 30 or more years.

Mr. Newsom on Monday acknowledged "gaps" in reliability amid the state's transition to renewables while affirming the state remains "committed to radically changing the way we produce and consume energy."

In other words, Democrats in Sacramento are so committed to ending fossil fuels that the hoi polloi are simply going to have to make some sacrifices—such as living with blackouts as if the state were a Third World country. So shut up and broil, and wait for the Green New Deal to do this for the rest of America.



WE ARE IMPORTING ENERGY FROM ARIZONA COAL PLANTS WHY NOT KEEP DIABLO OPEN? THE STATE NEED ONLY SET A FAIR PLAYING FIELD & ADMIT NUCLEAR IS ${\rm CO_2}$ FREE



CALIFORNIA'S ELECTRIC GRID IS NEAR COLLAPSE

'California's bet on renewables and shunning of natural gas and nuclear power, is directly responsible for the state's blackouts and high electricity prices'

BY KATY GRIMES

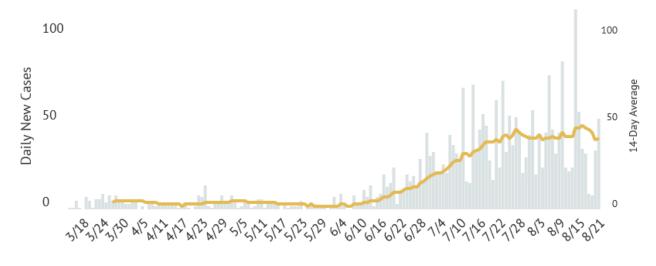
BLACKOUTS REVEAL OUR POWER SHORTAGE BY DAN WALTERS

THIS WEEK'S HIGHLIGHTS

COVID Cases In SLO County

Current Situation

As of 08/21/20 at 1:00 pm



Daily New Cases 14-Day Average

Currently Hospitalized

16 (5 in ICU)

San Luis Obispo County Pension Trust Meeting of Monday, August 24, 2020 (Scheduled)

In General: The Trust Board will be reviewing the investments. It will also be considering appointing various advisors and other management matters. The current volatility in markets resulting from COVID and the rebound so far will certainly constitute a major discussion. The tables below highlight the situation.

	June	Year to	2019	2018	2017	2016	2015
		Date					
Total Trust	\$1,351	2020	\$1,446	\$1,285	\$1,351	\$1,196	\$1,148
Investments (\$ millions)	1		ear end	year end	year end	year end	year end
Total Fund	1.8%	-4.1%	16.3 %	-3.2 %	15.5 %	6.6 %	-0.8%
Return	Gross	Gross	Gross	Gross	Gross	Gross	Gross
Policy Index Return (r)	0.4%	-2.5%	16.4 %	-3.2 %	13.4 %	7.7 %	-0.5 %

r) Policy index as of April 1, 2020 revision to Strategic Asset Allocation Policy: 21% domestic equity, 21% international equity, 15% core bonds, 6% bank loans, 5% global bonds, 5% emerging market debt, 17% real estate, 0% commodities, 5% private equity, 5% private credit.

Note that even with the market bounce back, the fund is down \$95 million from last December.

SLOCPT Investment Returns:

The attached report from Verus covers the preliminary investment returns of the SLOCPT portfolio

and general market conditions through the end of June. The attached market commentary from Verus details market conditions in June, but subsequent activity in July is not yet factored into these numbers.

The dramatic path of total fund returns in 2020 is shown in the following table. The Total Fund Return has recovered about 2/3rds of its losses at the low point in March.

Total Fund Return (gross)	Jan.	Feb.	Mar.	Apr.	May	June
Month by Month	-0.9%	-3.3%	-8.7%	+4.7%	+3.3%	+1.8%
Cumulative Year-To-Date	-0.9%	-4.1%	-12.4% lowest	-8.2%	-5.7%	-4.1%

No Board of Supervisors Meeting of Tuesday, August 25, 2020 (Not Scheduled)

The next scheduled meeting is set for Tuesday, September 1, 2020.

Planning Commission Meeting of Thursday 27, 2020 (Scheduled)

Item 4 - Expanded Density Bonuses for Various Types of Affordable Housing. Many problems have been created by State and local governments which have caused the price of housing to rise exponentially in California. The greatest one is the artificial rationing of the amount of land available for housing in the name of preventing sprawl and greenhouse gas emissions. In an effort to appear to be attempting to resolve the problem, the State periodically adopts enabling legislation and mandates requiring the cities and counties to provide more "affordable" housing.

One of these techniques is to require that the localities to give housing density bonuses for various classes of affordable housing. Over the last year the State has adopted a number of provisions that will require SLO County to revise its zoning ordinance to grant various forms of density bonuses beyond what it already provides. The table below summarizes the new provisions.

Table 2: Comparison of the Current Ordinance, State Density Bonus Law, and Proposed Amendments

Note: The following is a brief summary of the proposed amendments and does not reflect the entirety of the Density Bonus Ordinance.					
Provision	Current Ordinance	State DB Law	Proposed Amendment		
Minimum Project Size	The project shall propose five or more dwelling units (exclusive of any density bonus units).				
Notice of Eligibility	Notice of eligibility not required.	County shall provide a notice of eligibility when the application is complete and accepted for processing.	Based on a completed application, the County will provide a notice stating the benefits the project is eligible for: Number of bonus units Number of incentives Number of waivers of development standards Application must describe the benefits being requested and how the project is eligible for them.		
Eligible projects	Applies only to projects with affordable housing units for rent or for sale.	Expanded list of eligible projects.	Eligible projects now include senior housing, special needs housing (i.e. transitional foster youth, disabled veterans or homeless persons), low-income student housing, housing that offers childcare facilities, and land donations.		
Sliding scale of bonus units	Not included.	A greater number of affordable units is rewarded with a	Example: a project that designates 10% of the original number of housing units as lower income units is		

		greater number of bonus units.	allowed to increase its total number of housing units by 20%. And a project that designates up to 20% of the original number of units as lower income units will be allowed to increase its total number of housing units by up to 35%.
Long term affordability	Defers to the County's affordable housing standards in LUO 22.12.070 and CZLUO 23.04.094.	Supersedes local affordability standards.	Rental units shall have a 55- year affordability period. Ownership units shall have an equity sharing agreement.
Protect existing rental units.	Not required.	Protect existing affordable rental units. Retain them or replace at a 1- to-1 ratio.	Applies to sites with existing rental units. The tenant income and rental rates must be disclosed in the density bonus application.
Findings required for incentives and waivers	None required.	Establishes specific findings.	Each incentive must result in a clear cost saving for the affordable unit. Each waiver of a development standard must demonstrate that the development standard would prevent a density bonus project.
Reduced Parking Requirement	None provided.	Provides reduced parking standards for some density bonus projects.	State parking standards over- ride local parking standards.
Special Provisions	None provided.	Special provisions apply.	The granting of bonus units and incentives shall not in and of itself require a general plan amendment, zoning change or coastal plan amendment. Density bonus calculations shall be rounded up, and the density bonus law shall be interpreted liberally in favor of
			producing the maximum number of total housing units.

The Planning commission will review these, and to the extent possible will make adjustments and then forward them to the Board of Supervisors for possible adoption. Failure of the County to ultimately adopt them could result in the State suspending housing and transportation funds and/or initiating litigation.

The bottom line is more stack-and-pack. It also means more cars parked on the streets.

Item 5 - Hearing to consider a request by AG Harvest, Inc. (Anna Gabriel) for a Minor Use Permit (DRC2018-00156) to authorize the establishment of up to 29,232 square feet of outdoor cannabis cultivation canopy. The project also proposes 640 square feet of ancillary processing activities such as trimming, drying, curing, storage, and packaging. Project development would include partial relocation of an existing outdoor cultivation area and installation of two 320-square foot trailers for ancillary processing activities. The project site is in the Agriculture land use category on a 10-acre parcel located at 6135 Huasna Townsite Road, Arroyo Grande, approximately ten miles southeast of the City of Arroyo Grande. There is no written opposition in the agenda file. This is surprising, because the Huasnians generally seem to oppose cannabis grows.

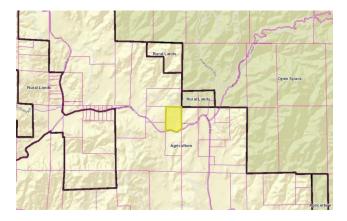




Item 6 - Hearing to consider a request by Brian Beanway for a Conditional Use Permit (DRC2019-00129) (Previously DRC2018-00190) to authorize the multi-phased development of up to 2.98 acres gross of outdoor cannabis cultivation within hoop houses; up to 25,200 square feet gross (22,000 square foot canopy) of indoor cannabis cultivation; up to 47,580 square feet gross of indoor cannabis nursery (ancillary and commercial); up to 6,000 square feet of indoor ancillary cannabis processing and manufacturing; ancillary

transport; and related site improvements, including storage containers for nutrients and pesticides, composting and trash/recycling area, and water storage tanks. The project site is in the Agricultural land use category and is located at 880 Parkhill Road, approximately fifteen miles southeast of the community of Santa Margarita in the North County Planning Area. There appears to be considerable neighboring area opposition to this one. Water usage and crime are cited as problematical. The staff found that the project meets the legal requirements for approval. The record demonstrates considerable analysis by the applicant's professionals.





The Santa Margarita Area Advisory Council opposes the project and recommends denial.

LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, August 18, 2020 (Completed)

Item 2 - Request to approve a two-year grant agreement with REACH (formerly the "Hourglass Project") in the total amount of \$550,000 to be used for regional economic development activities, and authorize a budget adjustment from the SB 1090 – Economic Development designation to Fund Center 104 – Administrative Office in the amount of \$300,000 to support the initial payment, by 4/5th vote. The matter was wisely withdrawn

from the agenda by the County Administrative Officer. There were many questions about financing, which needed to be reviewed prior to its submission.

Background: It is not clear from the write-up if there is urgency in providing the initial \$300,000 to REACH this week. Suspiciously, the write-up states that the staff will present a report on September 22, 2020 on economic development in general, including REACH. Funding now and having the policy discussion later is putting the cart before the horse. Why wouldn't they post this item as a business item at that time? You would think that the Board would want to see the performance report before granting REACH a new \$550,000. The County already provided \$300,000 last year.

Was this yet another instance where staff was going to say, "If you don't approve it now, the program will lapse?" Staff created deadlines. The Public Defender Contract, County Counsel re-appointment and salary, and Integrated Water Management Plan are recent examples.

This is a worthy project. Nevertheless, the Board needs to exercise normal financial and performance review at least annually prior to allocating more money.

Board of Supervisors' Fiduciary Responsibility:

The REACH website, states in part that:

The work will be funded primarily by a private-sector investors and supplemented by a mix of corporate, philanthropic and/or government grants and/or contracts.

Given this original premise, what are the amounts provided to date and by fiscal year for the REACH/Hourglass operating budgets?

TYPE	FY 2019 – 20 FY 20-21 TOTAL							
County*								
Santa Bar	bara County							
Cities								
State Gra	nts							
Pvt. Secto	or Investors ?							
Corporate	غ							
Philanthr	Philanthropic							
Federal								
Other								
	The Board should see this table filled out							
	prior to making further grants							
Total								

* Note the County is using Diablo closure mitigation money, which is really PG&E money which PG&E agreed to pay as part of the closure provision before the CPUC. It's ultimately ratepayer money. It was funneled through the State.

The staff on behalf of the Board should review the financials of not-for-profit contractors as part of preparing and making grant funding recommendations. These would include their annual adopted budgets and comprehensive annual financial reports. We could not find these on the REACH website. It is not known if the staff has looked at them as part of its analysis and prior to making its recommendation. When asked, staff referred us to REACH. This misses the point. It is staff's responsibility and ultimately the Board of Supervisor's responsibility to review these documents prior to granting hundreds of thousands of dollars.

Item 11 - Request to authorize the Planning and Building Department Director to enter into a Memorandum of Understanding with the County of Santa Barbara and the City of Santa Maria regarding coordinated preparation and review of the Environmental Impact Report for the Phillips 66 pipeline replacement and relocation project. The permit application for this project was withdrawn, as Phillips has announced that its Nipomo refinery will be closed by 2023. Shame on those in both SLO County and Santa Barbara County who forced closure of the plant by opposing additional tank car deliveries and refusing to approve pipeline redevelopment. The pipeline brings oil from the Exxon facilities in Santa Barbara County to the refinery. The refined product is then shipped to the Phillips San Francisco Plant in Rodeo, California.¹

Item 18 - Hearing to consider a request by the County of San Luis Obispo to adopt an Urgency Ordinance extending the expiration dates of land use permits and land use permit applications. The extension ordinance was approved unanimously. This is a positive step to grant 2-year extensions for permit applications, execution of permitted projects, and other time-limited activities.

Proposed Urgency Ordinance

o Extends Land Use Permit Applications (not yet approved) by 2 years. The current deadline is 90 days from date of last information request or hearing.

o Extends Land Use Permit approvals by 2 years. Allows builders an additional 2 years to complete substantial site work (i.e. "sticks in the air"). The current deadline is 24 months for MUPs and CUPs.

o Time extensions are in addition to already issued extensions and are retroactive to March 4, 2020.

The ordinance does not apply to land subdivisions.

¹ The San Francisco Refinery is an oil refinery complex located in Rodeo, California and in Arroyo Grande, California, in the San Francisco Bay Area and Santa Maria Valley. These two locations, although more than 200 miles apart, are considered one location. They are directly connected by a 200-mile pipeline. Wikipedia, August, 2020.

Item 19 - Hearing to 1) consider an ordinance amending Title 22 and Title 23 of the County Code (LRP2015-00013) to revise the County's sign ordinance in order to be consistent with the U.S. Supreme Court decision Reed v. Town of Gilbert regarding First Amendment speech and content neutrality; and 2) consider policy approaches addressing billboards and billboard decommissioning. The revised sign ordinance was approved unanimously. As a result of a US Supreme Court Decision restricting the ability of localities to regulate the content of signs, the County must update its sign ordinance. One benefit is that directional signs, which are now limited to wineries, will be expanded to all agricultural uses.

There was also a discussion of billboards. Essentially, to remove them, the taxpayers must compensate the owners and billboard companies. This can be a very expensive process. After some testimony and a discussion, the Board reminded staff that it has repeatedly told them that it is not interested in wasting staff time and money on developing a very expensive billboard removal program.

Those individuals who favor such a program should develop a not-for-profit and raise the funds if they want to begin to buy them out.

Item 20 - Hearing to consider 1) a request by the County of San Luis Obispo to amend the County Land Use Ordinance (Title 22) and Buildings and Construction Ordinance (Title 19) to: A) Use the State's boundary of the Paso Robles Groundwater Basin; B) Clarify the application requirements for an Agricultural Offset Clearance regarding fallowing; C) Specify that parcels bisected by the Paso Basin for purposes of the Agricultural Offset Ordinance are subject to the ordinance if using water from the Paso Robles Groundwater Basin; and D) Remove the term "de minimis" from applicable areas for the Agricultural Offset Ordinance and replace with the term "exempt[ion]" and/or other language as appropriate; 2) an addendum to the Supplemental Environmental Impact Report (SEIR) prepared for the Countywide Water Conservation Program in 2015 and Notice of Exemption; 3) a request to consider the environmental determination for amending Paso Basin Planning Area Standards and amending the Agricultural Offset Ordinance to extend the 5-year lookback period, increase the allowed irrigation volume for sites without irrigated crop production, and re-allow offsite transfers of planting credits. Following public comment and a vigorous deliberation period, the Board voted 3/1 (Gibson dissenting) not to adopt the new basin boundaries, new areas defined as being in severe water decline, and other complicating aspects of the basin water moratorium. The item came to the Board of Supervisors as a series of possible amendments, not necessarily recommendations from the Planning Commission. It was difficult for the Board of Supervisors to sort out.

Background: When these issues were first considered back in February, there were so many problems with the staff recommendations that the Planning Commission sent them back for rework. It has profound implications for farmers, ranchers, and other overliers in the Paso Basin. The current issues are derived from the Board's original decision in 2014 to place the Basin under a water use moratorium. At that time the Board promised that the moratorium would end when the SGMA plan for the Basin was completed. Late last year everyone realized that completing the Plan in and of itself would not protect the basin because it would take years to implement the water saving mechanisms, fees, and regulations. This in turn meant that the

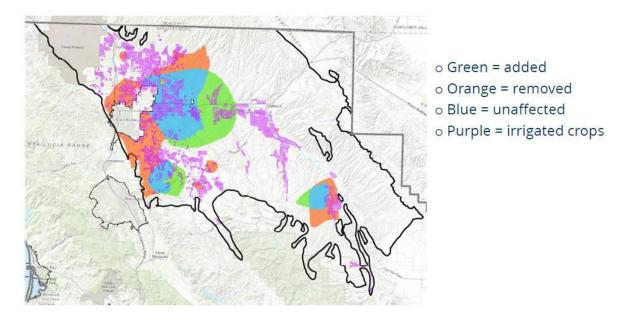
moratorium had to be extended. Similarly, it was determined that the Basin boundary included in the SGMA plan does not match the State's official boundary. The issues detailed below are some of the fallout.

Staff had conflated 2 major policy issues:

1. Paso Basin Boundary Conformity With State Bulletin 118. The issue of adding 101,000 acres to the far eastern side of the Basin was already causing concern among many impacted property owners, especially those on the fringe, whose property will be partially within the Basin and partially outside under the new boundaries.

Then a larger problem emerged. The adopted SGMA Paso Basin Groundwater Sustainability Plan (GSP) for the Basin contains substantially different areas defined as "in severe water decline" than did previously accepted documents. The issued is detailed below.

2. Major Changes in Basin Areas of Severe Decline. The new map below displays the difference. This change was not highlighted when the Board of Supervisors adopted the GSP. It is not known if the Board members were aware of the huge difference.



Folks in the orange areas are relieved, but did the County cost some of them money or the loss of their business by imposing the more severe provisions of the moratorium on them? What if the data was wrong? Do they have recourse? The people in the green areas are now subject to more severe restrictions. Someone needs to give a detailed presentation on the science underneath the change.

The table below presents the same data in tabular form. Over 26,000 acres are added from the areas of severe decline, and 36,000 are removed. The shift has huge implications and impacts

for every property owner whose land is changing status. Those in areas of severe decline are subject to stricter water regulation and development restrictions than those outside.

Table 2: Summary of Changes to the Area of Severe Decline Map

Area of Severe Decline					
Change Area (acres) Properties Property O					
Added	26,443	455	300		
Removed	36,936	1,767	1,437		
Net Change	-10,493	-1,312	-1,137		
Percent Change	-14%	-32%	-34%		

3. How could the analysis have changed so radically between 2018 and 2019? The areas of severe decline on previous maps remained essentially the same for a decade and a half. During that period, the County spent millions of dollars on 3 successive studies which tracked the progressive drop in water levels in various parts of the basin. Oops, how does much of that get thrown out and replaced?

When Planning Commissioners asked the question, staff said that the consultant that developed the GSP plotted the data and developed the map. Staff also indicated that the data was from County monitoring wells. But the data was always from the same County monitoring wells. Why the sudden change? This constitutes a non-answer. It does not explain the underlying analysis, measurements, or anything else that would justify the radical revision.

Either the County spent millions of dollars over the past decades for data that was wrong and then established a moratorium on that basis, or the SGMA study is wrong. Worse yet, was it somehow manipulated? Perhaps the County needs a forensic audit on this subject.

4. Moratorium Based on Wrong Data? The County water moratorium established in 2014 on an emergency basis, and then made permanent by ordinance following a study and more consultant work, was and is based on the data and map which has now been radically changed. After all, a swap of 63,406 acres in a basin of 400,000 acres (SLO County Portion) is not insignificant.

Similarly, a swap of 2,577 properties is not insignificant. Remember, the data was used to impose a water moratorium on a 400,000-acre basin with the most severe restrictions in the areas defined as "in severe decline."

5. Is the Whole Moratorium Illegal? If the data can be substituted so easily, was and is the moratorium even legal? How could 36,936 acres, which had been listed and regulated as "in severe decline," suddenly be removed from the projection without a CEQA analysis? **6.** County Staff Can't Make Up Its Own Definition of DeMinimus: The staff and Commission have changed the meaning of the legal term "de minimis" as it pertains to water

use. Under the water code and in SGMA, it means a user of 2 acre-feet per year. The Commission cannot just decide that the staff can set its own version. It has been speculated that the staff wishes to remove the de minimis label because its omission would allow the County and the other water districts to slap a fee on overliers. They cannot do this where the users are labeled as de minimis under state statute.

The Department of Public Works recommended clarifying the term "de minimis" in the Agricultural Offset Ordinance to avoid confusion with the definition in the GSP. The Agricultural Offset Ordinance in Title 22 allows a one-time exemption for sites outside the Area of Severe Decline without existing irrigation to plant irrigated crops with a water demand of up to 5 AFY (acre-foot per year) per site. This exemption is currently labeled as a "de minimis" exemption. The GSP and California Water Code define "de minimis" groundwater users for SGMA as those who use 2 AFY or less for domestic use. The attached ordinance removes the "de minimis" label from the 5 AFY exemption, keeping the exemption intact, to avoid confusion with the GSP definition.

7. What About the People Whose Quiet Title Has Been Confirmed? The report glaringly omitted the status of the over 850 properties which have been confirmed in their Quiet Title to the water underlying their thousands of acres of land in the basin. Neither the County nor the other water districts may regulate these users without having the specifics approved by the Superior Court under the terms of the Quiet Title determination.

The significance of this omission could blow the whole SGMA effort as well as this map revision right out of the water, so to speak.

Item 22 - Hearing to consider a request by the County of San Luis Obispo for amendments to the Land Use Ordinance and Coastal Zone Land Use Ordinance, Title 22 and Title 23 of the County Code (LRP2019-00005,-00006) as applicable to Cannabis Activities, including, but not limited to, enhanced enforcement for violations, increased distance buffers from sensitive receptors, revisions to water offset requirements, disallowing re-permitting if an operation ceases or code violations occur, requiring fully enclosed ventilation systems, and revising standards for ancillary nursery to be encompassed in overall cannabis cultivation area. After a very protracted public comment period and Board deliberation, the Board voted 2/2, with Gibson and Pechsong voting "no" and Arnold and Compton voting "yes." The tie vote (as the District 3 Supervisor positon is vacant) resulted in rejection of the new more restrictive proposed regulations.

The key issue underlying this item was fairness in terms of how the Board would treat the following classes of permit applicants:

1. Those permit applicants who are in the permit pipeline – that is having a permit application which has been accepted by Planning and Building for processing. Will they proceed under the regulations which were in place when they applied, or would they be subject to new rules which could be adopted pursuant to this agenda item?

- 2. Potential permit applicants who were included as having filed an intent as part of the original cannabis moratorium process, who have not yet had a permit application designated by Planning and Development as accepted for processing. Again, will they proceed under the regulations which were in place when they signed up or under new rules which could be adopted pursuant to this agenda item?
- **3.** Current operators who have received a permit and all those who may receive a permit. The inflection point arises because an approved operator must renew its permit every five years. Which rules will they come in under? Those that were in place when they were first approved or new rules which were subsequently adopted after they were approved.

Per the Board of Supervisors request last year, staff has returned with a cafeteria of potential expanded regulatory controls on cannabis. The Planning Commission reviewed these and sent its recommendations to the Board. They are presented here. The key areas under consideration include:

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The Planning Commission had not been enthusiastic about the changes. Before tackling each issue, the Commission wisely sought to define the overall landscape as it pertains to several global the issues.

First, they wanted to make it clear that they supported the notion that no applicant for a permit who is currently in the pipeline be punished by being retroactively subjected to the new more restricted requirement. Those applicants (102 currently) should continue to be processed under the current rules.

Secondly, they sought clarification of the 5-year renewal issue. Under the current ordinances, an approved cannabis operation will have to come in for re-permitting every 5 years. A major question is: Should they be subject to the requirements which were in place at the time they were originally permitted, or will they have to comply with the new, stricter requirements. If the new requirements are adopted by the Board, many operations would not be able to meet them. For example, if the Board were to adopt the provision banning outdoor grows, all the outdoor grows would become illegal and could not qualify for a new permit.

Would they continue as legal nonconforming uses, or would they be put out of business? This circumstance raises messy legal issues, such as taking of private property without compensation. They were permitted under the existing rules, made investment decisions, and presumably will have built a business.

The Commissioners seemed to think that they should remain under the rules that were in place when they were first permitted. This concern will be transmitted to the Board of Supervisors.

A third global issue is the date when the new ordinances take effect. This will be especially important for those applicants already in the pipeline and those who are not yet in the pipeline but who are on the list of 141 potential applicants who are to be allowed into the pipeline under provisions of the original moratorium. These people may also have made investment decisions, but the new stricter ordinances could render their projects infeasible. For example, new stricter

distance from other cannabis grows could render their parcel infeasible and thus not permittable.

The Commission adopted recommendations to the Board on some of the 8 issues summarized above, and were stalemated on others, as follows:

- **1.** Enhanced Enforcement policies/3 strikes and you're out. The Commission tied on a straw vote 2/2. The tie has been reported to the Board of Supervisors.
- **2. Buffer Distances from sensitive receptors.** These will be 1,500 ft. from the sensitive receptors and will include the 300 ft. from neighboring property lines. There was some concern that the 300 ft. would be added to the 1500 ft. This recommendation again tied 2/2. There is some sentiment for including residences as sensitive receptors. Up until now, they have been schools, parks, playgrounds, health facilities, and similar land uses. The key new ordinance provisions read:

For land use permit applications accepted for processing on or after September 18, 2020, and any subsequent renewals except as may be otherwise provided by future amendments of this Title, the following standards shall apply:

i. Cannabis cultivation shall not be located within one thousand five hundred (1,500) feet from any pre-school, elementary school, junior high school, high school, library, park, playground, recreation or youth center, licensed drug or alcohol recovery facility, or licensed sober living facility. Distance shall be measured from the nearest point of the property line of the site that contains the cannabis cultivation to the nearest point of the property line of the enumerated use using a direct straight-line measurement. A new adjacent use does not affect the continuation of an existing use that was permitted and legally established under the standards of this Section. This location standard may be modified through Minor Use Permit approval to reduce the distance to six hundred (600) feet. This location standard may be modified to reduce the distance below 600 feet from any library, park, playground, recreation center, licensed drug or alcohol recovery facility, or licensed sober living facility through Conditional Use Permit approval, provided the Commission first makes the findings specified in Section 22.40.050(E)(2).

ii. No cannabis cultivation site shall be located within one thousand five hundred (1,500) feet of another cannabis cultivation site or cannabis nursery. Distances shall be measured from the closest property line of the existing cannabis cultivation site, to the closest property line of the property containing the proposed cannabis cultivation site. This location standard can be modified through Minor Use Permit approval when a Conditional Use Permit is not otherwise required.

A number of people have advocated that residential uses be added as sensitive receptors. Adoption of such a provision would effectively prohibit the establishment of the industry in SLO County.

- **3. Prohibition of outdoor cultivation.** The Commission on a 4/0 vote determined to recommend against this provision.
- **4. Fees for water offsets in Paso Basin Development cash for grass.** The staff pointed out that the Paso Basin water moratorium already contains this provision, and everyone, not just cannabis operators, is subject to it. The Commission made no additional recommendation.
- **5. Disallow re-permitting if an operation ceases or violation occurs (no "revolving door").** Commissioner Multari pointed out that that eventually this would amortize out the entire industry. He went on to chastise the Board majority, stating, "Why don't they be more up front and just state that they want to ban cannabis?" Commissioner Ortiz Legg piled on, stating, "such a rule would be anti-business, irresponsible, and cast a dark cloud over the County." The Commission rejected this provision, 4/0.
- **6. Indoor grows.** Require both ventilation and carbon filtration on indoor grows rather than just ventilation with a masking agent. The Commission recommended this provision, 3/1.
- **7. Disallow drying in hoop houses.** The Commission strongly opposed this one because many ag crops are dried or otherwise readied in hoop houses for shipment to the chiller or other processing facilities. The Commission felt this would be an awful precedent that could be seized upon by the ranchette vigilantes to attack other crops. It could also mean that the hoop houses would require building permits in order to obtain an exemption, which in turn could invoke mandated plumbing, electric, and structural requirements. The Commission recommended against this provision, 4/0.
- **8. Revise standards for ancillary nurseries.** Neither the staff nor the Commission could think of any rationale for adopting such a provision: It's all cannabis. The Commission recommended against this provision, 4/0.

Separately, the Commission did not discuss the oppressive new energy requirements which the staff placed in the specimen ordinances. The Board will need to carefully examine this one.

Energy requirements:

This section, which was included in the draft before the Commission, seems to have been dropped out. There was no discussion of it during the Board meeting.

In the end, the whole package was rejected after consideration of each of the 8 items above.

Local Agency Formation Commission (LAFCO) of Thursday, August 20, 2020 (Canceled)

The next scheduled meeting is on September 17, 2020.

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

CALIFORNIA'S ELECTRIC GRID IS NEAR COLLAPSE

'California's bet on renewables and shunning of natural gas and nuclear power, is directly responsible for the state's blackouts and high electricity prices'

BY KATY GRIMES



Tehachapi Wind Farm. (Photo: Wikipedia)

California is rich in natural resources which once powered the state: natural gas deposits in the Monterey Shale formation; geothermal energy, abundant rivers and waterways such as the San Joaquin River Delta and hydroelectric dams; the Pacific coastline; 85 million acres of wildlands with 17 million of those used as commercial timberland; mines and mineral resources, vast farming and agricultural lands, and hunting and fishing.

But California politicians and appointed agency officials, under pressure from radical environmental organizations and lobbyists, decided to ignore the energy producing natural resources, and instead move to an all-electric grid, and the only approved "renewable energy." solar and wind energy.

A meteorologist friend, Anthony Watts, said Tuesday, "we are on the cusp of a massive failure of the electricity grid in California." Anthony Watts is a senior fellow for environment and climate at The Heartland Institute, and has been in the weather business both in front of, and

behind the camera as an on-air television meteorologist since 1978, and currently does daily radio forecasts. Watts is also proprietor of the award-winning website, Watts Up With That?

Apparently the California Independent System Operator agrees with Watts' assessment:

We can do this together. Please <u>#conserve #energy</u> now. Demand is higher than expected. Help relieve stress on the grid by lowering A/C, deferring use of major appliances, and turning out unneeded lights. Every MW counts.

— California ISO (@California_ISO) August 18, 2020

Watts explained the difference between California's imposed rolling blackouts in 2000 and 2001, and the rolling blackouts and power outages today:

The 2000-01 blackouts "occurred when California had a shortage of electricity supply caused by electricity market manipulations. A demand-supply gap was created, mainly by Enron, to create an artificial shortage so speculators could benefit from an 800 percent increase in wholesale electricity prices. As a result, California suffered from multiple large-scale blackouts. Now an electricity shortage coupled with rolling blackouts is happening again, but for a different reason."

He warned:

"This is going to make Enron rolling blackouts in 2000/2001 look puny. The reason? Solar power – actually the lack of it. Solar power has this thorny problem; it disappears after sunset, and California's electric grid is highly dependent on it now thanks to the political mandate known as the Global Warming Solutions Act of 2006 (AB32). AB32 specifically required that 50 percent of California's electricity to be powered by "green energy," aka wind and solar, by 2025 and 60 percent by 2030, ending in 100% "carbon free" energy by 2045. Now, California is paying the price for abandoning reliable energy sources in favor of green energy sources such as wind and solar power, which don't work when the wind doesn't blow and the sun doesn't shine. During heat waves like California is experiencing now, there's typically plenty of sunshine, but winds are often stagnant."

Yesterday former California Governor Jerry Brown came out of his Colusa County bunker to condescend to sweltering California ratepayers suffering under 110 degree temperatures:

Hey California! We can avoid a blackout, but you have to turn up your damn thermostat! https://t.co/UuH8Yr6VFH

— Jerry Brown (@JerryBrownGov) August 19, 2020

Remember when in 2015 Jerry went off on California citizens for using water?

"At a press conference last week announcing the need for a 25 percent cut in water consumption, Brown said, 'People should realize we are in a new era. The idea of your nice little green lawn getting watered every day, those days are past.""

Gov. Gavin Newsom is also calling for residents to conserve energy:

We must do our part conserve energy through 10 PM:

- ☐ Turn off unnecessary lights
- ☐ Avoid using major appliances
- **3** Set thermostat to 78 or higher

Get more info on energy conservation. ▼ https://t.co/a0ZCzblJ6R

— Office of the Governor of California (@CAgovernor) <u>August 18, 2020</u>

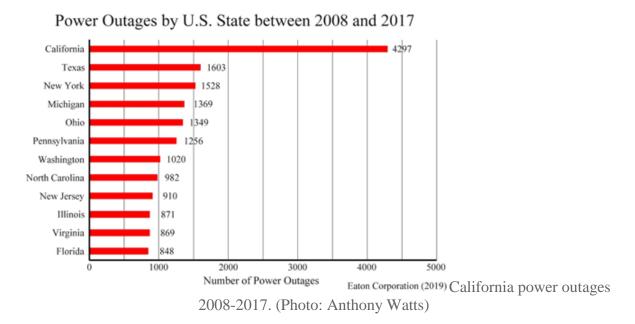
<u>Michael Shellenberger</u>, best-selling author of "Apocalypse Never," Tweeted: "California's bet on renewables, & its shunning of natural gas & nuclear, is directly responsible for the state's blackouts and high electricity prices," and warned about the Biden-Harris plan.

California's bet on renewables, & its shunning of natural gas & nuclear, is directly responsible for the state's blackouts and high electricity prices.

The Biden-Harris plan is even more aggressive. "There is no [US] state right now [as] ambitious" https://t.co/skblJYHcyU

— Mike Shellenberger (@ShellenbergerMD) August 18, 2020

Watts provided a chart showing California's growing power outages between 2008 and 2017:



Watts explained the power shortages:

It gets worse. On August 17, during the CAISO Board of Governors Meeting CAISO President Steve Berber let loose with this bit of reality. From <u>transcript</u>:

"You are trading the loss of 3000 megawatts for the collapse of the entire system of California and perhaps the entire West. ... When you're at the very edge and you have a contingency and you have no operating reserves, you risk entire system collapse."

What a sobering thought.

California has traded energy security to kneel before the false prophet of green energy. Instead of using reliable and affordable nuclear and coal plants, they are using intermittent and unreliable wind and solar power. And the people of California, and perhaps the West in general, may pay the price for that homage if the power grid collapses during the ongoing heat wave.

If that happens, such an event will dwarf what happened at the hand of market manipulators like Enron in 2000/2001, and will be the most expensive and devastating green energy lesson ever in history.

It gets even worse.

As California Globe reported last year, and has been covering since 2011:

- In 2011, California passed the Renewables Portfolio Standard setting the mandate at 33 percent renewable energy by 2020.
- When it became clear that California was nearly there, in 2015, the Legislature moved the bar again and passed <u>SB 350</u> the "Clean Energy and Pollution Reduction Act of 2015." <u>SB 350</u> by Sen. President pro Tem Kevin de Leon (D-Los Angeles), requires the state to procure 50 percent of electricity from renewable energy and double energy efficiency savings by 2030.
- In 2018, Gov. Jerry Brown signed <u>Senate Bill 100</u>, setting a **100 percent** clean electricity goal for the state, and issued an executive order establishing a new target to achieve carbon neutrality both by 2045.

Power outages and rolling blackouts are coming more frequently as California has taken nuclear power plants offline, and hydroelectric dams offline, while increasing renewables mandates for wind and solar. Nuclear power, as is hydroelectric, is clean and reliable; wind and solar power, while clean, are unreliable and significantly more expensive.

Even the President weighed in on California's rolling blackouts:

In California, Democrats have intentionally implemented rolling blackouts — forcing Americans in the dark. Democrats are unable to keep up with energy demand...

- Donald J. Trump (@realDonaldTrump) August 18, 2020
- ...and touted his energy independence policies:

...Meanwhile, I gave America energy independence in fact, so much energy we could never use it all. The Bernie/Biden/AOC Green New Deal plan would take California's failed policies to every American!

— Donald J. Trump (@realDonaldTrump) August 18, 2020

Meanwhile at his noon press conference Wednesday, Gov. Newsom, who blames California's wildfires and triple digit heat on climate change, said "the way to deal with the ravages of climate change is to not let the climate change."

Our thanks to Anthony Watts who provided California Globe his essay, "Thanks to Green Energy Mandates, California's Electric Grid Is Near Collapse," and it was also <u>published</u> at RedState.

Katy Grimes, the Editor of the California Globe, is a long-time Investigative Journalist covering the California State Capitol, and the co-author of <u>California's War Against Donald Trump: Who Wins? Who Loses?</u> This article first appeared in the California Globe of August 19, 2020.

BLACKOUTS REVEAL OUR POWER SHORTAGE BY DAN WALTERS

California has a shortage of electrical energy that's resulting in blackouts during a severe heat wave. Warnings about the shortage were ignored.

The prolonged heat wave of 100-degree-plus temperatures that grips California has strained the state's electric power grid to the breaking point, resulting in rolling blackouts for the first time in nearly two decades.

California's Independent System Operator (ISO), which manages the distribution of power for the state's investor-owned utilities, imposed temporary outages as demands from air conditioning systems in millions of heat-stressed homes approached supply capacity.

The blackouts clearly tell us that California has a power supply problem. It's unacceptable that a state with a world-class economy grounded in cutting edge technology has the unreliable electrical service of a third world country.

Moreover, if we lack sufficient generating capacity now, the gap between supply and demand will grow even wider as our population continues to grow and if, as we are constantly told, the climate becomes ever warmer. Our power supply problem stems largely from political policies aimed at phasing out hydrocarbon energy, such as natural gas-powered generators, shutting down nuclear plants and relying more on "renewables" such as solar panels and windmills.

By decree, the latter are supplying ever-increasing amounts of power, but they are much less reliable than traditional generation. Therefore, when demand climbs to near-record levels ISO must turn to natural gas-fired plants to make up the difference, particularly if it cannot acquire more juice from out-of-state generators.

<u>ISO data</u> reveal that when demand peaks, natural gas plants are supplying half or more of California's power, but even so there are not enough electrons because we have discouraged construction of more gas-fired generation.

"The situation is one that could have been avoided," Steve Berberich, ISO's top executive, told the agency's board on Monday during a review of weekend blackouts, adding that the supply situation "is broken and needs to be fixed."

Berberich said the ISO has repeatedly warned the California Utilities Commission that an additional 4,700 megawatts of supply is needed but only a portion was authorized on a delayed basis, leaving a gap that couldn't be closed when the heat wave hit.

In theory, massive battery banks could be constructed to store solar and wind power when it's plentiful and supplant hydrocarbon generation altogether, but so far that's just a theory. Three years ago, ISO <u>published a scenario</u> that envisioned a massive shift from hydrocarbons to renewable electricity in homes, commercial businesses and in transportation by 2030, all but eliminating hydrocarbon energy.

Other than laws requiring utilities to increase their use of solar, wind and other renewable sources, however, little of the ISO's vision, which mirrors other official projections, has become reality. The COVID-19 pandemic and the severe economic recession it spawned will probably retard the conversion to an all-electric society even more.

For the foreseeable future, therefore, we will need the natural gas generators that environmental activists love to hate, along with the equally vital infrastructure of gas wells and pipelines that they also want to cancel. In fact we need even more of them as demands increase.

Minutes after Berberich's report, Gov. Gavin Newsom took to social media to say that the blackouts are "sobering to the reality" that "more insurance" in power supply is needed and pledged to provide it.

However, he must also answer why the Public Utilities Commission, composed of governor's appointees, has failed to heed ISO's warnings about inadequate supply. Newsom is fond of the word "foundational" to describe things that must be done. There's nothing more foundational than having the lights shine when you flick the switch or air conditioning to function when the mercury soars.

This article first appeared in the August 19, 2020 edition of Cal Matters. Dan Walters is the Dean of California columnists with over 50 years of writing in the major newspapers of the state. He has been a guest speaker at various COLAB events.



ANNOUNCEMENTS

TAXPAYERS ASSOCIATION

CCTA OPPOSES NOVEMBER BALLOT SALES TAX INCREASES OF SIX CITIES IN SLO COUNTY

When cities need money, the default reaction is always to raise taxes: sales taxes, transient occupancy taxes, surcharges on utility bills, increases in every fee and additional fees, ad nauseam. Senior staff has a vested interest in staving off bad news, wrapping their tax proposals as reasonable, logical, and painless. "It will be paid by tourists," "it's only one percent," and of course, "Everyone is doing it so we won't be uncompetitive." It's so easy.

But we know from recent past experience that this approach doesn't work. Taxes with sunset clauses, pushed to provide "extras," are now funding routine maintenance and permanent positions. And now the demand is for even more taxes, permanently.

No tax increase should even be considered without a thorough review of the structure of the city and its long and short term goals. Consolidation of services and outsourcing are only a start. No amount of sales taxes, TOT and other fees can make up for the structural compounding growth in salaries, staffing and pension debts of small cities. These pension debts have been growing exponentially for at least two decades. Administrators and department heads, often paid more than the Governor, will block any and every attempt to make reforms, preferring a permanent sales tax hike to create another source for leveraging debt, via bonds. Thus they can postpone the inevitable pain a little longer or at least until retirement looms.

The current pandemic provides an excellent opportunity to break this cycle of tax and overspend and finally institute overdue, sound, long term financial planning in city government. Anyone breathing knows the lockdowns have created unprecedented drops in revenue for everyone. We literally are all in this together. It is time that local governments, like families and businesses, take a good long hard look at their expenses and priorities, or risk losing everything.

Six Cities have sales tax increases on the November ballot. Only the City of Arroyo Grande does not! See below!

City of Arroyo Grande - No Sales Tax Increase on November Ballot

Arroyo Grande's proposed sales tax increase fails - Cal Coast ...

City of Atascadero - 1%

Council Votes to Add Sales Tax Measure to Ballot

City of Grover Beach - 1%

Grover Beach City Council supports raising sales tax

City of Morro Bay - 1%

UPDATE: Morro Bay City sales tax increase placed on ...

City of Paso Robles - 1%

Paso Robles City Council votes to put 1-cent sales tax ...

City of San Luis Obispo - 1%

UPDATE: SLO City Council approves added 1% sales tax for ...

City of Pismo Beach - 1%

The City Council has adopted Resolution R-2020-053, adding the following measure to the November 3, 2020 ballot.

CITY OF PISMO BEACH MEASURE B-20

PISMO BEACH PUBLIC SAFETY AND COMMUNITY SERVICES PROTECTION MEASURE. To

maintain police and firefighter service levels; reduce 911 emergency response times; protect local groundwater and beaches; and enhance senior programming and other essential services, shall the hotel/visitor tax be increased by 1%, paid by visitors, generating approximately \$1 million annually, until ended by voters, requiring annual audits and local control of funds?

ALERT ANDY CALDWELL SHOW NOW LOCAL IN SLO COUNTY

Now you can listen to THE ANDY CALDWELL SHOW in Santa Barbara, Santa Maria & San Luis Obispo Counties!

We are pleased to announce that The Andy Caldwell Show is now broadcasting out of San Luis Obispo County on FM 98.5 in addition to AM 1290 Santa Barbara and AM 1440 Santa Maria



The show now covers the broadcast area from Ventura to Templeton - THE only show of its kind on the Central Coast covering local, state, national and international issues!

3:00 – 5:00 PM WEEKDAYS

You can also listen to The Andy Caldwell Show LIVE on the <u>Tune In Radio</u>
<u>App</u> and previously aired shows at:



COUNTY UPDATES OCCUR MONDAYS AT 4:30 PM



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MIKE BROWN ADVOCATES BEFORE THE BOS



VICTOR DAVIS HANSON ADDRESSES A COLAB FORUM



DAN WALTERS EXPLAINS SACTO MACHINATIONS AT A COLAB FORUM See the presentation at the link: https://youtu.be/eEdP4cvf-zA



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



NATIONAL RADIO AND TV COMMENTATOR HIGH HEWITT AT COLAB DINNER



MIKE BROWN RALLIES THE FORCES OUTDOORS DURING COVID LOCKDOWN.

Coalition of Labor, Agriculture and Business San Luis Obispo County "Your Property – Your Taxes – Our Future" PO Box 13601 – San Luis Obispo, CA 93406 / Phone: 805.548-0340 Email: colabslo@gmail.com / Website: colabslo.org

MEMBERSHIP APPLICATION

MEMBERSHIP OPTIONS:						
General Member: \$100 - \$249 □ \$ Voting Member: \$250 - \$5,000 □ \$						
Sustaining Member: \$5,000 + \$\sum_{\text{(Sustaining Membership includes a table of 10 at the Annual Fundraiser Dinner)}}						
General members will receive all COLAB update and Sustainable Members with one vote per mem		ing privileges are	limited to Voting Members			
MEMBER INFORMATION:						
Name:						
Company:						
Address:						
City.	State		Zip:			
Phone: Fax:		Email:				
How Did You Hear About COLAB? Radio	□ Public Hear	ing 🗖]	Friend 📮			
COLAB Member(s) /Sponsor(s):						
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	ership though it is encouraged i on will be kept confidential if the Donation/Contribution/Mem	hat is your preference.				
PAYMENT METHOD: Check Visa MasterCard	Discover 🗖	Amex <u>NOT</u>	accepted.			
Cardholder Name:	Signature:					
Card Number:	Exp Date:/_	Billing Zip	Code: CVV:			
	TODAY'S	DATE:				

(Ravised 2/2017)