

### WEEKLY UPDATE NOVEMBER 22 - 28, 2020

#### THIS WEEK

#### THANKSGIVING REMEMBRANCES PAGE 30



"THE TRYING AND DANGEROUS VOYAGE ACROSS THE ATLANTIC"

#### SLO PENSION TRUST MEETING MONDAY

NO BOARD OF SUPERVISORS MEETING

# COMMUNITY ENERGY SCAM CONFESSED IT'S A GOVERNMENTAL "WOLF OF WALL STREET" TALE



"YOU CAN SELL THE DUMB SCHNOOKS ANYTHING"

#### LAST WEEK

#### DAWN ORTIZ-LEGG IS 3<sup>RD</sup> DISTRICT SUPERVISOR



(PASO DAILY NEWS PHOTO)

SHE HAS SHOWN PRO AG & PRO BUSINESS ATTITUDE ON THE PC EMPATHY & WILLINGNESS TO TRY AND HELP HER ACID TESTS WILL ULTIMATELY BE ON OVERALL LAND STRATEGY AND LOCAL & REGIONAL VERSIONS OF THE DEEP STATE

#### 25K CAMPAIGN FINANCE LIMITATION APPROVED

COUNTY TO EYE BAY DELTA PROJECT SIERRA CLUB OPPOSED THE FEASIBILITY STUDY

#### **BUDGET REDUCTION DETAIL ACCEPTED**

HOUSING ELEMENT ADOPTED
A HOLLOW PLAN GIVEN LAND RATIONING

COUNTY FEE INCREASES MOSTLY APPROVED NOTWITHSTANDING PEOPLE HURTING IN THE PANDEMIC

PASO BASIN WATER RULES CHANGES HOW COULD THE AREAS OF SEVERE DECLINE BE SWAPPED?

FEDERAL HOUSING AND HOMELESS GRANTS
COUNTY LAUNCHES COMPETITIVE PROCESS

#### PLANNING AND BUILDING DEPT. NEW PROJECTS

THIS IS HOW THEY ADD MORE REGS AND WICKETS

#### **APCD**

BOARD HEARD DUNES DUST REPORT: IT'S DECLINING HEARING BOARD LEGAL PROBLEMS COULD NEGATE DUNES REGS

# INDEPENDENT WASTE MANAGEMENT AUTHORITY PROMISES TO END ACTIVIST BANS AND REGS

# LOCAL AGENCY FORMATION COMMISSION POTENTIAL ANNEXATIONS AND THE RETIRED EXEC DIRECTOR IS BACK (TEMPORARILY)

#### **COLAB IN DEPTH**

**SEE PAGE 24** 

## CALIFORNIA, LOVE IT OR LEAVE IT BY JOE LONSDALE

#### **GOVERNOR PREEN**

California's Gavin Newsom presides with aristocratic hauteur over a state in crisis.

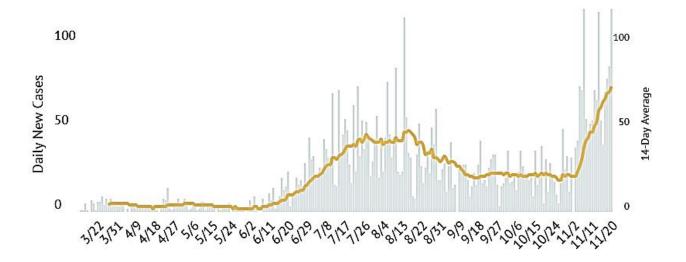
**BY JOEL KOTKIN** 

# THE DYSTOPIAN "FOURTH INDUSTRIAL REVOLUTION" WILL BE VERY DIFFERENT FROM THE FIRST ONE

BY ANTONY P. MUELLER

#### THIS WEEK'S HIGHLIGHTS

#### November 20, 2020 COVID Status.



#### Currently Hospitalized

10 (of whom 2 are in the ICU)

San Luis Obispo County Pension Trust Meeting of Monday, November 23, 2020 - 9:30 AM (Scheduled) Live Video Coverage at:

https://zoom.us/j/95885434996?pwd=Mm5jUVYwT1dGcExzNi9VQ1dxMEVOZz09

**Item 7 - Monthly and Yearly Rate of Return.** The write-up states in part:

#### **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 September. The attached market commentary from Verus details market conditions in September, but subsequent activity in October is not yet factored into these numbers.

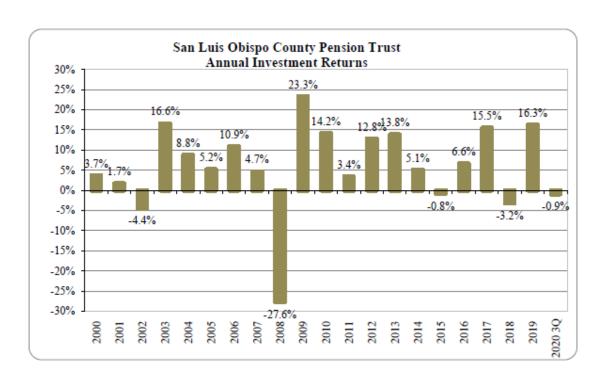
Note that the chaotic markets of 2020 at one point in March had the SLOCPT total fund return year to date at a -12.4% level. The bounce back from that low point has brought the YTD return up to a -0.6% level. Significant improvement, but still likely to lead to an actuarial loss in investments for the full year.

The tables below on the next page are informative about current and past performance.

Item 7: Monthly Investment Report for September 2020

	September	Year to	2019	2018	2017	2016	2015
		Date					
		2020					
Total Trust	\$1,443		\$1,446	\$1,285	\$1,351	\$1,196	\$1,148
Investments			year	year	year	year	year
(\$ millions)			end	end	end	end	end
Total Fund	-1.7%	-0.6%	16.3	-3.2 %	15.5	6.6 %	-0.8%
Return	Gross	Gross	%	Gross	%	Gross	Gross
			Gross		Gross		
Policy Index	-1.1%	2.4%	16.4 %	-3.2 %	13.4 %	7.7 %	-0.5 %
Return (r)							

<sup>(</sup>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. Pending revision to Revised Investment Policy adopted Sept. 2020 to be effective in 2021.



No Board of Supervisors Meeting on Tuesday, November 24, 2020 (Not Scheduled)

The Board is not scheduled to meet during the Thanksgiving Holiday week.

#### COMMUNITY ENERGY SCAM STATUS ADMITTED

Many PG&E customers in SLO County and Santa Barbara County have received a 2-page folded mailer that PG&E will no longer be their electrical energy provider starting on January 1, 2021. Instead the new government entity, Central Coast Community Energy (3CE), which was previously called Monterey Bay Community Power, will become the primary energy retailer.

Unincorporated SLO County and the City of Atascadero did not join the program. The County conducted a number of studies and determined that based on the risks and the fact that the actual energy is PG&E energy, it would be premature to join the new government agency. 3CE promises greener energy at a slightly lower cost but is actually wielding paper energy certificates known as renewable energy certificates (RECS), which are simply symbols that 3CE is buying credits from green energy suppliers.

After conducting a massive PR campaign to lure brainwashed climate crazy city councils and boards of supervisors into the program, 3CE has now admitted the truth. A long and complicated report, buried deep in its November 4, 2020 Board meeting agenda, stated in part:

#### Carbon Free Attributes – A Paper Product with No GHG Reduction Benefit

MBCP—like all other CCAs—meets its "carbon reduction" commitment in two ways. First, the procurement California based renewable credits from eligible renewable resource generation to meet the current state mandate (33% of energy demand in 2020, increasing to 60% by 2030).3 Second, and as an accounting exercise with no environmental benefit, MBCP—like all other CCAs—acquires renewable credits from ineligible resources like large hydro in order to offset unspecified power purchases (purchased to balance MBCP's load on an hourly basis) on its Power Content Label.

MBCP's ability to rely on CFAs to comply with Power Content Label accounting rules to appear "carbon free" is increasingly a non-workable solution for the following reasons: (1) appearing to be carbon free is simply not enough; (2) Northwest large hydro CFAs are increasingly scarce and more expensive; (3) spending money on CFAs is impacting CCA's ability to be cost competitive with Investor-Owned Utilities ("IOUs") considering the volatility of the Power Charge Indifference Adjustment ("PCIA"); and, (4) changes to the Power Content Label under AB 1110 will require MBCP to report some emissions (related to geothermal and biomass) regardless of large hydro CFAs.

They never made this explicit during their massive marketing campaign and ignored COLAB in both SLO and Santa Barbara Counties every time we brought it up. The dumb left politicians and progressive green advocacy groups had their way.

As can be seen in the 2 paragraphs highlighted above, the whole phony model is at risk of collapsing. The resulting financial maneuvering could mean that 3CE will have to burn down its reserves and hope that they and their sister agencies throughout the State can get the Legislature to bail them out by abolishing the PICA charge (which would have to be replaced by the taxpayers) and admitting legally that large hydro and nuclear are carbon free energy.

Of course the Legislature would never do this for the private investor owned utilities.

What an infuriating scam and racket! You would think in a State with so many universities, that the people and their elected politicians would have been smarter. The local graduates who fell for this shakedown should ask for their tuition money back. They apparently didn't learn how to analyze issues properly or apply the rigor necessary.

The current enrollment data is listed below:

#### **Enrollment Status in San Luis Obispo and Santa Barbara Counties**

#### **3CE Currently Serves:**

Counties of Monterey, San Benito, and Santa Cruz, and the cities of Capitola, Carmel, Gonzales, Greenfield, Hollister, Marina, Monterey, Morro Bay, Pacific Grove, Salinas, San Juan Bautista, San Luis Obispo, Sand City, Santa Cruz, Scotts Valley, Seaside, Soledad and Watsonville

#### **Service Begins January 2021:**

Cities of Arroyo Grande, Del Rey Oaks, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, Solvang, and Unincorporated Santa Barbara County

#### (PG&E Service Territory)

#### **Service Begins October 2021:**

Cities of Carpinteria, Goleta, Grover Beach, and Unincorporated Santa Barbara County (SCE Service Territory)

#### **Service Begins Early 2022:**

Buellton

Meanwhile a whole new multi-million dollar government agency is on its way to growing to 50 employees and building a corporate headquarters in Monterey. It is a paradise for consulting engineers, rate consultants, energy procurement consultants, legal consultants, lobbyists, and PR consultants. Now the 3CE is hiring a flock of community energy representatives to go out and make sure everyone stays in the fold. They will be hawking grants to the city councils and boards of supervisors for natural gas bans, going all electric, car charging stations, and all other types of pork so that the locals can hire all sorts of consultants and deliver pork too.

The city managers and county CAO's of the member jurisdictions now have to spend significant time studying the massive agendas of the agency in preparing for monthly and quarterly meetings.

#### **Worse Yet:**

3CE peddled its scam on the irrelevant basis that individual customers could opt out. They then extolled the fact that only 1-2% opt out. Note how the scam is perpetuated in the flyer which they have sent to all of the new "customers."

TERMS & CONDITIONS' ENROLLMENT & SERVICE OFFERINGS Central Coast Community Energy (3CE) is the current primary electric generation service provider for 18 oftens and the 3 unincorporated areas in Monterey, San Beinto and Senta Cruz Countries, see all as the calles of Morro Bay and San Liu Ostipos and in 2021, service will begin for customers within the other of Arroyo Grande. Carpiteria, Del Rey Dales, Goleta, Grover Bosch, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, Solvang, and the unincorporated areas of Santa Barbaro Country in accordance with California State Law, SCE is required to mail for enrollment northcations; 60 and 50 days prior to the enrollment month and 30 and 60 days after the enrollment month. SCE's clean and renewable destrictly survives, Scholice, well began automatically for all electricity customers within SCE's service actually the designated month based on each customer's meter read date, unless the account holder chooses to opt-out and remain exclusively with PSGE or SCE. 3CE customers may also opt-up to 3Cprime and support 100% Eligible Renewable energy from wind and solar, for an extra. 8 cents per kWh. TÉRMINOS Y CONDICIONES \* INSCRIPCIÓN Y OFERTAS DE SERVICIO Central Coast Co proveedor de servicios de generación eféctrica para 16 ciudados y 3 áreas no incorporadas en la Sa Beanto y Sarta Cruz, así como las ciudados de Mono Bay y San Luis Obapo. A principios de ciudades de Arrayo Grande. Carpinteria, Del Rey Coles, Coleta, Grover Beach, Guadatupe, Pasa Haria, Soliciang y las eraes no incorporadas del condado de Santa Bálvira comenzara a reclaración la que estatal. SCE envisar por correo cuatro notificaciones de inscripción: 60 y 30 días ante y 60 días después del mais de inscripción. El servicio 3 GCE, comenzará autoratos dentro del área de servicio de 3CE durante la fectura del medidar de cada cliento, a menos que entre del área de servicio de 3CE durante la fectura del medidar de cada cliento, a menos que servicio de 3CE y permanecer exclusivamente con PG&E o SCE. Clientes de 3CE tie renovable y participar en el programa 3Cprime a un costo adicional de 0.8 centavos RATES & FINANCIAL ASSISTANCE PROGRAMS 3CE electric generation rates are designed to provide customers with the opportunity to support clean and nenewable electricity at a savings. In 2020, 3CE rates are more competitive for electric generation rates for occupanted to PSEA or SCE electric generation rates for comparable customer classification, inclusive of PSEA or SCE feets. SCE follows the regional investor-owned utility rate schedules as well as Time-0f-lyes (TOU) periods for residential commercial and agricultural customers. Rate assistance programs including California America Rates for feets (PSEA) and Medical Baseline Allowance remain the same with 3CE. Net-Energy-Metering (NEM) customers making that plant such as a schedule programs including california with the same Net Rate tariff and true-up cycle (annually or monthly) and may benefit from a higher Net Surplus Compensation (NSC) rate, if applicable. TARIFAS Y PROGRAMAS DE ASISTENCIA FINANCIERA Las tarifas de gener TABIFAS Y PROGRAMAS DE ASISTENCIA FINANCIERA Las tarriés de generación eléctrica de bindrale los clientos la oppriunidad de respadára electricadal límpia y renovable. SEC el rece ta as-qualible en comparación con las tarifas de generación eléctrica de PGSE o SEC. La estructura Communiy, Energy igualara la estructura de tarriada de PGSE y SEC así sormo el tempo de uso cisidas, comerciales y agricolas. Los programas CARE, FERA HEAP y Medical Baseline continua con Central Costa Community, Energy o su proviseorio de servicios públicas. Los clientes en Energy continuará necibilendo su descuento CARE, PERA y Hodical Baseline Los clientes de mantituen su mantituen tarria NEM y coció de ejaste formas o manuala y prodria beanficiano de mantituen su mantituen tarria NEM y coció de ejaste formas o manuala y podrías beanficianos de se BILLING 3CE account holders will continue to receive a single monthly bill from PG&E or SCE that includes all electricity related charges, including 3CEs electric generation charge. PG&E or SCE has always billed customers for electric generation but this cost was part of a bundled service charge. Now that SCE oversees how and where your electricity is generated, the electric generation charge that used to be less visible inside a bundled service cust has been separated out for more transparry as 3 SCE customer. The 3CE electric generation charge is not a new charge but the vill appear on a separate page. PG&E or SCE provides a generation credit equal to the amount the customer would have paid PG&E or SCE for electric generation service. Customers pay PG&E or SCE for electric generation service. Customers pay PG&E or SCE for electric generation service. Customers pay PG&E or SCE for electric generation service. Customers pay PG&E or SCE for electric generation service. Customers pay PG&E or SCE for the entire electric service inclusive of 3CE service and PG&E or SCE remits payment to 3CE on a daily basis. PG&E or SCE will continue to charge for transmission, distribution, public goods programs and other non-generation charges at the same rates charges customers who do not receive 3CE service. FACTURACIÓN POSE o SCE continuada cabrardo por la trasmistán y entresa de electricada otros cargos regulatorios. No hay erapos adejandos para is generación de electricada Cliente o POSE o SCE silvente han cobrado cargos de electros para is generación de electricada Cliente (POSE o SCE) elempre han cobrado cargos de ejemenación electrica, por vegi cargo en para de que SCE se responsable de cómo y dóndo se genera su electricadad, estos cargos se han despi unida. SCE hace esto con el fin o persporicionar más transparencia y entrecida de cuerta SCE SCE no es un cargo adicional. Este cargo aparacerá en una pógina separada. POSE o SCE otors equivalente a lo que el cliente hubiese pagado con POSE o SCE por el servicio de generación e nunca paga dos veces por el servicio de generación eléctrica. CANCELACIÓN DE SERVICIO Clientes de 3CE pueden optar por canceler el servicio de g cualquier momento llamando al 888.909.6272 o Ingresando a 3CE.0rg/opt-out. Dunante le sused tiene la optornitudad de cancelar su servicio con 7CE sin costo alguno. Después del una pequeña tarria de servicio por cancelación de servicio. (S5 para cuentas de clientes o cilentes comerciales). OPT OUT Account holders may opt-out of SCE electric generation service at any time by calling 888 909 6227 or at SCE org/out-out. There is no fee to opt-out before enrollment or within 80 days after SCE service starts. Modest fees of Schreidented and Commercial account apply thereafter. THE OPT OUT CLAUSE IS **Central Coast** SO TINY YOU CAN'T Communit READ IT. It says you have to call to get an explanation 70 Garden Court, Suite 300 Monterey, CA 93940 and you only have 60 days. PLEASE OPEN FOR IMPORTANT INFORMATION ABOUT YOUR **NEW ELECTRICITY PROVIDER** We actually had to use computer enhancement tools INFORMACIÓN IMPORTANTE SOBRE SU NUEVO PROVEEDOR DE ELECTRICIDAD so you could try and see it Questions? here & scanned the document info@3ce.org (888) 909-6227 a little larger. <u>, Արարիսակարկական բանակարկի</u> իկելել Your New Local Electricity Provider Si Nuevo Proveedor de Electricidad Local Service starts in January 2021 for customers in the cities of: El servicio comienza en enero 2021 para clientes en las ciudad Arroyo Grande, Del Rey Oaks, Guadalupe, Grover Beach, Paso Robles, Pismo Beach, Santa Maria, Solvang, and communities in Northern Sa SOURCE DELIVERY CUSTON YOU PG&E 3CE **Central Coast** Benefit from cor rates, clean en Delivers energy, naintains lines and Community energy proj Energy CLEAN ENERGY, LOCAL CONTROL. 3Cenergy.org ⊕ 🛛 😉 📵 DISTRIBUCIÓN CLIEN info@3Ce.org PG&E TU 888.909.6227 Ofrece energía Mantiene líneas eléctricas, Recibe costs energía lim Y se encarga de facturación programas di

You should be outraged and recall all the dumb schnooks who voted or this.



"THERE ARE ALWAYS MILLIONS OF DUMB SCHNOOKS"

#### LAST WEEK'S HIGHLIGHTS

#### A WEEK FROM HELL

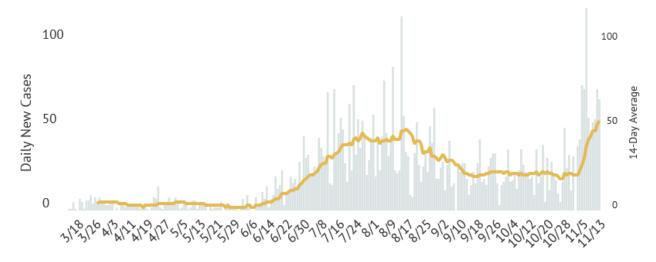
**In General:** This was a week from hell with many significant policy items. The Supervisors' agenda included campaign finance reform, major State water policy considerations, budget reduction detail, adoption of the Housing Element, Federal housing grant cycle, major Paso Basin water level characterization changes, housing density bonuses, and fee increases.

The Board approved just about everything and was very complimentary of staff. This spilled over to the LAFCO and APCD meetings as well.

#### Board of Supervisors Meeting of Tuesday, November 17, 2020 (Completed)

**COVID - No Agenda Item.** 

November 13, 2020 COVID Status.



The key will be whether hospitalizations follow new cases or remain low – so far so good.

Item 1 - Submittal of a resolution authorizing the Director of Public Works, or designee, to execute a funding agreement, in the amount of \$750,000 with the Department of Water Resources for preliminary planning and design costs related to a potential State Water Delta Conveyance Project. The Board authorized the County to participate in a Phase 1 feasibility study. Participation doesn't commit the County to participate in the full project.

**Background:** The State has been struggling with a proposal to construct a connection from the Sacramento River underneath the Sacramento/San Joaquin river delta northeast of San Francisco Bay. The purpose is to capture more of the water that now leaks into the delta (millions of acre feet). It could then be picked up by the California Water Project at Tracy and sent south to the San Joaquin Valley and Southern California.

San Luis Obispo and Santa Barbara Counties are affected because they are connected to the State Water project by means of the Central Coast Water Project. The State Department of Water Resources is requesting all participants to determine if they wish to financially participate in the first phase study of the project. The County and its subdivisions stand to gain more water security if the project is found to be feasible and ends up being constructed.

The issue at hand is that if a jurisdiction does not participate now, it will not be eligible for the benefits later. This does not mean that it can't opt out if it finds the results of the study not to be compatible with its policies, interests, and finances.

It is therefore prudent for the County to participate at this point. The phase is a one-time cost of \$750,000.

The Sierra Club and other groups are opposed to the project and opposed to the County's participation because they fear that too much fresh water will be diverted from the delta environment. They also fear that the water could be growth inducing

Item 2 - Hearing to consider an ordinance implementing the County Fee Schedule "A" for Calendar Year 2021 and Fee Schedule "B" for Fiscal Year 2021-22. The Board on a 3/1 vote (Compton dissenting) approved higher and new fees. Supervisor Arnold forced a motion to have staff return with recommendations to provide relief for restaurants, beauty salons, and other business heavily impacted by the plethora of Health Department inspection and annual license fees.

**Background:** As we noted last week, the County staff has no skin in the game yet. There have been no layoffs, furloughs, pay raise deferments, facility shutdowns, rotating closures/reductions of services, delayed vendor payments, postponement of capital projects, early retirement program, delays in executing major service contracts, or elimination of programs. It is not known from the write-up if there is still a "hiring chill" (a soft freeze on new hires and promotions).

Staff only looks internally at the impacts to the budget and the wellbeing of the "county family." What about businesses and individuals who are struggling to survive? While the public is unemployed, out of business, and banned from having weddings, church, Halloween, Thanksgiving, and everything else, raising fees is an insult.

Item 9 - Submittal of a resolution to A) establish the salary range and bargaining unit for a new position of Nuclear Power Plant Decommissioning Manager; and B) amend the Position Allocation List (PAL) for FC 142 – Planning and Building to delete 1.00 FTE Division Manager - Planning and add 1.00 FTE Nuclear Power Plant Decommissioning Manager to process the Diablo Canyon Power Plant (DCPP) Decommissioning & Reuse Project. The new position was approved but not until after several public speakers complained that the Board is worried about budget shortfalls and we are currently in a COVID lockdown.

The Board is being requested to approve a new job classification to hire an executive to manage the County's interests during the Diablo decommission process. The future uses of the site and the thousands of acres around it are a major component of this job.

It is too bad that the County leadership did not assign someone to help with relicensing 10 years ago rather than obstructing PG&E at every turn. Instead they invoked the theory of sub-ocean floor fault line generated earthquakes creating tidal waves, even though the plant sits on an 85-foot high bluff.

Item 21 - Hearing to 1) determine needs for allocating local, State, and Federal funds to eligible affordable housing, homelessness, and community development activities; and 2) adopt a resolution to amend the Position Allocation List (PAL) for Fund Center (FC) 142 – Department of Planning and Building by adding a 1.00 FTE Limited Term Program Manager for 2 years. https://agenda.slocounty.ca.gov/iip/sanluisobispo/file/getfile/127472Hearing to 1) determine needs for allocating local, State, and Federal funds to eligible affordable housing, homelessness, and community development activities; and 2) adopt a resolution to amend the Position Allocation List (PAL) for Fund Center (FC) 142 – Department of Planning and Building by adding a 1.00 FTE Limited Term Program Manager for 2 years. The process and schedule were approved. This was a hearing to kick off the next cycle for developing applications for Federal Housing grants.

The funding is important to leverage other funds for various affordable housing projects. The larger problem is California's and the County's overarching land-rationing policies, which render housing almost impossible to produce.

Item 26 - Hearing to consider 1) a resolution adopting amendments to the Housing Element of the San Luis Obispo County General Plan; and 2) adoption of the Negative Declaration pursuant to Section 21000 et seq. of the California Public Resources Code (CEQA). All Districts. This update will serve to guide planning, development, and funding related to housing for the unincorporated areas of the County through December 2028, in addition to achieving compliance with State Housing Element Law and State certification. The new Housing Element was approved unanimously.

**Background:** This update of the Housing Element will guide planning, development, and funding related to housing for the unincorporated county through December 2028, in addition to achieving compliance with State Housing Element Law and State certification. The problem is that although it will meet legal requirements, it is far too narrow in terms of the overall problem, primarily because it does not address the State's and County's overarching policies of land rationing.

This is a very important but unfortunately hollow policy document, which updates the Housing Element of the County's Plan of Development. The 204-page document certifies that the County has sufficient zoned land available to allow housing at various income levels as required by the State-

approved Regional Housing Needs Assessment and Regional Transportation Plan. The Planning Commission considered the Plan and has forwarded it to the Board of Supervisors for modification, adoption, or rejection. The full text of the Element can be seen at the link:

Once it opens, click on the tab: Housing Element. https://agenda.slocounty.ca.gov/iip/sanluisobispo/file/getfile/127472

Item 29 - Hearing to consider a request by the County of San Luis Obispo to amend the County Land Use Ordinance (Title 22) to update the mapping boundary of the area of severe decline within the Paso Robles Groundwater Basin. An addendum to the Supplemental Environmental Impact Report (SEIR) prepared for the Countywide Water Conservation Program in 2015 (SCH # 2014081056) has been prepared for this request. Districts 1 and 5. After considerable public comment and Board discussion, the staff was directed to return during the January 5, 2021 meeting with further answers and refinements.

**Background:** We repeat last week's section in full here, because if the reader is not familiar with the issue, it is about as clear as mud, so to speak.

This is the issue of changes in the areas defined as in "severe water decline" in the Paso Basin. It was considered by the Board in August. At that time the Board and public expressed many concerns At this point the staff report states:

The item comes to the Board of Supervisors as a series of possible amendments, not necessarily recommendations from the Planning Commission. It will be difficult for the Board of Supervisors to sort out. Relatedly and as we discuss further in this report, the item should be postponed until after the COVID lockdown ends and the public can fully participate in community meetings and before the Board of Supervisors.

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.

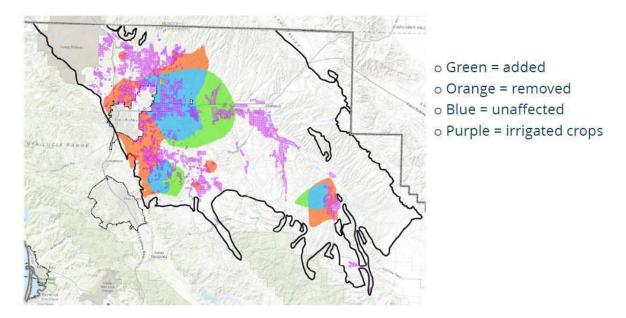
Similarly, it was determined that the Basin boundary included in the SGMA plan does not match the State's official boundary. The issues detailed below are some of the fallout. Staff has conflated 2 major policy issues

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 consternation 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.

A larger problem has 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.

Major Changes in Areas Defined as In Severe Decline



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	<b>Property Owners</b>				
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 this 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? The staff answer was what we call 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 which was wrong and then established a moratorium on that basis, or the SGMA study is wrong, or 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 DeMinimis: 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 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 omits 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. The staff has divided the various projects related to regulation of the basin into 3 phases.

Phase 1 (adopted, effective December 5, 2019)
☐ Extend the termination date for the Water Neutral New Development Standards from the date of
GSP adoption to January 1, 2022.
$\Box$ Eliminate off-site transfers of water demand to convert irrigated crops.
$\square$ Include an applied water factor for hemp and supplementally irrigated dry cropland in the
agricultural Offset Ordinance.
☐ Establish a process to determine applied water factors for crops not specified in the Agricultural
Offset Ordinance.
$\square$ Require a recorded disclosure form instead of a deed restriction for the Agricultural Offset
Program.
<b>COLAB NOTE:</b> The Board supposedly directed Phase 1.5 in December 2019. It is true the Board
directed that Planning work to conform the boundary of the basin to the SGMA Plan. But
reconfiguring the Area of Severe Decline was not part of the direction.
☐ Update the maps of the Paso Basin and the Area of Severe Decline in the Paso Basin to be
consistent with the GSP.
☐ Create a fallowing registration.
Phase 2 (pending environmental determination)
Thuse 2 (penaing environmental determination)
For new irrigated crop production:
☐ Expand the one-time exemption for sites without existing irrigation to allow 25 acre-feet per year
(AFY) instead of 5 AFY of water demand per site, considering parcel size.
☐ Extend the look back period beyond 5 years to establish the baseline of existing irrigated crop
production and water demand.
☐ Discuss re-allowing off-site transfers of water demand to convert irrigated crops
For non-agricultural new development:
☐ Revisit water offset fees and water usage assumptions for the Paso Basin.
☐ Revisit the Paso Basin Planning Area Standards prohibiting land divisions and General Plan
Amendments that increase water demand
$\square$ Revisit the 1:1 water offset requirement for the Nipomo Mesa.)

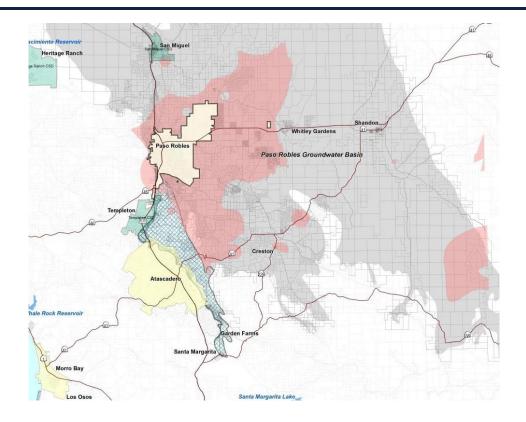
#### **Updated Recommendation:**

At this point the staff is recommending:

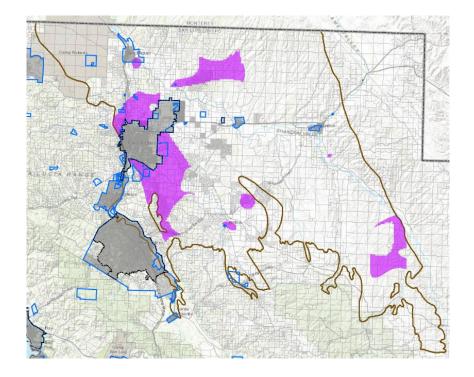
#### **Proposed Ordinance Amendment**

- Update the area of severe decline map rather than create a petition process to get an exception from the rules for areas of severe decline
- Incorporate Spring 2017 groundwater elevation measurements
- Only include areas where groundwater elevation levels dropped 50 feet or more from Spring 1997 to Spring 2013 and from Spring 1997 to Spring 2017 (showing persistent groundwater elevation decline) It is not clear what this means, since the new maps of the changes, although in a slightly different format, seem to conform with the switches as originally proposed.

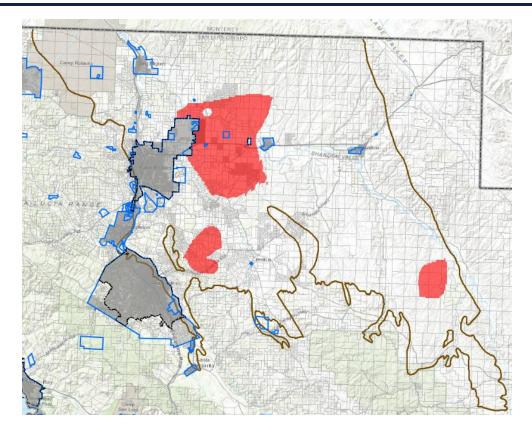
#### Original Areas of Severe Decline



#### 37,0000 Acres Removed



Proposed New Areas of Severe Decline



Item 30 - Planning and Building Department Long Range Planning Workload and Priorities. The Board listened to the presentation and seemed to be basically satisfied. Several offered support for development of a Dark Skies Ordinance, which would attempt to control fugitive light which interferes with night celestial viewing.

Preeminent SLO County planning facilitator Jamie Jones suggested a good recommendation that the County create an emergency COVID permitting team. As winter comes, businesses are going need more permits, plan checks, or building inspections fast to deal with restrictions, more outdoor and vehicle pickup modes, and so forth.

**Background:** The Board received an update on progress of various Planning Department Projects such as updating Plan Elements, Federal and State required policy studies and rule adoptions, ordinance revisions, and special studies of emerging issues and problems. The Board must determine its priorities in terms of workload, community needs, Federal and State mandates, and funding availability. There can be competition among the various Supervisorial Districts, given the budget and pressure from communities.

Each November the Board sets some preliminary direction and then typically revisits the priorities in February or March so they can be included in the Proposed Budget. The matter will be taken up again in February, as nothing decisive occurred at this meeting.

In a larger sense, setting of the priorities is a significant policy expression. Does the Board desire less development, no growth, faster permitting, higher density or less dense housing, process improvements, and so forth? In fact and although almost every one ignores this policy setting, much of the overall direction of the County is set based on what is determined to be worked on.

**Item 31 - Submittal of department budget reduction plans for FY 2020-21, as directed by the Board of Supervisors during the FY 2020-21 Budget Hearing.** The Board received a report by PowerPoint that summarized the reductions. No one had any objections. Supervisor Gibson took time out to emphasize that much more severe reductions are expected in FY 2021-22.

We aren't so sure, as it turns out that the State currently is reporting \$21 billion additional revenue than it expected at this time. It had originally forecast a \$54 billion deficit on the current year. It appears that this will be much lower if current trends continue until next July. It is possible that the resurgent COVID and reestablished lockdowns could terminate the positive trend. On the other hand, it turns out that the State is very dependent on revenues such as the personal income tax, which is substantially derived from the wealthy. Accordingly, Silicon Valley and other parts of the high-tech economy have benefitted from COVID.

As the staff pointed out last week in its financial report, the property tax, sales tax, hotel tax, and special state payments in lieu of sales taxes are doing much better than anticipated.

**Background:** During adoption of the current FY 2020-21 budget last June, the Board was faced with substantial reductions due to the COVID lockdown's negative impact on revenues. At this point it is balanced by utilizing \$19 million in reserves and assigning the various departments \$6 million in reductions.

Long-Term Reductions (addresses structural gaps over multiple years)			
Recommendation	Expected Savings		
4% reduction to non-public safety departments FY 2020-21 recommended General Fund support	\$5.5M		
1% reduction to public safety departments (Fund Center 136 – Sheriff-Coroner, Fund Center 139 – Probation, Fund Center 140 – County Fire, and Fund Center 132 – District Attorney) FY 2020-21 recommended General Fund support			
Subtotal	\$6.5M		
Short-Term Reductions (addresses gap in a single year)			
Recommendation	Expected Savings		
Use of Prop 172 trust funds to backfill expected Prop 172 loss for Sheriff-Coroner, Probation, District Attorney, County Fire	\$3.4M		
Decrease General Reserve	\$3.0M		
Eliminate Property Tax Litigation Designation	\$798K		
Eliminate FY 2020-21 depreciation provided to General Government Building Replacement designation	\$3.7M		
Decrease General Government Building Replacement designation	\$2.0M		
Subtotal	\$12.8M		
TOTAL	\$19.3M		

The actual report is very detailed, is 168 pages long, and can be accessed at the link: https://agenda.slocounty.ca.gov/iip/sanluisobispo/file/getfile/127790

**Item 32 - Campaign Finance Limits.** The Board adopted the \$25,000 limit on a 3/1 vote for County offices and ballot measures, Gibson dissenting. The limit of \$25,000 per person or entity pertains to the campaign contributions for County offices, including the Board of Supervisors, Sheriff, DA, Auditor Controller, Clerk Recorder, and Assessor.

There was a lengthy hearing during which nearly 100 people called in. All but 3 opposed the \$25,000 limit, stating that it was much too high.

It turns out that this marshaling of testimony was orchestrated by the leftist SLO League of Women Voters, the SLO Progressives, and the Democrats. Unsurprisingly, the Board received about 700

emails, most of which were a word for word copy foisted on the sheep which the left progressive seem to deem too dumb to generate their own wording.

Left progressives bargained for a lower cap. The Board majority was not deceived. At various junctures they pointed out:

- The ICEs would overwhelm the locals
- The offices of Sheriff, DA, Auditor Controller, Clerk Recorder, and Assessor are countywide. Thus capping funding costs are more extensive.
- Being able to raise more money than state democrats want to allow provides more local control.
- It is especially difficult for 1<sup>st</sup> time challengers to break in against established incumbent without sufficient funding.
- When left Dem Jimmie Paulding ran against Lynn Compton, one family provided \$38,000 for his campaign.
- One individual provided \$28,000 to attempt to defeat Debbie Arnold.

**Background:** The matter is controversial, as many people who are reform minded prefer a much lower limit. The problem with setting it low is that so-called "Independent Expenditure Committees" are not included in the definitions within the enabling legislation.

The trick lies in the definition of "person" in the enabling legislation, which does not cover so-called independent expenditure committees (ICEs).

The write-up summarizes the key provisions of the proposed County ordinance as follows:

On October 20, 2020, the County of San Luis Obispo Board of Supervisors instructed staff to return to the Board with an ordinance establishing local campaign finance contribution limits with the following directions:

\[
\textstyle \text{To set the campaign contribution limit to \$25,000 per person;}
\]
\[
\textstyle \text{To make clear that the definition of "person" includes all union groups, political action committees}
\]

 $\Box$  To set the limit that a candidate can loan their campaign at \$200,000 and disallow interest;  $\Box$  To include a provision regarding recalls and recall committees and to subject those committees to the contribution limits; and,

☐ *To vest enforcement authority with the District Attorney's office.* 

and other committees:

The basis for establishing local campaign finance limits is AB 571 which establishes State "default" provisions which apply beginning January 1, 2021 if a local agency had not yet enacted their own ordinance.

The State enabling legislation sets the default limit at \$4700. A major problem is that independent expenditure committees are not covered by the statute. These are large PACs not affiliated with any candidate or proposition, which fund their own campaign ads including mailings, radio, TV, web media and print ads. These are not subject to the County ordinance. Thus if the County were to set a low limit, independent expenditure committees could overwhelm the local candidates and proposition issues. The Tom Styers, Soros, the Pelosi/Newsome SF Mafia, Sierra Club aficionados, and all the rest could still use supposedly blind IECs in order to pour hundreds of thousands into "independent" ads in crucial SLO County elections contest. The locals would have no way to raise large sums of money to fight back.

The definition of "person" is all-important in this case and does not include IECs.

"Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert. The definition of "person" includes any labor union group, political action committee, political party committee, general-purpose committee, primarily formed committee, and sponsored committee. "Note that Independent Expenditure Committees are omitted.

What is an Independent Expenditure Committee?

An individual or entity (e.g., corporation, firm, business, or proprietorship) that makes one or more independent expenditures to pay for a communication (e.g., mailing, lawn signs, newspaper ads) totaling \$1,000 or more in a calendar year that is not coordinated with the affected candidate or committee qualifies as a committee and must file reports under the Act.

An "independent expenditure" is a payment for a communication that expressly advocates the election or defeat of a clearly identified California state or local candidate or the qualification, passage, or defeat of a clearly identified state or local ballot measure, and the communication is not coordinated with or "made at the behest" of the affected candidate or committee.

Nothing is what it seems.

**Legal background:** Per 2019 bill AB 571, the County may adopt an ordinance limiting the amount that any individual, association, political action committee, or other entirety can contribute to a particular candidate. Reciprocally, the amount received by a candidate can also be limited. In SLO County this would cover the Board of Supervisors, Sheriff, DA, Auditor Controller, Clerk Recorder, and Assessor.

## SLO Air Pollution Control District (APCD) Meeting of Wednesday, November 18, 2020 (Completed)

There was a lengthy verbal/PowerPoint presentation on the progress of the plan and actions to reduce dunes dust generated from the Oceano Dunes State Park off road riding area. It turns out that the dust volume is down relative to other years even though this spring was particularly windy. Staff feels that the mitigation measures are taking hold.

Supervisor Gibson took umbrage with the Scripps Institution Report, which asserts that the dust is not motor vehicle disturbed sand and its related sub particles. Staff said it would work with Scripps and its own consultants in an attempt to reconcile the different opinions.

Interestingly, the APCD Board was very solicitous and complimentary of staff. The Board seems to feel they are doing a good job.

Separately, the Closed Session contained an unspecified item on threatened litigation. It was likely that it was consideration of what to do about the Friends of the Dunes expose of the APCD Hearing Board violating State Law. Its engineering member was not a state registered and licensed Civil Engineer. The APCD Counsel said he would report any reportable results at some point on the APCD website. Thus we don't know if they decided anything or not.

As COLAB reported three weeks ago, the pro-dunes riding organization, Friends of the Dunes, notified the Hearing Board that the individual appointed to the registered Civil Engineer slot was not a licensed registered Civil Engineer. The Friends assert that this renders a number of actions related to the dunes null and void.

SLO Integrated Waste Management Authority (IWMA) Meeting of Thursday, November 19, 2020 – 1:00 PM by Teleconference (Completed)

**In general:** The audit for 2018/19 pointed out many problems. These seem to have been somewhat rectified by 2019/20.

#### Item 9 - AUDIT FOR FISCAL YEAR 2018/2019

Recommendation: Staff recommends the Board receive and file the financial audit for Fiscal Year 2018/2019.

#### Item 10 - AUDIT FOR FISCAL YEAR 2019/2020

Recommendation: Staff recommends the Board receive and file the financial audit for Fiscal Year 2019/2020.

Item 18 - STRATEGIC PLAN - ORDINANCE AUTHORITY AND ENFORCEMENT Page 86 Recommendation: Receive presentation from Staff and HF&H Consultants to provide staff guidance on Board preferences regarding the nature/scope of IWMA ordinances, enforcement, and the relationship of local jurisdictions to that ordinance authority.

#### **Surprise**, Surprise:

It turned out that there was considerable angst over the IWMA's constant activist initiatives to ban certain products, regulate containers, ban plastic utensils, and otherwise advance the whole leftist antifossil fuel agenda. All of this drives the average non-schnook citizen nuts. Various Board members, County staff, COLAB, and others have talked about abolishing the agency. It appears that the compromise is for it to cease these progressive initiatives and stick to waste disposal and recycling.

We will see. As we said last week, the best strategic plan would be to abolish the agency.

### Local Agency Formation Commission Meeting (LAFCO) of Thursday, November 19, 2020 (Completed)

The Commission approved all the items after asking pertinent questions on each one.

#### Control click on the items to open them to see the detail.

- A-1: <u>CalPERS approval for Health Benefits Program for SLOLAFCO (Recommend Approval)</u>
- B-1: Activation of Solid Waste Power for the San Simeon Community Services District LAFCO File No. 1-E-20 (Recommend Conditional Approval)

Items B-2 and B-3 constituted some fairly extensive annexations to the City of SLO. Portions have already developed and are within the City's legally adopted and approved sphere of influence.

- B-2: Annexation #81 to the City of San Luis Obispo (Fiero East-West Areas) LAFCO File No. 1-R-20 (Recommend Conditional Approval)
- B-3: Annexation #11 to County Service Area No. 18 Country Club (Jack Ranch Tract 2429) LAFCO File No. 2-R-20 (Recommend Conditional Approval)
- B-4: Agreement for Temporary Employment between the San Luis Obispo Local Agency
  Formation Commission and David Church for Interim Executive Officer
  services (Recommend Review and Approval)
- C-1: Receive for Information Purposes proposal LAFCO File No. 4-R-20 For the Torres Annexation to Nipomo Community Services District (Recommend Receive and File)



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#### **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, Love It and Leave It

By Joe Lonsdale

Austin, Texas love California, but I had to leave. I grew up in Fremont, attended Stanford, and have spent most of my adult life in the San Francisco Bay Area, founding technology companies like Palantir and Addepar and investing in many others. In 2011 I founded 8VC, a venture-capital firm that today manages more than \$3.6 billion in committed capital. Few top venture capitalists consider living anywhere other than California and a handful of global financial centers, but I am moving myself and dozens of my 8VC colleagues to a new land of opportunity: Texas.

The harsh truth is that California has fallen into disrepair. Bad policies discourage business and innovation, stifle opportunity and make life in major cities ugly and unpleasant.

Forty years ago my parents came to California because you could accomplish anything in the Golden State. Government policy facilitated the entrepreneurial spirit. Dreamers and doers could thrive. The burst of activity in tech, finance, medicine, energy and many other industries lasted for decades. But now a state like Texas provides these opportunities without the problems and baggage California has accumulated. Let me mention a few personal examples:

 Public safety. Ill-conceived criminal-justice reforms and radical district attorneys are taking a toll on urban life. Three of my colleagues' wives have been harassed and chased by derelicts in San Francisco's streets, which are littered with needles and human waste. My wife is afraid to walk around the city with our young daughters. Police often don't even respond to harassment and property crime, which has surged; San Francisco's property-crime rate is now the nation's highest.



 Electricity. The wildfire smoke that has blanketed California cities is one thing. But power outages, which left us stressed about spoiling breast milk for our daughter, are the direct result of California government incompetence. Last year the state had 25,000 blackouts, and this

Bad policy has made the state unlivable, so I moved my family and my venturecapital firm to Texas.

year has been even worse. The electricity turns on and off, as in Third World countries. Meanwhile, Texas has its own energy grid, with a plentiful and diverse supply. It's nice to turn on the lights whenever we want.

 Responsiveness. In the early days of the pandemic in March, 8VC entreated the mayor of San Francisco and city staff to clarify rules to allow our critical employees to work on accelerating Covid-19 testing and the development of therapeutics. The city didn't deign to respond. Government officials in Texas, by contrast, care about business. They return calls.

 Housing California's restrictive zoning laws make it nearly impossible for many essential low- and middle-income workers to live anywhere near major cities. In Texas, permissive zoning allows every member of our staff to live close to work and spend time with friends and family instead of enduring grueling commutes.

That's not all. The California government is beholden to public-employee unions and spending is out of control. A broken environmental review process means it takes a decade of paying lawyers to build any-Legislation makes impossible for businesses to hire contractors without an exemptiongranted by friends in the legislature, as with the music industry, or won by spending hundreds of millions on a referendum, as gig-economy companies with drivers just did. This isn't how business is done in developed countries.

Politics in the state is in many ways closed off to different ideas. We grew weary of California's intolerant far left, which would rather demonize opponents than discuss honest differences of opinion.

I will continue investing in Silicon Valley startups and fighting to help the state. I'm optimistic that over the long run, California can return to the values that once made it the dynamic center of global technology entrepreneurship. But until priorities change, the state will keep losing its top builders and creators.

In 2000 or 2010, it made sense to build in San Francisco. That's where all the talent was, but not anymore. Except for a few concentrated parts of advanced biotech and software infrastructure technology, talented people are building top technology firms all over the country. This disaggregation of talent will spread prosperity across the U.S. Some of my most prolific entrepreneurial friends from California have moved with us here to Texas. Others have left for Miami, Nashville, Las Vegas and other great American cities. Six of our portfolio companies are already based in Austin and employ hundreds of people.

Our investments follow the talent. We're betting that the future of America is going to be built in the middle of the country, in places with good government and a reasonable cost of living. In other words, places like Texas.

My firm has a motto: "The world is broken, let's fix it." We invest in technologies and people who will transform major industries and improve the lives of millions. It's tragic that California is no longer hospitable to that mission, but beautiful that Texas is. Our job as entrepreneurs and investors is to build the future, and I know of no better place to do so than Texas.

Mr. Lonsdale is a general parmer at the venture-capital firm 8VC.

This article first appeared in the November 16, 2020 Wall Street Journal.

#### **GOVERNOR PREEN**

# California's Gavin Newsom presides with aristocratic hauteur over a state in crisis. BY JOEL KOTKIN

If Hollywood were to cast a governor and future president, and if a straight white male were still politically acceptable, he would look like California's Gavin Newsom. The 53-year-old governor, a former mayor of San Francisco, Newsom handsomely epitomizes the preening politics of the California elite class that has nurtured and financed his career from the beginning.

Like aristocrats of the past, Newsom seems oblivious to the realities felt by constituents among the lower orders. In the face of massive wildfires, he postures on climate change, conflating fires with an angry mother Earth—as opposed to poor land management—and uses the conflagration to justify a radical policy of switching to all-electric power over the next decade, with the elimination of gaspowered cars by 2035. In the midst of a near economic free-fall, he favors raising taxes and works to tighten pandemic lockdowns; and, with the state losing its ability to train workers, he backs an education system where almost three out of five California high schoolers graduate unprepared for either college or a career.

Listening to Newsom, or following California media, one would have no idea how badly California's economy has performed during the pandemic. In the most recent statistics, California's unemployment rate stood at 11 percent, well above the national average of 7.9 percent, and better than only four other states. Since the March lockdown, California, with 12 percent of the nation's population, accounts for 16.4 percent of all unemployment. California also is recovering jobs slower than all but two states, tourism-dependent Hawaii and Nevada. Since the pandemic, the state's largest metro, Los Angeles—Orange County, has suffered the second-largest job losses in the U.S., and two others, the Bay Area and the Inland Empire, rank in the top ten.

This awful performance has had little impact on the state's politically and economically well-positioned ruling class. Newsom may be far from a popular governor, ranking in the lower third among his compatriots, but he enjoys a solidly Democratic legislature and almost lockstep support in the media. Voters are showing signs of getting restless, though, defeating proposals and taxes that he heartily endorsed along with his public-union and tech-industry allies. Typically, he avoided taking a position on Proposition 22, the ban on contract labor detested by the tech firms but deeply supported by the unions.

Conservatives like to ascribe the label "leftist" to politicians such as Newsom. In reality, California's governor is no Marxist firebrand but rather a favored candidate of what the Los Angeles Times described as "a coterie of San Francisco's wealthiest families," including the Fishers (who founded the Gap clothing chain), the Pritzkers (whose family includes the current Illinois governor), and especially the Getty family, which essentially adopted Newsom, financed his business ventures, and allegedly paid for his first lavish wedding while helping launch his political career. These families overall have prospered in California's highly bifurcated economy, among the least egalitarian in the nation. Its prime beneficiaries cluster along the state's postindustrial, temperate zones.

Newsom rose, as former assembly speaker and San Francisco mayor Willie Brown suggests, as the favored spokesman for San Francisco's local well-to-do. "He came from their world, and that's why

they embraced him without hesitancy and over and above everybody else," Brown told the Los Angeles Times. "They didn't need to interview him. They knew what he stood for."

Newsom postures as a social-justice advocate and believer in austere green virtues, but the corporate aristocracy has helped him live in luxury, first in his native Marin, and now in Sacramento. Newsom's passion for the good life caused him some embarrassment recently when he was caught violating his own pandemic orders at the ultra-expensive, ultra-chic French Laundry in Napa. This episode exemplifies America's elite nomenklatura—demanding sacrifices of the masses, whether in the form of lockdowns or housing, but less often from themselves.

In addition to woke posturing on race and gender issues, climate change stands as the key driver of this kind of politics. In many regions, notably the Midwest, Democrats face a conflict between siding with the environmental lobby or with workers in fossil fuels, large-scale manufacturing, and construction. That tension is less evident in California, where a draconian tax and regulatory environment has reduced construction, particularly in the big coastal metros, and where manufacturing has stagnated, while policymakers have targeted the heavily unionized oil industry for extinction.

Draconian climate-change policies allow progressive elites to advertise their good intentions without curtailing their economic opportunities. The state's renewable-energy policies enrich his Newsom's tech backers even when their efforts—such as the Google-backed Ivanpah solar farm—fail to deliver affordable, reliable energy, and bring severe impacts on sensitive habitats, notably in the state's deserts. Even the most impressive of the tech masterminds, Elon Musk, can trace a significant part of his fortune—now estimated at over \$100 billion, the world's fifth-largest—to generous subsidy policies for solar panels and electric cars. Policies that raise energy and housing prices, of course, tend to be politically unpopular—so Newsom, like his predecessors, imposes these regulations administratively, or through executive orders, thus freeing the governor to avoid legislative and political tangles and freeing him of any obligation to explain these positions to the public.

Climate issues have also offered Newsom an ideal way to justify failed progressive policies. Newsom and his ally, presumptive Vice President-Elect Kamala Harris, blamed the wildfires on climate change and all-purpose bogeyman Donald Trump. The media echoed the charges: the New York Times suggests that California is "ground zero for climate disasters," while the Los Angeles Times claims that California now fights not just fires and droughts but also "climate despair."

In reality, as the usually left-leaning Pro Publica has revealed, the fires were made far worse by green policies including constant lawsuits against local efforts to clean up old growth, particularly dead trees, and stopping even sustainable logging. The state Legislative Analyst's Office also found that overall, the fires were less driven by global warming and more by policies that allowed for the accumulation of fuel, as well as growing development in certain exurban areas—partly motivated by a desire to escape the extremely high housing prices along the coast.

The fires are certainly not great for the environment or for reaching the state's super-ambitious greenhouse gas (GHG) goals: according to the U.S. Geological Survey, the 2018 fires emitted roughly as much GHG as an entire year of electrical generation. California, though a hotbed of climate extremism, reduced its greenhouse gases between 2007 and 2016 at a rate that ranked just 40th per capita among the states. Even if California wiped out all emissions, it would have an almost-infinitesimal impact on global climate—and in fact, a negative one, if industry relocates to China, where much electricity is still powered by coal.

Newsom also preens about California's enlightened commitment to social justice. His filmmaker wife Jennifer, scion of a very wealthy Bay Area family, has made a documentary that brands America a "racist country" from its origins, a nation where racial and gender oppression is systematically rife.

Social justice? It's rarely noted how Newsom's policies, particularly in reference to climate change, have only intensified inequality. California already suffers the widest gap between middle- and upper-middle-income earners of any state, while driving up housing costs and narrowing opportunities for working-class people in blue-collar industries. Since 2008, California has created five times as many low-wage as high-wage jobs. It has lost 1.6 million above-average-paying jobs in the past decade—more than twice as many as any other state.

The state's ever-more aggressive green policies seem certain to accelerate that trend. Rather than a sign of bold progressive change, the electrification mandate is likely to consolidate further a new model of high-tech feudalism—one that offers opportunity for powerful regulators and renewable-energy firms but imposes a harsher future on most other Californians. Newsom's defenders praise his energy policies, which in 2017 alone increased prices at three times the national rate. These increases have been devastating to poorer Californians, particularly in the state's less temperate interior, where "energy poverty" has grown rapidly.

The impact has been toughest on blue-collar sectors. Over the past decade, the Golden State has fallen into the bottom half of states in manufacturing-sector employment growth, ranking 44th last year; its industrial new-job creation has been negative. By contrast, competitors such as Nevada, Kentucky, Michigan, and Florida have seen gains. Even without adjusting for costs, notes the New York Times, no California metro ranks in the U.S. top ten in terms of well-paying blue-collar jobs, but four—Ventura, Los Angeles, San Jose, and San Diego—place among the bottom ten.

Newsom's recent plan to impose forced electrification on those parts of the economy running on fossil fuels and his efforts to cut off other sources of supply, like natural gas and nuclear power, will put enormous strain on a state already suffering power outages and rising prices. The mandate to use electric trucks, which are expensive and inefficient, threatens jobs at California's three major ports—Los Angeles, Long Beach, and Oakland—which support nearly 5 million California jobs, nearly one in four of the state's total. The new electrical truck mandate, shipping companies note, will threaten the competitive advantage of these ports, with many jobs likely to head for Houston and other ports free of such strictures.

The question now is how long Californians will put up with Newsom's posturing. Over time, high energy prices affect not just blue-collar industries but also the rapidly departing tech sector; artificial intelligence and live-streaming providers are among the largest and fastest-growing consumers of electricity. Ultimately, Newsom's political coalition of greens, the wealthy, and public unions could be strained by the state's deepening fiscal crisis. A high unemployment rate and an already-expansive welfare state will demand more money from the state's already-beleaguered middle class. Some business leaders, notably Disney's Robert Iger, have balked at strict lockdowns on theme parks, which have been devastating to Southern California. Even the state's leading green entrepreneur, Musk, has become increasingly critical of the state's lockdown and regulatory policies.

Dissatisfaction from the middle and working class may present an even greater challenge for Newsom. Dissent over green policies in particular has been growing of late, particularly among minorities and advocates for the poor. Newsom's attempt to raise property taxes on businesses amid the recession was defeated handily—mainly by voters outside Los Angeles County and the urban core of the Bay Area—

as was his affirmative action push, financed lavishly by his wealthy backers, which also failed at the polls.

Talk of a major new tax increase—up to 16 percent on top earners—is not likely to appeal to aspiring entrepreneurs. On November 3, California voted decisively for Joe Biden, but middle-class voters, including minorities, showed a surprisingly independent streak. Minority business groups bitterly noted in a letter to Mark Zuckerberg, the biggest backer for the measure raising property taxes: "Unlike Facebook, restaurants, dry cleaners, nail salons and other small businesses can't operate right now and many may never open again. The last thing they need is a billionaire pushing higher taxes on them under the false flag of social justice."

Unless Newsom starts expanding beyond his narrow circle of backers, he may find himself facing a multifaceted peasant rebellion, one pitting unions against wealthy elites, the woke against the vast majority, and small businesses against big companies and the well-connected. To present a serious challenge to the state's one-party rule, California's floundering Republican Party needs to find a compelling candidate and raise money from what remains of its economic base. This may be too much to ask, but, given his state's collapsing prospects, Gavin Newsom may face mounting challenges, if not in California then at least to his national ambitions. Even the most elaborate preening has its limits.

Joel Kotkin is the Presidential Fellow in Urban Futures at Chapman University and executive director of the Urban Reform Institute. His latest book is The Coming of Neo-Feudalism. You can follow him on Twitter @joelkotkin. This article irst appeared in the City Journal of November 20, 2020.

# THE DYSTOPIAN "FOURTH INDUSTRIAL REVOLUTION" WILL BE VERY DIFFERENT FROM THE FIRST ONE

BY ANTONY P. MUELLER



If one takes the publications of the World Economic Forum (WEF) as an indication of how the "Fourth Industrial Revolution" will change society, the world is facing a massive onslaught against individual liberty and private property. A new kind of collectivism is about to emerge. Like the communism of the past, the new project appeals to the public with the assurance of technological advancement and social inclusion. Additionally, ecological sustainability and the promise of longevity or even immortality are used to entice the public. In reality, however, these promises are deeply dystopian.

#### The Fourth Industrial Revolution

According to Klaus Schwab, the founder and current executive chairman of the <u>WEF</u>, the "Fourth Industrial Revolution" (2016) represents a new stage of the disruptive technological advances that began toward the end of the eighteenth century with the textile industry and the use of steam power. The Second Industrial Revolution took place in the decades before and after 1900. It created a plethora of new consumer goods and production technologies that allowed mass production. The third Industrial Revolution began around 1950 with the breakthroughs in digital technologies. Now, according to Klaus Schwab, the fourth Industrial Revolution means that the world is moving toward "a true global civilization."

The fourth Industrial Revolution provides the potential "to robotize humanity, and thus compromise our traditional sources of meaning—work, community, family, identity." Schwab predicts that the fourth Industrial Revolution will "lift humanity into a new collective and moral consciousness."

<u>Transhumanism</u> is part of the transformation that comes with the fourth Industrial Revolution, as <u>artificial intelligence</u> (AI) will surpass even the best human performances at specific tasks. The new technologies "will not stop at becoming part of the physical world around us—they will become part of us, <u>Schwab</u> declares.

In the foreword to Schwab's latest book, *Shaping the Future of the Fourth Industrial Revolution* (2018), the CEO of Microsoft, Satya Nadella, states that the evolution of the new technologies "is entirely within our power." Microsoft and the other high-tech companies "are betting on the convergence of several important technology shifts—mixed reality, artificial intelligence and quantum computing."

Satya Nadella informs readers that Microsoft, Amazon, Google, Facebook, and IBM will cooperate in an <u>AI</u> partnership that will work to develop and test the technology in fields such as "automobiles and healthcare, human-AI collaboration, economic displacement, and how AI can be used for social good."

#### **All-Embracing Transformation**

In the preface to his latest book, Klaus Schwab <u>predicts</u> that the fourth Industrial Revolution will "upend the existing ways of sensing, calculating, organizing, acting and delivering." He states that "the negative externalities" of the present global economy harm "the natural environment and vulnerable populations."

The changes that come with the new technologies will be comprehensive and will topple "the way we produce and transport goods and services." The revolution will upset how "we communicate, the way we collaborate, and the way we experience the world around us." The change will be so profound that the advances in neurotechnologies and biotechnologies "are forcing us to question what it means to be human."

Like Satya Nadella's foreword, Schwab's text reiterates several times the claim that the "evolution of the fourth Industrial Revolution" is "entirely within our power" when "we" use the "window of opportunity" and drive for "empowerment." The "we" that both authors speak of is the global technocratic elite that calls for central control and state interventionism (called "shaping the future") in

a new system that is characterized by intimate cooperation between business and government, or, more specifically between high tech and a handful of key states.

The World Economic Forum's webpage about the "<u>Great Reset</u>" proclaims that "the Covid-19 crisis" presents "a unique window of opportunity to shape the recovery." At the present "historic crossroads," the world leaders must address "the inconsistencies, inadequacies and contradictions" ranging from healthcare and education to finance and energy. The forum defines "sustainable development" as the central aim of the global management activities.

The "Great Reset" calls for global cooperation to attain <u>goals</u> such as "harnessing the fourth Industrial Revolution," "restoring the health of the environment," "redesigning social contracts, skills, and jobs," and "shaping the economic recovery." As thematized at the October 20–23, 2020, "<u>Jobs Reset Summit</u>," a "green recovery" from the covid-19 crisis promises a "<u>green horizon</u>." The WEF summit in January 2021 will specifically address the <u>transformations</u> that are to come. The main topics include "stable climate," "sustainable development," a "zero carbon" economy, and agricultural production that would reduce cattle farming in tune with the global reduction of meat consumption.

#### The Alternative

The rise of living standards together with the growth of the world population became possible because of the Industrial Revolution. Those who want to bring down capitalist society and the economy must necessarily opt for declining living standards and depopulation. The promoters of the plans to bring about a new world order with the force of the state negate that radical capitalism could much better provide the means to move to a better world, as has been the case since the inception of the First Industrial Revolution.

What brought about the industrial revolutions of the past were free markets and individual choice. As Mises explains, it was the *laissez-faire* ideology that produced the First Industrial Revolution. There was a spiritual revolution first that brought an end to "the social order in which a constantly increasing number of people were doomed to abject need and destitution" and where the manufacturing activity "had almost exclusively catered to the wants of the well-to-do" and their "expansion was limited by the amount of luxuries the wealthier strata of the population could afford."

The ideology of the World Economic Forum is that of the preindustrial era. While the website of the forum (WEF) teems with terms like "power," "organization," and managed "sustainable development," concepts like "freedom," "market coordination," and "individual choice" are blatantly absent. The forum hides the fact that instead of human progress, impoverishment and suppression is the future of humankind. The implicit consequence of the planned "ecological economy" is the drastic reduction of the world population.

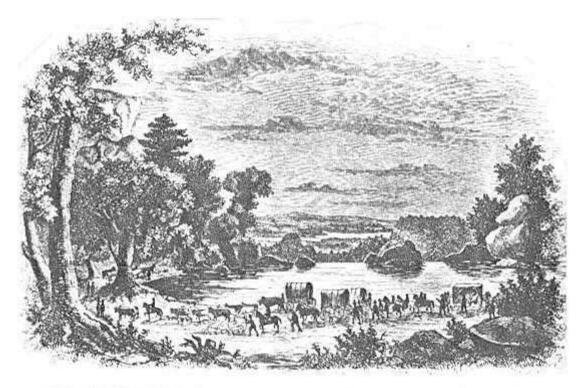
With the abolishment of markets and the suppression of individual choice, which the collectivist plans of the WEF propound, a new dark age would come. Different from what the planners presume, technological progress itself would come to a standstill. Without the human creativity that springs from the mindset of individualism, no economic progress has ever been possible.

#### Conclusion

The new technologies that come with the fourth Industrial Revolution can be of immense benefit to humankind. The technologies *per se* are not the problem but how they are used. A dystopian future awaits us if the global elite of the World Economic Forum has its say. The result would be a technocratic terror regime masked as a benevolent world government. Yet there is an alternative. As widely proven over the past two hundred years, free markets and individual choice are the sources of technological advancement, human progress, and economic prosperity. There are no rational reasons to presume that the fourth Industrial Revolution would require collectivism. Free markets are the best way to cope with the challenges that come with new technologies. Not less but more capitalism is the answer.

Dr. Antony P. Mueller is a German professor of economics who currently teaches in Brazil. Write an <u>email</u>. See his <u>website</u> and <u>blog</u>.

#### **Connecticut Thanksgiving Remembrances**



THE JOURNEY THROUGH THE WILDERNESS FROM NEWTOWN TO HARTFORD BY REV. MR. HOOKER AND PARTY IN 1636

Special Government

What was so special about the government created by Hooker and the other founders?

When he lectured in his native England, Hooker drew large crowds - and unfriendly scrutiny from the state-supported Church of England. The Puritans had been hoping to reform, or "purify," the church, but at that point the church was purging itself of Puritans, so Hooker was ordered to appear before the High Commission, also known as "the star chamber." Instead, he jumped bond and fled to Holland.

From Holland, Hooker and a group of his parishioners made the trying and dangerous voyage across the Atlantic to the Massachusetts Bay Colony, settling in Cambridge, which was then known as Newtown. But they disliked the decidedly undemocratic ways of the colony's government and decided to investigate for themselves reports of fertile land in the Connecticut River Valley.

On May 31, 1638, exactly two years after he had set out from Newtown, Hooker delivered a sermon containing his vision of how the recently named Hartford should govern itself.

"The foundation of authority is laid, firstly, in the free consent of the people," he said. He went on to argue that the "choice of public magistrates belongs unto the people by God's own allowance" and that "they who have the power to appoint officers and magistrates, it is in their power also to set the bounds and limitations of the power and the place unto which they call them."

Historian Ellsworth Grant wrote, "These words were the first practical assertion ever made of the right of the governed not only to choose their rulers but to limit their powers."

The founders of Hartford, Wethersfield, and Windsor used this sermon and others from Hooker as a basis for their <u>Fundamental Orders</u>, considered by some to be the world's first written constitution. It's why Connecticut came to be known as the Constitution State. The Connecticut State Library site has the text of the orders.



The legacy of freedom, private property, rule of law, separtion of powers, and a stable justice system built what were once great cities like Hartford. The

progressives have wrecked them.

For almost 4 centuries most Harfordites have prefered to live in freestanding homes on acreage in the west end of the city- west of the downtown. This style spread though out the region in the 20<sup>th</sup> Century as population increased.





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DAN WALTERS EXPLAINS SACTO MACHINATIONS AT A COLAB FORUM See the presentation at the link: <a href="https://youtu.be/eEdP4cvf-zA">https://youtu.be/eEdP4cvf-zA</a>



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



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MIKE BROWN RALLIES THE FORCES OUTDOORS DURING COVID LOCKDOWN.

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