

# **WEEKLY UPDATE AUGUST 20 - 26, 2023**



# FALL MIXER 2023

# SAVE THE DATE

OCTOBER 4TH
5:30PM - 7:30PM
THOUSAND HILLS RANCH
550 THOUSAND HILLS RD.
PISMO BEACH, CA

FOOD 8 BEVERAGES WILL BE PROVIDED







## SUPERVISOR GIBSON LEADS STATEWIDE ATTACK ON PROPOSITION 13



BIRDS OF A FEATHER

Senator Scott Wiener is one of the most left of the State's bosses. He is another east coast Harvard law carpet bagger exploiting the local rubes. He promotes stack & pack housing and weird San Francisco policies.

# **California State Association of Counties**

CSAC 1st Vice President Bruce Gibson, SLO
County Supervisor today voiced
#CACounties support for Assemblymember
Cecilia Aguiar-Curry's ACA 1. We
respectfully urge the Legislature and
Governor to pass and sign ACA 1 to assist
local governments in addressing housing,
transportation and infrastructure crises.

On Thursday, August 17, 2023, 2<sup>nd</sup> District Supervisor Bruce Gibson led a rally in front of the State Capital endorsing the gutting of Proposition 13 tax protection. The proposed Assembly

<sup>&</sup>lt;sup>1</sup> From the CSAC news release of August 17, 2023.

Constitutional Amendment 1 (ACA-1), if placed on the ballot and approved by the voters, would reduce the threshold for new property taxes, assessments, and sales taxes from 2/3rds to 55%. This is a major attack on the middle class, which foreshadows a huge expansion in government. Moreover, hundreds of thousands if not millions of homeowners, farmers, and businesses could be driven into foreclosure or forced to move.

Gibson never placed the question on the SLO County Board agenda to receive authorization of his CSAC vote on the matter. He doesn't care what his 4 colleagues think, let alone 280,000 SLO County citizens. His stealthy support is yet another example of his hubris and arrogance. It's time for the recall fundraising campaign and signature gathering.

As we reported last week, Gibson, Ortiz-Legg, and Paulding voted against scheduling consideration of the County's position on ACA-1 on the agenda. They won't even allow it to be discussed. Gibson is violating the Board's Legislative Program policy, which requires that such issues be considered in advance and in public on the agenda. Of course, he will say he was simply representing CSAC's position as its 1<sup>st</sup> Vice President. Nevertheless, he voted for that position as the County's representative.

#### Some key provisions of the bill of ACA 1 include:

1) The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.

This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, or special district, as applicable, and the proposition includes specified accountability requirements. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure.

This measure would authorize a local government to impose, extend, or increase a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax, as defined, for the purposes of funding the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by a majority vote of the membership of the governing board of the local government and by 55% of its voters voting on the proposition and the proposition includes specified accountability requirements. This measure would also make conforming changes to related provisions. The measure would specify that these provisions apply to any local measure imposing, extending, or increasing a sales and use tax, transactions and use tax, or parcel tax for these purposes that is submitted at the same election as this measure.

*For purposes of this paragraph:* 

- (i) "Affordable housing" shall include housing developments, or portions of housing developments, that provide workforce housing affordable to households earning up to 150 percent of countywide median income, and housing developments, or portions of housing developments, that provide housing affordable to lower, low-, or very low income households, as those terms are defined in state law.
- (ii) "At risk of chronic homelessness" includes, but is not limited to, persons who are at high risk of long-term or intermittent homelessness, including persons with mental illness exiting institutionalized settings, including, but not limited to, jail and mental health facilities, who were homeless prior to admission, transition age youth experiencing homelessness or with significant barriers to housing stability, and others, as defined in program guidelines.
- (iii) "Permanent supportive housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to onsite or offsite services that assist residents in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. "Permanent supportive housing" includes associated facilities, if those facilities are used to provide services to housing residents.

**NOTE:** The measure would provide funding for housing and a wide variety of porky projects which "support housing."

- iv) "Public infrastructure" shall include, but is not limited to, projects that provide any of the following:
- (I) Water or protect protection of water quality.
- (II) Sanitary sewer.
- (III) Treatment of wastewater or reduction of pollution from stormwater runoff.
- (IV) Protection of property from impacts of sea level rise.
- (V) Parks and recreation facilities.
- (VI) Open space.
- (VII) Improvements to transit and streets and highways.
- (VIII) Flood control.
- (IX) Broadband internet access service expansion in underserved areas.
- (X) Local hospital construction.
- (XI) Public safety buildings or facilities, equipment related to fire suppression, emergency response equipment, or interoperable communications equipment for direct and exclusive use by fire, emergency response, policy, police, or sheriff personnel.
- (XII) Public library facilities.

# THIS WEEK SEE PAGE 6

# BOARD OF SUPERVISORS GRAND JURY WHITEWASH OF ELECTIONS OFFICE

### GRAND JURY REVIEWS PASO BASIN SIGMA PLAN THEY SAY HURRY UP BUT LEAVE SMALL USERS HANGING

### \$7.6 MILLION PASO BASIN WATER GRANT CITY OF PASO GETS \$3.7 BUT STILL PUMPING THE BASIN NOT USING ITS NACI WATER

MORE CLIMATE PORK – UPDATE OF CLIMATE ACTION PLAN DID THE FIRST 2 ACCOMPLISH ANYTHING?

### **WARNING**

HOUSING IN LIEU TAX BACK HOME BUILDERS, REALTORS, REACH, CHAMBERS, AND DEVELOPERS SHOULD BE IN THE BOARD ROOM TO OPPOSE

### PLANNING COMMISSION LITE

# LAST WEEK SEE PAGE 12

### NO BOARD OF SUPERVISORS

# LAFCO PAULDING PLAYS GIBSON LAP DOG COMMISSION NOT IMPRESSED



TEMPLETON COMMUNITY SERVICE DISTRICT REVIEW APPROVED

# EMERGENT ISSUES SEE PAGE 15

# SOUTHERN CALIFORNIA'S NATURAL GAS PLANTS TO STAY OPEN THROUGH 2026

# CALIFORNIA BASED ELECTRIC BUS COMPANY PROTERRA STUNS WITH BANKRUPTCY FILING

## COLAB IN DEPTH SEE PAGE 24

### HOW UNIONS HAVE BETRAYED AMERICA

Government unions control and corrupt public services; private sector unions betray the worker

BY EDWARD RING

# PUBLIC EMPLOYEE UNIONS RULE CALIFORNIA

Expect more strikes, fewer government services, and more tax increases to pay for pension obligations

BY STEVEN GREENHUT

# THIS WEEK'S HIGHLIGHTS ALL MEETINGS ARE AT 9:00 AM UNLESS OTHERWISE NOTED

**Board of Supervisors Meeting On Tuesday, August 22, 2023 (Scheduled)** 

Item 3 - Request to 1) approve responses to the FY 2022-23 Grand Jury report titled "Investing in Election Accuracy Has Our Vote"; and 2) forward the responses to the Presiding Judge of the Superior Court by September 10, 2023. The Jury, prompted by omissions of several names on some ballots, reviewed the situation and determined these were the fault of the outside printing firm. The Jury concluded that the Elections Office did not have enough staff to review the galley proofs. It then, in typical government fashion, extrapolated the idea that the office requires more funding and staffing. Otherwise, it praised the office staff. The Jury did point out that the office does not have set procedures in a manual for processing various workflows.

Apparently, no one cared about the larger issues of the security of the Dominion voting machines, Bruce Gibson's sudden 13 vote victory in 2022 when the trend was running the other way for weeks, or the complaints of bad treatment by the count watchers.

Overall, the Grand Jury found that the Clerk-Recorder and staff have been conscientious, diligent, and professional in the conduct of their election-related duties, even in the face of challenging conditions.

The Grand Jury also sought to identify factors that present challenges to the Clerk-Recorder's Office in its performance of functions vital to election accuracy and integrity. In addition to the overall complexity of the election process, two factors emerged. First, the Grand Jury reviewed the Office's quality control and assurance measures for printed election materials. We found that the Clerk-Recorder's Office does not have standard operating procedures (SOPs) – i.e., written instructions that describe step-by-step processes – needed for effective quality control during this part of the election process. Second, we conducted a review of staffing levels/configuration, budget, and physical space for the Clerk-Recorder's Office. Analysis included comparison to elections offices in other California counties. Results of the comparison indicate that per capita staffing levels and budget for election-related activities in San Luis Obispo County fall significantly below many other counties. There is a particular need for additional supervisory-level staff. Inspection of the physical space for election-related activities and storage of election materials also revealed the need for additional physical resources for the Office. The findings and recommendations in this report highlight each of these concerns.

Table 1. Needs for Additional Staffing Presented to the County Administrator

TYPE OF POSITION	NEED TO BE ADDRESSED
Program Manager – Elections	Assume responsibility for the Vote-by-Mail process that has
(1 FTE)	been managed by the Deputy Director, Clerk-Recorder.
Public Information Specialist – Clerk-Recorder	Ensure that all voters, the media, and other interested
and Elections	parties are well-educated and informed of all election-
(1 FTE)	related processes and rationale.
Geographical Information Systems (GIS) Analyst	Ensure that the Election Division will meet the current and
<ul> <li>Clerk-Recorder and Elections</li> </ul>	ongoing need to maintain district, precinct, street, and
(1 FTE)	address data to ensure fair and accurate elections.
	Additional staff to support elections. Fund pay increase for
Temporary Staff Budget - Increase	all temporary election workers, some of whom have not had
	an increase in 10 years.

Source: San Luis Obispo County Clerk-Recorder's Office

In preparing the FY 2023-24 Budget, former CAO Wade Horton did not include this increase.

Table 2. Staffing and Budget for Elections Offices – County Comparison

		<b>Election Staff</b>	Current	Staff per	Spending
County	Population	(Full Time Equiv.)	Budget	100,000 pop	per capita
Santa Barbara	447,651	21.5	\$6,311,300	4.80	\$14.10
Merced	279,150	12.75	\$2,357,467	4.57	\$8.45
Napa	138,795	6	\$2,091,366	4.32	\$15.07
Marin	262,387	10.2	\$3,439,163	3.89	\$13.11
Santa Cruz	272,138	10	\$4,220,388	3.67	\$15.51
Kings	151,887	5	\$1,152,885	3.29	\$7.59
Stanislaus	551,275	16	\$4,152,063	2.90	\$7.53
Imperial	181,253	5	\$1,540,671	2.76	\$8.50
Monterey	438,953	12	\$5,523,076	2.73	\$12.58
San Luis Obispo	282,771	6.35	\$1,800,646	2.25	\$6.37
Staff Levels from FY	2022-23 Adopted	d County Budgets			

Item 4 - Request to 1) approve responses to the FY 2022-23 Grand Jury report titled "Can One Wet Year Wash Away the Paso Robles Basin's Water Worries?"; and 2) forward the responses to the Presiding Judge of the Superior Court by September 6, 2023. Basically, the lengthy report contains a long summary of the conditions, background, County and other agency efforts, and current status of the Paso Basin. It is essentially a tutorial for the Jury itself to understand the history. The actual recommendations are very general and tell the County and other Basin regulators to hurry up and begin to implement the SGMA Plan.

It also contains a key Bruce Gibson long term policy goal.

By Fiscal Year 2024/25, the County GSA should impose user fees to eliminate the need for County General Fund contributions and to implement the necessary programs for basin sustainability.

**NOTE:** The general fund has not been a significant contributor inasmuch as the County has received a variety of grants to prepare the SGMA mandated groundwater sustainability plan (GSP) and is now receiving millions for implementation.

#### One bizarre recommendation states:

Once the GSAs have enacted management measures which ensure the basin is stabilized, the County Board of Supervisors should revise their existing planting ordinance to allow for equitable agricultural use of properties.

The new Board majority let by Gibson rescinded the Planting Ordinance in March, thereby condemning the small Ag users to not being allowed to pump any water until at least 2028, if not longer. The Jury missed the train and failed to diagnose the ongoing unfairness on this one. The basin will not be stabilized for decades.

Item 15 - Request to 1) authorize a budget adjustment for FC 205 - Groundwater Sustainability Department in the amount of \$7,600,000 from the Sustainable Groundwater Management Round 1 Implementation Grant Program using State Aid revenue from Department of Water Resources for grant administration and disbursement to participating agencies for implementation of the Paso Robles Sub basin Groundwater Sustainability Plan (GSP). The County successfully competed for and won a major grant to begin implementation of the Paso Basin Ground Water Sustainability Plan (GSP). Staff proposes that the funds be divided up per the chart below:

Components	Grant Amount
Component 1: Grant Administration	\$250,000
Component 2: City of Paso Robles Recycled Water Distribution System – Salinas River Segment	\$3,500,000
Component 3: San Miguel Community Service District Recycled Water Supply project	\$1,000,000
Component 4: Address GSP Data Gaps – High Priority	\$1,400,000
Component 5: High Priority Management Actions	\$800,000
Component 6: Supplemental Water Supply Feasibility/Engineering Studies	\$650,000
Total:	\$7,600,000

The City of Paso Robles is getting away with murder. For years it has been heavily pumping the Paso Basin aquifer instead of using its allotment of Nacimiento project water. That water is simply running down the Salinas River. The City is using the cheaper ground water rather than the more expensive Naci water. Now the City is being further subsidized to treat its sewer water, which will theoretically be sold to agricultural users in the basin. This would be one subcomponent of the larger Supplemental Water Projects component of the Paso Basin Groundwater Sustainability Plan (GSP). When is the Paso Basin Cooperative Committee going require that the City reduce its pumping and start using its Naci water?

**Table 4 – Proposed Supplemental Water Projects** 

Project	Lead Agency	Purpose	Timeline	Funding	Potential Acre Feet Annually
Paso Robles Recycled Water	Paso Robles	Direct reused water to Airport Area	Construction scheduled for Fall 2023	\$3.5 million WQCB; \$ 9.73 m in Federal	3000
San Miguel Recycled Water	San Miguel CSD	Direct recycled water to injection Salinas River	In development	\$1million secured for design	200
Nacimiento Water Blending with Recycled Water	Paso Robles	Supplemental recycled water with water to reduce salts	In discussion with growers who would use and pay for water	Unknown	1000
Nacimiento Water injection into Salinas/Estrella Confluence	TBD	Supplement depression in basin	No set partners; availability of water buyers/sellers unknown	Unknown	2800
Nacimiento Water delivered east of City of Paso Robles	TBD	Supplement growers, rural residential or depressions in basin	No set partners; availability of water buyers/sellers unknown	Unknown	2000
Salinas Dam Expansion	County	Install gate in dam to increase water impounded	Requires action at federal level to move to local asset	Unknown	1000

The GSP requires that overall pumping be reduced by about 13,000 acre-feet per year through reduced pumping or adding supplemental water.

Item 23 - Request for approval to apply for a Regional Resilience Planning Grant in an amount up to \$650,000 for an updated greenhouse gas inventory and climate action plan. Why does the Plan, which was originally adopted in 2011 and updated in 2016, have to be updated again with \$650,000 in state taxpayer money? The write-up states that those plans were not actionable, whatever that means. It also states that those plans missed some details, particularly as they relate to vehicle emissions.

How has the County and its subcomponent jurisdictions performed so far in terms of the 2016 update?

Is this simply part of continuously moving the goal posts to keep staff and consultants on the political patronage trough, while finding more reasons to make homes ever more costly and shut off business development? SLO County is infinitesimal compared with the state, national, and world totals. It's not even a rounding error. Tweaking the plan is a ridiculous use of public funds.

#### Item 37 - Overview of the 2022 Annual Agricultural Statistics for San Luis Obispo County.

For the second consecutive year, crop values for San Luis Obispo County set a record high as the total value for 2022 reached \$1,084,332,000, a slight increase of less than one percent over the previous year. Although the impacts from the ongoing drought led to reduced yields in a wide variety of crops, strong crop prices helped offset reductions in total production, and the overall farmgate value of the county's agricultural industry exceeded \$1 billion for the third time in history.

COMPARISON OF VALUATION OF MAJOR GROUPS DURING THE PAST TEN YEARS

	comit and of the or the york and of a bound the trains						
				FRUIT &			
<b>YEAR</b>	ANIMAL	FIELD	NURSERY	NUT	<b>VEGETABLE</b>	TOTAL	
2013	\$100,865,000	\$16,365,000	\$97,651,000	\$468,355,000	\$237,896,000	\$921,132,000	
2014	\$135,017,000	\$16,812,000	\$84,394,000	\$468,518,000	\$195,329,000	\$900,070,000	
2015	\$70,659,000	\$15,600,000	\$99,511,000	\$428,344,000	\$214,059,000	\$828,173,000	
2016	\$45,350,000	\$16,784,000	\$86,933,000	\$568,129,000	\$212,734,000	\$929,930,000	
2017	\$47,909,000	\$16,679,000	\$82,802,000	\$566,592,000	\$210,716,000	\$924,698,000	
2018	\$48,596,000	\$18,777,000	\$81,190,000	\$656,609,000	\$230,327,000	\$1,035,499,000	
2019	\$41,073,000	\$24,180,000	\$80,566,000	\$615,218,000	\$217,972,000	\$979,009,000	
2020	\$46,509,000	\$20,217,000	\$75,883,000	\$603,283,000	\$232,783,000	\$978,675,000	
2021	\$43,108,000	\$14,889,000	\$76,503,000	\$713,904,000	\$233,548,000	\$1,081,952,000	
2022	\$48,247,000	\$20,056,000	\$98,041,000	\$624,332,000	\$293,656,000	\$1,084,332,000	

Grapes may have reached the market saturation point.

		ACF	REAGE	PROD	UCTION		GROS	SS VALUE
CROP	YEAR	PLANTED	BEARING/ HARVESTED	PER ACRE	TOTAL	UNIT	PER UNIT	TOTAL
Cranes Wine (All)	2022	47,368	42,264		136,982	Ton		\$261,937,000
Grapes, Wine (All)	2021	46,507	41,302		166,473	Ton		\$281,517,00

Why did a Canadian teacher's pension fund buy the Harvard University Endowment's properties in the Paso Basin? Why did Harvard sell?

Item 38 - Submittal of the Title 29 Affordable Housing Fund FY 2021-22 and FY 2022-23 Annual Report. This is actually a report on the use of funds derived from the Inclusionary Housing Fee (in reality a tax on market rate housing). The prior Board majority abolished the ineffective and unfair program in 2022. This report covers the use of residual funds left over from the program.

It is highly likely that Supervisor Gibson and the new Board majority will direct staff to develop the paperwork and ordinance to re-establish the program.

#### **BACKGROUND**

**Brief History:** Decades ago, the State adopted enabling legislation that allows cities and counties to require that developers include a percentage of affordable housing within their new projects. Only148 jurisdictions (out of 58 counties and 450 cities in the state) have adopted the provision. San Luis Obispo County is one of those entities and adopted its ordinance in 2008. Under the ordinance San Luis Obispo County typically required that a new subdivision of 100 homes provide "20" affordable homes. Obviously, projects that are already 100% affordable (usually government funded not-for-profit projects) are exempted. Thus, it is the market-priced homes that are taxed. Commercial projects are also subject to the tax posing as a fee on a per square foot basis.

It is ironic and patently stupid that government has determined to tax the very thing that is in short supply, in order to provide more of it.

Over the years, various jurisdictions learned that this compulsory mixing of housing types did not work well from a marketing or social interaction standpoint. For example, there are huge fights in homeowner associations (HOAs) about common uses. Do the people in the affordable units get to use the pool? From the developers' standpoint it is difficult to market the non-affordable units in a subdivision or complex that contains less stylish and less fancy affordable units. Market buyers are leery of buying into a social engineering scheme.

Eventually, the State amended the enabling statute to allow developers to pay a "fee," in reality a tax, instead of building the actual units. This is the so-called "housing in lieu" fee. SLO uses it to assist "affordable" projects in the cities and Templeton.

The Bottom Line: The bottom line is that over the decades the process of developing residential and commercial property has become so over regulated and expensive that developers cannot afford to produce affordable housing and prefer to develop larger, more expensive units. In turn, the State Legislature has made things worse by enabling cities and counties to require that developers include a stipulated number of affordable units in their projects or pay an "in lieu fee," which is really a tax on development. The dollars generated from the "in lieu fee" are accumulated and then given to non-profit housing developers to help finance their affordable projects. This is really a government blackmail program to force homebuilders to charge more for their market units in order to bail out the politicians' failed public policy.

In 2019 the Board updated the ordinance to exclude homes with less than 2200 square feet and substantially raise the so-called fees for market and custom homes. In exchange, Supervisor Gibson agreed to let the Board majority direct staff to conduct an extensive analysis of alternative methods to help affordable housing. During the first phase of the project, staff generated a list of potential programs from which the Board selected some strategies for further feasibility study. A Project Manager, who has since left the County, was assigned to lead the project. The project was abandoned when COVID 19 arrived, and staff members were shifted to other duties. It was then shifted to LAFCO. As we reported several weeks ago, the idea of finding new sites to develop was relegated to theory with no commitment from the cities or County to zone them in.

**Screwed Again:** As a result, Gibson got higher fees established, but the promised project to find other better solutions never took place. The Board revised the Inclusionary Housing Ordinance on March 12, 2019. The most significant changes to the fee structure included applying the fee to all new dwellings over 2,200 square feet in size (previously the fee had only applied to subdivisions) and replacing the flat rate fee (\$1.50 per square-foot) with a tiered rate structure based on square footage (with a maximum overall rate of \$7 per square-foot). As an example, a new 3,000 square-foot house would pay \$8,400 in in lieu taxes under the tiered rate structure. The Board also included Section 29.05.050, as described above, which requires the County to hold a hearing in three years and repeal the Inclusionary Housing Ordinance if broad based funding options would have been successfully established.

**Overall Impact:** The County's inclusionary housing ordinance compelled developers to meet their affordable housing exactions (county mandated wealth transfer) by providing affordable dwellings, paying fees, or donating land. Residential projects pay in-lieu fees, and commercial projects pay housing impact fees pursuant to the Title 29 fee schedules. Title 29 also requires the County to consider annual fee adjustments. The annual adjustments may reflect changing construction costs and a periodic review of the fee formulas.

The bottom line is that over the decades the process of developing residential and commercial property has become so overregulated and expensive that developers cannot afford to produce affordable housing and prefer to develop larger, more expensive units. In turn, the State Legislature made things worse by enabling cities and counties to require that developers include a stipulated number of affordable units in their projects or pay an "in lieu fee," which is really a tax on development. The dollars generated from the "in lieu fee" are accumulated and then given to non-profit housing developers to help finance their affordable projects. This is really a government blackmail program to force homebuilders to charge more for their market units to bail out the politicians' failed public policy.

Homebuilders were required to provide one affordable unit for each five market units or pay a "fee" (tax) into the affordable housing fund in lieu of actually building the unit.

The amount of the fee is based on a complex black box study called a nexus study, which analyzes economic and market factors to come up with the base per sq. ft. costs. This data is then manipulated into a standard "fee" (tax) based on the size of the market houses (unsubsidized houses). It is then applied to each market house (per unit fee). Some Sample Taxes – For every five market houses, the builder would have to pay the amounts listed below to help create one affordable house.

Planning Commission of Thursday, August 24, 2023 (Scheduled)

The agenda contains applications for various permits but no major policy considerations.

## LAST WEEK'S HIGHLIGHTS

**Local Agency Formation Commission Meeting of Thursday, August 17, 2023 (Completed)** 

**Public Comment for Matters Not on the Agenda.** Long term Creston water and property rights advocate Greg Grewal alerted the Commission that Bruce Gibson is planning to make the El Pomar Creston Water District (EPC) a full-fledged SGMA participant water district on the Paso Basin Cooperative Committee. He pointed out that this is in violation of LAFCO's approval of the creation of the water district, which specifically did not grant the District functions of a SGMA qualified district and specifically forbade its membership on the Paso Basin Cooperative Committee.

The Commission was shocked to hear this. When one of the members proposed that the matter be scheduled on a future Commission agenda, Supervisor Jimmie Paulding attempted to have the Commission reject the proposal. He asserted that it would be a "waste of time and that the Commission had more important matters to attend." The Commission promptly voted 5/1 (Paulding dissenting) to hear the matter at the earliest possible time.

Disappointingly, Paulding is looking like the Gibson lap dog.



Item A.2 - LAFCO NO. 1-S-22 | Municipal Service Review and Sphere Of Influence Study For Templeton Community Services District. The Commission received the presentation. State Law requires LAFCOs to conduct periodic service reviews of the various cities, community service districts, and special districts within their respective counties. The theory is that there should be an assessment of the adequacy of the services that they provide and should they expand. There is also as assessment of their future service capacity as the population grows. The write-up states in part:

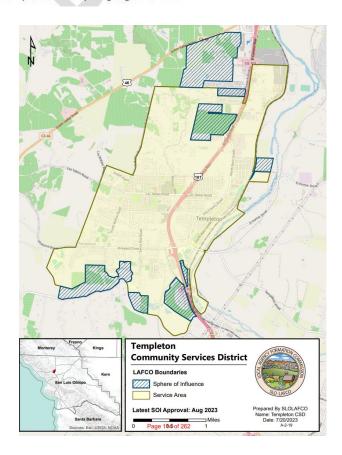
The Cortese-Knox-Hertzberg (CKH) Act directs Local Agency Formation Commissions (LAFCO) to regularly prepare municipal service reviews (MSRs) in conjunction with establishing and updating each local agency's sphere of influence (SOI). The legislative intent of MSRs is to proactively assess the availability, capacity, and efficiency of local governmental services prior to making SOI determinations. MSRs may also lead LAFCOs to take other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies in addition to any related sphere changes. The Fiscal Year 2022-2023 Work Plan revised the schedule for completion of the next MSR cycle, and an MSR for the Templeton Community Services District (TCSD) has been prepared consistent with the established timeline.

#### At A Glance

Table 1: District Profile<sup>1</sup>

Agency Name	Templeton Community Services District
Formation	1976
Legal Authority	Government Code §61000- 61850
Office Location	420 Crocker Street, Templeton, CA 93465
Website	https://www.templetoncsd.org/
General Manager	Jeff Briltz
Employees	21 Full-time Employees, 59 Part-time employees
Public Meetings	The Templeton Community Services District (TCSD) Board of Directors holds its regular meetings on the first and third Tuesday of the month at 7 p.m. Special meetings may be scheduled on an as-needed basis.
Board of Directors	Five members elected to four-year terms
Active Powers	Water, Wastewater, Fire Protection, Solid Waste, Parks & Recreation, Street Lighting, Cemetery
District Service Area	5.5 square miles
Population Estimate	8,386 <sup>2</sup>
Revenues	\$9,540,785 <sup>3</sup>

 $<sup>^1</sup>$  As of submission of MSR-SOI Request for Information Questionnaire, October 2022  $^2$  US Census, 2020 Decennial Census, Templeton CSD  $^3$  Templeton Community Services District Operating Budget FY 2022-2023



## **EMERGENT ISSUES**

#### Item 1 - Southern California's natural gas plants to stay open through 2026.

#### **IN SUMMARY**

Three fossil fuel plants will stand by to provide emergency power for three more years despite California's mandate to switch to clean energy by 2045.

California officials agreed today to extend operations at three natural gas plants on the Southern California coast in an effort to shore up California's straining power grid and avoid rolling blackouts.

The controversial and unanimous vote that keeps the plants open came from the State Water Resources Control Board, which oversees the phase-out of <u>natural gas facilities</u> that suck in seawater and <u>kill marine life</u>.

Seawater-cooled units at three power plants in <u>Long Beach</u>, <u>Huntington Beach</u> and Oxnard will be kept in reserve for three more years to feed energy into the state's grid <u>during power emergencies</u>, such as the 10-day heatwave last August and September that led to statewide power alerts. The plants had been <u>slated to cease operations of those units by the end of 2020</u>, but received a three-year extension amid <u>rolling blackouts</u> that summer.

Now that extension has been extended again — through 2026. A fourth, the <u>Scattergood</u> <u>Generating Station</u> in Playa Del Rey, will receive a five-year extension to fill regional supply gaps though 2029.

"When it comes to keeping the power plant, please don't see us as just a number, or just a location on a map...We deserve a safe and clear and clean environment just like you do."

KYLE DE LA TORRE. OXNARD RESIDENT

The decision about the fossil fuel plants comes despite the state's <u>mandate</u> for 100% <u>renewable</u> and zero-carbon electricity by 2045.

Natural gas plants are a large source of greenhouse gases, which warm the planet, <u>toxic gases</u> <u>like ammonia and formaldehyde</u>, <u>and nitrogen oxides</u>, which contribute to Southern California's extreme smog. Nationally, natural gas plants account for about a <u>third of all carbon emissions</u> <u>from energy production</u>.

California Gov. Gavin Newsom last year <u>called for state agencies such as the Department of Water Resources to prop up the grid</u> — including with fossil fuels, which drew the ire of environmentalists and nearby communities.

The state agreed to pay the plants' operating companies about \$1.2 billion from 2024 through the end of 2026 to stand by during energy events, such as heatwaves.

"These resources would only be turned on to address extreme events or for maintenance runs" at the direction of the state's grid operator, said Delphine Hou, deputy director of the Department of Water Resources, at a meeting of the California Energy Commission last week.

The decision outraged many local residents, especially those in the <u>largely Latino community of Oxnard</u>, where many work outdoors in farm fields. The city supported the previous extension with the understanding that the plant's owner <u>would pay up to \$25 million to demolish it</u>.

After the vote, several angry people yelled at the water board members, "You failed our community."

During the five-hour session that drew more than 60 people commenting, Kyle De La Torre, an Oxnard resident with the Central Coast Alliance United for a Sustainable Economy, urged the board to reject the extension. He said the smell is so strong that he gets a migraine when he passes the plant and worries about a school and homes nearby.

"When it comes to keeping the power plant, please don't see us as just a number, or just a location on a map. We are humans just like you are. We deserve a safe and clear and clean environment just like you do," he said.

Dave Shukla, co-founder of the Long Beach Alliance for Clean Energy, said he lives near the AES Alamitos plant. "I have wasted countless hours of my life over the past 25 years to cleaning up the dark soot that this plant emits directly onto our home," he said.

Water board staff <u>acknowledged that those living near the plants</u> will continue to experience "air, noise, and aesthetic impacts."

But Hou told the energy commission last week that because the seawater-cooling plants won't be operating on "a day-to-day basis like they are today, it's very likely there'll be a reduction in air emissions and once-through cooling water use," which is the process of sucking in large volumes of seawater that kills fish and other marine life. The state policy phasing out the process dates back to 2010.

Newer generating units at the Huntington Beach and Long Beach plants use alternative cooling technologies, instead of seawater, so they are not subject to the phase-out. They would have

remained operating regardless of today's vote, since they are under contract for another 17.5 years — and not just for emergency use, according to AES.

In August 2022 "gas plants failed to perform at their expected capacity during the heatwave, while significantly increasing the pollution burden for local communities."

#### REPORT BY REGENERATE CALIFORNIA

Mark Miller, AES's general manager for facilities, including the Alamitos and Huntington Beach plants, said the company "invests significant capital each year to ensure that our facilities are maintained at a state of readiness to safely serve local and system reliability needs" and that the plants' contributions to pollution in the Los Angeles basin are "overwhelmingly dwarfed" by vehicles and other industries.

<u>Eric Watts</u>, chief commercial officer for GenOn, which owns and operates the Ormond Beach Generating Station in Oxnard, said the extensions "are necessary to protect grid reliability in the coming years."

But whether the plants are capable of assisting the grid during extreme power events is controversial. During rolling blackouts in 2020, natural gas plants struggled in the heat, "resulting in power loss in combustion turbines, inlet air and cooling system stresses, steam tube leaks, and condenser pump failures," the <u>California Energy Commission reported</u>.

<u>In August 2022</u> "gas plants failed to perform at their expected capacity during the heatwave, while significantly increasing the pollution burden for local communities," according to a <u>report by a consulting firm</u> commissioned by Regenerate California, a coalition of environmental organizations.

The findings call "into question the strategy of relying on gas generation as we experience more extreme weather, and as our understanding of its pollution and public health risks grows," the report says.

The plants will be folded into a new state electricity reserve program, created by <u>an energy</u> <u>deal</u> that the <u>Newsom administration and lawmakers cut</u> last summer. Lawmakers called the deal "<u>rushed" and "lousy</u>" at the time, and environmentalists lambasted Newsom for leaning on fossil fuels as the state reels from one greenhouse gas-fueled disaster to another.

State Sen. Henry Stern, a Democrat from Calabasas, said he helped negotiate the deal yet apologized because fossil fuels are supposed to be a last resort.

"We keep head-faking communities and promising them just one more extension, just one more time — but actually, the economic structure we're building here is designed to be a much more

permanent reserve," he said. "I'm hoping we can find a way to restore that trust. To say...is this the last time?"

Board chair Joaquin Esquivel expressed sympathy to those living near the plants and frustration with the position the water board had been put in. "I've heard a lot of common agreement around the need to decommission and move on from these plants. But...this board is not established to have the expertise to second guess all of our energy agencies" about the need to keep them open, he said.

Rachel Becker is a journalist reporting on California's complex water challenges and water policy issues for CalMatters. Rachel has a background in biology, with master's degrees in both immunology . Cal matters Aug. 16th

# Item 2 - California Based Electric Bus Company Proterra Stuns With Bankruptcy Filing.

Too many government subsidies and not enough free market investment? By Katy Grimes



The Washington Post recently reported that California-based Proterra, the electric bus company <u>filed for bankruptcy last week</u>. This is like a flashback to Solyndra, a solar panel start-up and recipient federal funds from the 2009 American Recovery and Reinvestment Act (ARRA). Solyndra blew \$570 million taxpayer dollars before it folded.

"Solar panel start-up Solyndra was the first company to get government-backed loans from ARRA after its passage, collecting \$535 million and receiving a \$25 million tax break from California's agency for alternative energy," Forbes reported.

From a review of documents via a well-placed source, the Globe has learned:

California-based <u>Proterra has voluntarily filed</u> for protection under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware. Chapter 11 is a business reorganization. <u>Henrik Alex</u>, a trader, <u>expected</u> Proterra's default sooner than August: "While I <u>expected</u> the company to default on its convertible debt back in March already, Proterra actually <u>managed</u> to amend covenants and extend the maturity date of the notes shortly after my article was published."

Apparently so did the U.S. Energy Secretary according to media reports. Politico <u>reported</u>: "Energy Secretary Jennifer Granholm sold her holdings in electric bus maker Proterra this week, DOE confirmed to POLITICO on Wednesday, following criticism from Republicans that she might be profiting from the administration's push for electric vehicles."

"Granholm cleared all of her Proterra holdings in the sales on Monday [May 22, 2023], providing her with net capital gains of \$1.6 million."

#### Proterra received a lot of grants and tax credits

*In 2015, Proterra received a \$3 million state grant to build a factory.* 



In 2017, Proterra was awarded a <u>California Competes tax credit worth \$7.5 million</u> (\$4.5m was later recaptured because the company defaulted on the agreement).

#### CALIFORNIA COMPETES TAX CREDIT ALLOCATION AGREEMENT

This California Competes Tax Credit Allocation Agreement ("Agreement") is by and between Proterra, Inc., a Delaware corporation ("Taxpayer"), and the California Governor's Office of Business and Economic Development ("GO-Biz"), hereinafter jointly referred to as the "Parties" or individually as the "Party." All capitalized terms not defined in this Agreement shall have the same meaning as in California Revenue and Taxation Code ("RTC") sections 17059.2 and 23689, and California Code of Regulations, title 10, section 8000 et seq., as in effect on the Effective Date of this Agreement.

In consideration for the mutual covenants and promises in this Agreement, the Parties agree as follows:

- 1. **Effective Date.** The effective date ("Effective Date") of this Agreement shall be the date that this Agreement is approved by the California Competes Tax Credit Committee ("Committee").
- 2. Total Credit Award. GO-Biz, upon approval by the Committee and conditioned upon the requirements set forth in this Agreement, will award Taxpayer a California Competes Tax Credit ("CCTC") in the amount of seven million five hundred thousand dollars (\$7,500,000.00) ("Credit"). Specifically, Taxpayer is receiving a CCTC against the "net tax" as defined in RTC section 17039, or the "tax" as defined in RTC section 23036, as applicable, pursuant to RTC section 17059.2 or 23689, as applicable.
- 3. Project/Milestones. Taxpayer is a manufacturing company that designs and manufactures zero-emission vehicles, and fast-charging in-depot systems. In consideration for the Credit, Taxpayer agrees to hire full-time employees and invest in software licenses, fleet vehicles, research and development equipment, manufacturing

In 2020, Proterra received a \$10 million PPP loan that was later forgiven.

In 2018, Proterra contributed more than \$10,000 to groups opposing the repeal of the gas tax increase.

Contributor	Recipient	Contest Name	Amount Contributed	Contribution Date	Contribution Type
PROTERRA, INC., BURLINGAME, CA 94010	CALIFORNIANS FOR SAFE, RELIABLE INFRASTRUCTURE, ID#1400937	-	\$10,000.00	10/30/2018	MONETARY
	ASSOCIATED GENERAL CONTRACTORS ISSUES PAC, VOTE NO ON PROP 6, ID#970230	6	\$126.00	8/9/2018	MONETARY
	Total Monetary		\$10,126.00		
	Total Loan Total Non-monetary		\$0.00		
			\$0.00		
	Grand Total		\$10,126.00		

The CEO has contributed \$2,750 to Democrat state candidates Josh Becker, former Senator Kevin de Leon, and Sen. Henry Stern.

Contributor	Recipient	Contest Name	Amount Contributed	Contribution Date	Contribution Type
POPPLE RYAN, PROTERRA, PRESIDENT & CHIEF EXECUTIVE OFFICER, GREENVILLE, SC 29607-3791	DE LEON FOR LIEUTENANT GOVERNOR 2018; KEVIN, ID#1375100	Lieutenant Governor	\$2,000.00	3/21/2017	MONETARY
	Total Monetary		\$2,000.00		
	Total Loan		\$0.00		
	Total Non-monetary		\$0.00		
	Grand Total		\$2,000.00		

Contributor	Recipient	Contest Name	Amount Contributed	Contribution Date	Contribution Type
POPPLE RYAN, PROTERRA, PRESIDENT & CHIEF EXECUTIVE OFFICER, GREENVILLE, SC 29607	DE LEON FOR LIEUTENANT GOVERNOR 2026; KEVIN, ID#1412227	-	\$2,000.00	9/20/2018	MONETARY
	Total Monetary		\$2,000.00		
	Total Loan		\$0.00		
	Total Non-monetary		\$0.00		
	Grand Total		\$2,000.00		

In 2021-22, Proterra spent more than \$300,000 on state level lobbying:

#### 2021-2022 LEGISLATIVE SESSION

LOBBYING PAYMENTS MADE						
SESSION	QUARTER	GENERAL LOBBYING	P.U.C. LOBBYING			
2021-2022	8th	\$37,500.00	\$0.00			
2021-2022	7th	\$50,000.00	\$0.00			
2021-2022	6th	\$37,500.00	\$0.00			
2021-2022	5th	\$37,500.00	\$0.00			
2021-2022	4th	\$37,500.00	\$0.00			
2021-2022	3rd	\$37,500.00	\$0.00			
2021-2022	2nd	\$37,500.00	\$0.00			
2021-2022	1st	\$37,500.00	\$0.00			

Proterra also lobbied the Biden Administration ahead of the President's visit to Proterra's plant. The Washington Free Beacon reported:

Weeks before President Joe Biden boosted Proterra with an official tour of its plant, the electric battery company hired a pair of Obama administration alums to lobby the White House for funding, amplifying its already concerning political connections to the Biden administration.

According to disclosure forms <u>filed in 2021</u>, the politically connected electric bus manufacturer brought on lobbying firm Boundary Stone Partners on April 1 to push the administration for increased funding of clean energy infrastructure projects, including the "electrification" of mass transportation vehicles. The two lobbyists registered to Proterra, Pete Gould and Christine Turner, both worked in the top echelons of the Obama administration—Gould was associate director of government affairs for the Department of Transportation, and Turner held numerous trade-related positions throughout the administration, including on the White House National Security Council.

Just 19 days after the firm was brought on, Biden and his top economic adviser Brian Deese <u>toured Proterra</u> and <u>pledged</u> that the administration's infrastructure plan would direct money to the company.

The Globe has been told California Strategies & Advocacy lobbied on behalf of Proterra in the State Capitol and state agencies.

"I think they should give all of the money back," Former Ambassador to Germany and Director of National Intelligence Ric Grenell told the Globe. "I think every single politician who received money should give every cent back."

And because the <u>US Energy Secretary invested in Proterra</u>, and they had a number of federal contracts, there may interest on the federal level to investigate. The Globe isn't holding its breath that the California Attorney General will investigate.

It will be interesting to see who they contributed to within 90 days of the bankruptcy filing as the court will usually claw back monies spent during that time period.

Looking at their list of creditors, they owe the following agencies – We are betting at least one of them is going to want answers:

California Air Resources Board

California Attorney General

CA Board of Equalization

CA DMV

CA Department of Tax and Fee Administration

CA Energy Commission

CA Franchise Tax Board

CA State Board of Equalization

CA State Controller's Office

University of California, San Diego

University of California, Irvine

Secretary of State of California

California Department of General Services

Since Proterra filed a Chapter 11 business reorganization, they could be saved by private investors if their infrastructure is decent – but I'm not holding my breath – too many government subsidies and not enough free market interest I am deducing.

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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

### HOW UNIONS HAVE BETRAYED AMERICA

# Government unions control and corrupt public services; private sector unions betray the worker BY EDWARD RING

Anyone suggesting there is no role for unions in America today might first consider a fact of history: more than a century ago, when oligarchs and the companies they owned had treated workers as if they were livestock, reduced to living in squalid pens with rationed food and water, it was unions that organized these workers to resist. It was unions who gave these workers back their humanity, and negotiated collective bargaining agreements and laws that eliminated child labor, enforced workplace safety, established an 8-hour work day, paid overtime, health benefits, and retirement pensions.

Unions today operate in a very different America. But how Big Labor has adapted calls into question their commitment to helping all American workers have a chance at a middle class lifestyle. In critical areas affecting everyone trying to thrive in 21st century America, unions have betrayed the American worker. In particular, their failure to challenge the globalist agenda of open borders and environmentalist extremism has inverted their priorities, putting them into alignment with the corporations and oligarchs they once so nobly opposed. This betrayal is most exemplified in the agenda of unions that didn't exist a century ago, America's powerful unions of government employees.

#### **Government Unions Control and Corrupt Public Services**

A distinction must be made between public sector unions, and the now less influential private sector unions. Public sector unions today have embraced a potent blend of toxic ideologies, centered around woke politics and environmentalist extremism. The most powerful public sector unions, those representing teachers and school employees, have forced this ideology into the public schools. This has not only indoctrinated a generation of young voters to vote for leftists, it has left them without the literacy and numeracy necessary to more easily grasp the nihilistic essence of leftism.

In critical ways, government unions don't even fulfil the basic definition of a union. They don't negotiate with independent management, they "negotiate" with politicians they elect. In California, public sector unions collect and spend nearly \$1 billion per year, applying at least one-third of that spending to explicitly political activities such as lobbying and campaign contributions. Another third is spent on allegedly nonpolitical activities such as public education

which almost invariably has a political objective. Even in a state as big as California, spending \$1.2 billion every election cycle will buy a lot of politicians and profoundly influence public opinion.

Government unions also don't have to rely on the profitability of the enterprise they're negotiating with. Unions have to be more reasonable when negotiating with private employers because they can go out of business. But government agencies just increase taxes, and in "information campaigns" using public money, abetted by public union money, more taxes and more borrowing are repeatedly sold to voters. In November 2022, in deep blue, union controlled California, taxpayers approved 92 bonds totaling \$23 billion in new local government borrowing, and they approved 152 local tax increases, set to raise another \$1.6 billion per year in perpetuity.

Government unions, contrary to the essential notion of a union, are not fighting power structures. They are the power, and they use it to further their agenda – higher pay and more workers, which in-turn means more government programs and higher taxes. And thanks to their ideological preferences, the programs they promote, such as inefficient renewable energy mandates and counterproductive policies towards crime and the unhoused, repeatedly fail and in so doing require even more spending. Thus, for government unions, failure is success, because the remedy is always more government. But what about private sector unions?

#### How Private Sector Unions Betray the American Worker

The problem with private sector unions is not because they want to maintain and increase their wages and benefits. There are compelling reasons why private sector unions, properly regulated, ought to be a necessary counterweight to private corporate interests. The problem is that the American oligarchy, which intends to flatten the world, erase national sovereignty, obliterate the middle class, and abolish borders, cultures, cash, small businesses, medium size businesses, and decentralized private ownership, has coopted private sector unions.

When was the last time anyone heard the leader of a national labor organization call for controlled immigration, which is a certain way to keep upward pressure on wages? When in recent years have any private labor leaders called for anti-trust legislation against the handful of trillion dollar hedge funds that are <u>buying up America's housing</u> stock to turn us into a nation of renters, or called for the <u>breakup of the cartel</u> that controls the nation's food supply? Where were the unions, when the nation was in lockdown for nearly two years, devastating small businesses and driving households into crippling debt and bankruptcy?

America's private sector unions are vocal proponents of every item on the leftist agenda, but they are not doing anything to help the vast majority of American workers, even as they engage in a handful of labor actions, scattered across the country. And what every defender of leftism and unions must understand is that there is no longer any significant functional difference between "leftist" state ownership and "right-wing" ownership by monopoly corporations that have coopted the state. One is called communism, the other fascism. They are both authoritarian political models that are founded on centralized control. What the American oligarchy has evolved into is soft fascism. Soft, because with the high-tech tools available today, mass persuasion is easy. And it is here, where private sector unions have committed perhaps the biggest betrayal of all.

Instead of recognizing the so-called Green New Deal, or Great Reset, as a corporate tool designed to transfer upward and further centralize wealth at the same time as it reduces ordinary workers into living in micromanaged pens with rationed food and water, unions endorse it. Their endorsement finds expression in their support for policies guaranteed to achieve this pernicious goal. They support hundreds of billions, and ultimately trillions, in government spending to build, for example, large-scale CO2 capture facilities, EV charging stations, and floating wind turbines. They support urban rezoning to construct high-rise apartments, and light rail mass transit. All of these projects are staggeringly expensive, and not one of them will yield practical economic benefits downstream. Union construction workers will get jobs, big civil engineering firms will get government contracts, but the ordinary American will pay for these projects at a price they can't afford. It isn't as if there aren't obvious alternatives.

Private sector union leadership has abandoned a common sense principle of fundamental importance: how public infrastructure priorities are set determines whether or not ordinary Americans are able to achieve and maintain a middle class lifestyle. California's bullet train project is a classic example. After more than a decade of work and more than \$10 billion already spent, not a single track has been laid. The cost for the first segment, which transits the emptiest, flattest stretch of the entire planned line, is <a href="mailto:estimated to cost more than \$200 million per mile">estimated to cost more than \$200 million per mile</a>. The entire project is now projected to cost \$130 billion, with no credible completion date, and it will always be an economic drain on Californians.

In order to follow the path of least resistance private sector unions in California support this fraud. It is make work, designed to appease unions while preventing their workers from completing projects that make economic sense: widening and upgrading roads and freeways, upgrading existing railroad lines, bringing California's remarkable system of water storage and transport into the 21st century, building wastewater recycling and desalination plants, upgrading the state's capacity to engage in oil extraction and refining, increasing natural gas drilling and upgrading the distribution pipelines, and building more nuclear power stations. Much of this work could be accomplished with private funds. But the unions, and the corporations with which they have made common cause, will not challenge the extreme environmentalists, or the oligarchy that finds them so useful.

Private sector unions are one of the last special interest groups left in America that still have the power to change national policy. As the nation slowly transitions into a technology driven police state, with a workforce disenfranchised and impoverished by "climate" mandates, mass immigration, and intelligent machines, the potential will grow for unions to exercise bipartisan appeal. The only question that remains is will any of them have the courage to fight the trend and challenge the power, or will they continue to be part of the establishment they were originally formed to oppose?

Edward Ring is a senior fellow of the Center for American Greatness. He is also is a contributing editor and senior fellow with the California Policy Center, which he co-founded in 2013 and served as its first president. Ring is the author of Fixing California: Abundance, Pragmatism, Optimism (2021) and The Abundance Choice: Our Fight for More Water in California (2022). This article appeared in the American Greatness of August 16, 2023.

# PUBLIC EMPLOYEE UNIONS RULE CALIFORNIA

Expect more strikes, fewer government services, and more tax increases to pay for pension obligations.

BY STEVEN GREENHUT



(Ringo Chiu/ZUMAPRESS/Newscom)

One official <u>remarked</u> years ago that his county essentially was a pension provider that offered a few public services on the side. It was a snarky reminder that public-employee compensation—especially those exorbitant pensions paid at relatively young ages—consumed the bulk of municipal budgets. It's the tail wagging the dog.

The same dynamic is at work at the state level. <u>State Sen. Steve Glazer</u> (D–Orinda) last month made waves for a column he penned in *The Los Angeles Times*. Commenting on the recently passed \$310-billion budget that ramps up funding for all the usual progressive priorities, he dared to say what everyone in Sacramento knows—even if saying so breaks social taboos. "(W)e've already spent billions of dollars on the same problems—with very little to show for it," he <u>wrote</u>. "Our failures are evidence that good intentions and lots of money are not enough to fix what ails the Golden State. To make our progressive beliefs mean anything, the Legislature must ensure that the money we spend is actually improving the lives of the people we say we are committed to helping."

His "solutions" aren't significant enough to mention in detail, but Glazer made reference to "special interest demands" and legislators "caving in to the unions." That at least acknowledges the proverbial elephant in the room. Public employee unions exert excessive influence and capture the bulk of new spending for themselves. It's not only a Democratic problem. The state GOP is <u>beholden</u> to the biggest offenders (police and firefighters' unions).

This session, Assemblyman Heath Flora (R–Modesto) authored <u>Assembly Bill 1254</u>, which would grant automatic pay raises forever to state firefighters to bring their current average compensation (\$200,000 to \$253,000 a year) up to the rates of better-compensated municipal firefighters, which pay 15% to 40% more. This Editorial Board <u>referred</u> to the bill as "hands down the most irresponsible union-giveaway proposal this year."

If you wonder why there's never enough money and why lawmakers always look for new ways to raise taxes, then take a look at the Transparent California <u>website</u>, which details state and local compensation packages. For instance, I count more than 200 California Highway Patrol employees who in 2022 earned above \$400,000 in total compensation, with the top earner receiving \$777,000.

This year, California faced a \$32-billion deficit, which lawmakers closed through kick-the-can accounting gimmicks and some cuts to the climate-change spending bonanza. Public employees were spared any pain and some bargaining units received pay bumps even though there's no guarantee we'll soon be back in black. Gov. Gavin Newsom and Democratic supermajorities managed to avoid tough choices.

In 2012, California faced similarly sized deficits. The budget drama, coupled with news reports of struggling pension systems and outrageous pension benefits, sparked a pension-reform movement. Voters in Democratic-dominant <u>San Jose</u> overwhelmingly approved a pension-reform ballot measure 2012, which later was thrown out by the courts. A union-friendly state agency (<u>the Public Employment Relations Board</u>) and courts also <u>derailed</u> a 2012 reform measure in San Diego.

Despite those setbacks, the measures highlighted public support for reining in out-of-control pension obligations that sap budgets and enrich politically powerful union members. As part of his budget, then-Gov. Jerry Brown spearheaded and signed a modest (but useful) pension-reform law known as the Public Employees' Pension Reform Act (PEPRA). It went into effect in 2013. Since then, the state has veered even further left and no one even bothers anymore. In her recent Orange County Register column spotlighting one Los Angeles fire captain who earned \$510,000 in overtime last year (for total compensation of \$699,000), Teri Sforza detailed the shocking setbacks we've seen since the 2012. She focused on overtime: "In 2012, only 213

The overtime system seems designed to <u>boost</u> pay. And, of course, public employee pay and pension payouts have continued on an upward trajectory in the past 11 years. But it's never enough. Lately, we're seeing an emboldened public employee union effort that has led Los Angeles city workers to recently go on strike. Last month, the same agency (PERB) that largely killed off the San Diego pension measure has gutted San Francisco's charter provisions forbidding public employees from going on strike.

city workers earned overtime of at least \$100,000. Last year, 3,680 did. ... In 2012, 3,814 city

workers earned at least \$50,000 in overtime. Last year, 16,699 did."

Mission Local <u>noted</u> that such provisions were "enacted following chaotic 1970s-era public employee walkouts." Hey, the nation is enduring Jimmy Carter-style inflation, so why not throw bouts of labor unrest into the mix just for nostalgia's sake? And everyone is getting in on the action, as highly paid prison doctors and psychiatrists <u>authorized</u> a strike early this month. Let's just admit to reality: Taxpayers actually work for our <u>public employees</u> rather than the reverse. As long as that's the case, public services will never improve and your tax burden will only increase.

This column was first published in The Orange County Register of August 18, 2023. Steven Greenhut is Western region director for the R Street Institute. He was a Register editorial writer from 1998-2009. Write to him at sgreenhut@rstreet.org.



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