

WEEKLY UPDATE January 22-28, 2023



WHAT WILL IT BE, IN 2023?
DETAILS COMING SOON....



MADONNA INN EXPO CENTER

THIS WEEK

SLO PENSION TRUST NOT AS BAD AS IT COULD HAVE BEEN

BOS MEETING

BOARD OF SUPERVISOR RAISES & RETIREMENT PERQS
FY 2023-24 BUDGET FORECAST – NOW A \$12 MILLION PROBLEM
WAIVER OF RESIDENCY REQUIREMENTS FOR COMMISSIONERS
APPOINTMENTS TO BOARDS AND COMMITTEES
REDISTRICTING PLAN LAWSUIT IN CLOSED SESSION
MULTI-MILLION FIRE DEPT EXPANSION RECOMMENDED

APCD

JOINT APCD/SLOCOG PLAN TO SELL VEHICLE MILES TRAVELED (VMT) CREDITS AS DEVELOPMENT EXACTIONS

PLANNING COMMISSION 15 LOT SUBSIVISION IN TEMPLETON

LAST WEEK

NO BOS MEETING

LAFCO CANCELLED

EMERGENT ISSUES

ENVIRO-SOCIALIST HAVOC
WATER FAILURE & AND FLOOD CONTROL FAILURE
MILLIONS OF ACRE-FEET GOING TO PACIFIC
BILLIONS IN DAMAGE – NO ACCOUNTABILITY



CURRENT STATE RESERVOIR CONDITIONS LAST WEEK TO THIS WEEK INFLOWS

THE WALL STREET JOURNAL.

DOW JONES | News Corps * * *

WEDNESDAY, JANUARY 18, 2023 ~ VOL. CCLXXXI NO. 1

WSJ.com

**** \$5.00

Water Is a Terrible Thing to Waste

CALIFORNIA'S MEGA WATER WASTERS

Californians are squandering millions of acre-feet of storm runoff at the same time as they face permanent water rationing.

BY EDWARD RING

COLAB IN DEPTH SEE PAGE 26

RACE TO ZERO: CAN CALIFORNIA'S POWER GRID HANDLE A 15-FOLD INCREASE IN ELECTRIC CARS? BY NADIA LOPEZ

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

SLO County Pension Trust (SLOCPT) Meeting of Monday, January 23, 2023 (Scheduled)

Item 14 - Monthly Investment Report for December 2022. The fund lost \$158 million over the 2022 calendar year. It is not so bad considering the earlier declines in the financial markets. The actuarial report and recommendations for rates will come out in May 2023. Hopefully, the Chinese won't invade Taiwan and the US won't get deeper into the Ukraine war in the meantime. A recession could also negatively impact expected performance.

Meanwhile, the County continues to add staffing. Also see **Item 26**, below, in which a consultant recommends a substantial expansion of the County Fire Department.

Agenda Item 14: Monthly Investment Report for December 2022

| | December | Year to Date 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|----------------|-------------------------|----------------|------------------------|------------------------|------------------------|------------------------|
| Total Trust Investments (\$ millions) | \$1,617 | | \$1,775 | \$1,552 year end | \$1,446 year end | \$1,285 year end | \$1,351 year end |
| Total Fund Return | -1.8% Gross | -7.9% Gross | 15.2% Gross | 8.9 % Gross | 16.3 % Gross | -3.2 % Gross | 15.5 % Gross |
| Policy Index Return (r) | -1.6% | -9.3% | 12.8% | 10.0 % | 16.4 % | -3.2 % | 13.4 % |

Board of Supervisors Meeting of Tuesday, January 24, 2023 (Scheduled)

Item 1 - Board of Supervisor Raises. Per prior policy, the staff is recommending salary increases for the Board members. The basic principle is that they should make 25% more than their Legislative Aides. Applying this formula results in the schedule below:

In order to bring the Board of Supervisors annual salary to be 25% above the annual salary of Legislative Assistants and to address the market position, the attached ordinance proposes to increase the Board of Supervisors' salary as follows:

- Effective April 16, 2023: increase the annual salary from \$90,417.60 to \$103,979.20
- Effective June 25, 2023: increase the annual salary from \$103,979.20 to \$106,597.20
- Effective June 23, 2024: increase the annual salary from \$106,597.20 to \$109,241.60
- Subsequent to June 23, 2024, members of the Board of Supervisors shall receive the same percentage increase to their annual salary that is applied to the annual salary of the Legislative Assistant classification. This increase shall also be applied at the same time the increase is applied to the Legislative Assistant classification.

The Board members post-retirement health benefits are also being increased:

County employees participate in one of two post-employment health plans (PEHP), which are funded either through a direct contribution by the County or by employees through their accrued sick leave balances once they leave County employment. The PEHP funded through direct contribution by the County can be used to pay for qualified medical expenses not covered by health insurance after separation of service. The PEHP funded through employees' accrued sick leave balances is an insurance premium reimbursement account, and can be used to reimburse for qualified health insurance premiums after separation of service.

Elected Department Heads and members of the Board of Supervisors participate in the PEHP that is funded through direct contribution by the County and which can be used to pay for qualified medical expenses not covered by health insurance, subject to IRS limitations. The current County contribution is \$600 per year. It is recommended this contribution be increased from the current \$600 annual contribution to \$5,000 per full year of service, or a prorated amount for a partial year of service, as an elected official, up to a maximum County contribution of \$50,000, which will be available upon the termination of the Elected Department Head's or member of the Board of Supervisor's term in office.

The Board members are placed in the awkward position of having to vote for their own raises.

For years Alameda County had a better system under which the salaries were made equal to that of a Superior Court Judge. In this way they were actually dependent on the Legislature. At some point a court ruled that the process was illegal.

In any case, the salaries are not extravagant given the time and preparation required for all the meetings, including the County Board, SLOCOG, APCD, and other committee and delegate Board assignments. This is compounded by ceremonial duties, community meetings, and

political duties within their respective parties. See also **Item 21**, below, for a discussion of additional committees and commissions on which Board Members serve.

Our hope is that Board members will not be so enamored of staff (or perhaps afraid of them). This would mean asking hard questions in public and refusing to accept non-answers and diversionary answers. Being an elected representative is not a team sport. Elected officials are here to represent the voters and to hold the elaborate and permanent organization accountable. This requires maintenance of a degree of distance and uncomfortable tension. Some unanswered questions:

- Does COVID Vaccine predispose many people to cardiac arrest or other problems over time?
- How many businesses did the COVID lockdown destroy?
- Who was responsible for the \$10 million error in the Los Osos sewer collection system design, resulting in the legal settlement? If it was the design engineering firm, why didn't it pay?
- Why isn't the Paso Basin SGMA plan approved by the State yet?
- How much overtime is expended by each department and division within department per year and why?
- The County has 1,450 homeless people. How much is it expending per homeless person on average per year?
- Is the Oceano Dunes dust carcinogenic or not?
- How is the Los Osos Sewer Treatment Plan doing financially? Is it breaking even?
- What has been the impact of legalization of recreational cannabis on the Sheriff and police departments, Behavioral Health, education, job attendance, and social and health services?
- How many County employees continue to work from home?
- Did Adam Hill's widow get a pension? Or is it being considered?

Item 20 - Item 31 Postponed from January 10, 2023 meeting due to storm operations - Review of the FY 2023-24 Budget Goals and Policies, Budget Balancing Strategies and Approaches, and Board Priorities, and provide direction to staff as necessary. The staff is forecasting an \$8 to \$16 million estimated General Fund revenue - expenditure gap as it begins to formulate the proposed FY 2023-24 Budget. With a current FY 2022-23 General Fund Budget of \$671.0 million, out of a total government funds Budget of \$807.0 million, the gap should be manageable. The high range \$12 million gap is only 2% of the General Fund.

| State Controller Schedules | | | | Count | y o | f San Luis Obispo | , | | | | | | Schedule 1 |
|--------------------------------------|----|--|----|---|-----|--------------------------------|----|---------------------------|-----|--------------|--|----|-----------------------|
| County Budget Act | | All Funds Summary | | | | | | | | | | | |
| Fiscal Year 2022-23 | | | | | | | | | | | | | |
| | | | | Total Fin | anc | ing Sources | | | | | Total Financing Us | es | |
| Fund Name | 1 | nd Balance Available ne 30, 2022 | | ecreases to Obligated nd Balances | Ad | Iditional Financing Sources | To | otal Financing Sources | Fir | nancing Uses | Increases to Obligated Fund Balances | То | tal Financing Uses |
| 1 | | 2 | | 3 | | 4 | | 5 | | 6 | 7 | | 8 |
| Governmental Funds | | | | | | | | | | | | | |
| General Fund | \$ | 52,664,754 | \$ | 337,555 | \$ | 618,746,914 | \$ | 671,749,223 | \$ | 665,599,461 | \$ 6,149,762 | \$ | 671,749,223 |
| Special Revenue Fund | | 10,380,783 | | 9,963,128 | | 87,096,547 | | 107,440,458 | | 87,787,683 | 19,652,775 | | 107,440,458 |
| Debt Service Fund | | 471,873 | | | | 20,310,490 | | 20,782,363 | | 16,937,692 | 3,844,671 | | 20,782,363 |
| Capital Projects | | 122,558 | | | | 6,891,191 | | 7,013,749 | | 7,013,749 | | | 7,013,749 |
| Total Governmental Funds | \$ | 63,639,968 | \$ | 10,300,683 | \$ | 733,045,142 | \$ | 806,985,793 | \$ | 777,338,586 | \$ 29,647,208 | \$ | 806,985,794 |
| Other Funds | | | | | | | | | | | | | |
| Enterprise Fund | \$ | | \$ | 3,570,144 | \$ | 25,711,295 | \$ | 29,281,439 | \$ | 28,271,529 | \$ 1,009,910 | \$ | 29,281,439 |
| Internal Service Fund | | | | 7,225,304 | | 66,631,536 | | 73,856,840 | | 72,378,097 | 1,478,743 | | 73,856,840 |
| Special Districts and Other Agencies | | 5,680,164 | | 2,944 | | 11,857,754 | | 17,540,862 | | 15,308,936 | 2,231,926 | | 17,540,862 |
| Total Other Funds | \$ | 5,680,164 | \$ | 10,798,392 | \$ | 104,200,585 | \$ | 120,679,141 | \$ | 115,958,562 | \$ 4,720,579 | \$ | 120,679,141 |
| Total All Funds | \$ | 69,320,132 | \$ | 21,099,075 | \$ | 837,245,727 | \$ | 927,664,934 | \$ | 893,297,148 | \$ 34,367,787 | 5 | 927,664,935 |

Note that the total County Budget, when enterprise and County dependent special districts are included, is \$927.7 million. The County had an unrestricted General Fund balance of \$52.6 million on June 30, 2022.

The CAO is prudent in warning the Board to be restrained, as the national and State economic/social situation is volatile and moving toward disruption.

The Budget Goals and Policies, Budget Balancing Strategies and Approaches, and Board Priorities together provide the framework in which the budget is prepared. As highlighted in the financial forecast presented to the Board on November 1, 2022, the County's General Fund faces a budget gap of \$8-\$16 million in FY 2023-24. Given the projected gap, continued compliance with the Board-adopted Budget Goals and Policies will be important to assuring the ongoing fiscal health of the County.

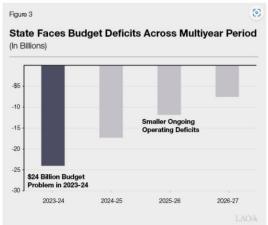
Substantive Board budget priorities have evolved over the years. The current version is summarized in the image below:



Preventing and remediating homelessness has been an expanding priority in recent years. All levels of government are spending more and more each year. The nexus of the problem is that thus far, no one has figured out a way to make a large segment of the homeless population accountable. It is not illegal to be a vagrant. A significant portion (perhaps 70%) is suffering from a combination of mental illness, alcoholism, and drug abuse. These problems do not subside simply because people are provided with housing, medicine, and counseling. Most will never get better.

It will be interesting to see how the new Board majority adjusts the priorities and/or refines them. The Budget is the most significant tool for the Board of Supervisors to set priorities and overall strategic direction of the County.

Bigger Picture: The State Budget can have a major impact on counties, as they are the retailers of most State programs. The graph below displays the State Legislative Analyst's Office projections for the next 4 years.



Additionally, macro national and international trends and events are likely to impact the finances of the states and localities with increasing velocity. Inflation, the cost of debt service on the national debt, the impending recession, the burn down of Social Security and Medicare, the open border, the financial and other consequences of fanatic green energy policies, current US troop and air components fighting Russians in Syria, potential US escalation in Ukraine, and China's rising economic and military expansion will all combine with our own societal decadence in family formation/preservation, work ethic, academic achievement, government dependence, and cultural dissolution to severely disrupt current patterns of local government finance and service needs.

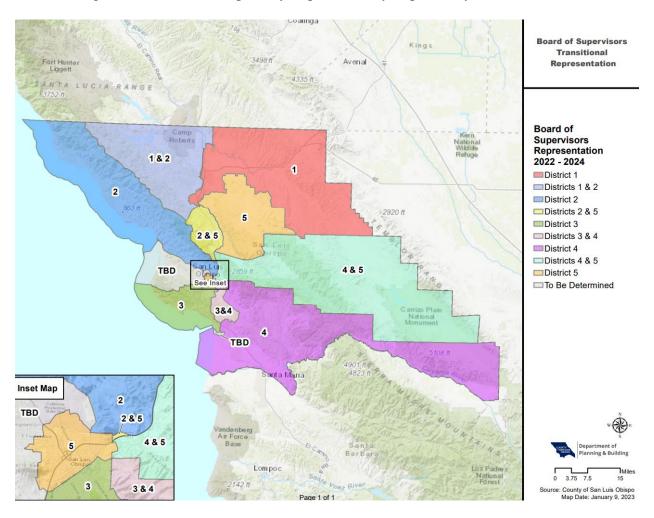
Item 21 - Waiver of District Residency Requirements for Members of Boards and Commissions. As a result of Supervisorial Redistricting, some Board and Commission members now live in a district in which they were not originally appointed. Simultaneously, some districts will not take effect until the 2024 election. The write-up explains:

There are some Board appointed commissions and committees that require, either by ordinance or resolution, that the appointee resides in the same district as the supervisor nominating them for appointment. The general purpose of this is to achieve broad regional representation on commissions and committees. As a result of redistricting, district residency requirements have

become difficult to achieve because of areas that overlap the old boundary lines and areas where there is no recently elected supervisor.

Therefore, it is recommended that the Board adopt a resolution to temporarily suspend residency requirements for Board appointed commissions and committees, as applicable, until the end of 2024. This allows Supervisors to appoint residents that reside in areas that may not otherwise be eligible to serve on a commission or committee because of district boundary changes. The result would suspend boundary restrictions for the Board's commission and committee appointments and allow flexibility for appointees to serve outside of their district jurisdiction if needed. Additionally, this will allow current appointees whose district residence has changed because of redistricting to serve until a new appointment is made.

The Planning Commission is an especially important body impacted by this situation.



Item 22 - Appointments to committees and commissions. There are 30 committees on which Board members serve. Some of the most important include LAFCO, California State Association of Counties, REACH (Economic Development), Rural Counties Representatives of California, Regional Health Authority, Paso Basin Cooperative Committee, and CAPSLO. In reference to **Item 1**, above (Supervisor salaries), these assignment present a further study and attendance workload.

In SLO County the process of who gets which ones has been collegial in the past, at least publicly. However, this year Supervisor Gibson has expressed interest in being the County representative on the Paso Basin Cooperative Committee, which handles the coordination between the various jurisdictions over the Paso Basin Groundwater Sustainability Plan. He would replace Debbie Arnold if appointed. Back in 2016, Gibson supported the creation of the AB 2453 Water District over the Basin, which was rejected by almost 80% of the Basin voters.

Some of the key Gibson's key campaign contributors are major players in the wine industry and opposed the planting ordinance. Some supported the AB 2453 District.

| Bruce Gibson | for Supervisor 202 | 2 | | | | | | | | 127920 | 2 |
|-----------------------|---|--|----------------------------|--------------------------------------|--|--|------------------------|---------------------------|---------------------------------------|-----------|--|
| DATE RECEIVED | FULL NAME, STREET ADD (IF COMMIT | DRESS AND ZIP COI TEE, ALSO ENTER I.D. NU | DE OF CONTRIBUTOR MBER) | CONTRIBUTOR | COUNTY OCCU | IN INDIVIDUAL, ENTE IPATION AND EMPLO ELF-EMPLOYED, ENTER NA OF BUSINESS) | YER RECEI | IOUNT VED THIS RIOD | CUMULATIVE CALENDAF (JAN. 1 - D | R YEAR | PER ELECTION TO DATE (IF REQUIRED) |
| 9/24/2022 Ma Ca | tthew Turrentine yucos, CA 93430 | | | | sset Man rapevine | agement Capital | 5, | 000.00 | 5,50 | 00.00 | |
| 09/15/2022 | Neil Cassidy Paso Robles, CA 9 | 3446 | | | Opera | Financial & ting Officer Vineyards | | 3,000.0 | 00 | 3,000.00 | |
| 09/15/2022 | Mariorie Curtsinge | r | | MINID | Retir | ed | | 50.0 | nn | 279.00 | |
| D5/24/2022 R6 | nay Heinzen Iso Robles, CA 934 | 46 | | ECOM V | resident ineyard ervices, | Professional | | 900.00 | 90 | 0.00 | |
| 08/19/2022 | Dana Merrill Paso Robles, C. | A 93446 | | | XIND ☐ COM ☐ OTH ☐ PTY ☐ SCC | President Mesa Vine Inc. | , owner yard Manage | ment, | - 50 | 00.00 | 500.00 |
| 08/07/2022 | Stenhen Austin Stephen Sinton Santa Margarita, CA | 93453 | | ⊠IND □COM □OTH □PTY □SCC | Rancher Self Em Busines | ployed, No Sepa | arate | 1,000.00 | 1, | 000.00 | 100 00 |
| 3/02/2022 Ka: Sa: | chleen Maas n Miguel, CA 93451 | | | IND COM COM OTH PTY SCC | ineyard ear Vall | & Winery Owner ey Estate Wine | 1, | 000.00 | 2,00 | 0.00 | |
| | erome Lohr aratoga, CA 95070 | | | ⊠IND □COM □OTH □PTY □SCC | Winegrow J. Lohr | wer & Vintner Vineyards & Wi | ne | 5,000.00 | 15, | 000.00 | |
| 09/28/2022 Ja Lo | nmes Ledbetter ddi, CA 95240 | | | ⊠IND □COM □OTH □PTY □SCC | Grape G Vino Fa | rower, Partner rms, LLC | | 3,000.00 | 3 | 8,000.00 | |
| 04/01/2021 | Bruce Gibson for Supervisor 2022 | \$1,000.00 | RCPT A | Dana I | Merrill | Paso Robles, CA 93446 | | self - Vyd N | Mesa Ignt.Inc | winegra | ppe <u>View</u> |
| 11/12/2021 | Bruce Gibson for Supervisor 2022 | \$2,500.00 | RCPT A | Matthe Turren | | Cayucos, CA 93430 | | Grapev Capital | l a | sset mana | ger <u>View</u> |
| | ~ | | | 1 | - 1 | | | 1 | 1 | | |

What will Gibson's control mean for the small operator who is trapped in the Paso Water Moratorium?

Item 23 - Pending Litigation. Postponed from 2 weeks ago due to storm operations: Executive Session – Pending litigation - (3) SLO County Citizens for Good Government, Inc., Gomez, Maruska, Villa v. County of Luis Obispo Board of Supervisors, San Luis Obispo County Superior Court, Case No. 22CVP-0007. After the Board majority voted to reform the Supervisorial District boundaries, the Citizens for Good Government (the "Citizens") was formed to sue the County to compel adoption of a different version. In February 2022, the Court refused to issue an injunction to prevent the use of the new districts but did find that the plaintiff Citizens would be likely to prevail at trial on the grounds that the Board (majority at the time) did not consider evidence that the districts had been designed to favor Republicans. Presumably, the new Board majority could move to settle the case by adopting a version more acceptable to the "Citizens." The "Citizens" are Democratic Party activists.

Although the new 2nd District was claimed to be especially favorable to the Republicans, Democrat Bruce Gibson still won with a 13-vote margin. In the prior 2nd District configuration, he usually won by a margin of 76%.

It is possible that the public will not know what is happening until a settlement is reached. Perhaps it already has, in ex-parte political discussions or illegal serial meetings, but we don't know.

Supervisor Paulding is quoted in the New Times Weekly speculating on possible paths:

Again, going back to red flags, we had so many different community groups coming out saying, 'Don't do this. This map disenfranchises voters.' I am for enfranchising, not disenfranchising, voters.

"We have to, within the context of that litigation, develop a path forward that makes sense. That could entail an independent redistricting commission developing the boundaries for a future election. I think one of the things that has to be analyzed is—say you pick one community, Oceano: It had its right to vote in the 2022 election taken away. If we were to go back to the old lines, Oceano would then not be able to vote in the 2024 election again. So, it would be further disenfranchised for another two years.

"There is a discussion that our board will hopefully have in closed session that will revolve around how do we address those concerns? And maybe it will end up being that it makes sense to allow the 2024 election to proceed based on the current boundaries and then work toward the goal of an independent redistricting commission developing the outcome for the next election. I have no idea. We'll have to see where my colleagues are on that."

One thing for sure: Keeping the new Patten map is great for Supervisor Ortiz-Legg. Going back to the old map would be great for John Peschong.

MATTERS AFTER 1:30 PM

Item 26 - Request to 1) receive and file the Strategic Plan for San Luis Obispo County Fire Department and provide direction as deemed necessary; 2) direct staff to conduct a Paid Call Firefighter program analysis; 3) direct staff to prepare an Information Technology Strategic Plan for County Fire; 4) direct staff to conduct a Special Tax/Benefit Assessment analysis; and 5) direct staff to develop a community outreach and education plan on fire protection. The Plan is a comprehensive review and assessment of the current and future needs of the San Luis Obispo County Fire Department. The County contracts with Cal Fire to provide the services but determines the level of service it desires. The County pays for the actual staffing, operational, and capital costs through the contract as well as some functions directly. The Fire Department provides a variety of services, including fire, rescue, on-scene medical, disaster, air support, fire and safety inspections, and many others.

The report within the Strategic plan explores gaps and improvements, and makes recommendations in many aspects. These are broadly divided as follows:

The recommendations are outlined in the following sections and summarized in the table below:

- Section 2 Recommendations: Management and Operations
- Section 3 Recommendations: Emergency Medical Services
- Section 4 Recommendations: Response Service Levels
- Section 5 Recommendations: Facilities
- Section 6 Recommendations: Finance and Administration

The report has also listed the annual operating and future capital expenses necessary to fund the recommended improvements.

FUTURE EXPENSES This Strategic Plan has identified areas within the County Fire operation that are not meeting the recommended standards based on community demographics and service level criteria. As such, additional costs, both "one time" and ongoing have been identified. The following summary charts identify the areas in need of improvement/enhancement, associated projected costs, and estimated timelines for improvements.

| Capital Facility Projects | | | | |
|---|------------|-------|-----|---------------------|
| Procure property: Santa Marg., Oak Shores, E A.G., SW Nipor | 4,000,000 | Asset | New | Capital improvement |
| Santa Margarita: New Fire Station | 10,000,000 | Asset | New | Capital improvement |
| Backup ECC | 1,600,000 | Asset | New | Capital improvement |
| Repeater upgrades | 600,000 | Asset | New | Capital Improvement |
| Oak Shores: New Rural Fire Station | 10,000,000 | Asset | New | Capital improvement |
| East of Arroyo Grande: New Fire Station | 10,000,000 | Asset | New | Capital improvement |
| SW Nipomo: New Fire Station | 10,000,000 | Asset | New | Capital improvement |
| Sub total | 46,200,000 | | | |

New Costs: New capital expenditures recommended are displayed above. It is not known if any of these are included in the County's 5-year Capital Improvement Plan. They could be phased in over time.

New Operating Costs: The new recurring operating expenses would add \$17.6 million to the County's current Fire Budget of \$29 million per year. This number would grow over the years as salary, pension, health insurance, and the costs of supplies and materials grow. See the table below:

| 3 61 3 | | | | |
|--|------------|-----------|-----|-----------------|
| Additional Operational Costs | | | | |
| Upgrade EMS manager to Battalion Chief | 39,901 | Operation | New | EMS |
| Add a Public Information Officer position Fire Captain | 252,206 | Operation | New | Fire Prevention |
| Augment Fire Prevention: Vegetation management/plan ch | 541,540 | Operation | New | Fire Prevention |
| Three new Battalion Chief positions: Operations | 816,000 | Operation | New | Operations |
| Replacement fund for vehicles/equipment | 48,000 | Operation | New | Operations |
| Heritage Ranch: Upgrade to ALS Paramedic | 142,300 | Operation | New | EMS |
| Avila Beach: Upgrade to ALS Paramedic | 142,300 | Operation | New | EMS |
| Office Technician: North Division staff support | 121,741 | Operation | New | Administration |
| Third firefighter staffing at two fire stations (9 FAE PM) | 2,100,000 | Operation | New | EMS |
| Estero Bay: Upgrade to ALS Paramedic | 142,300 | Operation | New | EMS |
| Shandon: Upgrade to ALS Paramedic | 142,300 | Operation | New | Operations |
| Added staffing for a full time County engine at Shandon | 1,403,728 | Operation | New | Fire Prevention |
| Add a Fire Prevention Inspector Fire Captain | 252,206 | Operation | New | Operations |
| Added services and supplies to operate Santa Margarita | 395,000 | Operation | New | EMS |
| Third firefighter staffing at two fire stations (9 FAE PM) | 2,100,000 | Operation | New | EMS |
| Santa Margarita: Upgrade to Paramedic | 142,300 | Operation | New | Operaions |
| Paso Robles: Upgrade to ALS Paramedic | 142,300 | Operation | New | Operations |
| Added Heavy Equipment Mechanic | 178,730 | Operation | New | Operations |
| Third firefighter staffing at two fire stations (9 FAE PM) | 2,100,000 | Operation | New | Operations |
| Added services and supplies to operate Oak Shores | 395,000 | Operation | New | Operations |
| Seasonal staffing at Oak Shores/Lake Nacimiento | 1,050,000 | Operation | New | Operations |
| Added staff for 3.0 staffing at E. Arroyo Grande | 2,100,000 | | | |
| Added services and supplies to operate at E. Arroyo Grande | 395,000 | | | |
| Added staff for 3.0 staffing at SW Nipomo | 2,100,000 | | | |
| Added services and supplies to operate SW Nipomo | 395,000 | Operation | New | Operations |
| Sub total | 17,637,852 | | | |

New equipment would also be required per the table below:

| | , , | | | |
|---|-----------|---------|-----|---------------------|
| Additional Equipment | | | | |
| Heritage Ranch: ALS equipment upgrade | 45,000 | Asset | New | EMS |
| Avila Beach: ALS equipment upgrade | 45,000 | Asset | New | EMS |
| Staff vehicles and equipment to support new positions | 480,000 | Asset | New | Fire Prevention |
| Estero Bay: ALS equipment upgrade | 45,000 | Asset | New | EMS |
| Shandon: ALS equipment upgrade | 45,000 | Asset | New | EMS |
| Paso Robles: ALS equipment upgrade | 45,000 | Asset | New | EMS |
| Santa Margarita: ALS equipment upgrade | 45,000 | Asset | New | EMS |
| Add water tender in north county | 571,500 | Asset | New | Operations |
| Add water tender in south county | 571,500 | Asset | New | Operations |
| Added apparatus to new station East of AG | 1,350,000 | Asset | New | Capital Improvement |
| Add fully equipped Quint to new station in SW Nipomo | 1,250,000 | Asset | New | Capital Improvement |
| Sub total | 4,493,000 | | | |

Current revenue sources, including the General Fund and Proposition 172, are not sufficient t to carry out the program.

FINANCIAL SUMMARY

| FY 2021-22 Adopted | FY 2021-22 Actual | FY 2022-23 Recommended | FY 2022-23 Adopted | Change from FY 2021-22 |
|-----------------------|---|---|--|---|
| \$648.558 | \$634.676 | \$656.815 | \$656.815 | \$8,257 |
| , | , | , | , , . | \$722,162 |
| | | | | \$(98,595) |
| \$84,000 | \$133,399 | | | \$0 |
| \$1,278,020 | \$1,112,573 | \$1,424,917 | \$1,424,917 | \$146,897 |
| \$9,122,580 | \$9,361,639 | \$9,901,301 | \$9,901,301 | \$778,721 |
| \$27 131 206 | \$25,030,260 | \$26,878,507 | \$26,878,507 | \$(252,609) |
| | | | . , , | \$(1,042,059) |
| \$30,213,086 | \$26,453,172 | | | \$(1,294,668) |
| \$0 | \$(1,041) | \$0 | \$0 | \$0 |
| \$30,213,086 | \$26,452,132 | \$28,918,418 | \$28,918,418 | \$(1,294,668) |
| \$21,090,506 | \$17,090,493 | \$19,017,117 | \$19,017,117 | \$(2,073,389) |
| | 177 | | Fiscal Year 2022-2 | 2 Final Dudwat |
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Special Tax Assessment: Accordingly, the consultants recommend that the County consider a special parcel tax to provide additional dedicated funds for the improvements. This might be done by implementing a special revenue district congruent with those parts of the County which are served by the Department. The voters would have to approve such a measure. This could compete with a likely ½ cent sales tax for roads in 2024.

A True Test: Fire and emergency services benefit everyone. They are paid for by basic taxes by everyone. Why should improving them be the subject of a voter tax override or special assessment? Instead, let the voters decide on the general fund over matches in health, addiction, and homeless remediation, and golf, subsidies to non-for profits, mass transit, and other discretionary services.

Not included in the study and recommendation is the idea of a county-wide consolidated fire district which would absorb and replace the existing fire agencies. The Cayucos Fire District went out of business 2 years ago as it could not survive on its tax base. The County had to largely pick up the costs in its annual budget. Other fire districts in the County are also at risk of collapse at some point in the future.

In any case, major policy considerations are embedded in this agenda item.

- What are the 5- and 10-year forecasts for the County's general fund revenues and expenditures? How does this proposal fit?
- Should other non-safety parts of the Budget be reduced?
- Should the County push to save Diablo indefinitely? It generated about \$8 Million per year for the general fund.

- Determine how much of the revenue for proposed ocean wind turbine development is susceptible to County taxation.
- How much revenue is derived from the solar farms?

Eliminate a portion of the overmatches in:

- Social Services \$12.2 million
- Public Health \$12.8 million
- Behavioral Health \$18.5 million.

Set aside a growing portion of annual budget annually to develop a fire fund.

SLO Air Pollution Control District (APCD) Meeting of Wednesday, January 25, 2023 (Scheduled)

Item B-4: Request to Accept Funding from SLOCOG to Assist in the Development of a San Luis Obispo County Vehicle Miles Traveled Mitigation Program. The APCD and SLOCOG have received a \$300,000 grant to jointly develop a vehicle miles traveled (VMT) reduction credit market. Developers who build close to public transit, design car- unfriendly features, and otherwise conform to the doctrine will receive monetary credits which could be purchased by developers who don't conform. The program is designed to promote stack-and-pack housing, thus subjecting people to having to use public transit. You can move to the Bronx and enjoy all of this wonderful back to 1900 lifestyle now.

Theoretically, the estate house on acreage will have to buy credits in order to be approved.

This could be a major disaster for agricultural development, such as wineries, event centers, rural cluster subdivisions, bed and breakfasts, etc.

The staff recommendation states in part:

The VMT Mitigation Program will develop a regional VMT banking or exchange framework that attempts to create a monetary value for VMT reduction. A developer could either implement a local predetermined VMT reducing project or purchase VMT reduction credits that would be used to secure VMT reduction from other projects or programs. VMT is a regional issue and through this coordinated approach, the jurisdictions in SLO County can reduce VMT by funding low emission transportation projects that would not be supported in a business-as-usual scenario.

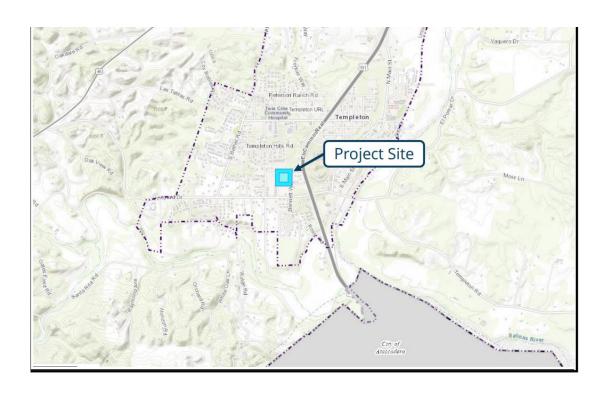
The VMT Mitigation Program will also produce a Quick Response Tool (QRT) for developers to estimate project related VMT impacts. This tool will help incentivize development near existing urban areas and facilities and improve our regional jobs-housing balance. The QRT will help estimate a development's VMT mitigation cost and streamline the mitigation process.

See the January 15 COLAB Weekly update at the link below for a full discussion of VMT in general. Weekly Update Jan-15_Jan-21_2023.pdf (colabslo.org)



Planning Commission Meeting of Thursday, January 26, 2023 (Scheduled)

Item 7 - Hearing to consider a request by Sara Street Properties, LLC for a Vesting Tentative Tract Map and Conditional Use Permit (SUB2020-00027/Tract 3138) to subdivide an existing undeveloped 10.88-acre parcel into 15 parcels ranging between 0.56 and 1.30 acres each for the purpose of sale and future development of each proposed parcel for residential uses. The project is located within the Residential Suburban land use category on the west side of Bennett Way, at the northwest portion of the intersection with Casper Road, in the community of Templeton. There does not seem to be any opposition to the project as of this writing. It would provide 15 homes on ½ acre to 1.3 acre lots.





LAST WEEK'S HIGHLIGHTS

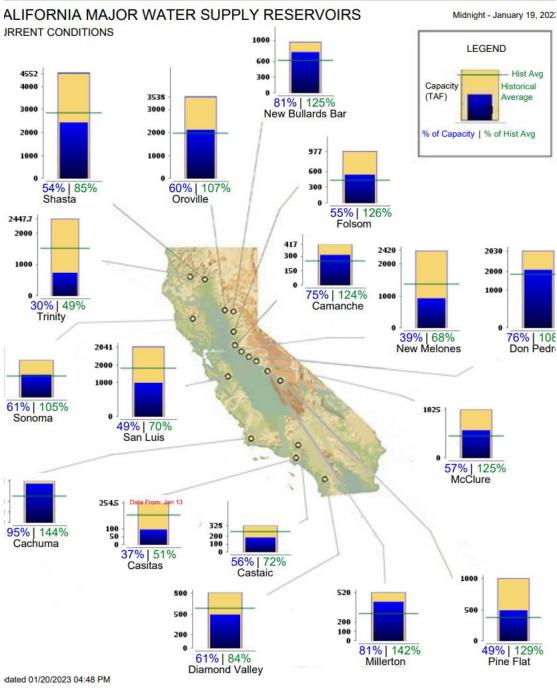
No Board of Supervisors meeting on Tuesday, January 17, 2023 (Not Scheduled)

Local Agency Formation Commission Meeting of Thursday, January, 2023 (Cancelled)

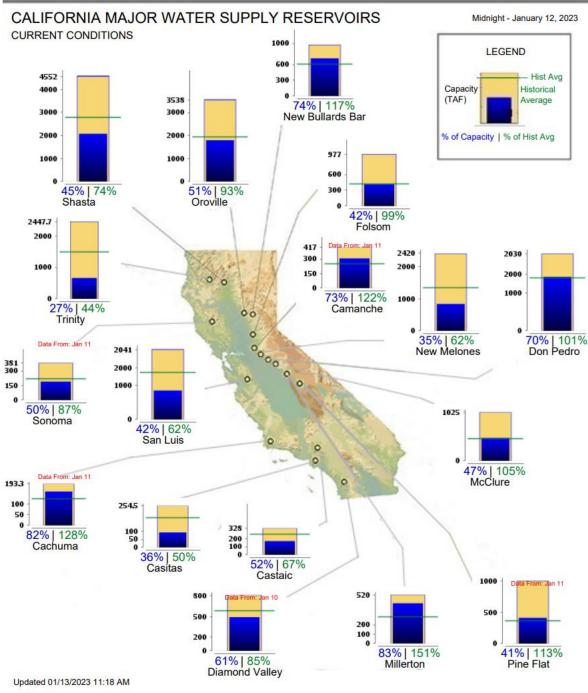
EMERGENT ISSUES

Item 1 - State Water Project reservoirs filling up. Compare this week's levels on the chart below with last week's on the subsequent page. For example, Shasta went from 46% full to 54% full. Oroville went from 51% to 60%.









THE WALL STREET JOURNA

WEDNESDAY, JANUARY 18, 2023 ~ VOL. CCLXXXI NO. 13

Water Is a Terrible Thing to Waste

California hasn't built

the storage to make

use of winter rains.

with climate, so why don't they prepare for droughts or deluges? The atmo-

spheric rivers that are sweeping the parched Golden State should be a cause for relief, but they've instead given way to catastrophic floods and enormous water waste.

Scientists last fall forecast another warm and dry winter following three of California's driest years on record. Yet storms this winter have already dropped tens of trillions of gallons of water across the state and more than a dozen feet of snow in the Sierra Nevada mountains. Alas, little of the storm runoff is getting captured.

One problem is the state's lack of investment in public works, especially storage and flood control. Drought has recurred throughout California history, punctuated by wet winters like this one. Two seven-year droughts that started in the late 1920s and 1940s spurred the construction of a massive system of canals, dams and reservoirs.

But few large water projects have been built since the birth of the modern environmental movement in the 1970s. Species protections for salmon and the three-inch smelt limit how much water can be pumped south through the Sacramento-San Joaquin River Delta, which receives runoff from rivers in the North and the Sierra

The amount of water surging into the Delta on Friday could have filled a reservoir the size of Yosemite's Hetch Hetchy almost every 24 hours. Instead, nearly 95% of the Delta's storm water this year has flushed into the Pacific Ocean. Such waste occurs whenever there's a deluge and is why some reservoirs south of the Delta remain low despite the storms.

Former Gov. Jerry Brown wanted to build massive tunnels under the Delta that can export more water to farmers in the fertile Central Valley and cities in Southern California. But environmentalists oppose this idea as they do expanding water storage.

More reservoirs are desperately needed in the North to capture melting snowpack that would otherwise drain into the Pacific or overflow river banks. Reservoirs store runoff and help prevent flooding. Most reservoirs in the North are now above historical average levels so they may have to release water this spring to avoid overflowing.

State voters have approved eight water bonds since 2000 that authorize some \$27 billion in funding for various water projects, but

alifornia's political leaders are obsessed little of the money has gone to storage or flood control. That's because politicians buy off green support for water bonds by promising to spend

a large share of their proceeds on ecosystem restoration.

Only \$2.7 billion of a \$7.5 billion water bond that voters approved in 2014 was allocated for storage. None of the seven storage projects se-

lected by the state for funding has begun construction. Blame in part a government permitting morass. Most aren't expected to be completed until the end of this decade, assuming they aren't marooned by lawsuits.

Voters support water bond measures because they think the money will be spent on drought preparation. But it never is. Liberals use droughts and floods to campaign for water bonds that end up funding pet environmental causes. Rinse and repeat. Mr. Newsom last week floated another bond measure for water projects and wildfire mitigation.

If water projects are a political priority, why not finance them with general tax revenue as the state does climate programs like electric-vehicle subsidies? Perhaps because borrowing for water projects allows the government to spend more on other things. As a result, taxpayers wind up paying more for debt service.

Californians are also having to pay much more for water owing to restricted supply. Central Valley farmers and Southern Californians have been slammed by rising water rates. The Nasdaq Veles California Water Index, which tracks the spot price for water in the state, has more than quadrupled over the past three years.

Some local water districts have invested in desalination and wastewater reclamation, but these are expensive. The state is also paying farmers up to \$2.5 million to leave fields fallow. About 531,000 acres were left unplanted last year. That's one reason California's Central Valley boasts five of the 10 metro areas with the highest unemployment rates in the country.

-X-California's problems never stay in California. Its profligate water policies are straining the overburdened Colorado River, which supplies six other states and California. Recent storms aren't expected to bolster the Colorado, and federal officials are threatening to restrict supply for all seven states if they don't reach an agreement to curb usage by the end of this month.

California has a dry climate long marked by drought. But its failure to plan for water storage and delivery during the wet periods is one more failure of the state's government and its misguided political priorities.

CALIFORNIA'S MEGA WATER WASTERS

Californians are squandering millions of acre-feet of storm runoff at the same time as they face permanent water rationing. BY EDWARD RING

It's illegal to serve drinking water <u>in a California restaurant</u> unless the customer asks for it. Billboards sponsored by the state urge residents to put a <u>bucket in their shower</u> to capture water for their gardens. These symbolic pittances, along with escalating restrictions on water use by farmers and households that are anything but trivial, are the products of a deeply flawed mentality governing water policy in California.

At the same time as government bureaucrats commit to ongoing water rationing, ferocious winter storms lash the state with hundreds of millions of acre-feet of precipitation. If this storm runoff were captured and stored, there would never be water scarcity again. But instead, it merely causes flooding and havoc, then runs into the vast Pacific Ocean. This is the story of California's mega water wasters, one of the most delusional, self-righteous, destructive cults in the history of civilization.

In California, when it rains, it pours. So far in 2023, up and down the state, rain and snow are pouring down, <u>one storm after another</u>. Rainfall totals in the San Francisco Bay Area are an astonishing 600 percent of normal for this time of year. In almost every watershed throughout the state, <u>total rainfall is well above normal</u>, and in the Sierras, the all-important snowpack is now sitting at exactly 200 percent of normal.

With all this rain and snow, it might seem like California's multiyear, devastating drought has come to a welcome and very wet end. But according to the experts, we can't believe our lying eyes. When *Politico* reporters asked California's state climatologist, Michael Anderson, if the drought was over, "in short, no," was his answer. Anderson had just "had a conversation about that" with a UC San Diego water expert who had the temerity to suggest that California's drought was over. So, it's raining and snowing like hell these days, with no end in sight, but we're *still* in a drought. That's the official line, and wavering is not allowed.

As reported by News 1 in Los Angeles, "Despite storms, state reservoirs aren't likely to return to normal levels this year." From NBC News: "California has been hammered with rain. It may not be enough to reverse its drought." From Bloomberg: "California Deluge Is Still Far Too Little to End Drought's Grip."

Despite experts predicting for years that Californians would need to rely less on a diminishing snowpack and more on harvesting water from storm runoff, the state has done little to prepare. Even if that isn't a permanent new reality, it's happened often enough in recent years to warrant adaptive measures. But here we are, in 2023, and when the rain stops, and if the snow melts prematurely, Californians will likely face another year of drought restrictions.

California has massive reservoirs, sufficient to supply the state through drought years, but state water managers won't allow them to fill up in January. If they do, runoff from spring storms and melting snow may go straight over the spillways, causing flooding downstream. The assumption

had always been that these reservoirs should be left half-empty throughout the winter to protect communities downstream from flooding, and would not be allowed to fill until May or June as the snow finally melted and the probability of large new storms was lower.

Knowing when to stop releasing and start saving water in California's reservoirs requires knowing if more late spring storms are coming, and whether or not an early heat wave will send the snowpack cascading out of the mountains prematurely. This is impossible to predict, so California's water managers err on the side of caution, and year after year, they let the water out.

The problem is compounded by environmentalist-inspired regulations, perpetually expanding, to leave a minimum flow in the rivers to protect fish. The result during dry years is that farmers and urban water agencies downstream from these depleted reservoirs are not permitted to withdraw water because the flow is necessary for the ecosystems. Never mind that in the days before dams, anadromous fish species simply stayed in the ocean in the years when the rivers ran dry.

However valid concerns over flooding and aquatic habitats may be, there are known solutions. But they face the gauntlet of obligatory, protracted, biased studies, endless environmentalist litigation, legislative indecision, hostile government bureaucracies, and powerful business and financial interests that profit from water scarcity.

Missed Opportunities

If downstream flooding is a concern, as it should be, there are remedies. One fix is to construct new dams upstream from existing flood control dams. The lower dam could then be used as it always has been, mostly for flood control, and the upper dam could be allowed to fill.

But in the face of relentless pressure from environmentalists, two major dams that might have fulfilled these criteria were never built. On the North Fork of the American River, the proposed <u>Auburn Dam</u> would have stored 2.3 million acre-feet of water and would have been upstream from the existing Folsom Reservoir, which could then have been used exclusively for flood control. Environmentalists declared filling the Auburn Canyon would be an ecological catastrophe, and the Auburn Dam project died.

Also killed by environmentalists was the <u>Temperance Flat Reservoir</u>, which would have been upstream from the existing Millerton Reservoir on the San Joaquin River. Temperance Flat, which could have been filled up by the torrential rains that have already blown through California this year would have stored another 1.3 million acre-feet.

Another way to reserve runoff without compromising flood controls is to build off-stream reservoirs. These are constructed in arid valleys with minimal runoff and no major rivers, but they are pumped full using water taken from California's rivers and aqueducts during storms. Only one major off-stream reservoir exists in California, the massive San Luis Reservoir, with a capacity to hold 2 million acre-feet, even though dozens of promising locations were identified during the heyday of the California Water Project in the 1950s and '60s. As it is, a few major off-stream reservoirs are still being considered, but they're not getting anywhere despite the will of the people. California's voters in 2014 overwhelmingly approved Proposition 1, a water bond that would have funded the proposed Sites Project, an off-stream reservoir originally planned to

hold 2 million-acre feet. But Sites remains tied up in litigation, endless planning, and only half-hearted and belated efforts by the state to secure matching federal funds.

Meanwhile, other badly needed off-stream reservoir proposals are getting nowhere. The <u>Pacheco Reservoir</u>, which would provide essential backup storage for urban water agencies serving Silicon Valley, is tied up in environmentalist litigation and funding controversy. The <u>Del Puerto Canyon Reservoir</u>, designed to serve farmers in the upper San Joaquin Valley, is barely out of the concept stage, but the day it becomes anything more than a dream it is sure to end up with environmentalist lawsuits that will tie it up in knots.

Even if all these reservoirs were built and allowed to fill, how much of the subsequently released water would be untouchable and reserved exclusively for aquatic ecosystem health? It is only a slight exaggeration to say that the environmentalist mantra—and one never effectively challenged in California—goes something like this: "The more water you leave in the river, the better, and the only truly acceptable management strategy is to leave *all* the water in the river." This is a recipe for perpetual water scarcity, and that's exactly what we've got.

Unless it rains all winter and well into the spring, and perhaps even if it does, millions of acres of farmland will be taken out of production, and urban residents will be required to kill their lawns and take short showers. The absurdity of this policy in action can be seen in how water is currently managed in the biggest hydraulic choke point in the state, the Sacramento-San Joaquin Delta.

In just the first two weeks of this year, over 3 million acre-feet of fresh water have passed through the Sacramento-San Joaquin Delta and flowed into the San Francisco Bay, but of that, only 260,000 acre-feet has been diverted by the <u>state</u> and <u>federal</u> pumps into the aqueducts Californians depend on to deliver water to reservoirs in southern and central California. This is only two-thirds of their pumping capacity, which in any case is grossly inadequate and hasn't been upgraded in over 50 years.

There is no rational justification for this. This volume of water has not swept through the Delta since the floods of 2017. Moving a much higher percentage of this much floodwater into southbound aqueducts and aquifers cannot possibly harm Delta ecosystems, when the remaining flow is still more water than the Delta and San Francisco Bay estuaries have seen in several years. Where is the hardware? Where is the will?

Why isn't it possible, when levees throughout the Delta region are currently failing from flooding rivers, for existing infrastructure to be used to move desperately needed water south to badly depleted storage facilities?

Practical Solutions Encounter Endless Delays and Obstacles

The solutions to flooding and the solutions to drought have a compelling symmetry. If you solve one, you have probably also solved the other. California could have all the water it needs through smart investment in infrastructure. The system of dams and aqueducts built 50 years ago still holds up remarkably well, and upgrading and adding to those assets to meet 21st-century

requirements is well within the technical and financial capacity of Californians. The problem is all political.

New and innovative proposals permitting more freshwater withdrawals from the Delta even during periods of reduced precipitation should be evaluated and fast-tracked. For example, the Blueprint proposes to install perforated pipes into engineered channels with the Delta to divert additional tens of thousands of acre-feet per day without disrupting currents or harming fish populations.

Along with more surface storage, California's capacious aquifers can store millions of acre-feet of runoff. While percolation basins permit slow recharge of groundwater, recently discovered underground flumes in the Central Valley could allow rapid water diversions into underground storage. It is estimated there are over 100 million acre-feet of available underground storage capacity in California's Central Valley aquifers, and possibly much more.

Across California's cities, a recent <u>study by the Pacific Institute</u> claims up to 3 million acre-feet of urban storm runoff can be harvested and treated every year, equaling nearly 50 percent of California's total urban water demand.

Desalination plants, which could deliver hundreds of thousands of acre-feet each year to California's arid coastal cities regardless of drought conditions, are perhaps the most fiercely opposed of any project by environmentalists. Despite successful installations from Israel to Australia and from Saudi Arabia to Singapore, only one major desalination plant ever got past the activists in California: the <u>Carlsbad</u> plant just north of San Diego.

There are plenty of ways to solve California's new set of water challenges, and there is plenty of money to get it done. What is lacking is the will to legislate remedies to the many bureaucratic and litigious obstacles, so Californians can plan and complete these projects in years instead of decades.

California's Animist Hoi Polloi and Their Enablers

If you want to characterize the mentality of California's elites, it's easy enough to encapsulate in a few phrases: "This land belongs to the wildlife, and humans are intruders."

This is more than an ideology. It is the official state religion of California. It requires its practitioners to worship the earth and the animals, and place these creatures above themselves. It is the <u>animist</u> antithesis of Christianity, which enjoins humanity to worship God and to steward the earth.

This would explain why California's Department of Fish and Wildlife, with <u>wolves</u> <u>reintroduced</u> into California, is now considering petitions to <u>reintroduce grizzly bears</u>. It would explain why ranchers are prohibited from shooting coyotes that threaten their livestock. They can't even kill wild boar, an introduced species of uncommon intelligence and destructiveness. By the time you get the permit, your calves are dead.

This animist religion is why, to return to the subject of water management in California, you can't declare open season on striped bass, an alien predator that is <u>killing far more salmon</u> than altered river habitat. Enabled by sport fishing associations that want to keep the bass large and plentiful, water experts are designing schemes to micromanage river flow and temperature in order to maximize the salmons' chances against the bass.

Water for salmon, salmon for bass, trophy bass for anglers, a dustbowl for farmers, rationing for residents, and fully actualized animist activists. This is life in California under its chic green alternative religion. Animals are sacred, while humans are toxic and must be restricted and rationed.

To appreciate just how elitist and hypocritical this animist bias has become in California, consider the members of the <u>California Coastal Commission</u>. In May, commissioners voted unanimously <u>to deny approval</u> of a major new desalination plant in Southern California. One of the commissioners on this 12-member board has lived on a <u>\$35 million estate</u> in Los Angeles's tony Pacific Palisades. Sitting on over an acre of lush landscaping, this 11,000-square-foot home is part of a neighborhood sprinkled with the mansions of film executives and movie stars. Imagine how much water these households consume.

How can someone that fortunate, whose "water footprint" can't possibly come anywhere close to the <u>42 gallons per person per day</u> limit the state legislature has mandated to take effect by 2030, justify voting against a desalination plant that would have made life easier for hundreds of thousands of Californians? Here's your answer:

According to the Coastal Commission's voluminous <u>report denying the desalination project</u>: "The Regional Water Quality Control Board determined that Poseidon's ongoing impacts to marine life would be equal to a loss of productivity from 423 acres of nearshore and estuarine waters."

That's the extent of it. A "loss of productivity" in an area of ocean less than one square mile in size. If you can't do something that minimal in exchange for 56,000 acre-feet of guaranteed fresh water per year, you can't do anything.

This antihuman religion and elitist hypocrisy infect thousands of influential Californians. But reforming the bureaucracies that are imposing water scarcity on millions of other Californians would require more than replacing the directors. Nearly every bureaucrat staffing these massive regulatory organizations is a product of a deep green, faith-based educational system that preached animism. Thoroughly indoctrinated, they care more about animals than they care about people.

Californians are squandering millions of acre-feet of storm runoff even as they face permanent water rationing. Until tens of millions of Californians stand up to the thousands of activist bureaucrats who wield power over their water and energy, and demand balanced policies that embrace abundance, nothing will change.

Edward Ring is a senior fellow of the Center for American Greatness. He is also 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 first appeared in the January 17, 2023 American Greatness.



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



RACE TO ZERO: CAN CALIFORNIA'S POWER GRID HANDLE A 15-FOLD INCREASE IN ELECTRIC CARS?

BY NADIA LOPEZ

IN SUMMARY

Despite expecting 12.5 million electric cars by 2035, California officials insist that the grid can provide enough electricity. But that's based on multiple assumptions — including building solar and wind at almost five times the pace of the past decade — that may not be realistic.

As California rapidly boosts sales of electric cars and trucks over the next decade, the answer to a critical question remains uncertain: Will there be enough electricity to power them?

State officials claim that the 12.5 million electric vehicles expected on California's roads in 2035 will not strain the grid. But their confidence that the state can avoid brownouts relies on a best-case — some say unrealistic — scenario: massive and rapid construction of offshore wind and solar farms, and drivers charging their cars in off-peak hours.

Under a groundbreaking new state regulation, 35% of <u>new 2026 car models</u> sold in California must be zero-emissions, ramping up to 100% in 2035. Powering the vehicles means the state must triple the amount of electricity produced and deploy new solar and wind energy at almost five times the pace of the past decade.

The Air Resources Board enacted the mandate last August — and just six days later, California's power grid was so taxed by heat waves that an unprecedented, 10-day emergency alert warned residents to cut electricity use or face outages. The juxtaposition of the mandate and the grid crisis sparked widespread skepticism: How can the state require Californians to buy electric cars if the grid couldn't even supply enough power to make it through the summer?

At the same time as electrifying cars and trucks, California must, under <u>state law</u>, shift all of its power to renewables by 2045. Adding even more pressure, the state's <u>last nuclear power plant</u>, <u>Diablo Canyon</u>, is slated to shut down in 2030.



Six days after California approved a rapid ramp-up of electric car sales, a heat wave triggered 10 days of brownout warnings.

Can California keep the lights on with 12 million electric cars?

With 15 times more electric cars expected on California's roads by 2035, the amount of power they consume will grow exponentially. But the California Energy Commission says it will remain a small fraction of all the power used during peak hours — jumping from 1% in 2022 to 5% in 2030 and 10% in 2035.

"We have confidence now" that electricity will meet future demand "and we're able to plan for it," said Quentin Gee, a California Energy Commission supervisor who forecasts transportation energy demand.

But in setting those projections, the state agencies responsible for providing electricity — the California Energy Commission, the California Independent System Operator and the California Public Utilities Commission — and utility companies are relying on multiple assumptions that are highly uncertain.

"We're going to have to expand the grid at a radically much faster rate," said David Victor, a professor and co-director of the Deep Decarbonization Initiative at UC San Diego. "This is plausible if the right policies are in place, but it's not guaranteed. It's best-case."

Yet the Energy Commission has not yet developed such policies or plans, drawing intense criticism from energy experts and legislators. Failing to provide enough power quickly enough could jeopardize California's clean-car mandate — thwarting its efforts to combat climate change and clean up its smoggy air.

"We are not yet on track. If we just take a laissez-faire approach with the market, then we will not get there," said Sascha von Meier, a retired UC Berkeley electrical engineering professor who specializes in power grids. The state, she said, is moving too slowly to fix the obstacles in siting new clean energy plants and transmission lines. "Planning and permitting is very urgent," she said.

"We're going to have to expand the grid at a radically much faster rate. This is plausible if the right policies are in place, but it's not guaranteed. It's best-case."

The twin goals of ramping up zero-emission vehicle sales and achieving a carbon-free future can only be accomplished, Victor said, if several factors align: Drivers must avoid charging cars during evening hours when less solar energy is available. More than a million new charging stations must be operating. And offshore wind farms — non-existent in California today — must rapidly crank out a lot of energy.

To provide enough electricity, California must:

- Convince drivers to charge their cars during off-peak hours: With new discounted rates, utilities are urging residents to avoid charging their cars between 4 p.m. and 9 p.m. But many people don't have unrestricted access to chargers at their jobs or homes.
- Build solar and wind at an unprecedented pace: Shifting to all renewables requires at least 6 gigawatts of new resources a year for the next 25 years a pace that's never been met before.
- Develop a giant new industry: State officials predict that offshore wind farms will provide enough power for about 1.5 million homes by 2030 and 25 million homes by 2045. But no such projects are in the works yet. Planning them, obtaining an array of permits and construction could take at least seven to eight years.
- Build 15 times more public chargers: About 1.2 million chargers will be needed for the 8 million electric cars expected in California by 2030. Currently, about 80,000 public chargers operate statewide, with another estimated 17,000 on the way, according to state data.

• Expand vehicle-to-grid technology: State officials hope electric cars will send energy back to the grid when electricity is in high demand, but the technology is new and has not been tested in electric cars.

Day and night charging

Climate change has already stressed California's energy grid, especially during hot summer months when residents crank up air conditioners in the late afternoon and early evening.

Providing electricity during those hot summer evenings — when people use the most — will be a challenge, said Gee of the California Energy Commission.

"That's what we're particularly concerned about," he said. "We have enough electricity to support consumption the vast majority of the time. It's when we have those peak hours during those tough months."

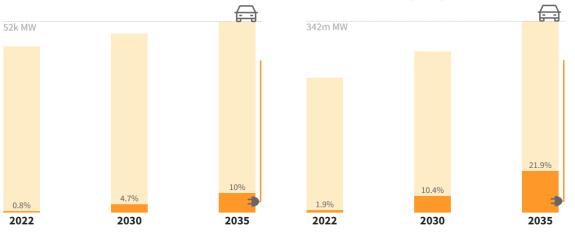
How will more electric cars affect California's grid?

More electric vehicles means more strain on the grid, but the state Energy Commission projects that they still will use a small fraction of California's total electricity.

The grid is most stressed at **peak hours** — on hot summer evenings when demand is high and less solar energy is available. Based on the state's modeling for future years, officials expect ■ electric vehicles by 2035 will account for about 10% of the total system hour load — how much electricity utilities need to provide — during those peak times.

□ Annually

Annual consumption also is important to track. That's because rates that encourage charging during off-peak hours will mean that the percentage of total power that electric vehicles use annually will be considerably larger than the percentage for just peak hours. The state projects that electric vehicles will account for almost 22% of baseline annual consumption by 2035.



The total electricity consumed by Californians is expected to surge by 96% between 2020 and 2045, while net demand during peak hours is projected to increase 60%, according to a <u>study</u> commissioned by San Diego Gas & Electric.

Southern California Edison worries that if drivers charge during late summer afternoons, electric vehicles could strain the grid, said Brian Stonerock, the utility's director of business planning and technology. Edison's <u>service area</u> includes the desert, where customers rely on air conditioning, and their peak use times are when solar power is less available as the sun goes down.

Concerns about the grid "are quite a big deal for us," he said. "We don't want people to be confused or lose confidence that the utility is going to be able to meet their needs."

But for many drivers, charging during the day or late at night is not a problem: Most electric cars have chargers that can be automatically turned on after 9 p.m. But for some drivers, especially those who live in apartments or condominiums, charging during those hours may not be an option.

That's because — unlike filling a gas tank — charging an electric car takes much longer. Drivers may not have a reliable place to park their cars for long periods of time during the day while they work or late at night when they're home. To encourage daytime charging, Victor said the state must drastically boost the number of fast chargers and workplace stations.

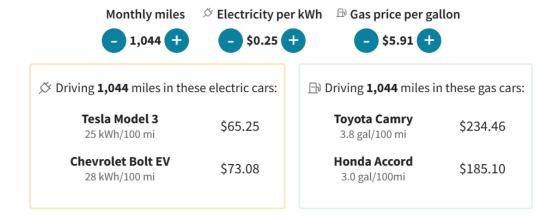
Concerns about the grid "are quite a big deal for us. We don't want people to be confused or lose confidence that the utility is going to be able to meet their needs."

Fast chargers — like the Tesla superchargers available at some public spots — can juice up a battery to 80% within 20 minutes to an hour. But most chargers are a lot slower: A level one charger, often supplied by manufacturers, could take between 40 to 50 hours to fully charge an empty battery. An upgraded, level two charger can take four to ten hours, according to the U.S. Department of Transportation.

"A lot of the increase in demand is going to come from electrifying transportation and it's really going to hinge on when people charge. That's a behavioral and technological question that we really don't know the answers to," Victor said.

How much does charging an EV cost?

Compare the monthly cost of filling up popular passenger electric and gas cars.



<u>The California Public Utilities Commission in 2015</u> ordered state's investor-owned utilities — San Diego Gas & Electric, Southern California Edison and Pacific Gas & Electric — to transition its residential customers to rate plans that offer lower pricing during off-peak hours.

For instance, in the summer when energy is the most expensive, PG&E customers pay about 55 cents per kilowatt-hour during peak hours, more than double the 24 cents during off-peak times, according to PG&E spokesperson Paul Doherty.

These time-of-use rates have been a "highly successful" strategy, Doherty said. Most PG&E customers take advantage of the lower pricing: On average, between 60% to 70% of electric vehicles in PG&E's service area are charged during non-peak hours.

"You've got an electricity grid that is leaning on customers to do more, instead of, actually, as a state, generating the power we need to keep the lights on." But not all state leaders are convinced that discounts alone will convince electric car owners to lay off charging in evenings.

"Moving forward into the future, it seems to me that the strategy is putting more and more stress and responsibility on the customer," Assembly member Vince Fong, a Republican from Bakersfield, told state agencies at a joint legislative hearing in November. "You've got an electricity grid that is leaning on customers to do more, instead of, actually, as a state, generating the power we need to keep the lights on."

For PG&E customers, charging an electric vehicle when rates are lowest — between midnight and 3 p.m. — is roughly equivalent to paying about \$2 for a gallon of gas, Doherty said. But as rates keep rising, charging a car could cost more than filling a gas tank.

"The cost of electricity is trending so high that it represents a threat to California meeting its goals," said Mark Toney, executive director of the advocacy group Utility Reform Network.

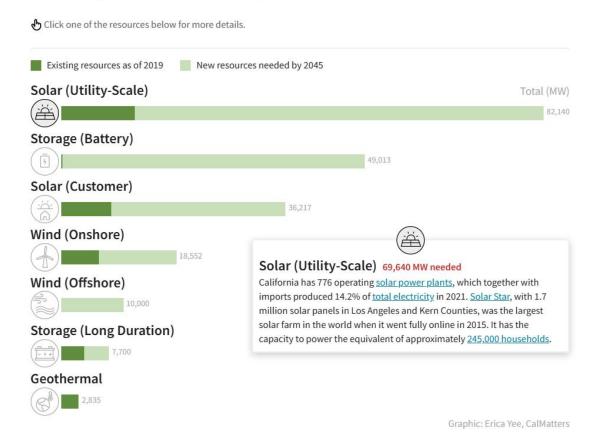
A rush to replace natural gas, nukes with solar, wind

California will soon lose major sources of electricity: the Diablo Canyon nuclear power plant and at least four coastal natural gas plants. Combined, nuclear power and natural gas provide nearly half of the total electricity consumed in California.

To replace them, the state Public Utilities Commission has ordered utilities by 2026 to procure 11.5 gigawatts of new renewable energy resources, or enough to power 2.5 million homes.

California needs three times more power capacity to reach 100% clean energy by 2045

An initial analysis suggests the goal is technically feasible but only with a sustained high pace of construction: 6 GW annually for the next 25 years. Over the last decade, the state has built on average 1 GW of utility solar and 0.3 GW of wind per year.



A new state mandate requires 60% of California's power supply to come from renewables by 2030 — nearly double the amount of 2022.

And by 2045, solar and wind combined must quadruple, according to the California Energy Commission. That's about 69 gigawatts from large-scale solar farms, up from 12.5 gigawatts, plus triple the amount of <u>rooftop solar</u> and double the amount of onshore wind power.

California's target to build at least 6 gigawatts of solar and wind energy and battery storage a year for the next 25 years is daunting, given that in the past decade, it's built on average just 1 gigawatt of utility solar and 0.3 gigawatt of wind per year. In the past three years, the pace sped up, with more than 4 gigawatts added annually, state data shows.

Solar farms face big obstacles: insufficient materials for energy-storing batteries and a need for more transmission lines, especially in the Central Valley, a prime place for solar, said Shannon Eddy, executive director of the Large-scale Solar Association.

There's also some <u>"not-in-my-backyard" pushback in the desert and other rural communities</u>. San Bernardino County outlawed solar farms on more than a million acres, and two projects were rejected in Lake and Humboldt counties.

To speed clean energy projects, Newsom and the Legislature enacted a <u>controversial new</u> <u>law</u> allowing <u>state agencies to usurp control from local governments</u> for siting solar, wind and some battery backup projects.

Alex Breckel of the Clean Air Task Force, an environmental advocacy group, said the state's clean-power goals are achievable. Still, he said, new generation, energy storage, distribution systems and transmission lines will take substantial time to deploy.

The state must ensure that the transition to clean electricity protects the environment, is affordable and equitable, and avoids delays and siting issues, Breckel said. That's why California needs a robust <u>clean energy deployment plan</u> and to assign a lead agency rather than relying on piecemeal strategies, he said.

"Is the state on track to achieve its clean energy goals? Right now, there's no one who can give you a definitive answer. More transparency on a plan that goes from here to there every year where we can track progress will really help answer that question," Breckel said.

"Is the state on track to achieve its clean energy goals? Right now, there's no one who can give you a definitive answer."

Several lawmakers say the state isn't moving fast enough.

Assemblymember Phil Ting, a Democrat from San Mateo County, lambasted state agencies at the November hearing, saying they have no clear way to speed up new clean energy projects.

"What you're saying to me is 'we're working on it, and we have no idea when we will make the system better' and there's nothing that you're telling me that we could do as a state to make improvements," he said. "Your answer is absolutely not appropriate...It's very concerning."

Ting expressed frustration that state leaders were "going backwards" by extending the lifespan of Diablo Canyon to 2030 and some fossil fuel plants. Fearing emergency brownouts like those that hit the state in 2020, Newsom and the Legislature last summer <u>allowed some natural gas</u> <u>plants</u> that were supposed to go offline this year to keep operating past 2023, and perhaps much longer.

Assemblymember Luz Rivas, a Democrat from the San Fernando Valley, said low-income communities near the gas plants will continue to suffer the most if the state keeps <u>extending their retirement dates</u>.

"We can't forget about the costs that low-income communities like mine will bear from this," Rivas said. She said "many disadvantaged communities across the state bear the brunt of impacts" of pollution from fossil fuels and climate change's extreme heat.

Siva Gunda, a member of the California Energy Commission, acknowledged that the state "needs to do better to make sure we are on course to retire the fossil-fuel generation and not burdening communities."

Gunda said the commission will have a report for legislators later this year. "You're absolutely right that we need a long-term strategy for making sure we can get through the peaks with clean resources," he told legislators.

Hinging hopes on wind farms

California is betting on giant wind farms in the ocean to strengthen the grid and meet its renewable energy goals.

The state's ambitious offshore wind targets build off President Joe Biden's 2021 pledge to deploy 30 gigawatts of offshore wind nationally by 2030. Newsom hopes to add between 2 to 5 gigawatts of offshore wind off California's coasts by 2030. Ultimately the state aims to produce at least 25 gigawatts from offshore wind by 2045 — the boldest commitment any state has made. That could supply electricity for 25 million homes.



Turbines at America's first offshore wind farm, owned by the Danish company Orsted, produce energy off the coast of Rhode Island. Photo by David Goldman, AP Photo

Last Dec. 6 was a historic day: The <u>first-ever auction</u> of wind leases in waters off California was held, with 43 companies leasing 583 square miles in <u>five areas</u> off Morro Bay and Humboldt County. These deep ocean waters have the potential to produce more than <u>4.5 gigawatts</u>, <u>enough to power about 1.5 million homes</u>.

That sounds promising, but the state is hinging its hopes on an emerging sector that doesn't yet exist in California — and vast regulatory and technological hurdles lie ahead.

California will need expanded ports, and developers must first submit detailed plans about a project's cost and scale before facing extensive environmental reviews.

Adam Stern, executive director of the industry group Offshore Wind California, said the planning and regulatory process alone could take five to six years. Installing the massive turbines — with blades bigger than a football field — and constructing transmission lines and an onshore production plant would take another two to three years, Stern said.

"It's a huge challenge," Stern said. "It's going to require a lot of coordination and a lot of investment and a lot of collaboration across different types of stakeholders, government industry, non-governmental organizations and labor unions."

Offshore wind farms "offer the promise of a lot of clean energy ... when we need it most. Even as hard as this is going to be, I have a lot of optimism that we can pull it off."

Current offshore wind turbines off the East Coast are fixed to the ocean floor in shallow waters. But California's turbines would be the first in the nation to float on platforms anchored by cables in waters reaching about half a mile deep.

This new technology won't be cheap. The <u>cost of producing the energy</u> averages about \$84 per megawatt-hour, more than most other sources of energy, according to the U.S. Department of Energy.

Still, offshore wind's potential is huge. Wind power tends to be stronger in the ocean than on land, making it valuable during times when renewables like traditional wind and solar can't produce enough energy. Winds off the coast are also strongest in the late afternoon and evening, which is exactly when — particularly in the summer — electricity demand surges.

Offshore wind farms "offer the promise of a lot of clean energy at the time of day and season when we need it most," Stern said. "Even as hard as this is going to be, I have a lot of optimism that we can pull it off."

More than a million chargers needed

As electric cars surge, so will demand for public chargers. California has about <u>838,000 electric cars and plug-in hybrids</u>. By 2030, about 1.2 million chargers will be needed for 8 million vehicles, <u>according to a state report</u>. Currently, only about <u>80,000 public chargers</u> have been installed statewide, with another 17,000 on the way, according to state data. The goal is 250,000 by 2025.

Mostly, private companies are responsible for installing them, although state grants help. A standard level 2 charger could cost between \$7,000 to \$11,000, while direct fast charging costs about \$100,000 to \$120,000 each, according to the California Energy Commission.

California is deploying new chargers with funds from a \$8.9 billion investment for electric vehicle incentives from this year's budget. Those dollars are being used for 170,000 new chargers.

In addition, California also received \$384 million in federal funding this past year to help it construct a 6,600-mile statewide charging network and deploy 1.2 million chargers by 2030, according to the California Energy Commission.

"Every major automaker in the world is now making electric vehicles and we need to make it possible to charge everywhere in the state for everyone," said David Hochschild, who chairs the California Energy Commission.

Uncertainty of vehicle-to-grid technology

Securing the stability of the grid also requires a huge investment in energy storage, which can help provide energy during peak demand times. One method is called <u>vehicle-to-grid integration</u>, where energy can be reabsorbed by the grid when the vehicle is parked.

So far, the only projects that exist in California are for buses. San Diego Gas & Electric and a battery company deployed a <u>first-of-its kind project</u> with buses that have battery capacity <u>five times greater</u> than an electric car's.

The technology is still in the early stages, has not been tested with other electric vehicles and it's unclear when it will be ready.

Rajit Gadh, director of UCLA's Smart Grid Energy Research Center, said challenges exist.

Some car owners may not want to use the technology because they worry that it could affect their car battery's life. While studies have not reported battery damage, convincing consumers could be a slow, difficult process, he said. Utilities will have to sway them with cheaper rates and other incentives for it to work.

As with many of the problems related to energy and electric vehicles, "it's a matter of time, education, awareness and incentives," Gadh said. Nadia Lopez covers environmental policy issues. Before joining CalMatters she covered Latino communities in the San Joaquin Valley for The Fresno Bee and reported from city hall for San José Spotlight. This article first appeared in the January 17 CalMatters.



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