

COLAB

San Luis Obispo County



The Coalition of Labor Agriculture and Business

WEEKLY UPDATE MARCH 10 - 16, 2024

CCLAB
San Luis Obispo County



15TH ANNUAL DINNER & FUNDRAISER

THURSDAY, MARCH 21, 2024
MADONNA INN EXPO CENTER

STRAIGHT SHOOTING FROM OUR SHERIFFS

The central coast's two most prominent lawmen will team up to enlighten us on the current wave of challenges and opportunities facing law enforcement. The epochal woke assault on justice and behavioral standards combined with budget and staffing limitations underscore the dangerous trend. This will be an undiluted straight shooting forum of major relevance.

5:00 PM SOCIAL HOUR & OPEN BAR
6:15 PM FILET MIGNON DINNER & WINE

AUCTION WILL BE HELD AFTER DINNER
(AUCTIONEER TODD VENTURA)

\$150/ PERSON
\$1,500/ TABLE (SEATS 10)



Ian Parkinson, SLO County Sheriff



Bill Brown, SB County Sheriff

For tickets:

On-Line Reservations & Payment can be made at www.colabslo.org/events.asp

or

Mail your check to: COLAB SLO County, PO Box 13601, SLO, CA 93406

Cocktail Attire Optional - More info at (805) 548-0340 or colabslo@gmail.com

BOARD OF SUPERVISORS MEETING

NEW NOISE ORDINANCE PROPOSED

REAL TIME RESPONSES NEEDED

**SANTA MARGARITA RANCH LLC PARCEL TO BE ANNEXED
TO SANTA MARGARITA SERVICE DISTRICT**

**VALUABLE SITE SOUTH OF CAYUCOS TO BE
PURCHASED FOR A “PARK” - WHAT A WASTE**

**WEAK STAFFING INCREASE JUSTIFICATION IN SOCIAL
SERVICES - IS POVERTY INCREASING?**

2ND QUARTER FINANCIAL REPORT

HARD TO TELL IF IT'S GOOD OR BAD

**INCREASE IN HOTEL AND VACATION RENTAL TAXES
PUSHED - OTHER TAX INCREASES ON HORIZON**

**5 YEAR CAPITAL IMPROVEMENT NEEDS
MOSTLY UNFUNDED**

**PLANNING AND BUILDING REQUESTS MORE STAFF TO
WORK ON HOUSING PROGRAMS**

*IT'S ACTUALLY MORE LAND ZONED FOR HOUSING THAT'S NEEDED
OR*

SHOULD THE COUNTY BE WRITTEN OFF FOR FOR THE WEALTHY?

SUPERVISOR'S REPORTS AND REQUESTS

IWMA

CONFUSING FEE CHANGES IN FINANCIAL REPORT

CENTRAL COAST COMMUNITY ENERGY (3CE)

\$295 MILLION BATTERY STORAGE DEAL

HOW MANY HOURS PER NIGHT WILL IT PROVIDE 125 MW?

PLANNING COMMISSION

**MORE LOW INCOME HOUSING FOR NIPOMO
PERMIT FOR DEMOLITION AND RESTORATION OF
PHILLIPS 66 SITE - ANOTHER POLICY FAILURE**

CALIFORNIA COASTAL COMMISSION

**CLOSING CARPOFORO BEACH CAMPING
PERMIT TO REMOVE SAND FROM DIABLO WATER INTAKE
*WITHOUT THE PERMIT, THE PLANT WILL HAVE TO SHUT DOWN***

**LAST WEEK
PAGE 30**

**NO BOS MEETING
OTHER AGENCIES DORMANT**

**EMERGENT ISSUES
SEE PAGE 30**

THE POLITICAL SABOTAGE OF NUCLEAR POWER
*Abundant, emissions-free energy was once the promise of a nuclear-
powered society.*

**COLAB IN DEPTH
SEE PAGE 32**

**DRAIN THE RESERVOIRS, RETURN
CALIFORNIA'S STOLEN LAND**

*The logical extension of California's environmentalist policies is to
end civilization as we know it. But California's progressive elites are
not crazy or stupid. So what is their actual motivation?*

BY EDWARD RING

AN IMMIGRATION CRISIS BEYOND IMAGINING

BY TOM BENSMAN

DECADES LATER, HAYEK’S WARNING ON PLANNING ECHOES LOUDER THAN EVER

Governments are fixated on the idea that climate change should be mitigated through planning. The problem is that planning is less efficient and effective at processing information than markets.

BY STEPHEN SOUKUP

THIS WEEK’S HIGHLIGHTS

ALL MEETINGS ARE AT 9:00 AM UNLESS OTHERWISE NOTED

Board of Supervisors Meeting of Tuesday, March 12, 2024 (Scheduled)

Item 2 - Introduction of an Ordinance amending Chapter 7 (Public Peace, Safety and Morals) of the San Luis Obispo County Code prohibiting unreasonable noises. Hearing set for April 9, 2024. This is an effort to assist law enforcement to control noise complaints. The County’s efforts in the past have focused on compliance through Code Enforcement. The problem is that the code inspectors are not deployed at night and on weekends, when incidents are particularly bothersome. The Sheriff’s office gets the calls. Accordingly, the write-up states on part:

To address this gap in service, the Planning and Building Department, Sheriff’s Department, and County Counsel created a working group to identify a more effective enforcement process, which is the ordinance introduced today that would be codified under Chapter 7 (Public Peace, Safety and Morals) of County Code. This ordinance amendment would allow both departments (both Code Enforcement and the Sheriff) to work together to address, through a codified enforcement process, properties that habitually receive noise complaints.

When the short term rental gang is blasting “Louie Louie”(for the old folks) or “Put it in Your Mouth”(for the frat annual reunion) at 110 decibels at 11:PM for the 4th time that night, you need immediate help.

Like so many Board items involving enforcement matters, the write-up does not provide any historical compliant data.



TOPIC	ORDINANCE SECTION(S)	PROPOSED AMENDMENT
Unreasonable Noises Prohibited	7.18.010	<ul style="list-style-type: none"> Prohibits unreasonable noises in the unincorporated areas of San Luis Obispo. Defines and provides examples of unreasonable noises. Sets a time range of prohibited unreasonable noises from 10:00 pm – 7:00 am. Provides a site distance of one hundred (100) feet from the property upon which unreasonable noise is broadcast.
Exceptions	7.18.020	<ul style="list-style-type: none"> Provides exceptions to prohibited unreasonable noises. Exceptions include noises such as bells, chimes and similar devices for religious purposes or celebrations of public holidays, commercial agriculture operations and duly organized events such as public dances and sporting and entertaining events.
Liability of Property Owner	7.18.030	<ul style="list-style-type: none"> Establishes that the property owner is liable for the prohibited unreasonable noises. Establishes a requirement that the County provide written notice to the property owner if a peace officer or code enforcement officer determines a violation of the ordinance has occurred.

It is curious that the County staff could even consider that they have the power to ban church bells and that such intrusion should ever be the subject of government policy.

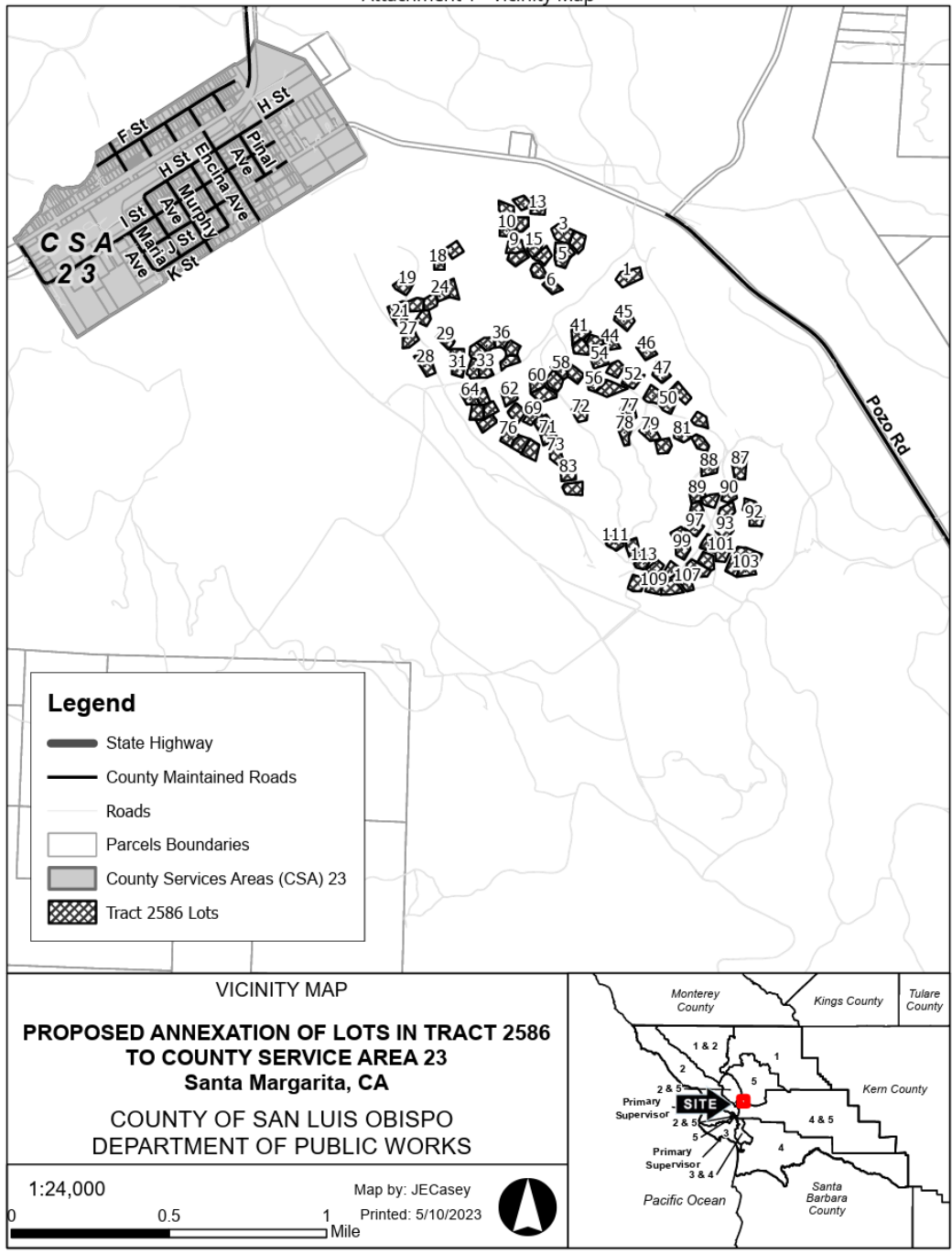
Apparently, the issue may have cropped up in the staff research. It will also be interesting to see how they react as Islam spreads into American society and Mosques broadcast the amplified call to prayer 5 times per day.¹

Item 4 - Submittal of a notice to commence negotiations and a resolution accepting the negotiated exchange of property tax revenue and annual tax increment between the County of San Luis Obispo and County Service Area 23 (Santa Margarita) for Annexation No. 1 – Tract 2586.

On June 6, 2023, your Board approved a resolution of application requesting the San Luis Obispo Local Agency Formation Commission (LAFCO) initiate annexation proceedings for Tract 2586 to County Service Area No. 23 (CSA 23). CSA 23 supplies the community of Santa Margarita water service via two groundwater wells and an emergency water supply intertie with Atascadero Mutual Water Company (AMWC). The community uses on average 175-acre feet of water each year and is completely reliant on groundwater for its normal water supply. The Santa Margarita Ranch, LLC (Applicant) requested that the County of San Luis Obispo (County) initiate proceedings for the annexation of Tract 2586 (Tract), totaling 134 acres, to CSA 23 for the purpose of providing water service to the tract.

¹ Minneapolis Mayor Jacob Frey on Monday signed into law a change in the city's noise ordinance so that the Muslim call to prayer, or adhan, can be broadcast from speakers atop the city's 20 mosques at any time of the day. When the changes take effect Friday, Minneapolis will become the first major American city to allow all five daily calls to prayer to be amplified outdoors at any time, including the early morning hours before sunrise and late evening hours after sunset. **Minneapolis Star Tribune, April 17, 2023.**

Attachment 1 - Vicinity Map

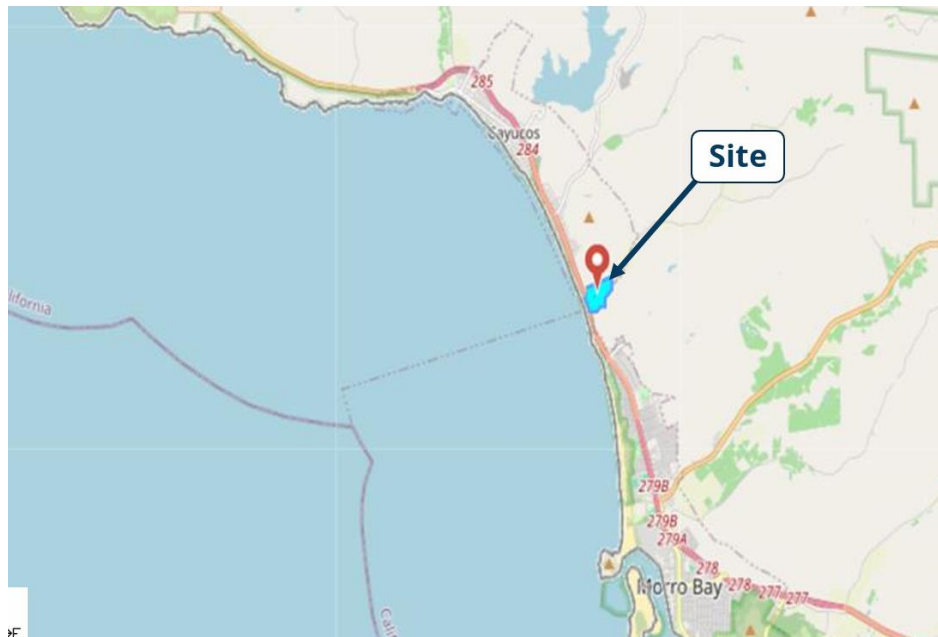


Item 14 - Submittal of a Resolution of Intent to Acquire Real Property located in the unincorporated area of the County situated between Morro Bay and Cayucos. (On highway 1) The Board is being requested to purchase the site for open space.

The acquisition amount of the Subject Property is \$1,221,850, which is supported by a fair market evaluation determined by an independent real estate appraiser and confirmed by staff and contingent on a close of escrow no later than June 30, 2024. The purchase of the property has been negotiated between the Land Conservancy of San Luis Obispo and Cayucos Sanitary District with the intention of directing the transfer of title from Cayucos Sanitary District to the County of San Luis Obispo. Funding of the acquisition includes funding secured from private fundraising efforts (\$650,00), The Cayucos Land Conservancy (\$271,850) and mitigation related funding from the California Department of Transportation (\$300,000) to cover other escrow and

title costs. The Land Conservancy of San Luis Obispo is coordinating the funding for the purchase of the property. The Purchase Sales Agreement includes an assignment agreement whereby the property will be transferred directly to the County from the Cayucos Sanitary District.

What a waste. What a great site for a beautiful 5 star hotel, which would generate millions of new dollars in sales taxes, property taxes, and hotel taxes each year. These in turn could be used to moderate the relentless pressure for fee increases. Open space is a sacred cow. The coast line in this section is already full of access points, and this land is actually across the street (Hwy 1) from the ocean. A hotel with a view bar, several restaurants, and pool use and beach club memberships for local residents would actually increase access more than a vacant weed lot hammered by the northwest wind.





Item 23 - Request to 1) approve a resolution amending the Position Allocation List (PAL) for Fund Center 180 – Department of Social Services Administration to add 5.00 FTE Employment Resource Specialist I-III, 1.00 FTE Employment Resource Specialist IV, 1.00 FTE Employment Services Supervisor, 1.00 FTE Accountant III, and 5.00 FTE Administrative Assistants, to improve operational efficiency and enhance service delivery, and 2) approve a corresponding budget adjustment in the amount of \$531,387 for FC 180.

This item contains major policy implications that go far beyond the instant issue of staffing and productivity. First, the data suggests significant increase in poverty in the County and/or an effort by staff to enroll a greater portion of the county population into CalFresh (food stamps) and Medi-Cal. Second, it provides clear examples of the failure of the County’s budget structure and presentation. These matters are detailed below:

The Board should reset it as a business item or have it followed up with a report on the underlying causal factors.

It does disclose that the staff planned to increase the number of CalFresh eligibles:

Increase the number of CalFresh participating households by 5% over the current baseline average of 11,903 households for FY 2021-22 through outreach activities. (FY 2023 – 2024 Budget age 295)

In the meantime consider 9 key issues:

1. Compliance issues with State: The County has been out of compliance with the required State processing velocity standards for determining the eligibility of applicants for both CalFresh and Medi-Cal since the 3rd quarter of 2022 (2.25 years). There is nothing in the Social Service Department’s proposed 2023-24 budgets about this issue. Now, over halfway through that current budget year, it is proposed to add 13 new positions to help process the applications faster. The write up states in part:

*The Department has been under a **Corrective Action Plan** with the state since an audit finding that indicated the county was not meeting its 3-day timeline for issuance of expedited benefits in the July-Sept 2022 quarter. The county’s compliance was at 89.46% and has remained under the 90% target since then. In the past five years, **the CalFresh caseloads have increased by 95% while Medi-Cal has increased by 24%**. The addition of these positions is directly aligned with the objectives of our corrective action plan with CalFRESH. They will play a critical role in resolving processing delays, ensuring compliance, and enhancing the quality-of-service delivery.*

What has management been doing over the 2.25 years to remedy the problem?

FTE	Position
5.00	Employment Resource Specialist I
1.00	Employment Resource Specialist IV
1.00	Employment Services Supervisor
1.00	Accountant III
5.00	Administrative Assistant III

The new annual expense will be \$ 1.4 million per year.

Estimated Annual Expense							
Action	Classification		FTE	Salary	Benefits	Total	Step Estimate
ADD	Employment Specialist I	Resource	5.00	\$ 253,812	\$ 219,946	\$ 473,758	Step 1 for 2 months, Step 2 for 10 months
ADD	Employment Specialist IV	Resource	1.00	\$ 82,642	\$ 58,960	\$ 141,602	Step 4 for 2 months, Step 5 for 10 months
ADD	Employment Supervisor	Services	1.00	\$ 94,983	\$ 64,756	\$ 159,739	Step 4 for 2 months, Step 5 for 10 months
ADD	Accountant III		1.00	\$ 98,821	\$ 67,839	\$ 166,660	Step 4 for 2 months, Step 5 for 10 months
ADD	Administrative Assistant III		5.00	\$ 244,625	\$ 212,694	\$ 457,320	Step 1 for 2 months, Step 2 for 10 months
Net Change			13.00	\$ 774,883	\$ 624,195	\$ 1,399,078	
Estimated Annual Expense at Maximum Classification and Step							

2. Lack of adequate data for management and Board decision making: Page 293 of the current FY 2023-24 Budget indicates that the CalFresh processing unit has funding for 76.5 employees. What is the current and past average vacancy rate for this unit, especially among employment specialists? Relatedly, are employment specialists actually eligibility workers in SLO County?

CalFresh (formerly Food Stamps)

This Federal program provides nutritional assistance to low-income households. The Department of Social Services is actively engaged in promoting outreach in the community to increase participation in the program. The receipt of CalFresh assistance helps stretch the household’s budget and combat the increasingly expensive cost of living in our county. CalFresh program eligibility is based upon the application of Federal and State regulations.

Total Expenditures: \$14,775,987
 General Fund Support: \$2,762,340
 Total Staffing (FTE): 76.50

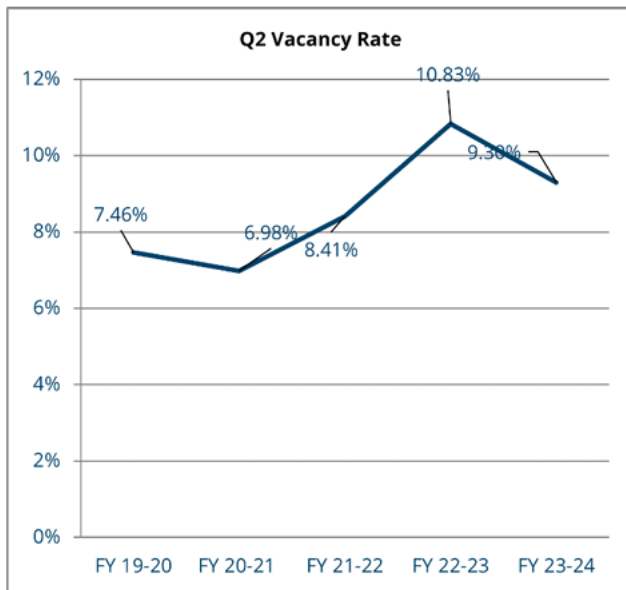
3. Again, lack of data: Similarly, the Medical-eligibility unit is shown to have funding for 100 employees. What is the current and past average vacancy rate in this unit?

Medi-Cal

California's version of the Federal Medicaid program provides financial assistance for health care including medical and mental health services, devices, and prescription drugs for eligible people. The Department of Social Services determines program eligibility based upon the application of Federal and State regulations, which include the consideration of a person's age, physical or mental disability, other public assistance status, property, and income. The purpose of the Medi-Cal program is to provide comprehensive medical care benefits to all public assistance recipients and to certain other eligible persons who do not have sufficient funds to meet the costs of their medical care.

Total Expenditures: \$19,510,349
General Fund Support: \$0
Total Staffing (FTE): 100.00

4. Will adding 13 new positions have any impact? We know that the County has an overall average vacancy rate of 9.3%. What are the rates in these 2 units?



5. Absenteeism: Similarly, what are the lost time rates due to sickness and worker's comp in these 2 units?

6. No workload data nor performance data: There is no data provided in the Board letter or the Budget with respect to the performance of the 2 units.

Cal Fresh Eligibility

- a. How many total unduplicated family units receive CalFresh per year?
- b. How many new applications for eligibility are there per month and per year?
- c. Of the total applications per month and per year, how many meet the State's 3-day time deadline for expedited eligibility determination?
- d. How many eligibility workers are there, and how many determinations do they make per workday? What is the average?

Medi-Cal

- a. How many total unduplicated individuals receive Medi-Cal per year?

- b. How many new applications for eligibility are there per month and per year?
- c. Of the total applications per month and per year, how many meet the State's 3-day time deadline for expedited eligibility determination?
- d. How many eligibility workers are there, and how many determinations do they make per workday? What is the average?

For Both Programs

- a. Do the same workers determine eligibility for both CalFresh and Medi-Cal? If so, how is their performance measured for the 2 different programs?
- b. What is the error rate per year and per eligibility worker?
- c. For both programs, what is the span of control (ratio of supervisors to eligibility workers)?
- d. What penalties does the County face if it fails to correct? What is the deadline?

7. The County Budget fails to present and account for the 2 programs properly. The 2 programs as presented in the Social Services Administration Budget are contained in Fund Center 180. You would think that the Social Services Administration Division would contain the funding for the Director's office and internal organic departmental support units such as finance, information technology, human resources, and compliance. Instead, the write-up states in part:

SERVICE PROGRAMS The Department of Social Services has a total expenditure level of \$102,316,173 and a total staffing level of 528.50 FTE to provide the following services

A number of other programs, other than the 2 that are the subject of this agenda item, are also included in the presentation, such as Adult Services. Remember, the County's supposed top priority Homeless program was just buried in Adult Services, which is buried in this so-called Administrative Division.

***Adult Services Adult Services includes two major programs:** Adult Protective Services (APS) and In-Home Supportive Services (IHSS), including Public Authority. APS provides services to elders and dependent adults who are unable to protect their own interests or to care for themselves. APS Social Workers investigate allegations of abuse or neglect, intervening when necessary, and provide community education and connection to resources. The IHSS Program assists with payment of personal and domestic services that enable blind, or disabled adults & children and elderly individuals, who have a Medi-Cal eligibility determination, to remain safely in their home. The Public Authority program works with IHSS care providers to complete background checks, enrollment processes and assistance with other caregiver related services.*

Total Expenditures: \$15,195,098
 General Fund Support: \$4,130,068
 Total Staffing (FTE): 80.50

Medi-Cal California's version of the Federal Medicaid program provides financial assistance for health care including medical and mental health services, devices, and prescription drugs for eligible people. The Department of Social Services determines program eligibility based upon the application of Federal and State regulations, which include the consideration of a person's age, physical or mental disability, other public assistance status, property, and income. The purpose of the Medi Cal program is to provide comprehensive medical care benefits to all public assistance recipients and to certain other eligible persons who do not have sufficient funds to meet the costs of their medical care.

Total Expenditures: \$19,510,349
 General Fund Support: \$0
 Total Staffing (FTE): 100.00

CalFresh (formerly Food Stamps) This Federal program provides nutritional assistance to low-income households. The Department of Social Services is actively engaged in promoting

outreach in the community to increase participation in the program. The receipt of CalFresh assistance helps stretch the household's budget and combat the increasingly expensive cost of living in our county. CalFresh program eligibility is based upon the application of Federal and State regulations

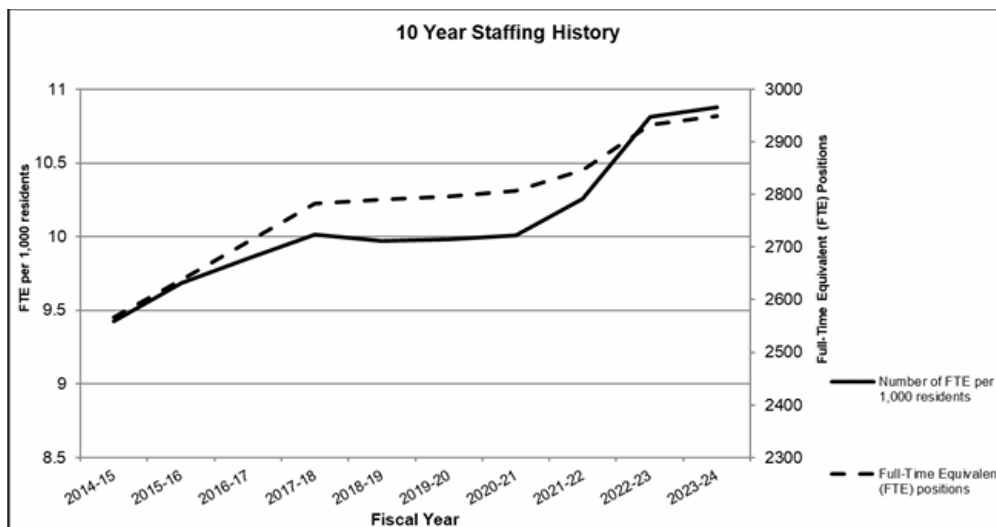
Total Expenditures: \$14,775,987
 General Fund Support: \$2,762,340
 Total Staffing (FTE): 76.50

- a. No year over year financial of staffing data is presented for either program.
- b. No performance data, such as listed in section 6 above, is presented.
- c. No data about the total amount of funds (actual CalFresh and Medical payments) being distributed is presented. In other words, it costs the County \$14.7 million to administer CalFresh and \$19.5 million to administer Medi-Cal eligibility. How much cash benefit entitlement does that overhead actually cover?

8. Failure to Disclose long-term Impacts. Staff and the Board ignore the problem of adding staff when the programs are funded by intergovernmental revenue. (One might ask in this case why CalFresh is overmatched by \$2.8 million). Once the positions are added, they generally become accumulative. See the charts below.

SUMMARY OF POSITION ALLOCATION CHANGES

FY 2023-24	Q1	Q2	Q3	Q4
Quarter Start	2958.50	2,961.50		
FTE Additions	35.75*	88.00		
FTE Deletions	32.75	76.00		
Quarter End	2961.50	2,973.50		
Net Change	3.00	12.00		
% Change	0.10%	0.41%		



The positions are often “justified” on the basis that they are not funded by local general fund non-departmental revenues, such as the property tax. As the years progress, the employees are mixed into the total county funding pattern. They become part of the pension liability, workers comp liability, health insurance burden, lawsuit liability, need for office space, and County overhead services. While it is true that the Social Department is partially charged for these invisible costs through the cost plan (see the Weekly Update from 2 weeks ago on this subject), it is never enough, especially as the years run and the State programs evolve and mutate. Moreover, the State and Federal revenues that offset these programs do not fall from heaven. We

are paying for them in our ever increasing income taxes and by means of annual deficits and the \$33 trillion national debt.

9. Is poverty increasing in the County, and if so, by how much and why? Finally, as stated at the beginning of this section, the growth of both programs evinces increased need, which means increased poverty in the County. Also as noted (at the beginning of the discussion), the staff is recruiting clients into the CalFresh program. Just exactly what are the macro demographic and economic trends in the County at this time? What is forecast for the future decades? Why doesn't the County conduct strategic scanning to inform its budget making and program election?

Item 26 - Submittal of the FY 2023-24 Second Quarter Financial Status Report and request to 1) approve various financial actions as detailed in Section 4 of Attachment 1 - FY 2023-24 Second Quarter Financial Report (one or more actions require 4/5 votes); 2) approve a correcting resolution amending Position Allocation Lists for various departments. The report, which contains a variety of isolated anecdotal information, fails to inform the Board and the public of the most important matter. That is, will the County Adopted 2023-24 Budget be over or under its legal appropriation on June 30, 2024, and if so, by how much? The summary states that the Report:

This report is intended to provide the Board of Supervisors (Board) and the public with an overview of the County's financial performance through the second quarter of FY 2023-24, which spans from October 1 through December 31, 2023. The financial report presented to the Board primarily contains exception reporting; in other words, in most cases no mention is made if the financial status of the fund center is within expected parameters.

In a sense it does accomplish this, but then it fails to explain what all the detail means in terms of the big picture. Are we OK or not?

It indicates that several departments will be over budget or under on departmental revenue, but the overall impact is not addressed on the revenue side.

Thus, the write-up states in part:

Based on notable issues included in the attached report (Attachment 1), there is an estimated \$8 million that may be requested from General Fund contingencies as part of the Third Quarter Financial Status Report. There are currently five fund centers for which these funds may be requested as part of the Third Quarter Financial Status Report: FC 136 - Sheriff-Coroner, FC 166 – Health Agency – Behavioral Health, FC 184 – Sheriff Coroner – Law Enforcement Health Care, FC 185 – Social Services – General Assistance, and FC 113 – Public Works – Facilities Management.

Once again, the Sheriff is forecasting a \$2.9 million overrun “due to unbudgeted salaries and benefits etc.” It seems that each year the Sheriff's Office is under budgeted for one reason or another.

FC 136 – Sheriff-Coroner	Issue: Projecting to be \$2.9 million over its budgeted level of General Fund support due to unbudgeted salaries and benefits including overtime, services and supplies being over budgeted level, and revenue shortfall	\$2.9 million
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The table below lists the problem areas. It is not clear if these items will create an overall problem, as they can be offset by savings from vacancies. There is also a \$33 million appropriated Contingency Reserve that can be used to wash out any problems.

Table 2: Summary of Notable Issues Included in the Attached Report

Department	Issue	Potential Additional GF Impact
Land Based		
FC 142 - Planning and Building	Issue: Projecting \$2.1million revenue shortfall due to decline in permit revenue	\$0
FC 245 - Public Works - Roads	Issue: Approximately \$8 million of planned additional funds for 2023 Winter Storm damage repair needed this year	\$0
Public Protection		
FC 136 - Sheriff-Coroner	Issue: Projecting to be \$2.9 million over its budgeted level of General Fund support due to unbudgeted salaries and benefits including overtime, services and supplies being over budgeted level, and revenue shortfall	\$2.9 million
FC 137 - Health Agency - Animal Services	Issue: Update on the previously projected General Fund support overage	\$0
FC 139 - Probation	Issue: Projecting \$1.3 million revenue shortfall mainly due to decline in intergovernmental revenue	\$0
Health and Human Services		
FC 160 - Health Agency - Public Health	Issue: Projecting \$1.2 million revenue shortfall mainly due to decline in intergovernmental revenue	\$0
FC 166 - Health Agency - Behavioral Health	Issue: Projecting to be over its budgeted level of General Fund support by \$4.2 million due to increased costs in services and supplies and revenue shortfall	\$4.2 million
FC 181 - Social Services - Foster Care and Adoption	Issue: Projecting to be over its budgeted expenditure level by \$1.1 million	\$0

FC 182 - Social Services - CalWorks	Issue: Projecting to be over its budgeted expenditure level by \$795,356	\$0
FC 184 - Sheriff - Coroner - Law Enforcement Health Care	Issue: Projecting to be \$727,034 over its budgeted level of General Fund support due to revenue shortfall and unbudgeted expenses related to the Wellpath contract	\$727,034
FC 185 - Social Services - General Assistance	Issue: Projecting to be \$102,070 overs its level of General Fund support due to increase in services and delayed revenues	\$102,070
FC 375 - Health Agency - Driving Under the Influence	Issue: Projecting expenditures to exceed revenue by \$280,439 due to revenue shortfall	\$0
Community Services		
FC 222 - Community Parks	Issue: Projecting to be over its budgeted level of services and supplies by \$128,281 primarily due to Fleet rates increase	\$0
Support to County Departments		
FC 113 - Public Works - Facilities Management	Issue: Projecting expenditure overage due to unbudgeted PG&E rate increases, negotiated salary and benefit increases, and a minor revenue shortfall	\$98,870
FC 116 - Central Services	Issue: Projecting to be over its budgeted level of salary and benefits by \$74,302 due to salary and benefits increases and services and supplies level by \$35,638 due to current year USPS postage rate increase	\$0

An intriguing anomaly: One of the tables in the report indicates that the overall FY 2023-24 Budget totals \$1.035 billion. Who knew? The Adopted Budget book itself (per the second table below) states that the total budget is \$973.6 million. At Budget adoption time the Board spends only a few hours on the General Fund portion of \$713 million, with no public discussion of the \$128 million Special Funds Section, the \$95 million Special Revenue Fund section, and others.

Comparative Statement of County Funds - Revenue Status

For the Six-Month Period Ended December 31, 2023 and 2022

Revenue Status by Class	FY 2023-24 Current Budget	FY 2023-24 Actual	% of Budgeted	FY 2022-23 Current Budget	FY 2022-23 Actual	% of Budgeted
Current Property Taxes	178,764,031	106,297,644	59.46%	166,519,870	101,756,327	61.11%
Other Taxes	89,917,712	20,482,284	22.78%	83,194,086	21,016,993	25.26%
Licenses, Permits, and Franchises	16,393,245	5,876,277	35.85%	15,822,602	6,467,302	40.87%
Fines, Forfeitures, and Penalties	4,610,008	1,983,997	43.04%	4,522,111	1,697,395	37.54%
Revenue from Use of Money & Property	8,221,473	3,172,613	38.59%	3,047,859	1,235,964	40.55%
Intergovernmental Revenue	486,371,091	107,506,560	22.10%	433,502,375	102,235,573	23.58%
Charges for Current Services	35,858,250	13,356,381	37.25%	35,215,758	13,311,316	37.80%
Other Revenues	29,965,601	10,494,791	35.02%	24,884,168	8,626,855	34.67%
Interfund	21,332,324	6,647,416	31.16%	15,976,231	6,326,246	39.60%
Other Financing Sources	163,778,088	21,706,957	13.25%	157,609,346	12,911,713	8.19%
Total Revenues:	1,035,211,823	297,524,920	28.74%	940,294,406	275,585,684	29.31%

State Controller Schedules		County of San Luis Obispo				Schedule 1		
County Budget Act		All Funds Summary				Fiscal Year 2023-24		
Fund Name	Total Financing Sources				Total Financing Uses			
	Fund Balance Available June 30, 2023	Decreases to Obligated Fund Balances	Additional Financing Sources	Total Financing Sources	Financing Uses	Increases to Obligated Fund Balances	Total Financing Uses	
1	2	3	4	5	6	7	8	
Governmental Funds								
General Fund	\$ 50,786,248	\$ 13,801,521	\$ 649,130,612	\$ 713,718,381	\$ 703,100,798	\$ 10,617,583	\$ 713,718,381	
Special Revenue Fund	4,769,003	5,464,334	85,178,974	95,412,311	79,753,464	15,658,847	95,412,311	
Debt Service Fund	1,342,368	---	23,339,245	24,681,613	19,161,445	5,520,168	24,681,613	
Capital Projects	190,715	---	11,020,403	11,211,118	11,211,118	---	11,211,118	
Total Governmental Funds	\$ 57,088,334	\$ 19,265,855	\$ 768,669,234	\$ 845,023,423	\$ 813,226,824	\$ 31,796,598	\$ 845,023,422	
Other Funds								
Enterprise Fund	\$ ---	\$ 1,968,877	\$ 30,638,135	\$ 32,607,012	\$ 31,870,789	\$ 736,223	\$ 32,607,012	
Internal Service Fund	---	3,478,466	76,890,892	80,369,358	79,511,337	858,021	80,369,358	
Non-Enterprise Special Districts	4,760,044	1,399,802	9,493,420	15,653,266	12,919,846	2,733,420	15,653,266	
Total Other Funds	\$ 4,760,044	\$ 6,847,145	\$ 117,022,447	\$ 128,629,636	\$ 124,301,972	\$ 4,327,664	\$ 128,629,636	
Total All Funds	\$ 61,848,378	\$ 26,113,000	\$ 885,691,681	\$ 973,653,059	\$ 937,528,796	\$ 36,124,262	\$ 973,653,058	

Will SLO County join the Billion Dollar Club this July?

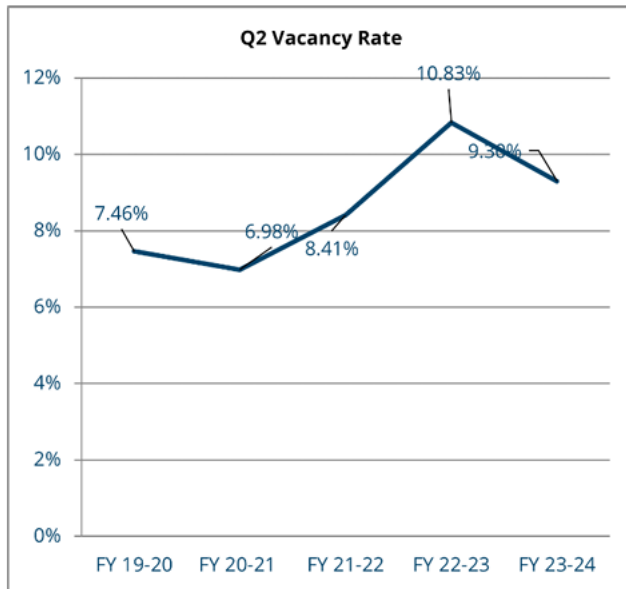
Position Creep

The number of funded authorized jobs continues to increase – if the 13 new social services Department positions are approved in **Item 23**, above, the total will grow to 2,986. **Item 31**, below, if approved, will add 5 jobs to Planning and Building, bringing the grand total to 2,991.

The County should run a pool to allow everyone to guess the date when it hits 3,000.

SUMMARY OF POSITION ALLOCATION CHANGES

FY 2023-24	Q1	Q2	Q3	Q4
Quarter Start	2958.50	2,961.50		
FTE Additions	35.75*	88.00		
FTE Deletions	32.75	76.00		
Quarter End	2961.50	2,973.50		
Net Change	3.00	12.00		
% Change	0.10%	0.41%		



Item 27 - Request to 1) receive a report on the feasibility of a potential Transient Occupancy Tax ballot measure; 2) provide direction to staff regarding conducting community outreach; and 3) approve related budget augmentation request in the amount not to exceed \$100,000 from General Fund Contingencies to FC 104 – Administrative Office if community outreach is directed to be conducted, by 4/5 vote. Now that the Supervisorial Elections are over, the staff is posting a consultant study, which was completed earlier last year, of the feasibility of an increase in the transient occupancy tax (TOT) from the current 9% to 12%. The item requests the Board to determine if it would wish to take the next step and conduct an “education campaign.” The campaign would cost \$100,000. It is estimated that the tax increase could raise an additional \$6 million per year. This amount is not likely to add to services, since it would immediately evaporate in the flames of the annual tens of millions of dollars in salary and benefit cost increases.

On January 24, 2023, Item #20 2023-24 Budget Goals and Policies, the Board directed staff to bring back options to identify new revenue sources to pursue Board adopted goals and priorities. The County engaged a consultant, Fairbank, Maslin, Maullin, Metz & Associates (FM3), to conduct voter polling services to determine the level of voter support for potential revenue sources including a special tax to increase funding for County fire service and changes to the unincorporated county transient occupancy tax (TOT) to both increase the rate from 9% to 12% and expand the tax to include overnight recreational vehicle parks/ private campgrounds.

County	TOT Rate
Monterey County	10.5%
Santa Barbara County	12%
Santa Cruz County	12% on Hotel/Motel, 14% on Vacation Rentals
Ventura County	8%

City	TOT Rate
Arroyo Grande	10%
Atascadero	10%
Grover Beach	12%
Morro Bay	10%
Paso Robles	11%
Pismo Beach	11%
San Luis Obispo (City)	10%

Other tax measures under consideration include:

- SLOCOG ½ cent increase in the sales tax for transportation.
- A Special Tax Measure to support fire departments.

The consultants found that the appetite for the tax is lukewarm and would need a considerable push even to achieve the 50% + 1 for a general unspecified purpose tax. A two-thirds vote for a specified purpose tax seems out of reach.

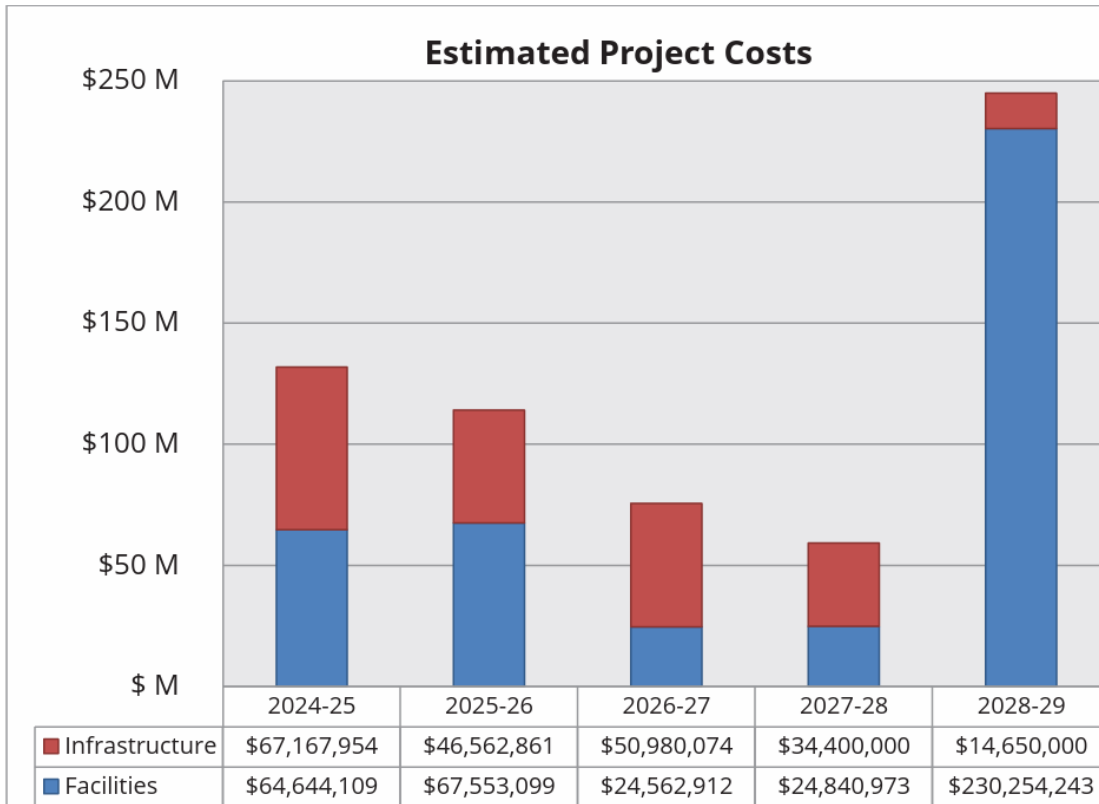
Item 28 - Conference with legal counsel – (1).Public Employee Appointment for the Position of County Administrative Officer. They may be getting ready to wrap this issue up if they have found someone they like.

(2). PERSONNEL (Government Code section 54957.) It is the intention of the Board to meet in closed session to: Consider Public Employee Appointment for the Position of Human Resources Director.

MATTERS AFTER 1:30 PM

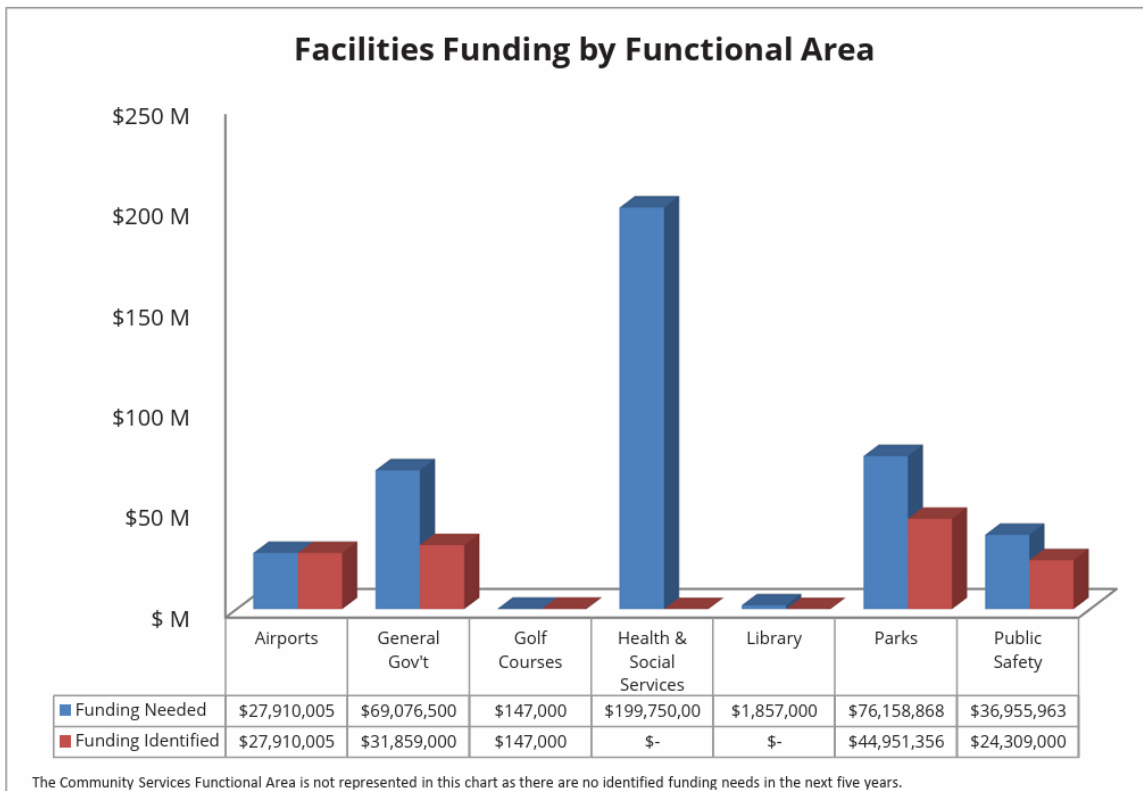
Item 30 -Submittal of the Facilities and Infrastructure Five-Year Capital Improvement Plan. This is a major policy matter. The staff has submitted a preliminary version of the FY 2024-25 through FY 2028-29 Five Year Capital Improvement Plan (CIP).

Chart 1

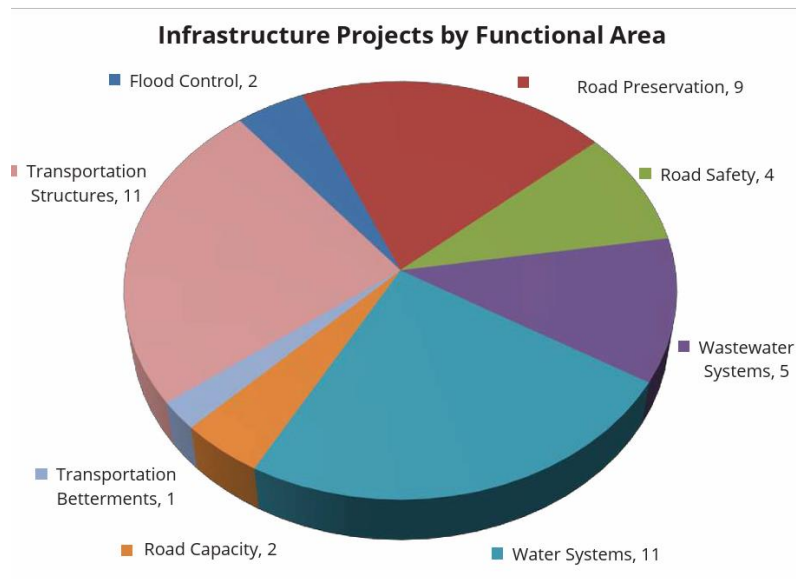


Per the graph below, they have identified that a large portion of the needed facilities upgrades, replacement, and new facilities is unfunded. For whatever reason, the chart does not include a grand total column.

Chart 2



The pie chart below displays the types of infrastructure projects that are needed.



The facilities section is presented in a different format, which makes it difficult to obtain a comprehensive view. It does show a graphic which indicates that most of the County facilities are in poor condition. Facilities are largely defined as County buildings and the Parks.

The FCI Condition Scale:



Facility Type	Average Assessed FCI	Average Current FCI	Target FCI
PUBLIC	18.34%	17.12%	5.00%
NON-PUBLIC	22.90%	15.96%	10.00%
REGIONAL PARKS & GOLF	26.62%	26.48%	10.00%

Public and Non-Public average assessed FCI and average current FCI exclude buildings planned to be retired within the next 10 years, unoccupied ancillary buildings, and facilities the County is not contractually responsible to maintain.

The infrastructure section (and particular, roads, does not have a table indicating the amount of deferred maintenance). There is a paragraph buried on page 18 of the 155-page Capital Budget report, which states:

Pavement Management Program The road system in the County comprises over 1300 centerline miles, and conditions are routinely measured by the Pavement Condition Index (“PCI”). The Board of Supervisors has established a target countywide PCI of 65 or higher, with two-thirds of roads averaging 60 or higher. Roads with an average PCI 65 or higher can be cost-effectively maintained in perpetuity. As the PCI declines, the cost and complexity of repairs and maintenance increases substantially. Currently, the countywide average PCI is 59, with over 61% of roads in Good (or better) condition. There are approximately 150 miles of roads in Poor condition, very low-volume roads, largely in the north county, with an average PCI of less than 20. While the average Urban and Suburban roadway is in generally Good condition (average of 63 PCI), the remaining poor condition, low-volume roads are the primary contributor to the depressed countywide PCI of 59.

Item 31 - Request to receive and file a report on Board-requested housing policy review from the Department of Planning and Building and provide staff direction, as necessary.

This is actually not so much of a “Housing Policy Review” as it is a request for 3 more staffers for Planning and Building. Accordingly, the Board Letter, after a rambling 6-page disquisition on the “housing crisis” and State housing mandates, gets to the point:

Workload and Staffing Implementation of the 2020-2028 Housing Element in accordance with the recommended framework, in addition to new Tier I priorities identified by the Board in December 2023, is anticipated to be a four-year process. Table 2 (below) provides a summary of when the 2020-2028 Housing Element implementation and new Tier I priorities would be accomplished if the Long-Range Planning (LRP) Team is fully staffed by July 2024. Please note that the FTE need indicated are not new positions. The LRP Team currently has 3.00 FTE vacancies.

Table 2: Summary of New Tier I Project and Anticipated FTE Need

Time Frame	Housing Element Implementation and New Tier I Projects	Anticipated FTE Need	Estimated Staffing Costs	Consultant Budget	Total Estimated Costs
Year 1 (Tentatively JUL 2024 – JUL 2025)	Safety Element Update	0.50 FTE	\$94,817		\$94,817
	Cannabis Ordinance Amendment Support (County Sheriff's Office as lead)	0.125 FTE	\$22,694		\$22,694
	Housing Element Implementation – Near-term	1.50 FTE	\$292,132	\$125,000	\$417,132
	New State Housing Bills – Review, Recommend Actions, and Implementation	0.125 FTE	\$26,534		\$26,534
	Nipomo Community Plan Update – Scoping, Framework, and Workplan	0.25 FTE	\$49,228	\$250,000	\$299,228
	Project Management and Team Supervision	0.50 FTE	\$106,135		\$106,135
Year 1 Total FTE Need and Costs		3.00 FTE	\$591,540	\$375,000	\$966,540

Year 2 (Tentatively JUL 2025 – JUL 2026)	Safety Element Update	0.25 FTE	\$49,430		\$49,430
	Housing Element Implementation – Long-term and Ongoing with Annual Reporting and Recommendations	0.625 FTE	\$115,490	\$125,000	\$240,490
	State Housing Bills – Review, Recommend Actions, and Implementation	0.125 FTE	\$24,715		\$24,715
	Nipomo Community Plan Update – Retain Consultant, Outreach to Public and Stakeholders, Administrative Draft, and Preliminary Environmental Considerations	1.50 FTE	\$295,770	\$250,000	\$545,770
	Project Management and Team Supervision	0.50 FTE	\$106,135		\$106,135
Year 2 Total FTE Need and Costs		3.00 FTE	\$591,540	\$375,000	\$966,540

Year 3 (Tentatively JUL 2026 – JUL 2027)	Housing Element Implementation – Long-term and Ongoing with Annual Reporting and Recommendations	0.875 FTE	\$164,920	\$125,000	\$289,920
	State Housing Bills – Review, Recommend Actions, and Implementation	0.125 FTE	\$24,715		\$24,715
	Nipomo Community Plan Update – Public Review Draft, Environmental Review (includes environmental scoping), and Outreach to Public and Stakeholders	1.50 FTE	\$295,770	\$250,000	\$545,770
	Project Management and Team Supervision	0.50 FTE	\$106,135		\$106,135
Year 3 Total FTE Need and Costs		3.00 FTE	\$591,540	\$375,000	\$966,540

Year 4 (Tentatively JUL 2027 – JUL 2028)	Housing Element Implementation – Long-term and Ongoing with Annual Reporting and Recommendations	0.875 FTE	\$164,920	\$125,000	\$289,920
	State Housing Bills – Review, Recommend Actions, and Implementation	0.125 FTE	\$24,715		\$24,715
	Nipomo Community Plan Update – Environmental Review, Public Hearing Draft, and Public Hearings	1.50 FTE	\$295,770	\$250,000	\$545,770
	Project Management and Team Supervision	0.50 FTE	\$106,135		\$106,135
Year 4 Total FTE Need and Costs		3.00 FTE	\$591,540	\$375,000	\$966,540

Once again, and until the County opens up more acreage for home development and expands the water supply, no amount of administrative and staffing augmentation will overcome the basic economic and regulatory forces that are in play. No realist on the San Francisco Peninsula or in Hope Ranch, Montecito, Pismo Beach, Pacific Palisades, Santa Monica, Thousand Oaks, or Marin County actually thinks that large amounts of affordable housing, let alone low income housing, can be sited in those places.

What if the plans and policies were honest? People who move here will live in estate houses, large lot custom homes, ranchettes, and luxury condos. Those who provide the day to day services will be barracked in Santa Maria, San Luis Obispo, and Nipomo center (see **Item 4** in the Planning Commission section on **page 23** below in this regard) or bused in from points east. Residents will be successful entrepreneurs, high level professionals, and legacy babies. For the young, their grades in calculus, mechanical engineering, organic chemistry, computer engineering, software development, and then which business school and or /law school they graduate will determine where they might live, assuming they are socially adept.

Integrated Waste Management Authority (IWMA) Board Meeting of Wednesday, March 13, 2024, 1:30 PM (Scheduled)

Item 9 - Second Quarter Budget Review Fiscal Year 2023/2024. They have higher revenues than projected in the Budget. Part of the story goes as follows:

First they raised the fee:

On April 8, 2022, the IWMA Board of Directors approved Resolution 22-03-04 which increased the Solid Waste Management Fee to 5.4% of gross receipts collected from all permitted and franchised waste haulers that collect garbage in San Luis Obispo County.

Then, last June they lowered the fee:

On June 14, 2023, the Board adopted Resolution 2023-06-03 to temporarily reduce the Solid Waste Management Fee to 4.4% to better reflect the agency’s financial position.

In response to the fee increase, the haulers raised their collection fee to their customers.

In 2022 and 2023, franchised haulers across San Luis Obispo County increased their collection fees which increased IWMA revenues on those fees. Following the fee reduction, IWMA continued to earn higher-than-expected revenues from the Solid Waste Management Fee in the first two quarters of FY 23/24. The IWMA continues to see Solid Waste Management Fees exceed the adopted budget into FY 23/24.

Why didn’t the haulers lower their fee in proportion to the IWMA reduction?

Central Coast Community Energy Authority Operations Board Meeting of Wednesday, March 13, 2024, 10:30 AM (Scheduled)

Item 14 - Approve and authorize the CEO to execute an Energy Storage Agreement with San Gabriel Project I LLC, as well as any necessary ancillary documents, for a 125MW storage facility in an amount not to exceed \$295,000,000 with a delivery term of 15 years. The contract provides 3CE 125MW of stored power, presumably at night when solar is off.

Staff applied 3CE’s Project Selection Methodology to projects identified in the February 2023 RFO. The Gabriel Storage Project was selected following the quantitative evaluation and review of qualitative criteria which demonstrates that the Gabriel Storage Project approval will provide 3CE an important storage resource that will allow 3CE to shift our existing generation portfolio, made up predominately of solar plus storage and wind, to better match 3CE customer consumption patterns.

Aypa Power Holdings, LP (“Aypa”) is a Delaware limited partnership and Blackstone portfolio company. Aypa develops, owns, and operates utility-scale energy storage and hybrid renewable energy projects. Aypa’s first energy storage project came online in 2018. The company currently has more than 22,000 MW in development across North America.

Overview of the Project

Counterparty	San Gabriel Project I LLC
Parent Company	Aypa Power Holdings LP
Product	Dispatch Rights of a Battery Energy Storage System, with Resource Adequacy Benefits.
Delivery Term	15 years June 1, 2027 through May 31, 2042
Project Name	Gabriel Storage
Contract Capacity	125 MW/ 500 MWh (4-hour discharge duration) Lithium-Ion Battery Energy Storage System
Location	Los Angeles County, California
Not to Exceed Amount	\$295,000,000

It is not clear how many hours of 125MW it would provide per night.

All the charging and discharging information in the contract is redacted.

The project includes site and access improvements, 104 parking spaces, mounted solar panels, utilities and landscaping. The proposed project is within the Commercial Retail and Office Professional land use categories and is located at 170 Magenta Lane, in the community of Nipomo Central Business District and within the West Tefft Corridor Design Plan area. The site is in the South County Inland Sub Area of the South County Planning Area. This is the second significant apartment house development we have seen in the last 30 days proposed for Nipomo. A 312-unit project was approved a few weeks ago. There are no objections in the record so far.

The project includes 71 (100% of the total applicable units) affordable housing units designated for occupancy by lower-income households. Lower-income households, as defined in County Inland LUO Section 22.12.030, include households earning no more than 80% of the Area Median Income (AMI). The 71 affordable housing units would be located within 3 three-story apartment buildings, referred to as Buildings A, B and C. In total, amongst the three apartment buildings, eight (8) units will be available to very low-income levels at 30% the adjusted area median income, eight (8) units will be available to lower-income levels at 50% the adjusted area median income, and fifty-five (55) units will be available to lower-income levels at 80% the adjusted area median income. Additionally, one unit will be utilized for the managers unit and is not considered when applying the percentage of affordable housing units proposed as a part of this project.

Table 2. Summary of Proposed Multi-Family Apartment Buildings

Building Design	Number of Units	Affordability	Individual Building Square Footage (sf)	Number of Units per Building	Energy Connections
A	24	Affordable – lower income	22,650	24	All-electric
B	24	Affordable – lower income	22,540	24	All-electric
C	24	Affordable – lower income	22,540	24	All-electric

As described above, each of the proposed residential apartment building designs would be three stories tall. Apartment building heights would be 42 feet above average natural grade.





Item 6 - A study session regarding the Phillips 66 Santa Maria Refinery Demolition and Remediation Project and the Draft Environmental Impact Report (EIR). The Applicant, Phillips 66 Company, is seeking a Development Plan/Coastal Development Permit (DP/CDP) to allow for demolition and remediation of the Santa Maria Refinery (SMR) located at 2555 Willow Road in Arroyo Grande. The item has been continued to April 11, 2024. Of course, the closure of the facility is a huge policy failure.

Planning Staff is respectfully requesting a continuance of the study session on the Phillips 66 Santa Maria Refinery Demolition and Remediation Project for a Development Plan/Coastal Development Permit (C-DRC2022-00048/ED23-054) and Draft Environmental Impact Report (SCH # 2023050020) from the Planning Commission – March 14, 2024, meeting to a date certain of April 11, 2024. The request for continuance is due to a delay in the issuance of the Draft Environmental Impact Report.

California Coastal Commission Meeting of Thursday, March 14, 2024 (Scheduled)

Item Th 9.a - March 2024 Application No. 9-23-0599 (Pacific Gas & Electric Company, San Luis Obispo Co.) Application No. 9-23-0599 (Pacific Gas & Electric Company, San Luis Obispo Co.) The intake cove for the cooling water for the Diablo Nuclear Power Plant has filled up with sand over the decades. PG&E seeks a permit to dredge the sand and dispose of it off shore.

Pacific Gas and Electric Company (“PG&E” or “Applicant”) proposes to dredge approximately 70,000 cubic yards (cy) of shoaled sediment from the Diablo Canyon Power Plant (DCPP) seawater intake cove. This will be the first dredging episode to maintain the intake system since the DCPP went into operation in 1985. PG&E has determined that sediment buildup in the intake cove poses a substantial risk in the near term to the operations of the DCPP’s seawater intake equipment, which cycles 2.5 billion gallons of seawater each day for cooling. PG&E has observed sediment in equipment and increased kelp and algal growth in the intake cove, which it is concerned increases the risk of an inadvertent shutdown and interferes with divers performing critical maintenance of the intake structure. Once collected, dredged sediment would be transported by barge and placed offshore of the Morro Bay sandspit at the U.S. Army Corps of Engineers’ nearshore placement site, approximately 1,300 to 2,500 feet offshore. The nearshore placement area is located approximately 13 miles from the dredge site and PG&E proposes to transport dredged sediment there roughly five times per day over the approximately 20-day period of proposed dredging.

Damned if you do and damned if you don’t:

Coastal Commission staff recently learned of activities at the subject site involving divers using water hoses to clear accumulated sediment and debris on and in front of the intake structure located in the intake cove without the benefit of a CDP, as required. The Commission’s enforcement division has opened an investigation into this alleged Coastal Act violation. The applicant may propose to resolve this matter, at a later date, through submittal of an after-the-fact application for CDP authorization of the actions taken, or for authorization to take remedial measures to address the alleged violation. The matter may also be addressed through an enforcement action. The current application does not include resolution of the alleged violation, and the enforcement matter remains open.

It’s obviously not a good idea to block the cooling water intake. What if the Commission said no? Thus far the staff recommends approval, but 7 Commissioners out of 12 ,voting “no”, could shut the plant down.

Just the Commission Board letter is 38 pages long. This is backed up by 8 exhibits and 4 appendices. These contain hundreds of more pages of analysis. All this has been imposed on PG&E and the public simply to remove the natural sand build up.

EXHIBITS

- Exhibit 1 – Location Maps
- Exhibit 2 – Project Site Plans (Dredge footprint bathymetry and placement site location)
- Exhibit 3 – Sediment Testing Results
- Exhibit 4 – Biological Survey Results
- Exhibit 5 – Turbidity Monitoring Plan
- Exhibit 6 – Biological Resources Monitoring Plan
- Exhibit 7 – Marine Wildlife Contingency Plan
- Exhibit 8 – Oil Spill Prevention and Response Plan

APPENDICES

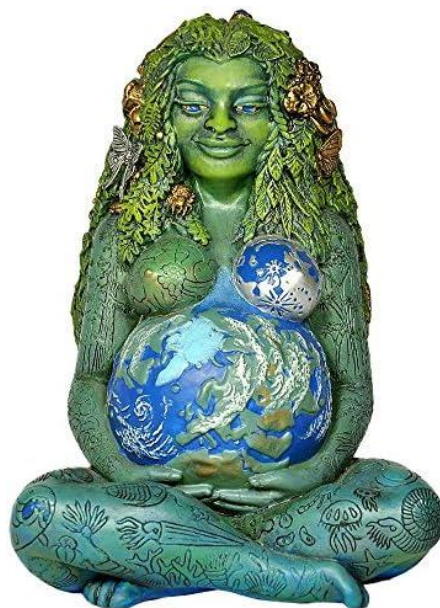
[Appendix A](#) – Final Environmental Assessment and Statement of Findings for the Diablo Canyon Power Plant Intake Cover Dredging Project, Prepared by the U.S. Army Corps of Engineers. File No. SPL-2023-00468. December 12, 2023.

[Appendix B](#) - Diablo Canyon Power Plant Intake Cove Dredging Project, Final Biological Assessment, Prepared by SWCA Environmental Consultants. Project No. 82823. February 7, 2024.

[Appendix C](#) - Diablo Canyon Power Plant Intake Cove Dredging Project, Final Essential Fish Habitat Assessment, Prepared by Stantec Consulting Services Inc. Contract No. 3501324439. February 7, 2024.

[Appendix D](#) - Sampling and Analysis Plan Results Report: Morro Bay Harbor 2023 Environmental and Geotechnical Investigation. Prepared by Diaz Yourman and Associates Geotechnical Services, GeoPentech, and Kinnetic Laboratories Joint Venture. USACE Contract No. W912PL20D0003. January 2023.

Regulatory reasonableness, common sense, and the public interest have been obliterated in the name of the pagan cult of Green Socialism.



“Thou, Nature, art my goddess. To thy law my services are bound. Wherefore should I stand in the plague of custom?” - From King Lear by William Shakespeare



Figure 1-1. Map of the proposed DCPP dredge area (dredge footprint) is outlined in red. Other mapped features include the location of the Intake Structure, the Intake Cove, Diablo Cove, and the DCPP. The approximate geographic center of dredge footprint is the green dot. Latitude (lat) and longitude (lon) for the green dot are shown as degrees, minutes, and decimal-seconds. Image ©2022 Google.

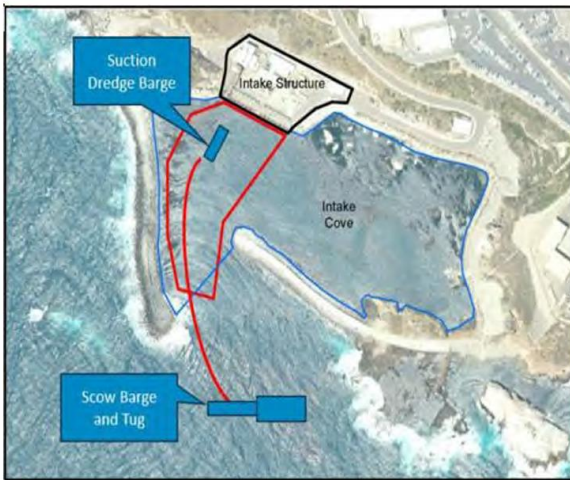
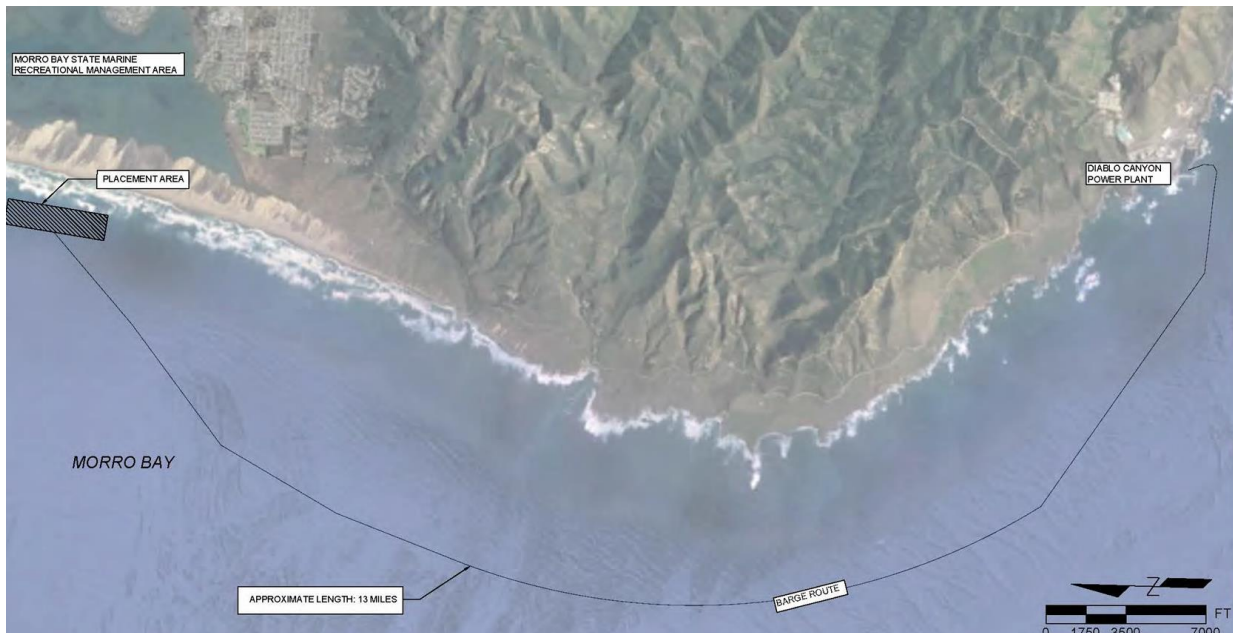


Figure 1a: Possible locations of hydraulic suction dredge equipment.



Figure 1b: Possible locations of clamshell dredge equipment.



Item Th10.a - March 2024 Consistency Determination No. CD-0001-23 (U.S. Forest Service, San Luis Obispo Co.) Consistency Determination No. CD-0001-23 (U.S. Forest Service, San Luis Obispo Co.) **Consistency Determination by the United States Forest Service (USFS) for a proposed temporary two-year prohibition on overnight camping, campfires, and off-leash dogs at Big Sur's San Carpoforo Beach, San Luis Obispo County.** The free style camping spot will be closed for two years as the US Forest Service develops plans to regulate and manage activities. The Forest Service wanted to put in some trash cans and other features. The Coastal Commission in turn reasoned that they might as well step in and regulate the situation completely.

The staff report states in part: *As initially proposed, the proposed USFS Forest Order did not include several practicable measures that would be less restrictive and would likely alleviate all or some of the USFS concerns in a manner allowing conformity with the enforceable policies of the California Coastal Management Program ("CCMP"). However, in recognition of the ongoing VUM process, Commission staff developed several recommended conditions that, in conjunction with the proposed Order, would have the USFS implement a number of measures at SCB based on the review occurring through its VUM process, with a goal of ensuring "no net loss" of coastal camping opportunities in the Monterey District. Most of the measures to be considered are from applicable USFS planning documents, including the Los Padres National Forest Land Management Plan, a critical habitat designation at SCB for the Western snowy plover, and others.*

Condition 1 would have the USFS provide to the Executive Director baseline data in the form of maps of the sensitive species and habitat types at San Carpoforo Beach.

Condition 2 would have the USFS implement several specific measures to help protect the Western snowy plover within its designated critical habitat at the beach.

Condition 3 would have the USFS regularly report to the Executive Director on the progress made in its VUM process, including providing descriptions of measures considered, adopted, or rejected, an evaluation of the known or expected effectiveness of those measures, and descriptions of the outreach efforts used to develop the measures.

Condition 3 also confirms the implementation goal of no net loss of coastal camping opportunities. It would also ensure that, prior to the end of the two-year term of the proposed Forest Order, USFS will submit a new consistency determination for Commission review of any proposed new or extended longer-term implementation of measures considered during the VUM review. Finally,

Condition 4 would have the USFS invite interested Tribes, including the Salinan Tribe of Monterey and San Luis Obispo Counties to participate in this review.



LAST WEEK'S HIGHLIGHTS

No Board of Supervisors meeting on Tuesday, March 5, 2024 (Not Scheduled)

Other agencies (Not Scheduled)

EMERGENT ISSUES

Item 1 - The Political Sabotage of Nuclear Power – By Zach Weissmueller
Abundant, emissions-free energy was once the promise of a nuclear-powered society.

Once upon a time, America embraced nuclear power as the future of energy. Today it accounts for a mere 18 percent of the nation's electricity generation, while fossil fuels remain dominant at 60 percent. Why did nuclear fail to take off?

From 1967 to 1972, the nuclear sector experienced significant growth, and 48 new nuclear plants were built. But in March 1979, a meltdown at Pennsylvania's Three Mile Island nuclear power plant, which resulted in no casualties and no lingering environmental damage, spooked the entire nation and empowered anti-nuclear activists.

"After Three Mile Island, what was considered to be in the best interest of the public was just reducing risk to as low as possible," says Adam Stein, director of the Nuclear Energy Innovation Program at the Breakthrough Institute. "It resulted in a huge volume of regulations that anybody who wanted to build a new reactor had to know. It made the learning curve much steeper to even attempt to innovate in the industry."

After the incident, the momentum behind nuclear reactor construction tapered off and no new reactors were built for the next two decades. Nowadays, the landscape remains unchanged: The federal government makes permitting arduous, while many states impose severe restrictions on new plant construction and force operational ones to shut down prematurely. For example, take Indian Point Energy Center, the largest nuclear plant in New York State. In 2007, anti-nuclear activists targeted the plant, which provided a quarter of downstate New York's electricity. Their cause gained significant traction with the support of New York state attorney general—and future governor—Andrew Cuomo, who believed the nuclear plant was "risky."

Cuomo promised to usher in a new era of clean energy for New Yorkers. His moves against Indian Point garnered support from fellow Green New Deal advocates, including Senator Bernie Sanders (I-Vt.) and Rep. Alexandria Ocasio-Cortez (D-N.Y.), as well as environmental groups.

The plant eventually closed in April 2021, but there was "a gulf between intentions and results," explains writer Eric Dawson, co-founder of Nuclear New York, a group fighting to protect the industry. The closure of Indian Point increased New York's carbon emissions. State utilities had to make up for the loss of energy by burning more natural gas, resulting in a 9 percent increase in energy-related CO2 emissions. At the same time, the state's energy prices also increased.

This outcome isn't unique to New York. Germany also opted to phase out nuclear power, betting on wind instead. Electricity from windmills increased, but so did the country's reliance on coal. In 2023, Germany emitted almost eight times the carbon per kilowatt-hour than neighboring France, which still gets the majority of its electricity from nuclear and less than 1 percent from coal.

According to Dawson, nuclear power is "the most scalable, reliable, efficient, land-conserving, material-sparing, zero-emission source of energy ever created." Wind and solar aren't as reliable because they depend on intermittent weather. They also require much more land than nuclear plants, which use about 1 percent of what solar farms need and 0.3 percent of what wind farms require to yield the same amount of energy.

The economics of nuclear power are undoubtedly challenging, but its advocates say that's primarily because of its thorny politics. The headache of building a new power plant is vividly exemplified by Georgia's Plant Vogtle. The first U.S. reactor built from scratch since 1974, the project turned into a nightmare scenario: It took almost 17 years from when the first permit was filed for construction to begin, it cost more than \$28 billion, and it bankrupted the developer in the process.

Nuclear regulation is "based on politics and fear-mongering and a lack of understanding," explains Indian Point's vice president, Frank Spagnuolo. If they aren't shut down, he says, power plants such as Indian Point could safely continue to provide clean energy for decades.

Despite the opposition, there remains some hope for the future of nuclear energy. Companies are actively developing next-generation nuclear technologies, such as small modular reactors and molten salt-cooled reactors, to minimize the risks associated with nuclear meltdowns and explosions. And some former nuclear opponents have become advocates, acknowledging it as a vital source of clean energy. The converts include the Environmental Defense Fund, the Natural Resources Defense Council, and even Rep. Ocasio-Cortez. The Biden administration has also demonstrated support for nuclear power, with the Department of Energy projecting a tripling of nuclear energy production in America by 2050.

Anti-nuclear activists, environmentalists, and politicians have crippled the only truly viable form of clean energy. But the long nuclear power winter might finally be coming to an end in America.

Zach Weissmueller is a senior producer at Reason. This article first appeared in the March 5, 2024 edition of Reason



China Celebrates Nuclear Energy

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**

DRAIN THE RESERVOIRS, RETURN CALIFORNIA'S STOLEN LAND

The logical extension of California's environmentalist policies is to end civilization as we know it. But California's progressive elites are not crazy or stupid. So what is their actual motivation?

BY EDWARD RING

The destruction of dams on the Klamath River provides an encouraging precedent for progressives throughout California. As was [breathlessly reported](#) in the [San Francisco Chronicle](#) and elsewhere, indigenous tribes are now able to recover their sacred land and revive their ancestral villages and way of life. It is time for California's progressive supermajority to do the right thing and return all stolen land to the first peoples. They can start by draining the rest of California's reservoirs.

Not only is demolishing California's dams, draining all of its reservoirs, and returning the restored riverfront property to their rightful claimants an appropriate reparatory gesture, but it will also set the rivers themselves free. Unshackled, they will again be welcoming habitats for salmon and other aquatic life, able to send torrents of nurturing fresh water into California's Central Valley and ultimately into the Sacramento-San Joaquin Delta.

The first target in this noble effort should be to blow up the [O'Shaughnessy Dam](#) and drain the Hetch Reservoir, which supplies water to the City of San Francisco. Surely the enlightened voters and elected officials in San Francisco will eagerly support this long overdue demolition. Once Hetch Hetchy Reservoir is empty, a beautiful valley, twin to Yosemite, will be exposed in all its granite grandeur once again, and the valley can be reoccupied by the Miwok, Yokuts, Washoe, Mono, and Paiute tribes, where they can recreate their ancient villages and recover their ancient ways. And why stop there?

Draining Lake Shasta will enable the Winnemem Wintu tribe to restore their villages that, for nearly a century, have been inundated, and they can again live peacefully in the upstream canyons of the Sacramento River headwaters. Similarly, blasting down the Oroville Dam will set the Feather River free again at last and empower the Maidu, Paiute, and Washoe tribes to repopulate the liberated riverbanks. Blowing up the Trinity Dam will allow the Yurok and Hoopa nations to return to their sacred river. Similarly, blasting the New Melones Dam to smithereens will set free the Stanislaus River, and the reclaimed land can be returned to the Yokuts people.

Just the removal of [these five dams](#) will free over 12 million acre feet of water to journey "unimpaired" from California's alpine heights to its ocean estuaries. But to be true to the principles they so self-righteously seek to impose on everyone, they must not stop there. [All](#) of these dams, these arrogant monuments to European hubris, must be demolished. California has [over 1,500 reservoirs](#) on its [water grid](#). Together, they imprison over 41 million acre feet of water each year. Destroy them all! Return the land to its proper owners, California's first peoples, along with the fish and the waterfowl.

As California proceeds to correct the errors of previous generations of colonial usurpers, it might also reintroduce the magnificent species that were so cruelly diminished in earlier times. [Wolves](#) and [grizzly bears](#) must be reintroduced to their original habitats, starting with the

Santa Cruz Mountains, overlooking one of California's many urban abominations, the Silicon Valley. They may range freely from the peaks down to the foothills, along the verdant reclaimed creeks, and into the illegitimate suburbs, because it is their land.

In further pursuit of environmental and social justice and to ensure the restored ecosystems of California regain their rightful stewardship, Californians must abandon all of their plush and unsustainable suburbs and allow nature to reclaim these violated lands. As California's settler colonials vacate their stolen strongholds in the Silicon Valley, from the Apple Torus to the mansions of Atherton, the Ohlone family of tribes shall take their place, to live in harmony with free-ranging wolves and grizzlies.

For the last several decades, California's entire political leadership has been committed to dismantling the state's economy in slow motion, but why go slow? With respect to liberating California's rivers, why limit this magnificent display of virtue to a handful of small dams on the Klamath River? And why limit the displacement of white usurpers to the occupiers that presumptuously engage in farming and ranching on the Klamath watershed? If they must be expelled to make way for tribes and fish up there, why not everywhere? Why not expel all of California's invading multitudes?

This is the example that California surely ought to be offering to the world. Give it all back to the First Peoples and eliminate all traces of abusive infrastructure. Why merely demolish the Copco Dam up north and drain its tiny lake when Hetch Hetchy beckons in all of its abominable infamy? Break the dams! Release the rivers!

If all of this sounds crazy, that's because it is crazy. But it is consistent with the ideology being taught in California's schools, the ideology informing the state legislature and state agencies, and the ideology used to justify litigation and agency harassment of productive farmers and ranchers throughout the state. The logical extension of California's environmentalist policies is to end civilization as we know it. But California's progressive elites are not crazy, nor are they idiots. So what is their actual motivation?

The nihilistic solutions these extreme green and extreme equity policies embrace are driven by special interests whose actual goal is to centralize power, wealth, and land ownership, putting it under the control of billionaires, mega corporations, managed wealth funds, NGOs, and compliant puppet governments, which would include these tribal nations but would also include America's federal and state governments and all of the surrounding institutions. The tribes participating in these policies should take note: you are being played, and whatever sovereignty you still have is going to slip away before this is over.

Also being played, on a much more massive scale, are California's tens of millions of progressive voters who still believe the narrative instead of recognizing the reality rapidly descending on them. Concerns about climate and equity are a ruse. The reality is that ordinary citizens are being deprived of any hope for financial independence and instead are becoming increasingly dependent on charity and government "entitlements." Where will it end? Shall we submit to being reduced to the status of livestock, wearing VR goggles, living in pods, eating bugs, obediently living for curated hits of dopamine from an AI-driven Panopticon until an AI-driven death panel determines it's time to die? Expressing this dark scenario would be nothing but paranoid drivel, except for the inconvenient fact that it's perilously close to the path we're on.

It's easy enough to dismiss the systematic destruction of the Klamath River agricultural economy as something happening to a small population in a remote area. The entire population of California's upper Klamath River region—[Siskiyou](#) and [Modoc](#) counties—is barely 50,000 people. But although the Klamath watershed is remote, it is vast, and across America, these underpopulated but sprawling rural landscapes are being picked off, one after another.

The destruction of the Klamath River farming and ranching economy is part of a broader assault, coming from technology-driven elite that masquerades as virtuous proponents of environmentalism and racial equity. They are confident they shall suppress the protestations of those who recognize how these virtues have devolved into nihilism, and confident they shall sustain the masquerade until they dominate the world.

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AN IMMIGRATION CRISIS BEYOND IMAGINING BY TOM BENSMAN

Center for Immigration Studies

The following is adapted from a talk delivered on January 22, 2024, at the Allan P. Kirby, Jr. Center for Constitutional Studies and Citizenship on Hillsdale's Washington, D.C., campus, as part of the AWC Family Foundation Lecture Series.

In 1960, the Eisenhower administration began counting the number of foreign nationals “apprehended” or “encountered” by what was then called the U.S. Border Control when crossing into the U.S. over its southern border with Mexico. These figures have been published and closely monitored through the years, and there has never been anything like the numbers we are seeing now. A human tsunami of previously unfathomable size—Border Patrol has had to handle more than 7.6 million border crossers in 36 months—has smashed every record, with each year's numbers exceeding the previous year's record in stair-stepping fashion.

Of the over 7.6 million illegals encountered by Border Patrol since January 2021, the number allowed to stay inside the U.S. is somewhere north of five million. But with the percentage of those allowed to stay now approaching 100 percent, if current trends hold, the total allowed to remain in the U.S. under the Biden administration will reach ten million by next January.

The U.S. has experienced surges of illegal immigration in the past, but these have been brought quickly under control by implementing policies to deter, block, detain, and deport illegal immigrants. Not this time. To put the current numbers in perspective, consider that Jeh Johnson, President Obama's Director of Homeland Security, told MSNBC that in his time in office—when the number of illegal crossings was relatively low—he considered it bad if apprehensions exceeded 1,000 a day, because anything more than that “overwhelms the system.” Over the past three years, apprehensions have averaged about 6,940 per day.

Even with a surge in illegal crossings in 2019—this was due to a legal loophole that encouraged illegals to cross with minors—the Trump administration had brought apprehensions down to between 800 and 1,500 a day in his final year in office, the lowest numbers in 45 years. Four months into the Biden administration, apprehensions spiked to about 6,000 per day. There were 2.4 million apprehensions in 2022, a daily average of 6,575. In 2023 there were three million apprehensions, a daily average of 8,219. Entering 2024, apprehensions were up to 12,000 to 15,000 per day.

The reality is even worse, because these numbers do not include the people who entered the U.S. illegally without being apprehended—sometimes referred to as “gotaways”—a number the Border Patrol estimates but does not make public. That estimate over the past three years is two million, bringing the three-year total of illegal immigrants to ten million—a number equivalent to the population of Greater London or Greater Chicago.

But these are just numbers. Who are these people? They are internationally diverse: 45 percent come from 170 countries outside the traditional origin countries of Mexico and Central America. Many are unaccompanied minors: 448,000 to date. More than 330 as of November 2023 are on the FBI’s terrorist watch list. Many are murderers, rapists, kidnappers, and violent criminals. More than a million have been lawfully ordered deported by judges in the U.S. but remain in our country regardless. The dismissal by the executive branch of our government of hundreds of thousands of cases of immigration law violations is unprecedented.

It is worth noting some other firsts: Mexico’s crime syndicates and their paramilitary forces have never earned so much money from cross-border smuggling, and it is reported that their proceeds from human smuggling are surpassing those from drug smuggling for the first time. Never before have the Border Patrol’s 19,000 agents been ordered to abandon vast stretches of the border to conduct administrative intake duty. Never have so many immigrants died to take advantage of policies that all but guarantee quick release into the U.S. Never has our government explicitly refused to enforce immigration laws requiring detention and deportation of illegal immigrants on the grounds that those requirements are cruel and inhumane—instead adopting ad hoc policies aimed at providing “safe, orderly, and humane pathways” into the U.S. for illegal border crossers. And never has there been anything like the current conveyor-belt policy to distribute millions of illegals throughout the American interior.

This crisis is not the result of incompetence, but of purposeful policies. What is more, America’s establishment media has largely abdicated its duty to report on the crisis, refusing to acknowledge an event that is having a greater impact than almost any other in the world today. One can only assume that the reason for this is partisan bias: after all, the crisis can easily be traced to an identifiable moment in time—Inauguration Day 2021.

Prior to that day, the Trump administration had brought the southern border largely under control using four key policies.

- i. Diplomatic Big Sticks: The U.S. gained Mexico’s cooperation by threatening ruinous trade tariffs of up to 28 percent on Mexican goods. We gained the cooperation of Central American nations by threatening to freeze U.S. foreign aid. The cooperation of these countries consisted of two things: accepting deported illegals from the U.S. and using their military and police to block incoming immigrants at their own borders.

- ii. Remain in Mexico: Border Patrol was required to return apprehended immigrants immediately to Mexico, where they had to wait out the long duration of asylum processing, rather than releasing them to disappear inside the U.S.
- iii. Safe Third Country: Immigrants who had passed through designated “safe third countries” (including Guatemala, Honduras, and Mexico) on their way to the U.S. without applying for asylum in one of those countries were automatically deported with no chance to claim asylum in the U.S.
- iv. Title 42: This pandemic-control health order required rapid deportations to Mexico, without the option to claim asylum, of all immigrants caught illegally crossing the U.S. border.

During the 2020 campaign, candidate Biden promised to undo Trump policies within the first 100 days, to include ending detention and deportation of illegal immigrants. On January 20, 2021, he began to follow through. Four new U.S. policies and a new Mexican law are the chief drivers of the immigration tsunami we see today.

- i. The tariff threat against Mexico was withdrawn and full foreign aid to all Central American nations was restored, freeing these countries to end cooperation with U.S. efforts to stem illegal immigration. This marked the end of the Remain in Mexico policy.
- ii. The Title 42 pandemic rapid expulsion policy was waived for most families with children under ten, for all unaccompanied minors, for pregnant women, and for many single adults from nations that would not accept deportees.
- iii. Two days after the 2020 election, the Mexican government passed a law prohibiting the detention of families, pregnant women, and unaccompanied minors. It then released thousands of families from 58 Mexican detention centers ten days before President Biden took office.
- iv. The Biden administration established an ad hoc Border Patrol turnstile honor system by which Title 42-exempted families and others were released into the U.S. with a promise to report back later; this catch-and-release approach came eventually to incorporate the aforementioned conveyor-belt policy, with Border Patrol delivering illegals to non-governmental organizations that would arrange bus and air travel to cities around the U.S.
- v. To give the false impression of fewer illegal crossings, the Biden administration created an ad hoc system that allowed hundreds of thousands of illegal immigrants to use a cell phone app called CBP One to schedule “pre-approved” entries at border crossings and U.S. airports.

Those who seek to come to the U.S. illegally are rational actors. They are more willing to pull up stakes and come when they think the effort and expense will pay off. The typical cost for the dangerous journey is \$10,000 per person paid to smugglers. Few will take the gamble when the odds are against them. It’s a different matter when the odds move dramatically in favor of success as they did in January 2021.

Toward the end of the Trump administration, Border Patrol used Title 42 to deport nearly 90 percent of apprehended illegals. The Biden administration immediately reduced that number to 60. By 2023, Title 42 deportations were down to 35 percent. And on May 12, 2023, the Biden administration formally ended Title 42, and with it all instant expulsions. U.S. intelligence had predicted that ending Title 42 would lead to between 14,000 and 18,000 crossings a day, and that prediction turned out to be right. As I recently reported, it appears that the Biden administration

recently took steps to reduce these numbers—most likely in response to public outrage in an election year—though it remains to be seen how long this will last.

It is too early to gauge the full impact of the ongoing settlement of millions of illegal foreign nationals in the U.S. We know that the initial financial cost is high—\$400 billion, by one estimate, to feed, house, clothe, and resettle the illegals who have been allowed to stay. Then there is the burden placed on public school districts that have no choice but to take in millions of new children who often speak no English and whose educations are not commensurate with those of their schoolmates. It is probably not coincidental that hospital systems across the nation have fallen deep into the red since the great mass migration crisis began. And large cities across the nation are looking to Washington for help with unfunded and unexpected fiscal burdens reaching into the tens of billions to care for the hundreds of thousands showing up with hands out.

Expense, of course, is only one part of the equation in terms of impact. Public safety, criminal justice, and national security systems face unprecedented new burdens as the personal histories and criminal backgrounds of most of the millions allowed easy entry are unknown and, often, unknowable. Some percentage will commit crimes and—in addition to the often horrendous effects on the victims of their crimes—increase the load on our already over-burdened courts and prisons. One prays not, but some may also commit acts of terrorism. Last but not least, this great influx will increase joblessness and put immense downward pressure on wages for American workers.

It is not rocket science to figure out how to solve the immigration crisis. Nor is it hard to tell whether a politician is serious when he proposes a solution—one can simply ask whether the proposal will increase or decrease the odds that an aspiring illegal immigrant will decide to make the significant effort and financial sacrifice. For instance, in the ongoing standoff in Texas, placing razor wire at the border as the Texas Governor ordered done will clearly decrease the odds, and removing the razor wire as the Biden administration seeks to do will increase the odds. Similarly, any politician who proposes a solution that begins by granting amnesty to illegals currently in the U.S. is increasing the odds and not serious.

There are two essential steps we must take to begin to solve the border crisis:

- i. Enforce current immigration law, specifically the requirements under the Immigration and Nationality Act to detain and deport illegal entrants.
- ii. Restore the threat of trade tariffs on Mexican goods to ensure Mexico's cooperation with reinstating the Remain in Mexico policy, forcing asylum seekers to stay in Mexico while their asylum claims are processed.

Three additional steps will help to solve the problem:

1. Withdraw from the United Nations Convention Relating to the Status of Refugees treaty, which requires the U.S. to meet outdated standards for handling asylum claimants; then institute an asylum law that ends the current catch-and-release system and requires that an asylum claim first be made in a suitable departure or transit country, such as Mexico.
3. Put diplomatic and financial pressure on Colombia, Panama, Costa Rica, and Mexico to implement their own policies of detention and deportation of foreign nationals who are in those countries illegally.

4. Close loopholes in U.S. immigration law such as the *Flores Settlement Agreement*—which circumvents Immigration and Nationality Act requirements for detention and deportation during asylum claims and forces the release of asylum-seeking families within 21 days—and the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008, which requires the quick release of immigrant minors if they are from anywhere but Mexico.

Our politicians know these actions are the ones needed. The problem is not a lack of knowledge but a lack of political will. Too many of our elected leaders have selfish reasons to let the border crisis continue, no matter what their constituents demand. Whether they will be able to continue in their inaction is in the hands of the American people.

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DECADES LATER, HAYEK’S WARNING ON PLANNING ECHOES LOUDER THAN EVER

Governments are fixated on the idea that climate change should be mitigated through planning. The problem is that planning is less efficient and effective at processing information than markets.

BY STEPHEN SOUKUP

In March 1977, three years after winning the Nobel Prize in Economics and more than three decades after writing his magnum opus, Friedrich Hayek penned an essay for Reason magazine, in which he, yet again, addressed and assessed “planning.” The essay, “‘Planning’ Our Way to Serfdom,” was written in response to newer, less centralized forms of planning that had been rapidly gaining support in the West. Specifically, Hayek dispatched “indicative” planning, whereby government “guides” private industry in the proper forms and direction of economic growth, and planning done to achieve “social justice.” About the former, he wrote that “that halfway house between a completely planned system and a free market would indeed be the worst of all possible worlds,” while about the latter, he intoned:

The belief in a society in which the remuneration of individuals is made to correspond to something called social justice is a chimera which is threatening to seduce modern democracy to accept a system that would involve a disastrous loss of personal freedom. George Orwell and others ought by now to have taught even the layman what to expect from a system of such kind.

Unfortunately, Hayek’s dismissal of the newer, subtler forms of planning was not as successful as his earlier assault on the centralized variety. In the nearly five decades since the essay in Reason, global governments and other organizations have largely ignored or forgotten his

admonitions and have placed greater and greater faith in the power of marginally decentralized planning. This has especially been the case in the 15+ years since the Great Recession.

The most obviously visible form of planning extant in the West today is the response to climate change and the push toward “net-zero.” This also includes the even more thoroughly evolved version of planning—Environmental, Social, and Governance investing (ESG)—which substitutes private actors for governments and utilizes the very mechanisms of capitalism to preempt the power of markets in favor of carefully calculated presumptive economic outcomes. Governments and their private-sector allies are fixated on the idea that climate change can and should be mitigated through the virtues of planning.

The problem with all of this, unsurprisingly, is that even the newer, subtler, and privatized versions of planning are still far less efficient and effective at processing information than are markets. Hayek’s complaint about planning is that it is arrogant and foolishly so. It presumes that the calculations and machinations of a handful of “experts” can be more accurate than the market signals gathered by millions of individual capitalists calculated millions of times a day over millions of locations. Planning projects imprecise information based not on the wants, needs, and tastes of consumers but on the biases of the planners. It misidentifies and miscalculates economic inputs and outputs, distorting both the demand and supply curves.

In the case of net-zero and ESG, the distortions created in the demand curve are readily apparent and growing more so every day. As long as four months ago, car dealers were warning the Biden Administration that consumers had little or no interest in electric cars, which were piling up on their lots. Twice in the last six months, Ford has announced layoffs at the factories producing its F-150 Lightning electric pickup. And while it has dramatically cut production of electric trucks, it has shifted much of that capacity to building Broncos and Rangers, two gas-powered vehicles. More recently, Tesla slashed prices on its cars, Mercedes announced a five-year delay in its plans to electrify its fleet, and Hertz announced that it “would sell one-third of its global EV fleet, or about 20,000 cars, citing weak demand and the expense of repairing the vehicles.” Even companies that mine lithium, the primary component in electric vehicle batteries, are laying off employees, as real-world demand for net-zero-friendly vehicles dramatically trails the demand calculated and demanded by the planners.

The good news here is that in a nominally free economy, the distortions to the demand curve can be addressed and, presumably, fixed. That will come at a considerable cost, but in most places—California being a notable and stubborn exception—the changes necessary are still mostly feasible.

The bad news is that such quick fixes are not likely to ameliorate the distortions net-zero and ESG have made to the supply curve. At present, supply looks to be stable and, if anything, improving to meet the market’s non-planned demands. Despite President Biden’s tough talk on energy and the transition to a “clean” net-zero future, as well as his occasional dramatic misstep (his export ban on liquid natural gas, for example), the United States is a clear leader in fossil fuel production, producing more today than at any time in history. Unfortunately, because energy is a long-term business that requires years and even decades to organize and enable production, present circumstances are likely misleading.

Consider, for example, what the Wall Street Journal reported last summer, namely the fact that energy companies are struggling mightily to find qualified workers, and conditions are likely to get dramatically worse going forward. “At U.S. colleges, the pool of new entrants for petroleum-engineering programs has shrunk to its smallest size since before the fracking boom began more

than a decade ago. European universities, which have historically provided many of the engineers for companies with operations across the Middle East and Asia, are seeing similar trends.”

This only makes sense, of course, given the ubiquitousness of the planners’ message on the future of energy. Why would any bright, sensible young student make the conscious decision to study petroleum engineering when government, businesses, and the broader culture are relentlessly insisting that petroleum and other fossil fuels are “evil” and will, therefore, be phased out in the near future? There’s no good answer to that question, which explains why the future supply of trained professionals needed to help the world meet its energy needs is likely to be woefully inadequate.

If that weren’t troubling enough, this just happens to be one rare occasion in which the effects of planning on the long-term supply curve are discernable, even if not likely correctable. Most such effects are not going to be as easy to spot. “Unintended consequences” are the omnipresent soft underbelly of planning.

The world would be a better place—today and in the future—if the planners insistent on net-zero and ESG would read Hayek’s 1977 essay. They might learn something.



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