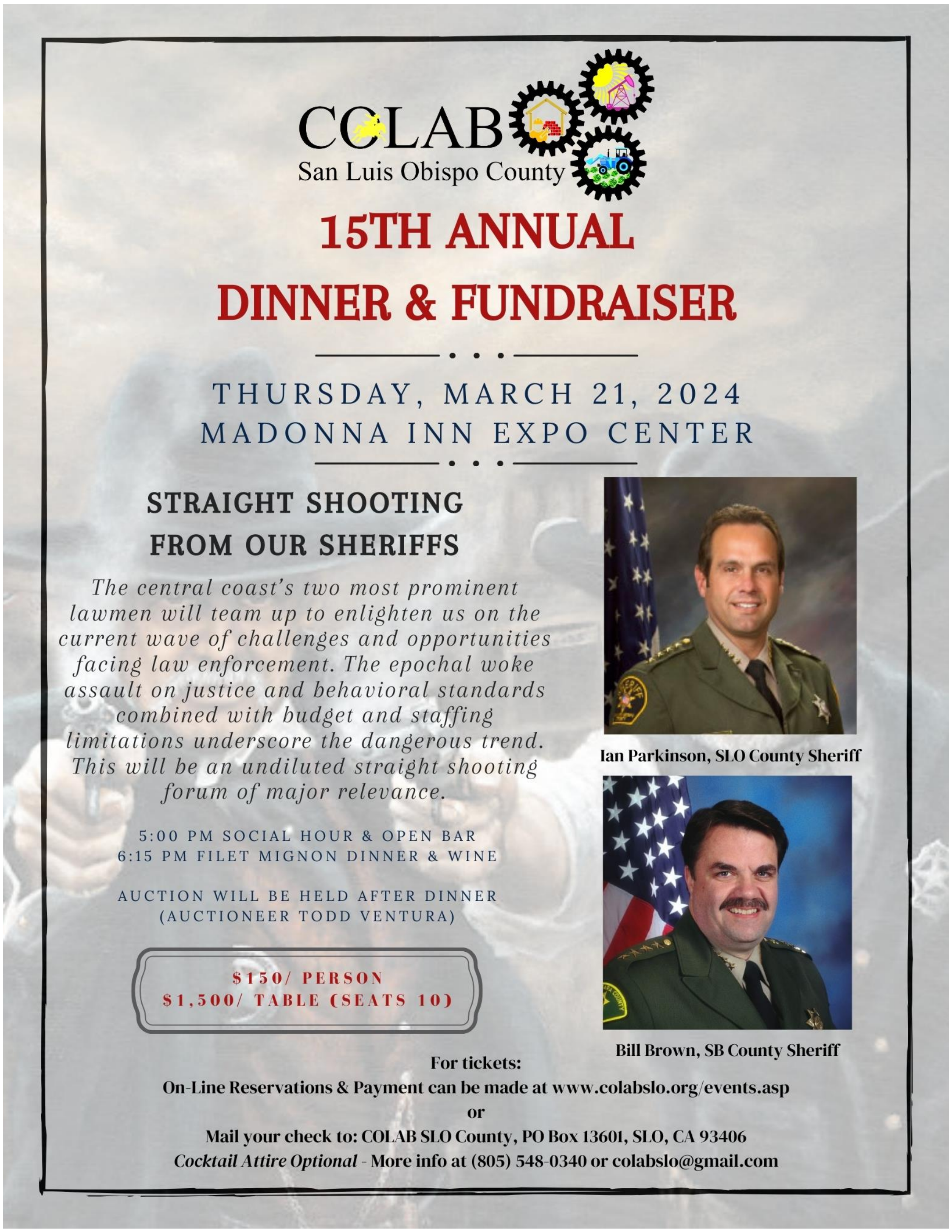
COLAB
San Luis Obispo County
The Coalition of Labor Agriculture and Business

WEEKLY UPDATE
MARCH 17-23, 2024



THIS WEEK
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SPECIAL BOS MEETING MARCH 18TH

COUNTY ADMINISTRATOR CANDIDATE INTERVIEWS

NO REGULAR BOARD OF SUPERVISORS MEETING

LOCAL AGENCY FORMATION COMMISSION

CANCELLED

OTHER AGENCIES DORMANT

LAST WEEK
PAGE 5

SPECIAL BOARD OF SUPERVISORS MEETING

CONSIDER APPOINTMENT OF A COUNTY ADMINISTRATOR

REGULAR BOARD OF SUPERVISORS MEETING

NEW NOISE ORDINANCE SCHEDULED
REAL TIME RESPONSES NEEDED

SANTA MARGARITA RANCH LLC PARCEL 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
NOT MUCH SUPPORT – SEEMS TO HAVE DIED FOR NOW

5 YEAR CAPITAL IMPROVEMENT NEEDS
MOSTLY UNFUNDED

PLANNING AND BUILDING REQUESTS FOR MORE STAFF TO WORK ON HOUSING PROGRAMS APPROVED

SHOULD THE COUNTY BE WRITTEN OFF FOR FOR THE WEALTHY?

SUPERVISOR'S REPORTS AND REQUESTS
NOTHING ALARMING THIS WEEK

IWMA

CONFUSING FEE CHANGES IN FINANCIAL REPORT

CENTRAL COAST COMMUNITY ENERGY (3CE)

$295 MILLION BATTERY STORAGE DEAL
PROVIDES ONLY 125MW 4 HOURS PER NIGHT

PLANNING COMMISSION

MORE LOW INCOME HOUSING FOR NIPOMO APPROVED

PERMIT FOR DEMOLITION AND RESTORATION OF PHILLIPS 66 SITE - POSTPONED TO APRIL 14TH

CALIFORNIA COASTAL COMMISSION

CLOSING CARPOFORO BEACH CAMPING

PERMIT TO REMOVE SAND FROM DIABLO WATER INTAKE APPROVED

EMERGENT ISSUES

SEE PAGE 32

DEMOCRATS AND ACTIVISTS DEMAND BLACKOUTS OVER NUCLEAR POWER IN CALIFORNIA
California environmentalists will keep fundamentally undermining the reliability of the state's electrical grid until it's literally lights out

CALIFORNIANS PAYING 140% MORE FOR ELECTRICITY THAN OTHER STATES

THESE ARE GOVERNOR GAVIN NEWSOM'S POLICIES – HE OWNS IT

WINDS OF CHANGE

With the clock ticking on President Joe Biden's first term, tribes and their allies are ramping up the pressure on the feds to finalize the full marine sanctuary proposed off the Central Coast over wind developers' objections

COLAB IN DEPTH

SEE PAGE 37

WILLIE BROWN

DA MAYOR TURNS 90 THIS WEEK

BACK IN THE DAY YOU COULD HAVE A MARTINI WITH HIM ON FRIDAY AT THE OLD WASHINGTON SQUARE BAR & GRILL

("THE WASHBAG")

IN BOTH THE ASSEMBLY AND CITY HALL
"A DEAL WAS A DEAL"

THE FINANCIALIZATION OF NATURE

Carbon trading and natural asset companies use scarcity to inflate the value of existing real assets, while inventing new asset categories that have no relation to genuine productivity

BY EDWARD RING

THIS WEEK'S HIGHLIGHTS

ALL MEETINGS ARE AT 9:00 AM UNLESS OTHERWISE NOTED

Special Board of Supervisors Meeting on Monday, March 18, 2024 (Just Scheduled)

Item 1 - The Board will interview candidates for the County Administrator position.

No Board of Supervisors Meeting on Tuesday, March 19, 2024 (Not Scheduled)

The next regular meeting will take place on March 26, 2024.

Local Agency Formation Commission Meeting of Thursday, March 21, 2024 (Cancelled)

The work load has been light this year.

LAST WEEK'S HIGHLIGHTS

Special Board of Supervisors Meeting of Thursday, March 14, 2024, 8:30 AM (Completed)

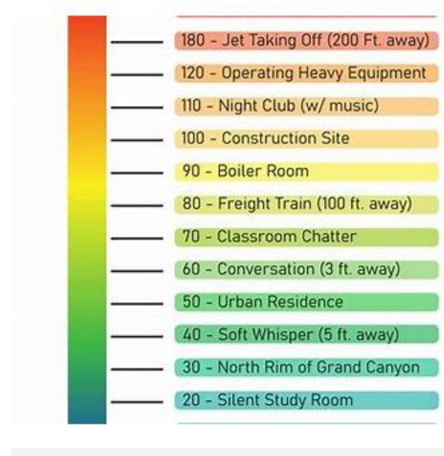
Item 1 - PERSONNEL (Government Code section 54957.) It is the intention of the Board to meet in closed session to: (1) Consider Public Employee Appointment for the Position of County Administrative Officer. No other information was posted.

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

Item 2 - Introduction of an Ordinance amending Chapter 7 (Public Peace, Safety and Morals) of the San Luis Obispo County Code prohibiting unreasonable noises. The Hearing was set for April 9, 2024. Several people spoke in support. It turns out that some neighborhoods are experiencing problems in the day time, not just at night.

Background: This is an effort to assist law enforcement to control noise complaints. The County's efforts in the past have focused on compliance though 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 in part:

To address this gap in service, the Planning and Building Department, Sheriff' 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	• 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	• 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	• 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.

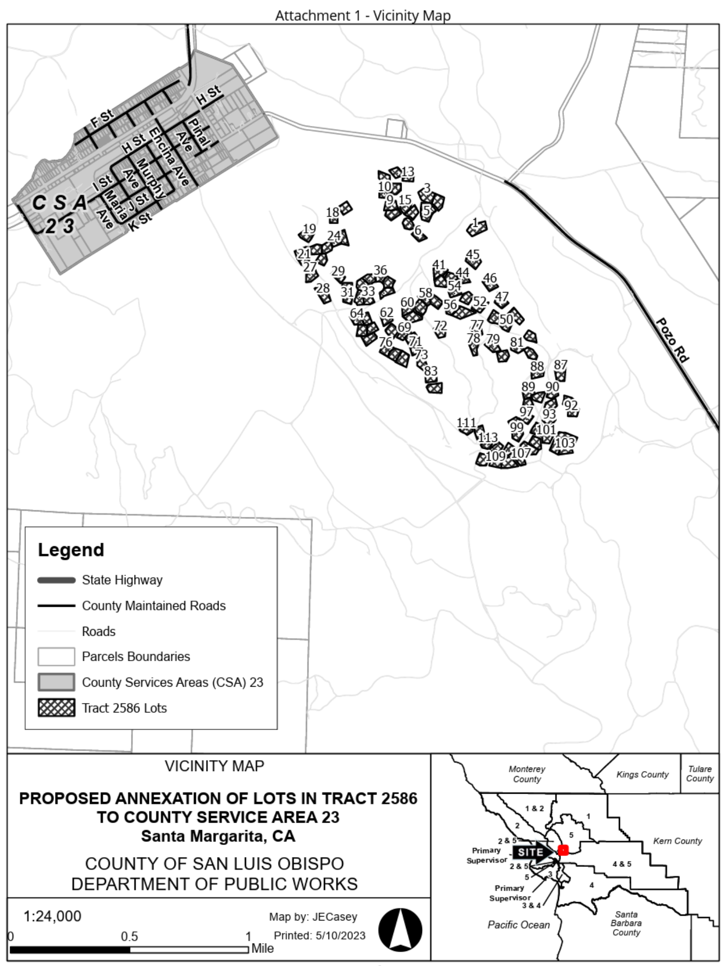
It is curious that the County staff could even consider that they have the power to ban church bells and that such intrusion should ever be the subject of government policy.

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]

[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.**

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. The notice was approved.

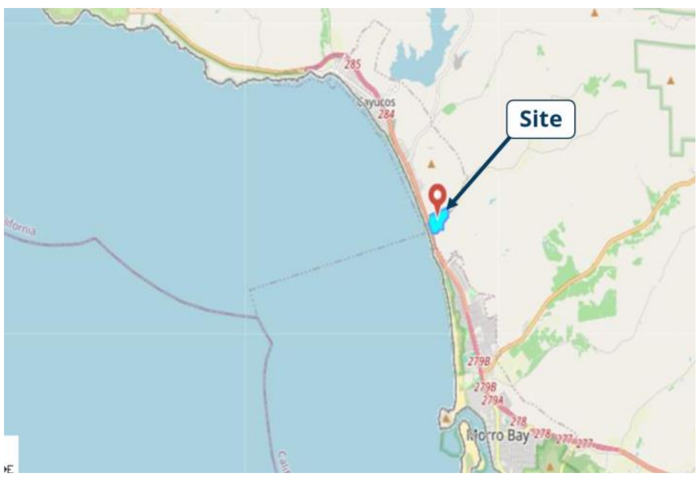
On June 6, 2023, your Board approved a resolution of application requesting the San Luis Obispo Local Agency Formation Commission (LAFCO) initiate annexation proceedings for Tract 2586 to County Service Area No. 23 (CSA 23). CSA 23 supplies the community of Santa Margarita water service via two groundwater 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.



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 Resolution was approved unanimously on the consent calendar without question or debate.

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 coastline 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. The additions were approved on the consent calendar. Supervisor Peschong asked a few questions but went along in the end. The entire Board (with Arnold absent) voted to approve the item. Many questions were presented by COLAB and ignored. The staff stated that they had all the data. This defense is irrelevant, since it was not part of the policy discussion.

Background: 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, page 295)

In the meantime, consider nine 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 Resource Specialist I	5.00	$ 253,812	$ 219,946	$ 473,758	Step 1 for 2 months, Step 2 for 10 months
ADD	Employment Resource Specialist IV	1.00	$ 82,642	$ 58,960	$ 141,602	Step 4 for 2 months, Step 5 for 10 months
ADD	Employment Services Supervisor	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, espiecally 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

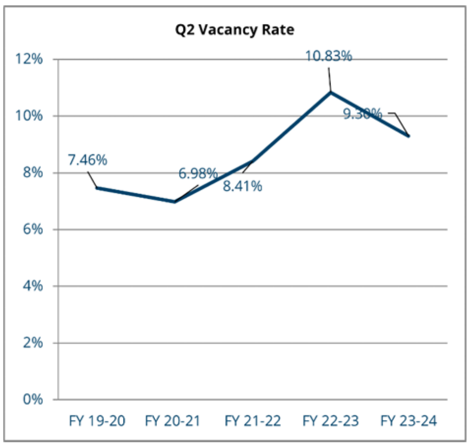
3. Again, lack of data: Similarly, the Medical-eligibility unit is shown to have funding for 100 employees. What is the current and past average vacancy rate in this unit?

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*

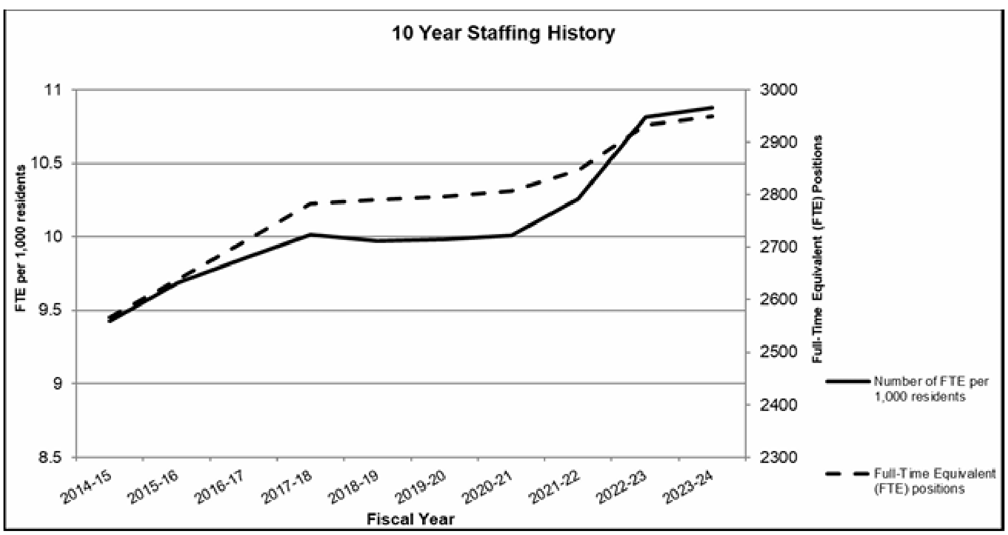
Total Expenditures: $14,775,987
General Fund Support: $2,762,340
Total Staffing (FTE): 76.50

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 though 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 was received and a number of small adjustments approved. There was no real interrogation of staff or alarm. It was again noted that the State budget deficit could impact next year's budget negatively.

The report, which contained a variety of isolated anecdotal information, failed 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

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 anamoly: 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 secton, 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 Budget Act	County of San Luis Obispo All Funds Summary Fiscal Year 2023-24						Schedule 1
	Total Financing Sources				Total Financing Uses		
Fund Name	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?

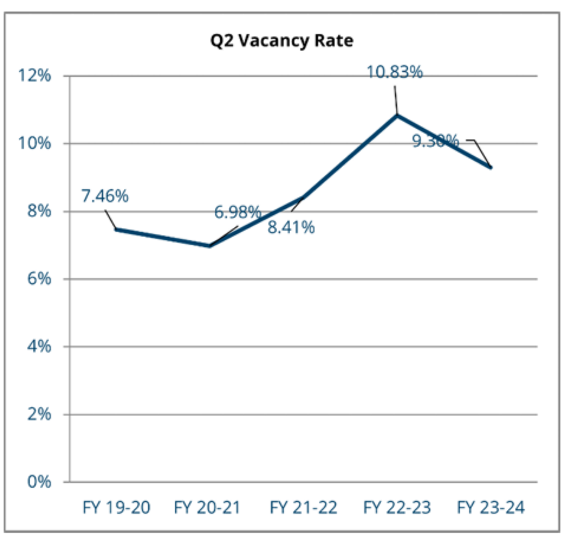
Position Creep

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. The Board heard the report from the consultant, which indicated that the tax measure would in all likelihood fail. After considerable discussion and hand wringing, it was determined to not pursue the matter at this time. Supervisor Gibson was particularly disappointed.

Background: Now that the Supervisorial Elections are over, the staff posted 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.

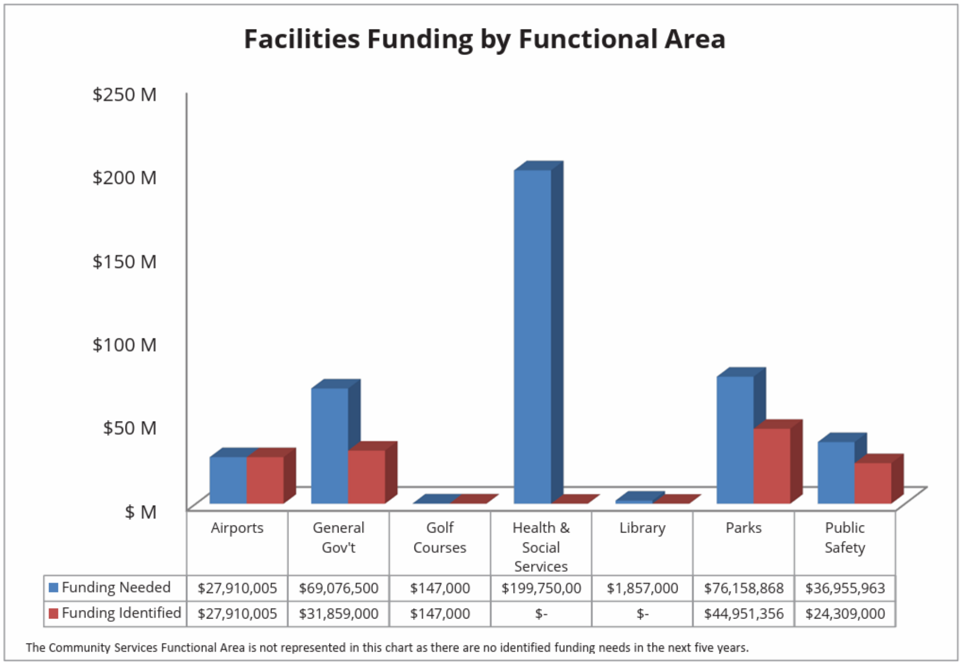
Item 30 - Submittal of the Facilities and Infrastructure Five-Year Capital Improvement Plan. This major policy matter policy matter was discussed at length and ultimately approved. The fact that much of the 5-year plan is unfunded did not seem to bother the Supervisors.

The staff submitted a preliminary version of the FY 2024-25 through FY 2028-29 Five Year Capital Improvement Plan (CIP).

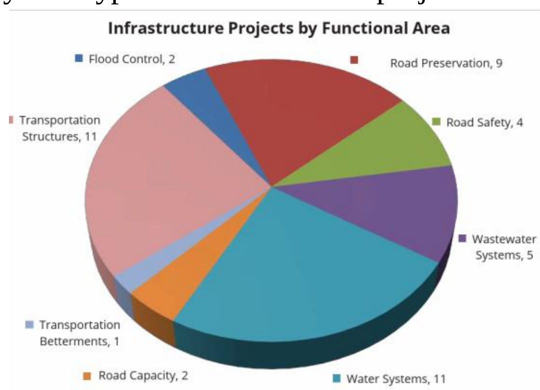
Chart 1

	2024-25	2025-26	2026-27	2027-28	2028-29
Infrastructure	$67,167,954	$46,562,861	$50,980,074	$34,400,000	$14,650,000
Facilities	$64,644,109	$67,553,099	$24,562,912	$24,840,973	$230,254,243

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.

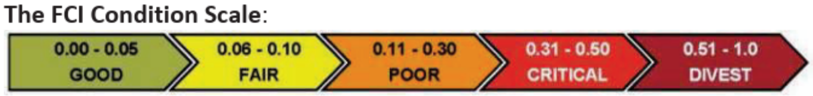


The pie chart below displays the types of infrastructure projects that are needed.



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 particularly, 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. The report was explicated in detail. In the end, much of the discussion involved which issues the Planning staff should work on. The 3 new staff positions were approved.

This was actually not so much of a "Housing Policy Review" as it was a request for 3 additional staffers for Planning and Building. Accordingly, the Board Letter, after a rambling 6-page disquisition on the "housing crisis" and State housing mandates, got 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 25** 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 (Completed)

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 Board approved the contract unanimously.

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 Gabrial 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

Cycles and hours: It was not clear from the write-up how many hours of 125MW it would provide per night. One the Board members did ask about this, and the staff stated that it would be 4 hours. On longer days it would be possible to do an extra cycle of 4 hours of charging and 4 hours of discharging. The problem is that each charging cycle erodes the battery life (just like your cell phone). In the end it will generally be one cycle.
All the charging and discharging information in the contract is redacted.

EXHIBIT Q

OPERATING RESTRICTIONS

The Parties will develop and finalize the Operating Restrictions prior to the Commercial Operation Date, provided that the Operating Restrictions (i) may not be materially more restrictive of the operation of the Facility than as set forth below, unless agreed to by Buyer in writing, (ii) will, at a minimum, include the rules, requirements and procedures set forth in this Exhibit Q, (iii) will include protocols and parameters for Seller's operation of the Facility in the absence of Charging Notices, Discharging Notices or other similar instructions from Buyer relating to the use of the Facility, and (iv) may include Facility Scheduling, Operating Restrictions and Communications Protocols.

Interconnection Capacity Limit:	125 MW
Maximum Stored Energy Level:	500 MWh
Minimum Stored Energy Level:	[redacted]
Maximum Charging Capacity:	125 MW
Minimum Charging Capacity:	[redacted]
Maximum Discharging Capacity:	125 MW
Minimum Discharging Capacity:	[redacted]
Maximum State of Charge (SOC) during Charging:	[redacted]
Minimum State of Charge (SOC) during Discharging:	[redacted]
Ramp Rate:	[redacted]
Annual Discharging Energy:	[redacted]
Daily Discharging Energy:	[redacted]
Grid Charging of Facility:	Yes
Ancillary Services Capability:	Yes
Maximum Average Idle State of Charge (SOC)	[redacted]
Maximum Continuous Time at State of Charge (SOC) greater than 90%	[redacted]
Maximum Continuous Time at State of Charge (SOC) less than 10%	[redacted]

Exhibit Q - 1

Item 4 - Hearing to consider a request by John Mussell for a Conditional Use Permit (N-DRC2023-00006) to construct 72 multi-family residential apartment units on a single parcel totaling 2.57 acres as a planned development in accordance with State Density Bonus Law. Of the 72 apartment units, 71 will be deed restricted and one unit a manager's unit. The project would include the development of three 3-story multi-family buildings that are 24 units each, with 1 attached community room at the entrance of the property. 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. The project was approved unanimously. However the Commission was concerned about traffic contention with the adjacent Post Office. Accordingly they added some conditions directing the developer and staff to work out a traffic scheduling system.

At the time of application for construction permits, the applicant shall provide evidence to the Department of Planning ar United States Postal Service (USPS) to discuss delivery, truck staging and timing to address traffic along Magenta Lane. Acceptable evidence may include, but is not limited to, copies of emails, letters, and logs (with dates, contacts, and summary) of phone calls, in-person meetings, and other communication with the USPS.

BOS Chambers 39 minutes ago
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BOS Chambers

Background: This is the second significant apartment house development that 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

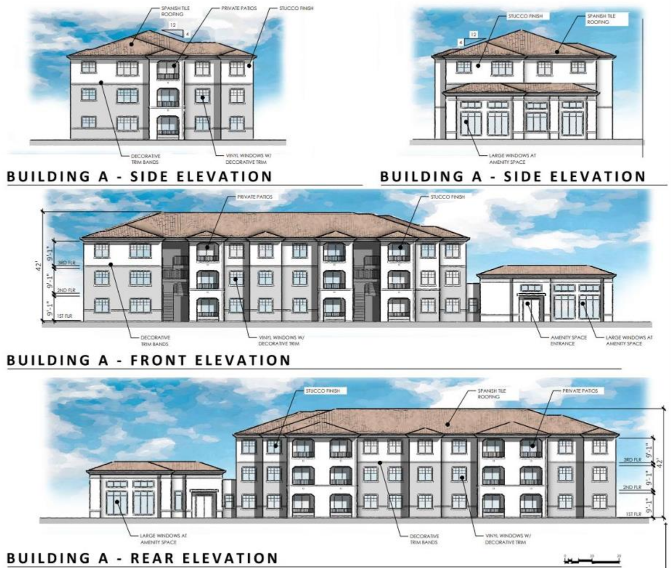
Building Design	Number of Units	Affordability	Individual Building Square Footage (sf)	Number of Units per Building	Energy Connections
A	24	Affordable – lower income	22,650	24	All-electric
B	24	Affordable – lower income	22,540	24	All-electric
C	24	Affordable – lower income	22,540	24	All-electric

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.


CA HWY 101
Nipomo
Site
Nipomo Park


West Tefft Street


VACANT
CARPORT W/ SOLAR PANELS -TYP
RETAINING WALL -S.C.D.
PROPERTY LINE -S.C.D.
BLDG B
24 UNITS
BLDG C
24 UNITS
BLDG A
24 UNITS
VACANT
POST OFFICE
PICNIC AREA
BIKE RACKS
CONCRETE WALKWAY
ASPHALT PARKING LOT
TRASH
PICNIC AREA
ACCESSIBLE ROUTE -SHOWN DASHED
TRASH
COMMON AREA
TOT LOT
EASEMENTS -S.C.D.
STORMWATER TREATMENT AREA -S.C.D.
MAGENTA LANE
SLOPE EASEMENT -TO BE ABANDONED



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 was 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 (Completed)

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. Luckily, the Commission approved the application with conditions.

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 is obviously not a good idea to block the cooling water intake. What if the Commission had said, "No"? The staff recommended approval; however, 7 Commissioners out of 12 voting "no," could have 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

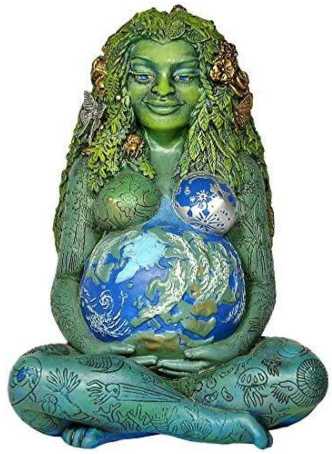
Appendix A – Final Environmental Assessment and Statement of Findings for the Diablo Canyon Power Plant Intake Cover Dredging Project, Prepared by the U.S. Army Corps of Engineers. File No. SPL-2023-00468. December 12, 2023.

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.

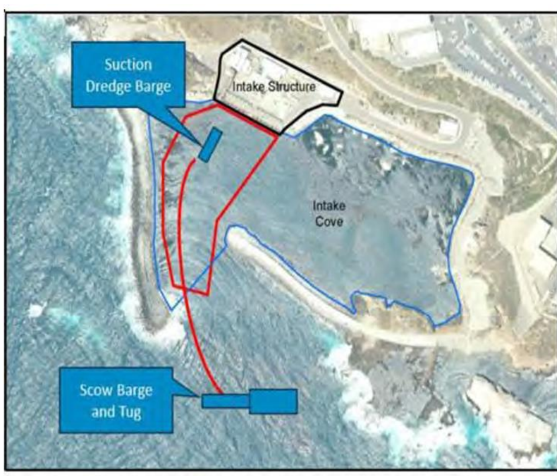


Figure 1a: Possible locations of hydraulic suction dredge equipment.

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 Commission conditionally concurred with its own directive to put the Forest Service through the wringer for 2 years.

Background: 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.*

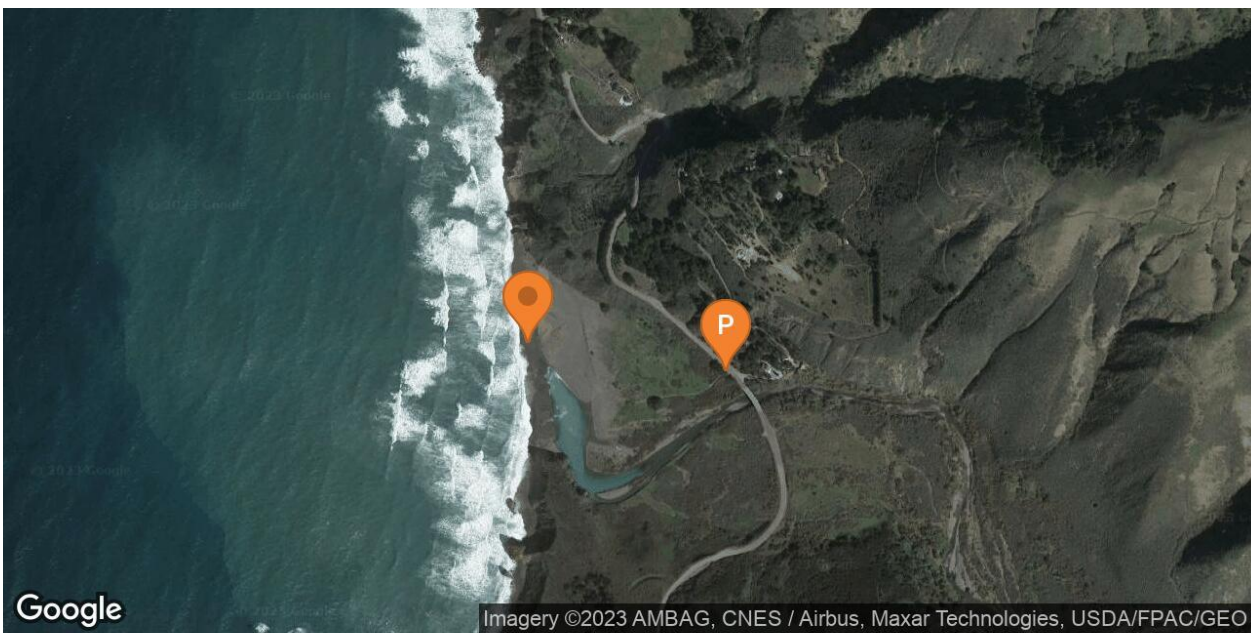
Condition 1 would have the USFS provide to the Executive Director baseline data in the form of maps of the sensitive species and habitat types at San Carpoforo Beach.

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.*

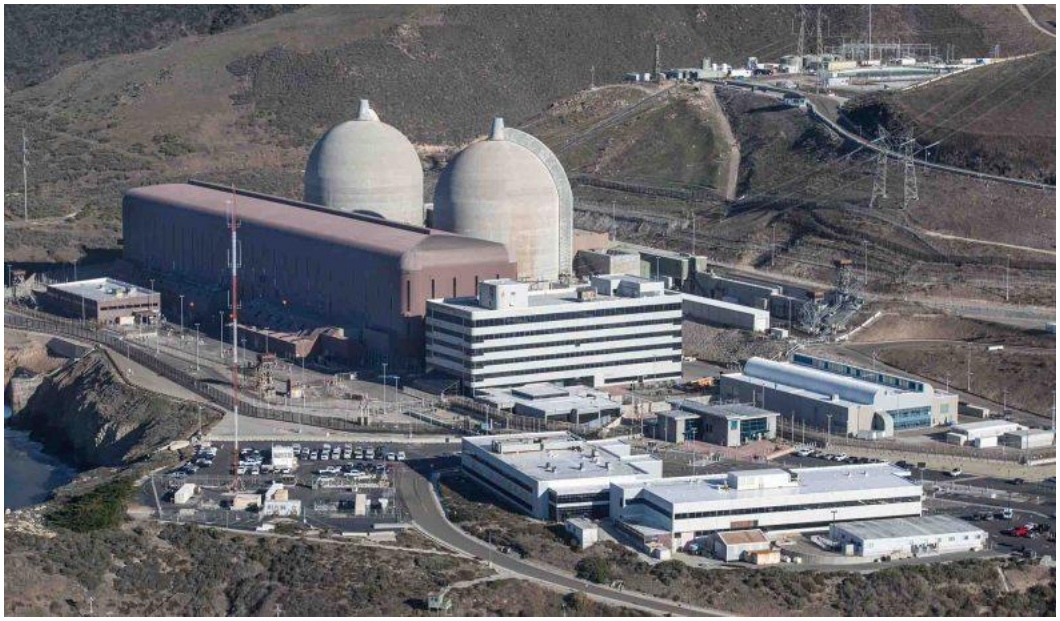
Condition 3 also confirms the implementation goal of no net loss of coastal camping opportunities. It would also ensure that, prior to the end of the two-year term of the proposed Forest Order, USFS will submit a new consistency determination for Commission review of any proposed new or extended longer-term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



EMERGENT ISSUES

Item 1 - Democrats and Activists Demand Blackouts over Nuclear Power in California.
By Andrew Follett



An aerial view of the Diablo Canyon nuclear plant near Avila Beach, Calif., December 1, 2021*(George Rose/Getty Images)*

California environmentalists will keep fundamentally undermining the reliability of the state's electrical grid until it's literally lights out.

THREE major environmental groups filed a lawsuit to stop California from extending the life of its last nuclear-power plant.

The lawsuit from San Luis Obispo Mothers for Peace, Friends of the Earth, and the Environmental Working Group argues that the Diablo Canyon nuclear reactors, which generate 10 percent of California's energy supply, are unnecessary and environmentally harmful.

Yet Diablo Canyon's pair of nuclear reactors annually prevent roughly 7 million tons of greenhouse gasses from being emitted, the environmental equivalent of taking 1.5 million cars off the road. Even if the reactors were magically replaced by the wind and solar power environmentalists favor, carbon-dioxide emissions would still sharply rise. These anti-nuclear environmental groups, along with the Natural Resources Defense Council (NRDC), had previously made a deal with California power company PG&E to shut down the Diablo Canyon plant as early as 2024. But federal regulators accepted a license renewal in December 2023.

Despite nuclear power's environmental benefits, such as lowered CO_2 emissions, many environmentalists continue to lobby vehemently against it. Major green groups like the Sierra Club have blocked "the licensing, construction and operation" of nuclear reactors for almost 50 years because they believe nuclear energy leads to "energy over-use and unnecessary economic growth."

"There's going to be a lot of money to be made helping rich Californians become as insulated as possible from the effects of their own policy choices while moralizing to poor Californians that maybe they can't just expect electricity in a time of climate crisis," Mark Nelson, a nuclear engineer, told the *Huffington Post* of the recent events.

Studies show replacing nuclear with wind and solar power roughly doubles emissions as the green-favored sources make the electrical grid unreliable. This must be compensated for by overbuilding power plants, thus generating more emissions. When California closed the two-reactor San Onofre nuclear plant in 2012, state CO_2 emissions rose by 9 million metric tons, which is equivalent to putting another 2 million cars onto the road.

Despite the obvious benefits of nuclear plants, many so-called environmentalist groups seemingly care more about closing them than they do about reducing emissions. They regularly warn about the potential dangers of global warming while waging lawfare against the largest source of carbon-free electricity.

The power of anti-nuclear environmental groups is such that all three major Democrats vying to be California's next U.S. senator promised during the last televised debate before the state's jungle primary that they'd close the state's last nuclear-power station.

Representative Adam Schiff, who came in first in the primary to replace the late Dianne Feinstein, said he supports nuclear energy generally . . . but opposes it in California and wants to see the Diablo Canyon Power Plant closed by the end of the decade.

"I support the governor's plan to decommission the plant," Schiff stated in the debate. "We're going to need to move to renewable energy. We're going to need to move to wind and solar."

Schiff's general-election opponent, Republican Steve Garvey, supports the plant.

He's not irrational to do so. The Diablo Canyon reactors have provided California's only nuclear power since 2013, when the state shuttered the San Onofre plant, causing the state's electricity costs to skyrocket. California's electricity rates come in at almost 30 cents per kilowatt-hour, roughly double the national average. They are exceeded only by those in Hawaii, which has the excuse of being an inherently more expensive island.

Following a 2022 wave of blackouts attributable to reliance on solar and wind, California's Democratic governor, Gavin Newsom, signed legislation keeping Diablo Canyon open until 2030.

Prior to this extension, California aggressively shut down reliable nuclear, coal, and natural-gas power plants to artificially boost demand for solar and wind farms at the behest of extremist environmentalists. It did so against the advice of scientists, who begged for the plants to remain online.

The shutdowns created a series of major problems, as power grids require demand to match supply exactly. But variable wind and solar power naturally stops working later in the day, just as electricity demand tends to peak, or during certain times of the year. This caused tremendous damage to California's electrical grid, forcing it into a series of both rolling and unplanned blackouts to reduce demand and causing Newsom to declare a state of emergency. Naturally, he blamed global warming rather than his own party's policy failures.

A U.S. Federal Energy Regulatory Commission (FERC) investigation found that there is a "significant risk" of electricity in the United States becoming unreliable because wind and solar simply aren't reliable. Power demand is relatively predictable, and conventional power plants, such as nuclear and natural-gas plants, can adjust output accordingly, as they put out a steady and predictable supply of electricity.

It remains to be seen if environmental activists get their way on Diablo Canyon. But their intention is clear: They will keep fundamentally undermining the reliability of the state's electrical grid until it's literally lights out.

Andrew Follett conducts research analysis for a nonprofit in the Washington, D.C., area. He previously worked as a space and science reporter for the Daily Caller News Foundation. National review, March 11, 2024.

Item 2 - Californians Paying 140% More For Electricity than Other States

Electricity Transmission Pylon at Dusk. (Photo: chuyuss/Shutterstock)

These are Governor Gavin Newsom's policies – he owns it - **By Katy Grimes**

Electricity in Taft, California costs 275% more than what electricity costs in Bullhead City, Arizona. While residents of Los Angeles and San Francisco may feel comfortably smug hundreds of miles away from the Kern County city, it is rare to get a side-by-side comparison of energy bills in neighboring states.

How could this be?

In March, 2023 the California Assembly jammed **SBX1-2**, Gov. Gavin Newsom's Gas Tax, through an expedited hearing, pretending that was enough exposure to the public, and debated the bill and voted on it. Gov. Gavin Newsom signed the bill.
Newsom's Gas Tax also created a new panel of unelected bureaucrats with subpoena power, to investigate oil and gas companies, impose penalties, new costs and regulations, which would inevitably lead to gas shortages, rationing and price spikes. The bill created a new government agency to arbitrarily decide how much profit oil and gas businesses are allowed to make, disrupting California's energy market and threatening the reliability of the state's fuel supply, Dave Noerr is the Mayor of Taft, and also has a home in Bullhead City, AZ. The electricity bills mentioned above are his. The Globe talked once again with Mayor Noerr about California Governor Gavin Newsom's draconian SBX1-2, and the new agency it created to decide on oil/gas industry profits.

The Green Agenda

In addition to Gov. Newsom's $310+ billion dollar budget and $75 million budget deficit, Howard Jarvis Taxpayers Association President Jon Coupal warned us last summer that the legislature is also advancing a $15 billion 'Climate Bond' to appear on the ballot sometime in 2024" – a Green Agenda climate tax.

The Green Agenda pushed by radical environmentalists in California is on steroids and is making food, cars, energy and homes unaffordable. The radical greenies are responsible for the no-forest management policies which ignite into California's annual "wildfire season." The radical greenies are responsible for the government created water shortage. The green agenda is planning to completely shut down the extraction of California's wealth of natural resources – oil and natural gas.

And Governor Newsom is the Big Chief Greenie.

Mayor Noerr reported that in a meeting in McKittrick, CA in Kern County in 2019 after an oil seepage, Gov. Newsom said, "My bias is consistent" about the oil and gas industry. When they spoke after the meeting, Noerr asked the governor what he saw on his tour around McKittrick. Noerr said the governor answered by offering disclaimers: "I did not know that water comes out with oil extraction; I did not know there was heavy oil and light oil; I did not know heavy oil can be bagged and used…"

Noerr said Newsom is a slave to his bias, in spite of emerging facts. And "he's a slave to his ego," Noerr said. "He went in to the issue with his bias fully intact."

While Gov. Newsom was fairly conciliatory at the time, he did comment that oil and gas is our past, and renewables are the future.

Newsom-appointed CPUC Commissioners. (Photo: cpus.ca.gov)

Evidence of his bias is very clear when you observe Newsom's appointees to the California Public Utilities Commission – all like-minded rabid environmentalists who equally share his bias ANDREW FOLLETT and tow his party line. The CPUC commissioners set and accept electricity rates, and Newsom has appointed all five.

The CPUC says, "Our five Governor-appointed Commissioners, as well as our staff, are dedicated to ensuring that consumers have safe, reliable utility service at reasonable rates, protecting against fraud, and promoting the health of California's economy."
Noerr also addressed that Gov. Newsom bases the need for **SBX1-2** on the high cost of oil and gas. But the high cost is because of Gavin Newsom and his policies, and are not in response to market drivers.

Mayor Noerr directed the Globe to the Energy Information Agency (eia.gov) and said going back to 2018, California paid 124% more for electricity than other states. In 2019, it grew to 139%; 2020 it was 131%; and in 2024 it is 140% – the cost of California's energy and energy poverty. He said this rules out refiner margins.
Noerr showed me PG&E's January 1, 2024 Annual Electric True-Up and said PG&E has raised energy prices 60% in the course of the last two years – and 23.8% in a single year. "That's 10 times the CPI target for the feds to lower interest rates!" Noerr said.

As for electricity across the California/Arizona border differing by 275%, Noerr notes that Arizona isn't exactly the lowest priced state for electricity in the U.S. He said Arizona ranks 25th – right in the middle of the pack.

The whole point of this conversation besides identifying the real culprits behind highest-in-the-nation oil and gas prices, and electricity prices, is this is where the poor, and in particular the working poor, are hit the hardest. As a percentage of their take-home income, they spend more on electricity and energy than anything else. And unaffordable energy bills can make a family homeless the moment they can't pay the bill.

So after spending billions on housing for the 180,000 homeless drug addicted, mentally ill in the state – who still live on the streets – Noerr said the United Way identified 3 million families who can't pay their utility bills – families driven to the edge of homelessness.

These high electricity and energy costs also drive up the costs of everything else, Noerr says – the cost to run a school, a grocery store, every mall, car dealer, doctor's office – every business in the state is paying more for electricity, and passing the cost on to the consumers.

Gavin Newsom says oil and gas companies are "gouging" people. Yet Noerr says the governor is absolutely indifferent to the real hardships, as well as the real root causes.

Katy Grimes, the Editor in Chief of the California Globe, is a long-time Investigative Journalist covering the California State Capitol, and the co-author of California's War Against Donald Trump: Who Wins? Who Loses?

Item 3 - WINDS OF CHANGE: With the clock ticking on President Joe Biden's first term, tribes and their allies are ramping up the pressure on the feds to finalize the full marine sanctuary proposed off the Central Coast over wind developers' objections.

The 5,600-square-mile Chumash Heritage National Marine Sanctuary would be the first indigenous-nominated marine sanctuary in the federal network, according to the National Oceanic and Atmospheric Administration, and would connect biologically rich protected areas up and down the California coast.

"I … believe it needs to be done while the Biden administration's first term is still there," Sen. **John Laird**, who represents the area, said during a hearing on marine conservation today. "We need the broadest boundary and we need to have it designated by the end of the year."

NOAA, after first starting the process to designate the sanctuary in 2021, proposed carving a lane through the sanctuary to allow companies to lay power lines along the seafloor in August.

Gianna Patchen, the Northern Chumash Tribal Council's campaign manager for the proposed marine sanctuary, told lawmakers it was "urgent" for NOAA to designate the sanctuary by mid-2024.

Democratic Sen. Alex Padilla and 14 other Democratic members of Congress from California have also already urged NOAA to hurry it up. — ***CvK***

By Blanca Begert , This article first appeared in the March 12, 2024 edition of Politico

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

THE FINANCIALIZATION OF NATURE

Carbon trading and natural asset companies use scarcity to inflate the value of existing real assets, while inventing new asset categories that have no relation to genuine productivity

BY EDWARD RING

Financialization: "A pattern of accumulation in which profit making occurs increasingly through financial channels rather than through trade and commodity production."
– Greta Krippner, Economic Sociologist, University of Michigan

There are plenty of examples of how America's economy shifted from a production-based economy to a financially-based economy over the past forty years. Starting around 1980, with the economies of post-World War II Europe and Japan fully rebuilt and roaring, and emerging Asian economies turning into powerhouses of manufacturing as well, America chose financialization as an alternative to rising up to meet the competition.

Abandoning a productive economy in recognition that foreigners were willing to work for daily wages that wouldn't buy a pack of gum in America may or may not have been an unavoidable choice. But the result is a nation that has, for over four decades, spent far more than it has earned. America's total credit market debt now sits at nearly 800 percent of GDP; federal government debt exceeds 120 percent of GDP. The cumulative trade deficit since 1980 is $16.2

trillion; $6.6 trillion in the last ten years. Since 1980, the United States has not had a single year with a positive balance of trade.

To cope with this level of debt, collateral is required. Whether its business assets or home equity, collateral is the engine of liquidity. No wonder we have inflation, and if inflation isn't undercutting the real value of debt fast enough, engineer more inflation. That would explain one of the hidden agendas behind environmentalist restrictions on growth. Limiting development constricts supplies of essentials, leading to demand-driven asset inflation. But there are more sophisticated ways to engineer more collateral for an economy running on debt.

Remember when investment banks and brokerage firms started going public in the 1990s? It defied common sense at the time. These were service partnerships that made money by packaging productive private companies for sales, mergers and initial public offerings, or by collecting commissions on stock trading done on behalf of clients. Where was the equity?

What might have been common sense then is naiveté today. Of course, they could securitize their business. Who said that publicly traded common stock had to be connected to actual physical assets? Sure, if you owned stock in Chevron, your equity was secured by actual oil wells and refineries. If you owned stock in General Motors, your equity was secured by actual automotive manufacturing plants. But so what? If you purchased shares in Goldman Sachs, you were owning part of a business that was making money hand over fist. Who cares if they just provide services? America's publicly traded financial sector now has an estimated market capitalization of over $10 trillion, edged only by high tech.

In terms of financial innovation to create collateral, securitizing banks and brokerages was primitive by today's standards. The next wave came around ten years later, when creative traders bought mortgage loans, bundled them up, and sold equity that was secured by these collections of mortgage debt. Amazing contrivances followed: credit default swaps, collateralized debt obligations, and, as the scheme grew beyond any bounds of prudence, subprime mortgages. The whole thing crashed in 2008, nearly taking down the global economy.

Undaunted, the financial wizards of Wall Street continue to innovate. Now they've got their eyes on the entire global energy economy via carbon trading. Under this scheme, literally all consumption of carbon, or in its gaseous form, CO_2, will be measured and reported. A floating market price will be set per ton of carbon, and carbon users will pay for the right to burn carbon (coal, oil, natural gas) and emit CO_2, and that money will flow through a brokerage and into the hands of either government or private entities that will engage in activities purported to mitigate the alleged impact of CO_2.

Through all these transactions, brokerages will collect commissions on what is currently a global energy market with an estimated turnover of $6 trillion per year. Even that figure grossly underestimates the stakes, since this doesn't involve merely energy transactions, but everything energy touches—that's everything, folks. With "carbon accounting" and soon to be mandated "carbon monitoring and reporting," the embodied carbon in every human activity and every product and service will have to be assessed. Exceeded your ration? Pay up. Buy an "offset." The market at work!

One might laugh at such audacity. Once again, financialization, on a scale unprecedented even for Wall Street. Even the *New Yorker*, in an October 2023 expose, ridiculed the idea in an article titled "The Great Cash-for-Carbon Hustle." But hustle or not, carbon credits are on the way. Just ask those pioneering Californians.

The Financialization of Nature

Which brings us to the next great idea to stimulate collateral formation without actually producing anything: the concept of publicly traded "natural asset companies." This scheme, long in gestation, was formally proposed to the U.S. Securities and Exchange Commission in September 2023 by the New York Stock Exchange, which hoped to list these new companies. From the offices of Harriet Hageman, a congresswoman from the freedom-loving state of Wyoming, comes this explanation of how these companies would operate:

"According to the proposed rule, a Natural Asset Company (NAC) would 'hold the rights to ecological performance,' giving these companies license to control the management of both public and private lands through quantifying and monetizing natural outputs such as air and water. In other words, NACs would use the air you breathe as currency. Under the guise of climate change, NACs would make this 'control' mechanism profitable without the actual use of the land itself. By monetizing and leveraging the management of these natural outputs their war cry of 'ecological performance' would fall under the rules of sustainable development. 'Natural assets' would now belong to corporations that are potentially run by special interest groups such as The Nature Conservancy and the World Wildlife Fund, thereby requiring all production tied to the land to fall under the sustainability rules established by these non-governmental organizations."

Hageman's assessment is accurate, and in January 2024, the SEC, bowing to pressure from 25 state attorneys general, thankfully deferred approval of publicly listing NACs. But as the *New York Times* dutifully reported in the aftermath of the SEC's decision, proponents of NACs will continue to implement the concept using private equity.

What financializing nature ultimately relies on is the idea that conserving nature has an economic value. While that is undoubtedly true, the idea assumes that somehow the preservation or enhancement of an ecosystem's health can be quantified and monetized, generating a return equal to or greater than the value of the commodities that can be extracted from that land. This is a dubious assumption. For example, sustainable logging operations generally enhance the quality of forest ecosystems, making them more resistant to wildfires and often creating more hospitable habitat for wildlife. So how do you differentiate between the value of a property based on its marketable timber versus the value of a property because it hosts a healthy forest? Do you double-dip? Extract the timber and realize that profit, while also assessing your ecosystem health and placing an appreciating value on that as well? Maybe so. After all, that creates more collateral. But who makes those assessments?

The threat posed by natural asset companies must be viewed in the context of a preexisting land grab, funded by billionaires, billionaire-backed NGOs, and sovereign wealth funds, that is permanently transforming and consolidating land ownership in the United States and around the world. Permitting these companies to be publicly traded would inject additional billions, if not trillions, of capital into their treasuries, which would dramatically increase the capacity of these buyers to acquire more farmland, rangeland, and other valuable rural properties.

Natural asset companies enjoy a pernicious synergy with what has become a full-blown regulatory assault on farmers, ranchers, miners, and drillers throughout America and Europe. As millions of landowners, often working land that has been in their families for generations, are driven insolvent by regulations, in come the big corporate raiders to buy them out. If publicly traded natural asset companies come on the scene, the transfer of land from financially stressed families and small corporations into the hands of global financial interests will accelerate.

In the first few decades of the financialization of America, at least there was no pretense of virtue. Asset stripping American factories and offshoring operations, turning banks and brokerages into publicly traded companies, inventing subprime mortgages, and securitizing them—it was just business. There might have been some warbling about free markets and democratizing home ownership, but these moral rationalizations were generally subsumed in the mechanics of creating collateral out of nothing to facilitate another few decades of an epic debt binge.

That's not the case today. Carbon trading and natural asset companies are a new type of financialization. They have an explicitly trickle-up impact as well as an operating model that depends on unprecedented government mandates and restrictions on energy consumption and land use. They differ in kind from earlier forms of financialization. They create collateral by using scarcity to inflate the value of existing real assets, and by inventing new asset categories that have no relation whatsoever to genuine productivity. And they will justify all of it in the name of fighting climate change. Buckle up.

Edward Ring is a senior fellow of the Center for American Greatness. He is also the director of water and energy policy for the California Policy Center, which he co-founded in 2013 and served as its first president. Ring is the author of Fixing California: Abundance, Pragmatism, Optimism (2021) and The Abundance Choice: Our Fight for More Water in California (2022).

WILLIE BROWN TURNS 90 THIS WEEK

As Willie Brown turns 90 years old, the California political giant reflected on his career, the state of politics and his induction into the California Hall of Fame. Many in the political realm still seek his counsel.

Willie Brown Jr., one of the most flamboyant and powerful politicians California has ever known, was delivered into this world by a midwife in his grandmother's drafty, white clapboard house in segregated Mineola, Texas.

Next week, he will turn 90 years old.

Brown still dominates every room he enters with his smarts and swagger. His advice – and connections – are still sought by friends and even former adversaries.

Brown became the most powerful Black politician in the country in the 1980s and '90s as California Assembly speaker, serving a record 14 years. After he termed out, he was then elected mayor of San Francisco for eight years.

"I'd still be a speaker without term limits," Brown proclaimed to laughs at his recent induction to the California Hall of Fame.

When I was a reporter for The Sacramento Bee, I wrote a 500-page independent biography of Brown, but we hadn't talked much since he left office as mayor 20 years ago. Recently, we sat down at a corner table for lunch at Sam's Grill in San Francisco. Brown took his usual seat facing the door where he could see who was coming and going.

We talked for two hours as a steady stream of friends and well-wishers stopped by his table. One of his lawyer friends sat down with us. Three former San Francisco firefighters also stopped to talk and gave him a thumbs up on their way out the door. Former Assemblyman Rusty Areias even ambled by to sit and chat for a few minutes.

"He's not only smart and a great example, he is a lot of fun to be with," Areias told me a few days later. "He did not let the old man in."

Brown's eyesight continues to deteriorate from retinitis pigmentosa, diagnosed decades ago. He said he doesn't watch much television because it's hard for him to see the screen. He prefers listening to audiobooks.

Brown looks a little grayer and paunchier, but his mind – and tongue – is sharp as ever. As we talked, Brown spun off political opinions and observations. He predicted that President Joe Biden, "the best candidate Democrats have," would win re-election.

Willie Brown, former Mayor of San Francisco and the first Black person to serve as speaker of the California State Assembly, in a conference room at his law office in downtown San Francisco on Feb. 7, 2024. Photo by Laure Andrillon for CalMatters

Brown had recently finished listening to the book “The Accidental President” by A.J. Baime, chronicling how Harry Truman upset the pundits and prognosticators by beating frontrunner Republican Thomas Dewey in 1948.

“Biden has the same kind of crazy Congress,” Brown said. “His opponent is crazier than Dewey.”

And Brown *knows* Donald Trump.

As reported by journalist Dan Morain in his book “Kamala’s Way,” Brown and his friends, including his then-girlfriend Kamala Harris, were visiting Boston in 1994 when Trump sent his private jet to fetch them to New York to discuss a hotel project in Los Angeles (the deal never materialized).

Vice President Harris got her start in politics when Speaker Brown appointed her to a state board reviewing appeals for those denied jobless benefits.

On the night he was elected San Francisco mayor, Harris was by his side and gave him a black baseball cap emblazoned with “DA MAYOR” in gold letters. Their romantic relationship ended soon after, but Brown continued giving her political advice, particularly when she ran for U.S. Senate.

Years later, their relationship fueled a news cycle during Biden’s 2020 presidential campaign. I asked if he still talks with Harris.

“Not anymore,” he replied. “She doesn’t talk to me. I’d love to talk to her. She was a good friend.”

‘King Kong of California politics’

Brown migrated from Texas to California in 1952, virtually penniless. He made his way through San Francisco State working in his uncle’s underground casino. He went to Hastings law school and became a protege of U.S. Rep. Phil Burton, the older brother of John Burton.

Elected to the Assembly in 1964, Brown entered office when Pat Brown was governor. His political career spanned seven governors, in fact. He was actively involved in the presidential campaigns of Robert Kennedy and George McGovern. The tragic assassination of his close friend, San Francisco Mayor George Moscone, occurred minutes after Willie Brown had left his office.

Elected Assembly speaker in 1980, Brown relished controversy. He tangled with governors, including in an epic 64-day state budget stalemate with Gov. Pete Wilson over education funding. The state notoriously issued IOU’s during their standoff.

It was widely felt that Wilson caved to Brown, who once called himself the “King Kong of California politics.”

As San Francisco mayor, Brown presided over the sprucing up of the Embarcadero, opening day care centers and building a new ballpark for the Giants. In an interview as he left office, Brown told me it was “the most enjoyable eight years of my political existence.”

But his critics accused him of being too cozy with developers and favoring allies for city contracts. For five years, the FBI investigated City Hall to root out corruption – which began in part because of his own request for the bureau to intervene. Few prosecutions resulted, and Brown was never indicted, claiming the probes were politically motivated.

He also embraced a high-rise building boom in San Francisco that priced-out working- and middle-class residents. Brown now lives in one of those high-rises, the 58-story Millennium Tower.

“Those are the fun days,” he said. “As I reflected on it, the world of politics in those days was enjoyable.”

Inducted to the California Hall of Fame

Despite all of the current rancor, he remains hopeful about the state of politics.

"I've got optimism," Brown said. "I do think, frankly, that there are newcomers who really are about trying to achieve. And they are not buying-in exclusively to the process of parties. Whether Democrats or Republicans or progressives, they really do have a desire to achieve.

"That gives me hope for the whole system."

Brown stays in touch with old colleagues, including current and former governors. "I'll get a call from Pete Wilson because they've asked him about something in government," Brown said, "and he calls me."

Willie Brown doesn't talk much with Jerry Brown. I asked him what he thought of Jerry Brown's second act as governor. He replied that the era of term limits created an inexperienced Legislature, shifting expertise and power to governors and their staffs.

"Nobody would challenge Jerry Brown on anything, so Jerry Brown enjoyed a dictatorship, literally, as governor."

As speaker, Willie Brown was known for publicly punishing his adversaries, but also for not leaving them out in the cold for long. I mentioned this to Brown, and he nodded, pointing to the chair where Areias had sat when he stopped by our lunch table.

Areias was part of a group of Democrats, known as the "Gang of Five," who tried to overthrow Brown as speaker in 1988. Areias now enjoys a close friendship with Brown, lunching with him once a week.

"Willie and I got in a big fight that was pretty public years ago," Areias recalled, "but I remember him calling me one day and he said, 'You know, we'll get past it and there's gonna be a lot of good times ahead.'"


From left, Willie Brown, Jr. and Nancy Pelosi at the funeral of Walter H. Shorenstein at Temple Emanu-el in San Francisco, in 2010. Photo by Liz Hafalia, San Francisco Chronicle via AP Photo

As Brown reaches his 90th birthday, the accolades and honors that eluded him when he held elective office have been rolling in. In February, he was inducted by Gov. Gavin Newsom into the California Hall of Fame.

“It meant a lot to him,” said longtime political consultant Gayle Kaufman, who talks with Brown frequently. “There is a new generation not as familiar with his history and importance to California politics.”

As the ceremony began, Newsom upstaged the official host – his wife, Jennifer – to pour praise on Brown.

“I’m standing here because of Willie Brown,” Newsom said, recalling his start in politics with an appointment from Brown to a San Francisco traffic commission. “And that was a simple appointment that changed the trajectory of my life.”

Many politicians still seek Brown’s advice.

“I am awed every time I have an opportunity to be in his presence and to speak with him,” said Sacramento Mayor Darrell Steinberg, a former Assembly member and Senate President Pro Tem. “Age does not seem to have diminished anything about him. His intellect, his wit, his knowledge, his keeping up with politics and current events.”

Republicans who vociferously opposed him now express admiration. Bill Baker, a Republican who once represented Contra Costa County in the Assembly, was the point person for the GOP caucus on the state budget at the time, and their disagreements were sharp.

“He was a great speaker,” Baker recently told me. “He made the Assembly run about as well as any one person can, and all you have to do now is look at how this has become so (partisan).”

In retirement, Brown maintains what he calls his “circuit”: a regular schedule for eating at a different San Francisco eatery each day of the week to support restaurants after the pandemic lockdown lifted. If it’s Friday, he’s at Le Central.

He also has lunch once a month with Nancy Pelosi and her husband Paul when they are in town.

“I don’t think he’s slowed down on any level,” said Kaufman.

Brown has outlived most of his peers and contemporaries. He recently attended a gathering to remember Phillip Isenberg, five years his junior, who got his start in politics working in Brown’s law office. Isenberg was later elected mayor of Sacramento and then served in the Assembly for 14 years.

Looking dapper, Brown sat in the front row at Isenberg’s remembrance. Although Brown didn’t speak, several who did began by paying tribute to Brown. Former California Chief Justice Tani G. Cantil-Sakauye, for example, lauded Brown and Isenberg together as “altruistic co-conspirators.”

The death that has hit Brown the hardest, he told me, was Eleanor Johns, his chief of staff and personal assistant for 40 years.

“She was so much a part of me that when she died last April,” he said wistfully, “a few days later, I had to pay some bills. I signed a check and the bank wouldn’t take it because I had not signed a check in 30 or more years.”

His friends will stage a series of birthday celebrations for Brown this month, and they promise to be over-the-top.

As my lunch with Brown came to a close, I asked him what he wanted to do next.

“Try to make it to 91,” he replied.

James Richardson is a former senior writer with The Sacramento Bee and the author of “Willie Brown: A Biography.” His latest book is “The Abolitionist’s Journal: Memories of an American Antislavery Family.”

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