



COLAB SAN LUIS OBISPO COUNTY

WEEK OF AUGUST 7-13, 2016



NORTH COUNTY MIXER



DRIVE TO THE FINISH LINE: CHANGE THE COUNTY BALANCE

Wednesday, August 31st

5:30-7:30 PM

Mark & Cindy Switzer's 201 Cow Meadow Place Paso Robles Cow Meadow Place is off Ramada Drive, just North of John Deere, and dead ends into Switzer Excavating. **Speakers**

Mike Brown ^{and} Andy Caldwell

Come and enjoy an early evening with friends who are engaged in reforming San Luis Obispo County and its regional agencies.

Mike and Andy will provide incisive updates on the impending collapse of the current progressive regime. Last year we projected that 2016 would be the year of opportunity. Now that opportunity is about to be fulfilled as we head for the November election finish line.

Get the latest status and hear about the final push while sipping fine beverages and munching on hot and cold treats in an authentic business setting.

> RSVP's appreciated by Friday, August 26th. Email: colabslo@gmail.com or call (805) 548-0340

THIS WEEK

CONTRACTING OUT SAVES COSTS NOW & & FUTURE PENSION COSTS

(THE COUNTY SHOULD STOP HIRING AND BID OUT MORE)

MORE COST OVERRUNS IN WOMENS' JAIL PROJECT

CHRISTMAS MARKET ROILS CAMBRIA (PLANNING COMMISSION WILL DEDICATE FULL MEETING) SIERRA CLUB WORRIED ABOUT THE BIRDS

LAST WEEK

NO BOARD OF SUPERVISORS MEETING

SLO COLAB IN DEPTH

(SEE PAGE 12)

Diablo Canyon Closure Has a Crony Problem

By Tom Tanton and Katy Grimes

Gov. Jerry Brown: Facilitating The Inevitable California Collapse

By Katy Grimes

THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, August 9, 2016 (Scheduled)

Item 11 - Request to approve the FY 2016-17 renewal agreement for cooperative fire protection services with California Department of Forestry and Fire Protection in the amount of \$17,935,764. This is an annual item wherein the County renews its contract with CAL Fire for fire and all hazard emergency service including, and as the write-up summarizes:

1) Emergency Fire Protection, Medical and Rescue Response: services include commercial, residential, and wildland fire protection, prevention and investigation; hazardous materials incident response; emergency vehicle extrication; hazardous conditions response (flooding, downed power lines, earthquake, terrorist incident, etc.); emergency medical and rescue response; and public service assistance. Also included are management support services that include fire department administration, training and safety, personnel, finance and logistical support.

2) Basic Life Support Services: emergency medical technician (EMT) level emergency medical response providing first aid, basic life support (BLS), airway management, administration of oxygen, bleeding control, and life support system stabilization until patients are transported to the nearest emergency care facility.

3) Advanced Life Support Services: paramedic level emergency medical response providing early advanced airway management, intravenous drug therapy, and life support system stabilization until patients are transported to the nearest emergency care facility.

4) Dispatch Services: provide fire department 9-1-1 emergency dispatch by CAL FIRE Fire/Emergency Command Center (ECC). CAL FIRE will be responsible for fire/emergency dispatching emergency resource units covered under this agreement. The CAL FIRE ECC is staffed with a Battalion Chief, three or more Fire Captains and Communications Operators to provide 24/7 year-round coverage. There is always an officer of Captain rank or higher to serve as the shift supervisor and command officer. CAL FIRE uses an integrated Computer Aided Dispatch (CAD) system using the latest technology, to direct the closest available resources to all emergency incidents.

5) Fire Code Inspection, Prevention and Enforcement Services: CAL FIRE has staff Fire Inspectors serving under the direction of the LOCAL AGENCY Fire Marshal to provide services to the area covered by this agreement. Fire Code Enforcement will normally be available five days per week, with emergency or scheduled enforcement inspections available seven days per week. Fire Prevention and Investigation services will be provided by CAL FIRE Prevention Officers trained in arson, commercial, and wildland fire investigation. Officers are available by appointment for site visits and consultations. Officers are trained at CAL FIRE's Peace Officer Standard Training (POST) certified law enforcement training academy and they cooperate effectively with all local, state and federal law enforcement agencies.

6) Land Use/ Pre-Fire Planning Services – CAL FIRE staff will provide community land use planning, administration of Pre-Fire project work, including community outreach, development of community education programs, project quality control, maintenance of project records and submittal of progress reports, completion of required environmental documentation, acquisition of required permits and completion of other associated administrative duties.

7) Disaster planning services (listed in Exhibit E, Description of Other Services, attached hereto and made a part of this agreement) 8) Specific service descriptions and staffing coverage, by station (listed in Exhibit E, Description of Other Services, attached hereto and made a part of this agreement)

9) Extended Fire Protection Service Availability

A Great Deal: This is a good deal because the County receives in depth service from a statewide fire and emergency service department for a fixed price of \$17.9 million. It also receives about \$3 million in offsetting revenue. The County is able to set service levels and adjust the price accordingly. Moreover, by contracting out, the County does not have all the friction and costly overhead of human resources management relative to the employees such as labor negotiations, workers comp., grievances, position reclassification requests, and all the rest. Significantly, the County does not have the multi-decade pension liability for the retirees on its books. Contrast this with Santa Barbara County's in-house Fire Department, which has a budget of \$79.4 million. (Note that \$20.3 million is services to the State and some cities for which those entities pay). Thus the comparable number is really more like \$59 million). Nevertheless, the difference is significant. Another example is the City of Berkeley Fire Department Budget, which is \$35.8 million for FY 2016-17. And Berkeley only has only 10 sq. miles of land area to protect (although it is dense and a portion of its population is prone to risky life styles). Consider Marin County. Its Fire Budget is \$22.6. It has a smaller land area and smaller population than SLO County.

Lesson Learned – Contract Out: SLO County apparently first contracted with CAL Fire (then the State Department of Forestry) in 1930. The County should explore the feasibility of contracting out other functions. Likely candidates include Planning and Building, Behavioral Health, Parks, County Counsel, Facilities Management, Animal Services, Information Technology, Golf, Libraries, Central Services (fleet, janitorial, etc.). It should be noted that the County already contracts for Public Defender Services but has not received competitive proposals for many years. Many social service programs are contracted out to not-for-profits such as Community Action Program of San Luis Obispo (CAPSLO). The County's economic development program is contracted out to the Economic Vitality Corporation (EVC). The County also contracts out for emergency medical service transport (ambulance). If there is a dearth of private sector bidders for some services, not-for-profits could be created.

Like the pay telephone booth, daily print newspaper, broadcast TV, hard wire telephone, and so many other obsolescent and disappearing service delivery mechanisms, the full time, civil service, unionized, defined pension, lockstep paid government employee is unaffordable and is headed the way of elevator operators, railroad train caboose crews, government licensed taxi cab companies (Uber and Lyft are blowing them away), old line department stores, bank tellers, movie theater ushers, airline ticket counter staffers, encyclopedia salesmen, much of midmanagement, tenured public school teachers, book stores, record stores, and so many others.

Hands on services will be provided, but they will be bundled by nimble for profit and/or not-forprofit non-government organizations. These will be technologically advanced, will use rigorous performance systems, will control absenteeism, and will be driven by customer service and competitive pricing. Much of the refuse collection service function, which was once a local government province, is now handled by competitively bid industrial scale companies. Today, few policy makers in counties and municipalities would voluntarily operate a general hospital, marina, landfill, housing authority, sports stadium, golf course, or home for the aged if they have a choice. It is beginning to dawn on the Regents of the University of California and the Trustees of the California State University System that the State contribution to their respective annual general fund budgets has fallen to 30%. In order to survive they will have to become more disciplined, entrepreneurial, and adept at fundraising and building endowments.

No matter what the so-called liberal progressives promise, the deleterious consequences of the inherent unworkability of the socialist ideal has stealthily infected the veins of society like a poison. One consequence is the growing inability of governments to provide services within the current historical paradigm. Other service providers will naturally arise to fill the place of the decayed and failing government administrative state (at all levels).

A Note of Caution: Privatization, contracting out, merging services and use of not-for-profits are often characterized as anti-employee or anti-union efforts. The County has many hardworking and public-spirited employees. This issue is not about them. The issue is actually about upper management and policy makers and their behaviors based on incentives and disincentives to produce quality services (that are survivable) at a competitive price. Note that in the key example above, the County's contract for fire and emergency services is with another government agency that is able to produce a superior service at a lower price than many smaller jurisdictions because it operates with economies of scale and its management has been heavily trained in performance measurement and management in all aspects of the fire service. Cal Fire is accredited by the National Commission on Fire Department Accreditation. Moreover Cal Fire operates on a lower cost basis because the State is broke and, in many years, did not give annual

raises. We would never suggest wholesale shift of a particular existing service (except some of the regulatory agencies whose staffs cannot begin to understand the cost, delay and heartbreak they foment). Instead, and recognizing the economic and structural forces at play, the County should evolve to a more decentralized and competitive system of procuring its services.

Item 25 - Request: 1) to receive and file a plan (Clerk's File) regarding participation in California's Drug Medi-Cal Organized Delivery System (DMC-ODS); 2) approval to implement the DMC-ODS plan in San Luis Obispo County, should the Board choose to effectuate the plan; 3) approval of a resolution amending the Position Allocation List to add a total of 26.50 FTE positions to Fund Center 166 – Behavioral Health; 4) authorization of a budget adjustment in the amount of \$2,071,405 from unanticipated revenue to FC 166-Behavioral Health to fund services associated with the Drug Medi-Cal Organized Delivery **System.** Appropriate the staff recommends that the Board authorize an increase in County staff of 26 new positions. In a longwinded report, which contains a fair amount of professional theory and jargon, the text indicates that the State Mental Health Department is offering counties recurring annual grants to pay for a portion of their alcohol and drug treatment services. Currently, these services are largely paid for on a fee for service basis by Medi-Cal. Under the current system, the County treats the patient (say an office visit with a psychologist) and then bills the State per an established Medi-Cal time schedule. Under the proposed system the County would receive a \$2.2 million annual grant to provide some of the services to patients meeting the State standards. The grant payments would be reimbursements for services based on the actual cost of treating a patient. The benefit claimed is that the new system would allow for a more comprehensive "continuum of care."

The problem is that to carry out the program, the County will add 26.5 new staffers. Of course they will say that it doesn't cost the County anything because the state is paying for it all. This ignores the fact that we are already paying for the program in our State and Federal income taxes.

Instead of adding to permanent staff that will be here for decades and which will be on the pension roles into the next century, why doesn't The Board contract this new program out? Check out what's being added in the chart on the next page:

	FTE	Position/Description	FY 2016-17 Expenses	FY 2017-18 Expenses
		Position/Description	Expenses	Expenses
Managed Care - Central Permanent Employees	Access:		1	1
Salaries and Benefits	1.00	Mental Health Therapist III	\$ 72,994	\$ 101,30
	1.00	Administrative Assistant III	\$ 47,054	\$ 65,131
Services and Supplies		Technology, offices, desks, training, etc.	\$ 21,110	\$ 11,510
		Subtotal	\$ 141,158	\$ 177,94
		Cuptorus	• 111,100	φ 111,01
Outpatient Treatment Ex	pansion	(Adult) and Case Management/Recover S	upport:	
Permanent Employees	1.00	Mental Health Program Supervisor	\$ 87,732	\$ 121.85
Salaries and Benefits	4.00	Mental Health Therapist VII/II/IV	\$ 274,229	\$ 412,10
	3.00	Drug & Alcohol Specialist I/II	\$ 163,418	\$ 252.20
	4.00	Administrative Assistant III	\$ 188,216	\$ 260,52
	2.00	Drug & Alcohol Worker I	\$ 48,522	\$ 134,17
Temporary Employees	2.00	Drug & Alcohol Worker	\$ 50,000	\$ 50,000
	2.00	-		
Services & Supplies		Technology, vehicles, offices, training etc.	\$ 238,240	\$ 69,440
		Subtotal	\$ 1,050,357	\$ 1,300,30
0		0(
Outpatient Treatment Ex Permanent Employees	pansion	(Youth):	1	1
Salaries and Benefits	1.00	Mental Health Therapist III/IV	\$ 48,577	\$ 97,154
	0.50	Health Information Technician I	\$ 16,666	\$ 34,03
Services & Supplies		Technology, offices, desks, training, etc.	\$ 10,000	\$ 400
		517 7 7 5.		
		Subtotal	\$ 75,243	\$ 131,58
		Subtotal	\$ 75,243	\$ 131,58
Withdrawal Managemen	t and Me	Subtotal	\$ 75,243	\$ 131,58
Permanent Employees		dication Assisted Treatment (MAT):		
<u>Withdrawal Managemen</u> Permanent Employees Salaries and Benefits	1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV	\$ 52,010	\$ 108,70
Permanent Employees Salaries and Benefits		dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians	\$ 52,010 \$ 87,264	\$ 108,70 \$ 178,36
Permanent Employees	1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV	\$ 52,010	\$ 108,70
Permanent Employees Salaries and Benefits	1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians	\$ 52,010 \$ 87,264	\$ 108,70 \$ 178,36
Permanent Employees Salaries and Benefits	1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians Contracted Medical Doctor(s)	\$ 52,010 \$ 87,264 \$ 135,720	\$ 108,70 \$ 178,36 \$ 180,96 \$ 28,820
Permanent Employees Salaries and Benefits Services & Supplies	1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians Contracted Medical Doctor(s) Technology, vehicle, offices, training, etc. Subtotal	\$ 52,010 \$ 87,264 \$ 135,720 \$ 79,420	\$ 108,70 \$ 178,36 \$ 180,96 \$ 28,820
Permanent Employees Salaries and Benefits	1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians Contracted Medical Doctor(s) Technology, vehicle, offices, training, etc. Subtotal	\$ 52,010 \$ 87,264 \$ 135,720 \$ 79,420	\$ 108,70 \$ 178,36 \$ 180,96 \$ 28,820
Permanent Employees Salaries and Benefits Services & Supplies Quality Support and Utili	1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians Contracted Medical Doctor(s) Technology, vehicle, offices, training, etc. Subtotal	\$ 52,010 \$ 87,264 \$ 135,720 \$ 79,420	\$ 108,70 \$ 178,36 \$ 180,96 \$ 28,820
Permanent Employees Salaries and Benefits Services & Supplies Quality Support and Utili	1.00 2.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians Contracted Medical Doctor(s) Technology, vehicle, offices, training, etc. Subtotal anagement:	\$ 52,010 \$ 87,264 \$ 135,720 \$ 79,420 \$ 354,414	\$ 108,70 \$ 178,36 \$ 180,96 \$ 28,820 \$ 496,85
Permanent Employees Salaries and Benefits Services & Supplies Quality Support and Util Permanent Employees	1.00 2.00 ization M 1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians Contracted Medical Doctor(s) Technology, vehicle, offices, training, etc. Subtotal lanagement: Mental Health Therapist IV	\$ 52,010 \$ 87,264 \$ 135,720 \$ 79,420 \$ 354,414 \$ 79,921	\$ 108,70 \$ 178,36 \$ 180,96 \$ 28,820 \$ 496,85 \$ 110,96
Permanent Employees Salaries and Benefits Services & Supplies Quality Support and Util Permanent Employees	1.00 2.00 ization M 1.00 1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians Contracted Medical Doctor(s) Technology, vehicle, offices, training, etc. Subtotal anagement: Mental Health Therapist IV Administrative Services Officer I	\$ 52,010 \$ 87,264 \$ 135,720 \$ 79,420 \$ 354,414 \$ 79,921 \$ 64,814	\$ 108,70 \$ 178,36 \$ 180,96 \$ 28,821 \$ 496,85 \$ 110,96 \$ 89,810
Permanent Employees Salaries and Benefits Services & Supplies Quality Support and Util Permanent Employees	1.00 2.00 ization M 1.00 1.00	dication Assisted Treatment (MAT): Mental Health Therapist IV Licensed Psychiatric Technicians Contracted Medical Doctor(s) Technology, vehicle, offices, training, etc. Subtotal anagement: Mental Health Therapist IV Administrative Services Officer I Health Information Technician I	\$ 52,010 \$ 87,264 \$ 135,720 \$ 79,420 \$ 354,414 \$ 79,921 \$ 64,814 \$ 50,702	\$ 108,70 \$ 178,36 \$ 180,96 \$ 28,820 \$ 496,85 \$ 496,85 \$ 110,96 \$ 89,810 \$ 70,213

TOTAL DMC-ODS EXPEN	\$ 2	2,071,405	\$ 2	2.661.358		
		Subtotal	\$	165,522	\$	195,526
Services & Supplies		Technology, offices, desks, training, etc.	\$	21,110	\$	11,510
	1.00	Accountant I	\$	72,206	\$	92,008
Permanent Employees Salaries and Benefits	1.00	Administrative Services Officer I	\$	72,206	\$	92,008

Administrative and Fiscal Support:

Staffing History: During budget hearings the staff took pains to justify the recent increases on the grounds that the State provided money for County takeover of a portion of its sentenced

prisoners and parolees. Also the State funded new positions for administration of Obama Care. What happens if the State budget cannot fund these recurring costs at some point in the future? Who will ultimately cover the long-term pension liability?

Contract out the new service proposed in this agenda item. When the next recession hits, the contract can be phased out if the State can't pay.



Item 26 - Request to receive and file a project update for the Women's Jail Expansion, authorize a budget adjustment in the amount of \$1,100,000 from Capital Project Savings and Facilities Planning Reserve Designation to the Women's Jail Expansion project budget, and direct staff to extend consultant services contracts. There have been delays in the construction schedule primarily due to the discovery of soil conditions that were not known or planned for when the project was originally bid. Now the project architect and the County are blaming each other for the problem. The time delay means that project management, environmental monitoring, and other consultants must be retained longer than had been budgeted and contracted. This results in a projected \$1.1 million overrun.

Expected Cost of Professional	Service Agreement	Extensions/Support	cost are:
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RESOURCE	FIRM	ESTIMATED COST
Project Architect	AECOM Inc.	\$200,000
Construction Manager	ARCADIS US	\$400,000
Inspector of Record	4 Leaf, Inc.	\$225,000
Additional Consultant Service\ (Contingency budget)		\$117,000
County Staff		\$158,000
	Total	\$1,100,000

There have been other budget adjustments to deal with overruns:

On June 19, 2012, your Board authorized a Budget Adjustment in the amount of \$1,432,117from the Capital Projects Fund - Detention Facilities Reserve to Capital Project, "Sheriff-County Operations Center-Expand Women's Jail", to continue administration and processing of the proposed facility expansion through completion of the construction bid period

On April 2, 2013, your Board approved a contract with Arcadis for Construction Management Services in the amount of \$2,142,052: authorized a Budget Adjustment Request in the amount of \$203,540; approved a Resolution to re-adopt the Pre-Qualification Program for General Contractors and Sub-Contractors interested in bidding on the Women's Jail Expansion Project; and authorized the General Services Agency Director to release and make addendums as necessary to the Pre-Qualification Packages and notify potential applicants.

On February 2, 2016 your Board received and filed a project update, authorized a budget adjustment in the amount of \$50,000 from General Government Building Replacement Fund to the Women's Jail Expansion project budget for relocation of the Classification Unit.

Planning Commission Meeting of Thursday, August 11, 2016 (Scheduled)

There are no significant general policy items scheduled on this meeting agenda. In fact the only non-procedural agenda item is consideration of a request for a permit to conduct the Cambria Christmas Market, which you would think is not a big deal.

It turns out that it is a significant event which opponents say impacts adjacent residential areas and traffic in general.

The Market has been held since 2011 on the grounds of the Cambria Pines Lodge and an adjacent nursery from the day after Thanksgiving through Christmas Eve. There are vending booths, and customers can stroll along paths with festive seasonal lighting. The event has become increasingly popular each year and is currently attended by tens of thousands of visitors. Tour buses, escaped light, traffic, parking problems, and crowds are irritating some neighbors. The staff recommends approval of a permit to conduct the event. There are many conditions. Some neighbors have lawyered up and appear to be ready to litigate if the County grants a permit. **Note:** Opponents would first have to appeal to the Board of Supervisors, which would have the final approval/denial decision. The Sierra Club is unhappy because the crowds disturb the birds.





Looks like you can spend a thrilling day at the Planning Commission while scores of folks come and argue about this one. Of course if the applicants would add some medicinal marijuana booths to the Market, Supervisor Gibson (it's in his district) would endorse the event unequivocally, as yet another progressive and politically correct advance. After all, and as he has said from time to time, "we need to get out ahead of these changes in society."

LAST WEEK'S HIGHLIGHTS

No Board of Supervisors Meeting on Tuesday, August 2, 2016 (Not Scheduled)

There was no Board meeting scheduled for this week. The Board will return on Tuesday, August 9, 2016.

San Luis Obispo County Council of Governments (SLOCOG) Meeting of Wednesday, August 3, 2016 (Completed)

Item 1-2: Executive Director's Report. The report included comments on the status of the $\frac{1}{2}$ cent tax increase proposal that is on the November ballot.

Self Help Measure has been approved to go on the November 8th Ballot. . It has been assigned a number and will be known as Measure J. We are continuing to work with the County Clerk to finalize the materials based on their printer layout requirements. The County Clerk will send the entire package to 160k households. Any interested group can request an informational presentation. We received very good media coverage on KCBX, KSBY, and print media.

Note that they feel the media coverage has gone their way.

Item B-1: Draft State Route 227 Operations Study. Several alternative preliminary plans were presented. Costs range from \$10 million to \$11 million. Concepts include a mix of signals, roundabouts, and widening. The November ballot Measure J tax increase contains funding for Highway 227 improvements as part of the overall program. Thus, you will have to pay for improvement of a State highway with local tax dollars a la carte. The State taxes you already paid are funding pension deficits, light rail from downtown LA to Santa Monica, high speed rail in Bakersfield, "preserving" an extinct baitfish in the San Joaquin delta, and climate change "resiliency."

SLO 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 and forces.

Readers should read the article below to experience what real quality news reporting can do to shed light on important public policy questions. You will be infuriated.

Diablo Canyon Closure Has a Crony Problem



By Tom Tanton and Katy Grimes

"Diablo Canyon produces twice as much power as all of California's solar panels, 24 percent more than all of its wind, and 40 times more than its largest solar farm. Also, Diablo Canyon provides power to 3 million Californians on a patch of land the size of three football fields. Achieving the equivalent from a solar farm would require 145 times more land; from wind, 500 times more."

– Michael Shellenberger, Breakthrough Institute co-founder, and Peter Raven, former Missouri Botanical Gardens head

The <u>announcement</u> last week from PG&E that it was closing Diablo Canyon Nuclear Power Plant, rudely came on the same day there were rolling blackouts in Los Angeles amidst sweltering temperatures.

With the likelihood of more blackouts all summer in California, why is the state facing the closure of a clean energy nuclear power plant? How can PG&E say with a straight face they will replace it with renewable energy?

"In 2015, all wind energy in California only produced 12 billion kWhs," <u>scientist James</u> <u>Conca</u> said in an interview. "The two Diablo Canyon nuclear reactors produce 17 billion kWhs every year, and will for the next 20 years if not prematurely closed for political reasons."

Not only will closure of <u>Diablo Canyon</u> drive direct increases in natural gas use in natural gas fired generation, it will be further increased due to the need for backup and balancing the volatile wind and solar output. California cannot rely on renewable energy without natural gas.

Deja Vu

In 2013, Southern California Edison closed the San Onofre Nuclear power plant, which Conca said was not necessary. "Shutting down a nuclear plant that is operating costs more than to keep it running," Conca said. "San Onofre could have continued to operate at 90 percent capacity for the next two decades. Nothing is perfect; we just need to deal with it." The issue of tube failure stems from pumping too much water at high speed causing vibration between tubes. Slow the water down and the issue resolves. But it wasn't worth it to SCE to keep it operational; Conca said PG&E stands to make much more profit with natural gas in the Diablo case.



San Onofre

In California, the land of clean, green, recycling, wind and solar, bicyclists, public transit, electric cars and banned plastic bags, every economic energy source should be used. Instead, the largest hydroelectric <u>dam</u> <u>removal project</u> in U.S. history is taking place in Northern California of four hydroelectric dams from the 236-mile Klamath River. And now, following the closure of San Onofre Nuclear power plant, PG&E places Diablo Canyon on the chopping block. How does this help #sustainability? Or is it all about #activism and #ecomarkets and #cronyism?

Nuclear and hydroelectric power are two of the cleanest forms of energy.

James Hansen, former NASA climate scientist, together with several other prominent climate scientists, <u>called</u> for an enlarged focus on nuclear energy. "Nuclear, especially next-generation nuclear, has tremendous potential to be part of the solution to climate change," Hansen said during a panel discussion at the Paris climate talks in December. "The dangers of fossil fuels are staring us in the face. So for us to say we won't use all the tools [such as nuclear energy] to solve the problem is crazy."

France derives most of its electricity from nuclear energy, and is the world's largest net exporter of electricity — up to 70 billion kWh net each year — due to its very low cost of generation.

If the issue isn't about low-cost generation, and it contributes such a significant amount of power to the grid, why is Diablo Canyon on the chopping block?

According to Mike Shellenberger, President of Environmental Progress, "removing it could create profitable business opportunities for solar, wind, battery, bioenergy and natural gas companies."

"The lead environmental organization that negotiated a proposal with Pacific Gas & Electric to close California's last nuclear power plant could significantly benefit financially from its closure, as could the trustees that govern the organization, and its donors," Shellenberger wrote on Environmental Progress about the Natural Resources Defense Council. "NRDC itself has significant, direct investments in natural gas and renewable energy companies." And according to a report in the Wall Street Journal June 16, "The Sierra Club Might Completely Flip Its Positions On Nuclear Power." The Journal believes that the major environmental group "is debating whether to halt its longtime position in support of shuttering all existing nuclear-power plants earlier than required by their federal operating licenses.

There is the profit motive, just as Jim Conca also said, driven by influential cronies.

"Short term profits are not the way to run a nation," Conca added.

"The Proposal was negotiated by NRDC, PG&E and others, is being proposed to the California Public Utilities Commission, which could allow it to become state policy," Shellenberger said. "The two highest-ranking members of NRDC's Board of Trustees, its Chair and Vice Chair, as well as one of NRDC's single largest donors, are all major investors in natural gas and renewables companies could benefit significantly from Diablo's closure." Shellenberger says – "and Sierra Club and NRDC have admitted — that closing nuclear plants increases fossil fuels and carbon emissions. Utilities have been forced into depending on short term profitto the exclusion of long term sustainability by years of fickle utility regulation by the State."

One of the NRDC Vice Chairmen is Max Stone, a managing partner at D.E. Shaw, an investment firm that on June 16, 2016, bought a solar farm in California that has a power purchase agreement with PG&E, Shellenberger wrote. One of NRDC's largest donors is Nat Simmons, an investor in solar, wind, biofuels and other renewable energy companies. And NRDC put \$66 million into the "Ex-Fossil Fuels Index Fund," after teaming up with a financial firm to create the fund, which invests in natural gas and green energy.

Hedge-fund billionaire and environmental activist Tom Steyer, backs an anti-fossil fuel organization called the Energy Foundation which <u>has given millions</u> to NRDC. Ironically enough, researchers have uncovered that Steyer's hedge fund "minted a lot of money off oil and gas investments, among other environmentally destructive business ventures." A profile in the way-left of center magazine *The Nation* of environmental groups profiting from the very oil and gas companies they fundamentally oppose, confirmed that "NRDC still holds stocks in mutual funds and mixed assets that do not screen for fossil fuels." Just as the Hunt Brothers attempted to corner the market on silver in 1979, Steyer and his cronies are attempting to pump up investments in natural gas by eliminating competition from other sources.

Fortunately, the agreement between PG&E and the environmental groups will be

reviewed by the <u>Public Utility Commission</u>. Hopefully that review will be free of the <u>behind-closed-doors review</u> that took place in the closure of San Onofre, which has elicited major calls for reform and criminal investigations.

Given that Gov. Jerry Brown has vetoed bills aimed at reining in the PUC in the past, the <u>announcement Monday</u> of a major restructuring and reforms to the PUC is good news. That's precisely why Public Records Act inquiries are so important, as are thorough and open public reviews.

(The parties to the <u>Joint Proposal</u> are PG&E, International Brotherhood of Electrical Workers Local 1245, Coalition of California Utility Employees, Friends of the Earth, Natural Resources Defense Council, Environment California and Alliance for Nuclear Responsibility).

This article first appeared in the June 28, 2016 edition of Flash Report. Tom Tanton is Director of Science and Technology for the Energy and Environment Legal Institute. Katy Grimes is an Investigative Journalist and Senior Media Fellow for the Energy and Environment Legal Institute.

Gov. Jerry Brown: Facilitating The Inevitable California Collapse

By Katy Grimes

"California is definitely back," Governor Jerry Brown boasted in 2014. Brown then proclaimed the state a "job creation engine," proving he was still living in the 1960's. However, Brown has shown little stomach for sensible tax and regulatory cuts, and instead pays lip service to the media about how fiscally prudent he is.... everything he touches turns Brown. For a state \$130 Billion upside down in budget debt, and another \$750 Billion of long term unfunded public employee pension debt, the estrangement between what the Democrats in charge say and do, and what Californians know and live daily, continues to grow.

Things are not rosy in California, despite what Jerry Brown and the liberal propagandist media tells you. Dan Walters, one of the state's few journalistic realists, reported this week that California's unemployment insurance system is stuck in a deep hole, with the state paying out about \$5.5 billion a year in jobless benefits. I have been reporting for years about the \$10 billion the State borrowed from the federal government to cover the payments. "California owes the federal government <u>\$10 billion</u>, money that was borrowed to keep joblessness benefits coming to the state's legions of unemployed; and that it owes \$313 million to the state disability insurance trust fund after taking the money to pay for the debt service on the federal loans," I wrote back in 2012.

Jobs for every American is doomed to failure because of modern automation and production. We ought to recognize it and create an income-maintenance system so every single American has the dignity and the wherewithal for shelter, basic food, and medical care. I'm talking about welfare for all. Without it, you're going to have warfare for all.



Is this "recovery?" Is this what being "back" feels like?

No. The magical California job creation engine has shifted from a healthy manufacturing economy, to a service economy – from high-paying jobs with benefits and growth potential, to low-wage, nowhere minimum wage jobs. While Silicon Valley may be awash in jobs and profit, the rest of the state is not. Jerry Brown has been doing his part to help facilitate the inevitable collapse.

Jerry's High Speed Train project, doomed from the beginning as nothing more than a cash-cow for cronies, has been besieged with problems from the beginning, including many legal troubles, is his Jonah. But he stubbornly refuses to give it up, wasting millions of taxpayers' funds with nothing to show for it. And his misguided Delta Tunnels project isn't any better. Both projects are bold reminders that today's Democrats are incompetent leaders, and even worse project managers.

Destroy the middle class in America, and Socialism takes over – economic growth is killed, people turn on each other, free speech is attacked, the government grows and becomes more tyrannical, and individuals are not treated equally under the law. Hmm, sounds familiar, doesn't it?

And, subsidies grow as it becomes more "profitable" not to work.

Since 2014, we've been warning that electricity prices will double, having already risen nearly 40 percent since President Obama took office. The average family electricity bill is anticipated to be \$600 per month, by the end of Obama's term, the Los Angeles Times reported in 2014.

> Rather than creating policies to make California a healthy business state once again to incentivize businesses, Jerry Brown and California Democrats have instead created a permanent poverty class, by only focusing on low-paying jobs, treating the symptoms instead of curing the disease. Every increase in the state's minimum wage serves only to boost job creation in Arizona, Texas and Nevada.

Add California regulations and highest in the nation taxes into the mix, and it's goodbye 'California Dreamin' and hello

Environmentalists Kill California's Last <mark>Nuclear Power Plant</mark>

The recent <u>announcement</u> from PG&E that it was closing Diablo Canyon Nuclear Power Plant ironically came on the same day there were rolling blackouts in Los Angeles amidst sweltering temperatures. PG&E said they will replace the loss of the cheap, clean nuclear energy with renewable energy.

Yet in 2015, all wind energy in California only produced 12 billion kWhs, <u>scientist</u> <u>James Conca</u> recently <u>explained</u> to me. "The two Diablo Canyon nuclear reactors produce 17 billion kWhs every year, and will for the next 20 years if not prematurely closed for political reasons."

The closure will drive direct increases in natural gas use, which will be further increased due to the need for backup and balancing the volatile wind and solar output. California cannot rely on renewable energy without natural gas.

This is certainly another way to destroy the middle class.

Liberals love their electric cars, but don't ever acknowledge where the power comes from to charge the batteries – Coal. In fact, 30 percent of our energy comes from coal electricity is not naturally occurring in nature. Pine Bluff, Arkansas, Monroe, Louisiana, or Albany, Georgia, the poorest cities in America, according to <u>24/7 Wall Street</u>.

It's ironic how much liberals hate Big Oil, yet their Birkenstocks, bicycle helmets, and inhalers are made possible by oil and gas.

"Some of the renewable-energy projects being built in California are so expensive that 'people are going to get rate shock,' according to Joe Como, of the Division of Ratepayer Advocates, the consumer advocacy arm of the California Public Utility Commission," the Manhattan Institute reported. "In the long run, the approval of overpriced renewable energy will harm 'the states' efforts to achieve greenhouse gas reductions.""

While California voters have expressed outrage at the increasing number of public employees, plush salaries, and lavish benefits, they are largely unaware of the implications of the state's large debt.

State leaders could have used the recession as a starting point to implement measures to pay down the debt, and end the abusive budgeting tricks games. Instead, California has an ongoing exodus of businesses and wealthy individuals, coupled with a growing illegal immigrant class – a recipe for disaster.

Californians, gird your loins in anticipation of the tax onslaught.

Thanks Jerry.

This article appeared in the July 20, 2016 edition of Flash Report. Katy Grimes is the Flash Report Senior Correspondent. Formerly an investigative journalist, columnist and Capitol reporter with CalWatchdog, Katy is a longtime political analyst. She has written for The Sacramento Union, The Washington Examiner, The San Francisco Examiner, The Business Journal, The Sacramento Bee, and the Flash Report. Katy has been an influential political blogger since 2004, and can be heard on many talk radio shows throughout California. Katy is a Sacramento, California native, where she lives with her husband Terry.

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