

COLAB SAN LUIS OBISPO COUNTY

WEEK OF OCTOBER 20-26, 2013

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&

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COLAB SB and SLO County

**ICLEI RESILIENT COMMUNITIES AGREEMENT
RATIONALE SIDESTEPED AS CONSISTENT
WITH EXISTING COUNTY LAND USE POLICIES**

**BOARD: “DIABLO TO CLOSE SOONER OR LATER”
REFUSES TO ENDORSE ITS EXTENSION**

**WILL PASO WATER/DEVELOPMENT MORATORIUM
BE EXTENDED TO THE ENTIRE COUNTY?**

Board of Supervisors Meeting of Tuesday, October 15, 2013 (Completed)

This meeting was what the Board calls a “strategic planning meeting.” It focused on financial forecasts, implementing the smart growth strategy, and similar matters. It also contained an “explanation” of the ICLEI Resilient Community Agreements.

ICLEI Resilient Communities Agreements: Three weeks ago Supervisor Gibson (after weeks of pestering by various speakers and a request by Supervisor Arnold) noted somewhat obliquely that the issue of the County’s “intersection” with ICLEI (the International Council for Local Environmental Initiatives) might be covered at the October 15, 2013 meeting. A discussion was not noted on the agenda. As we suspected, the issue of the ICLEI Resilient Communities Agreements, which were signed by Gibson and Hill this past summer, was brought up during the Planning Director’s presentation on the proposed FY 2014-15 Planning and Building Department work program. Instead of Hill and Gibson personally explaining the basis for their support of the ICLEI Resilient Communities Agreements and their potential impact on County Policy, the Planning Director explained the role of a County staffer who was on a panel last June at the ICLEI Resilient Communities Conference at UCSB. She went on to rationalize that many County Plan policies (Climate Action Plan, Conservation and Open Space Plan, etc.) contain objectives that are supportive of a community which has economic, environmental, and disaster resiliency.

Thus, the Board fended off any meaningful explanation by the Supervisors and has so far deflected the real issue of what Gibson and Hill really think of ICLEI, its doctrine, and relationship to policies which they enable.

The balance of the meeting (see last week’s Update for policy detail) contained staff reports, discussions, and unanimous votes on the following:

1. County Financial Forecast. This item consisted primarily of a self-congratulatory PowerPoint presentation by staffers explaining that the county has been able to balance its budget over the past 6 years (since the recession started) by staff attrition (they had

no layoffs) and obtaining wage concessions from its employees. The staff continues to make a big deal out of this. The fact is that State law requires that each county end the year in the black. The California State government Code with respect to county boards of supervisors is clear:

25256. Except as permitted by the Constitution, the board shall not for any purpose contract debts or liabilities which exceed in any fiscal year the income and revenue provided for that year.

Any debts or liabilities contracted and any allowances made contrary to this section are void. The auditor shall not draw nor shall the treasurer pay any warrant therefor.

Moreover: Any official who makes expenditure in excess of the balance budget is personally liable.

29121. Except as otherwise provided by law, obligations incurred or paid in excess of the amounts authorized in the budget unit appropriations are not a liability of the county or dependent special district, but are a personal liability of the official authorizing the obligation.

They legally had to balance the budgets over the years. As far as we know, every County did.

The balance of the presentation and discussion explained that by maintaining salary concessions and not adding new staff positions (unless offset by new revenue), the projected FY 2014-15 budget would be balanceable and might yield a slight surplus. This could be undermined if pension costs shoot up and/or there are large new costs resulting from the Affordable Health Care Act (Obama Care).

Myopic View: The problem is that the presentation ignored the huge accumulating deficits in road and building maintenance. The Board and staff have no idea how to stop the deterioration of these public investments. The deferred maintenance could amount to hundreds of millions of dollars. The stability of the pension system assumes an average 7.5% return on investment over 30 years. Most analysts including those in the credit rating services (Moody's, Standard and Poor's, etc.) suggest that 5% is much more realistic.

There was no discussion of these realities, let alone integration of their impact into the budget discussion or the other "strategic discussions."

No Multi-Year Forecast: There was no 5-year projection of revenues and expenditures. How could the Board claim that it was having a strategic financial discussion absent such data? **In effect the Financial Forecast was a cover-up, which in turn made the subsequent discussion of Planning Department priorities and land use policy an even worse cover up.**

2. Impact of the Closure of the PG&E Diablo Canyon Nuclear Power Plant. Earlier in the year, the Board of Supervisors had asked for a study of the impacts of the closure of the Diablo Canyon Nuclear Power Plant on San Luis Obispo County, including tax

losses and loss of jobs. The staff presented a study which had actually been undertaken by an economic consultant retained by PG&E. The full study is available at the link:

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/2670/UEdFX0Vjb25vbWljX0ltcGFjdF9TdHVkeS5wZGY=/12/n/20304.doc>

The study shows that the County, schools, and other local taxing jurisdictions would lose about \$42 million in recurring annual revenue. By way of perspective, this would remove \$420 million dollars of support for local public services over ten years.

TABLE 1: TAXES GENERATED BY DCP, 2011

Taxes (\$ millions)	Local	California	National
Sales Taxes	5.3	7.6	19.4
Property Taxes	30.8	33.3	44.1
State & Local Taxes	42.0	51.1	84.8
Total Federal Taxes			96.5

Similarly, the closure would result in the elimination of about 1,500 direct jobs at the plant and related facilities and a total of 3,585 jobs from the local economy when suppliers and job multiplier effects are included. This in turn would eliminate almost \$1 billion in economic activity from the local economy.

The Board engaged in some minor quibbling about whether to accept the PG&E study in lieu of conducting its own. In the end it decided to accept the study but perhaps conduct a further study on the negative impacts of the closed plant. For example, would the presence of stored decaying fuel rods indefinitely negatively impact the economy?

Oh My Gosh - We Need Economic Development Diversification: The Board of Supervisors has belatedly realized that PG&E might just close the plant in the near future given all the trouble opponents are causing and following the example of the Southern California Edison closure of San Onofre. The County Administrator’s Pollyannaish staff report underscored the seriousness of the issue by continuously emphasizing that the County’s Workforce Training Program could retrain all the former PG&E employees as well as all the employees who are laid off in the resulting general reverse multiplier debacle.

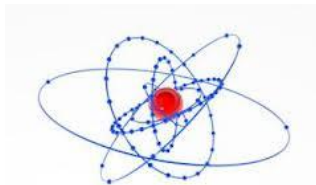
Supervisor Hill led the chorus, stating that the County should not be too dependent on one industry - “like the power plant or the wine industry.” Duh!!! COLAB has been pointing this out for years. The Supervisors have complacently sat up on the dais for years expressing self-satisfied smugness about the County economy and its meager economic development efforts.

On several occasions COLAB has presented recommendations for an economic development program on several occasions (in the Weekly Update), which the Board has fluffed off. Now here they are with their proverbial pants down and have nothing planned, no strategy, and no idea what to do. Supervisors, what is your plan to replace the 1500 career-benefited high pay jobs held by PG&E employees? What is your plan to replace the hundreds career-benefited high wage jobs which the Electrical Workers Union ,Plasterers and Concrete Mixers Union, Masons Union , Steamfitters Union , various chambers of commerce, and others testified will be lost? What is your plan to replace the thousands of other jobs that will be lost in the economy?

Maybe you can declare an emergency and put a moratorium on tourism, ban events, expand the bag ban to all plastics, place a moratorium and the sale of autos and trucks with more than 4 cylinders, require electric mowers and leaf blowers, ban the sale of red meat and close the dunes. (Your Sustainable/Healthy Communities Strategy).

In all seriousness, the San Luis Obispo County Board of Supervisors should have been leading and should now be courageously and vigorously leading a local and statewide effort to relicense and maintain the power plant for its full useful life potential. After all, they proverbially bent over backwards for the two solar plants which pay no property tax on the generating facilities (an exemption on billions of assessed value) and which will each have about 20 permanent employees. On top of that, they forced the companies to take thousands of adjacent acres off the tax rolls and place them in permanent preserves as a condition of approval.

Even if the plant lasts for ten years, there is not much time to diversify the economy.



3. Planning and Building Department Proposed Work Program. The Board considered the proposed 2014-15 work program. Not surprisingly, the tentatively adopted program has nothing to do with the problems outlined in items 1 and 2 above. It's as if the Board has absolutely no understanding of the relationship of its land use policies, the self-imposed barriers implicit in those policies, and their administration to a diverse and growing economy.

The Board Keeps Waltzing: The top priorities include development of habitat conservation plans, densification schemes for some of the unincorporated villages, a structural reorganization of the Land Use and Circulation Element of the General Plan, a County-sponsored green energy loan program, development of procedures to make it easier to get a permit to put solar panels on your roof, and so forth. It's sort of like the story about Napoleon invading Austria. The reverberations from distant cannons were

twitching the windows of a palace where a large ball was taking place. The Viennese kept waltzing.



They Kept Waltzing

Board of Supervisors Meeting of Tuesday, October 22, 2013 (Scheduled)

There are no items of major policy interest on this agenda. There are several items which are informative in terms of background and/or County process.

Item 18 - State Legislative Program. The County's State lobbyist will present a report on its activities on behalf of the County in Sacramento this past year. The written report attached to the agenda item is informative about the impact of the super majority Democratic regime in Sacramento (which fluctuates because of legislative vacancies). It is also interesting because it highlights legislation that was approved, was not approved, and is still in process that impacts San Luis Obispo County as well as cities and counties in general. The synopses are worth reading to get a flavor. The full report can be accessed at the link:

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/2687/RkIOQUxfMjAxM19Bbm51YWxfUmVwb3J0X3RvX1NMT19CT1MucGRm/12/n/20546.doc>

A couple of samples are displayed below.

AB 1229 (Atkins D) Land use: zoning regulations.

Summary:

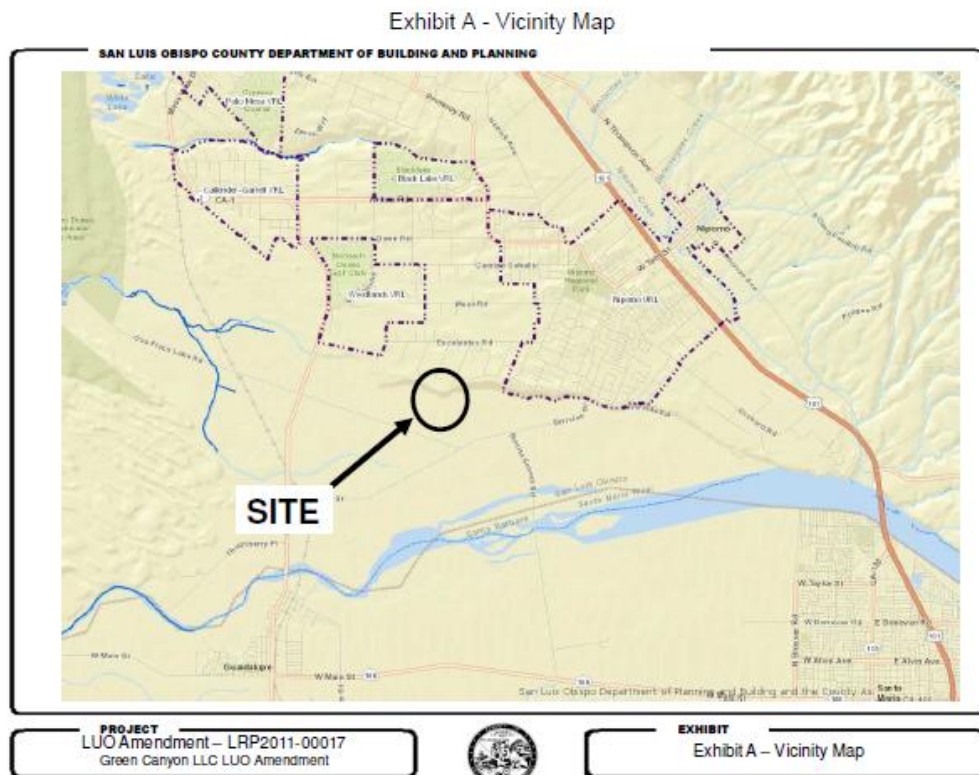
The Planning and Zoning Law authorizes the legislative body of any city or county to adopt ordinances regulating zoning within its jurisdiction, as specified. This bill would additionally authorize the legislative body of any city or county to adopt ordinances to establish, as a condition of development, inclusionary housing requirements, as specified, and would declare the intent of the Legislature in adding this provision. The bill would also make a technical, non -substantive change.

SB 418 (Jackson D) Energy: nuclear fission power plants.

Summary:

Would enact the Nuclear Energy Planning and Responsibility Act and would require the PUC to require an applicant electrical corporation applying for ratepayer funding, or reopening an existing application for ratepayer funding, for the relicensing of a nuclear fission thermal power plant with a generation capacity of 50 megawatts or greater by the United States Nuclear Regulatory Commission, to submit a detailed study of the project needs and costs in order to assess the cost-effectiveness of the continued operation of the nuclear fission thermal power plant. Because a violation of this provision would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Item 19 - Should Horses Be Allowed To Munch on 5-Acre Ranchettes. Back in 2002, the County approved a 4-lot rural subdivision of 5 acres each. One of the conditions of approval was that horses would not be allowed on the properties because the County said there were sensitive plant species. An owner has now filed an application to waive the horse (and other grazing animals) prohibition. The staff has placed an item on the Board agenda to ask the Board if staff should go through the process of analysis or, if there is no chance that it could be approved, should the Board direct staff not to waste its time and to inform the applicant that no waiver will be granted. It would appear from the vicinity map that the property is on the bluff overlooking the Santa Maria Valley. It will be a chance for Supervisor Ray to weigh a constituent request against County policy.



Planning Commission Meeting of Thursday, October 24, 2013 (Scheduled)

No Major Policy Items: There are no items of general policy interest on this agenda. There are several requests for extensions to start construction on previously approved single-family homes, a cell tower approval, and adjustment to the wording in the County's Safety Element of the General Plan to conform to State requirements.

