

COLAB SAN LUIS OBISPO COUNTY

WEEK OF MAY 12-18, 2013

**BOARD DIRECTS STAFF TO DEVELOP EMERGENCY AID
FOR PASO BASIN DYING WELLS**

**BOARD OK'S INTENSIVE WORK ON MEDIUM AND
LONG RANGE PASO BASIN AUGMENTATION**

PROPOSED 2013-14 COUNTY BUDGET SUBMITTED

**CONSOLIDATION OF TREASURER AND AUDITOR-
CONTROLLER DEPARTMENTS PROPOSED**

Board of Supervisors Meeting of Tuesday, May 7, 2013 (Completed)

Item 19 - Sky Lantern Ordinance Hearing and a First Amendment Question. The Board unanimously approved the ban on sky lanterns in an effort to prevent these incendiary devices from starting wild land and urban fires. The approval included the quirky exemption for “valid religious and cultural purposes”. County Counsel insisted that such a provision was prudent and did not violate 1st Amendment protections. Counsel opined that not having such a provision could subject the County to lawsuits from religious groups. The Fire Chief opined that it could be compared to the exemption for candles in church. It's not clear how candles on the alter inside a sprinklered church during a service monitored by officiants, acolytes, and participants and the releasing of scores of hot air balloon devices with open burning flames over California brush are equivalent risks.



Sky Lantern Launch Outside



Candles Inside

Item 21 - Water Management District. The Board approved a number of measures designed to deal with the potential overdraft of the Paso Robles Water Basin. Recommendations from the Water Resources Advisory Committee (WRAC) and the Paso Robles Water Basin Blue Ribbon Advisory Committee to examine the feasibility of creating a water management district (a new government entity) in an effort to find ways to augment water supplies were approved. The district could also increase regulation of water use. Clearly the new Board majority and the staff were in favor of the resource development. A second motion proposed by Supervisor Gibson to study more water use restrictions (demand management) failed 3-2. The district could theoretically perform a range of functions, including regulating water use, seeking and developing new water sources, promoting best practices and conservation, and even metering private wells. The hearing was attended by over 60 people, of which about 30 spoke.

Other approved actions included:

- Continue with existing Basin Computer modeling efforts.
- Proceed with evaluation of water supply options associated with State Water and the Salinas River Corridor (noting certain Salinas River Corridor options may also include use of Nacimiento water and other areas of the Basin).
- Identify a possible emergency program in coordination with the Nacimiento Commission.

Important Short Term Actions: Development of many of the positive potential actions to preserve and augment the Basin will require years. In the meantime, there are single-family homes and small Ag. units that have relatively shallow wells. Some have gone dry. Some are dry for part of the year. Some are dry in dry years. Some wells are experiencing a decline in level, which may mean they will go dry in the future. COLAB suggested that the County develop ways to assist these owners in the short term. Consideration could be given to:

- Treat the situation as an emergency operation (like the recovery phase of a disaster).
- Do not declare a legal emergency because the enviro-left members and sympathizers could use it to force regulatory measures through adoption without review.
- Obtain real data quickly. The information about those wells which are dry and those which are declining is anecdotal. The County should take some of the planners off smart growth projects and village planning and have them survey, interview, tabulate, categorize, and map those property owners which overly the basin who are reporting problems.
- Assign the Auditor Controller, County Executive, and other appropriate experts to develop a small, distressed owner low-interest well drilling and extended loan program. This is already done for all matter of energy projects such as insulation, window retrofit, solar panels, etc.

- Set up a program to assist the distressed owners to obtain trucked in water at the best price, help broker the delivery and payment system, and work with water purveyors to optimize the system.
- Assist small distressed owners and large operators (with deep, high volume wells to set up water sharing/purchase systems and agreements. (The help my neighbor program).
- Assist the large owners with deep wells to optimize recharge beyond percolation of recycled and surplus water.
- Waive permit fees from Planning and Development, Public Health, and other County departments that regulate well improvement and development.
- Require County departments to provide swift permit issuance.
- Develop other mechanisms to assist the distressed owners.
- Create a project team headed by a proven project manager to drive forward these and other provisions (which may be developed). The project manager should be full time. County Counsel, Auditor Controller, Public works, CAO, and other required supportive staff should be assigning personnel as needed to the team. The Board and CAO should issue a directive to the entire County organization that the team has priority and that the project manager has direct authority to command the work product, control the time of the assigned members, and otherwise execute the project and sub-projects with maximum urgency.
- Assign appropriate dedicated support staff (admin professional, fiscal, human resources).
- Co-locate the project team members in a large room dedicated for the life of the project. (They would not report to their usual Departmental work office).
- Conduct a project review meeting at 9AM every Friday. The project manager, CAO, County Counsel, and all department heads that have an assigned team member would be required to attend. (No substitutes except for illness or a scheduled vacation).
- Require the team to provide an update to the Board every other Tuesday at 1:30 PM for the first 3 months of the project operation. Then reassess.
- Conduct other operations and actions as are determined to be appropriate.

In other words, execution is everything. Instead of hand wringing and blabbing, deliver fast. Execution of this project provides an excellent test of Board resolve and the County administration's ability to manage and deliver outside the box with a sense of urgency and skill.

Board of Supervisors Meeting of Tuesday, May 14, 2013 (Scheduled)
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Item 5 - Earthquake Early Warning System. The Board is being requested to support a legislative bill that would require the establishment of a statewide earthquake early warning system. The Board letter states in part: *Senator Alex Padilla has authored a bill that would require the development of a comprehensive statewide earthquake early warning system in California. The system would build upon the California Integrated Seismic Network creating a system of sensors throughout the State that would be able to effectively detect the strength and the progression of an earthquake. The intent is that the early warning system would then alert the public, perhaps within seconds, before potentially damaging ground shaking is felt. Such alerts would allow time to react whether it is to help others to safety, power down critical infrastructure, or turn off industrial machinery. Additionally, alerts would allow first responders to be in a preparedness mode rather than in a reactionary one. We believe this would save lives and mitigate injury and damages.*

Really?

How much warning time would it provide?

The system is reported to cost an estimated \$80 million.

How is it to be paid for?

What will it cost to operate and maintain over its operational life?

Item 8 - Request to Oppose SB 391. The write up states: *The Clerk-Recorder requests that the Board of Supervisors approve a letter of opposition to Senate Bill (SB) 391, authored by Senator DeSaulnier. The bill, entitled the California Homes and Jobs Act of 2013, would impose a fee of \$75 on the recordation of all real estate documents, excluding documents recorded "in connection with" a real estate transaction. Under California law the "fee" is considered a tax and will require a 2/3 vote of the Legislature. The attached letter of opposition outlines implications of the bill as proposed.*

The money raised by the bill would supposedly be used for affordable housing programs. Clerk-Recorder Julie Rodewald provides a number of excellent reasons for opposing this bill. The fee will be expensive as the filer will have to pay \$75 for each document (not transaction). It will be a disincentive to file and hits low and moderate income people most severely.

Our compliments for her vigilance and action. The proposed letter containing the reasons for opposition is viewable at the link:

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/2122/TGV0dGVyX29mX29wcG9zaXRpb25fdG9fU0IzOTEucGRm/12/n/15165.doc>

Item 21 - Introduction of the County Proposed 2013-14 Annual Budget. The Proposed Budget is being submitted on May 14, 2013. The actual hearings will take place starting at 9AM on Monday, June 10, 2013. It is likely that a further hearing would take place on Wednesday June 12, 2013. The interval between May 14th and June 10th provides time for the Board and public to consider the lengthy and complex document.

The Annual Budget is the most important policy setting document of the County. It presents an opportunity for the Board to reduce funding for many of the costly, time consuming, and destructive regulatory programs that it operates. It also is an opportunity to curtail long range planning efforts and dump various climate action projects. COLAB will be reviewing the Budget and providing comments. In past years the review and adoption process has been pro forma, superficial, staff driven, and there has been no public comment (other than from not-for-profit organizations looking for their contributions).

Mark June 10th and 12th. You can make a real difference.

The full budget document can be accessed at the link:

http://www.slocounty.ca.gov/admin/Budget/2013-14_Proposed_Budget.htm

It is also available in the libraries and the CAO's office.

Item 22 - Consolidation of the Offices of Auditor-Controller and Treasurer – A Great Opportunity: In San Luis Obispo County the office of Treasurer is elected. The Treasurer is responsible for collecting and posting monies received by the County, including property tax payments. The Treasurer is also responsible for investing the County's idle cash, the school districts' idle cash, and the special districts' idle cash. The office sends a variety of bills out and tracks collections. This officer also selects the County's banks and often has a very strong role in selecting financial advisors, bond counsel, investment bankers, bond custodians and other financial consultants and service companies.

Recently the incumbent Treasurer retired. Normal practice has been for the Board to appoint a qualified person to fill out the remaining term. State law does not require that the Treasurer be a separate department head or that the position be elective. There is now therefore an opportunity to consolidate the office of Treasurer with that of the Auditor-Controller (another elected position), who serves as the County's Chief Fiscal Officer (CFO).

It makes sense to abolish the separate Treasurer's position and consolidate the functions in the Auditor-Controller's office. The plethora of county elected offices is a holdover from archaic English Medieval and Renaissance county structures, which were transmitted to the English colonies on the eastern seaboard in the 17th Century and then successively moved west with the nation's expansion. In the old days treasurers were compensated with a percentage of what was collected, which led to abuses. Best local government practice is to have a consolidated professional Finance Department. The Treasurer should be a division head within a consolidated Finance Department, who is selected on the basis of his or her

financial, economic, and investing education, prior performance, and expertise.¹ The office should be specifically apolitical and professional.

From time to time an argument is made against such a reform on the basis that it is a “check and balance.” This argument stems from misapplication of the constitutional separation of powers doctrine and the segregation of duties best practice. Under the former, the government is divided into legislative, executive, and judicial branches. These provide a check and a balance on each other. In the case of the County, the CAO serves as an appointed professional executive. The Board of Supervisors enacts ordinances and policies and sets the budget. The Auditor Controller serves as both CFO and audits the county agencies, the CAO (and the Board if necessary). The structure is already full of “checks and balances” and is somewhat fragmented.

With respect to the latter (segregation of duties), an appointed treasurer with duties and qualifications provided by ordinance is responsible for tax collection and making the investments (note: not pension investments, which are the province of a separate board). He or she would be responsible for standard policies of safety, liquidity, compliance with State statute, and return. One does not have to be elected to carry out these objective duties.

On the tax collection front, fairness and objectivity are the key values. An official who is not subject to the vagaries of popular opinion, campaigning, fund raising, and political retribution may be in the best position (this is not to say elected treasurers are bad – we have known several highly efficient, high integrity elected treasurers). We have also known several total hacks who were deeply immersed in the political machines of their respective communities and states. The picture below depicts a Boston tax collector in the 1770’s.

Congratulations to the CAO’s office and others for raising this proposed reform idea.



¹ The International City/County Management Association, National Civic League, and Government Finance Officers of America all recommend the reform structure.

Item 23 - Economic Vitality Corporation Report on Pilot Project to Assess Economic Benefits of New Development. The project was designed to assess the economic benefits of projects pending in the County's land use entitlement process. The thought is that so much emphasis is placed on the negative environmental aspects of projects that there ought to be a process that presents the other side of the story. So far, four test applications have been subjected to the process. These include a data center, a hotel, a multi-family residential project, and a single-family housing project. The report lists major job creation (1320 new jobs resulting from the projects), \$120 million in annual sales, \$609,000 in new sales tax annually, and \$30.6 million in new assessed valuation as the expected benefits of the projects. It is not clear if the projects have been approved or are still pending.

The Board letter says there is a written report but as of this writing it was not attached to the agenda item. The Board letter does not disclose the name or location of the four projects.