

COLAB SAN LUIS OBISPO COUNTY

WEEK OF APRIL 22-28, 2012

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VACATION RENTAL ORDINANCE UNANIMOUSLY ADOPTED

LOS OSOS SEWER CONTRACTS PORTEND MAJOR TRAIN WRECKS
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ALERT

SMART GROWTH ECONOMICS AND PRIVATE PROPERTY
WEDNESDAY, APRIL 25, 2012, 6-8 PM, CITY/COUNTY LIBRARY
HOW WILL ECONorthwest COME DOWN?
BE READY TO DEFEND YOUR RIGHTS

2011 CROP REPORT:

STRAWBERRIES REPLACE WINE GRAPES
2011 GRAPE CROP DAMAGED BY FREEZE
OVERALL VALUE TOPS \$736 MILLION

Board of Supervisors Meeting of Tuesday, April 17, 2012 (Completed)

Vacation Rental Ordinance. The ordinance was adopted on a unanimous vote .The Ordinance, as drafted, will now only apply in Cambria, Cayucos, and Avila Beach. The Board seemed to feel that it had been worked on long enough (about 3 years) and was a compromise that did not please everyone but was about satisfactory as they could make it.

About 12 people spoke in favor of the ordinance and 3 against. COLAB spoke against the:

- Distance Restrictions
- Frequency Restrictions
- Intrusive Notification Requirements
- Asked what public health and safety issues were being served?

After the public commentary was finished, Hill dismissed the COLAB comments as “propaganda.”

One of the property management companies has retained the services of an economic consultant to prepare a report on the job and economic impact of vacation rentals. They had requested that the Board postpone its adoption of the ordinance for a month and until the

report was complete in order to have an opportunity to consider the information. The Board refused and stated that the report was irrelevant to the current considerations and that they could look at it in the future.

Board of Supervisors Meeting of Tuesday April 24, 2012 (Scheduled)

Templeton Community Service District Request for an Amendment to the Land Use Plan. The Planning Department is requesting the Board to make a determination about whether the Department should undertake an analysis and prepare a recommendation to change the zoning on 23 acres of land from agriculture to Public Facilities. The parcel is located between the Union Pacific tracks and the Salinas River on Creek Side Road. The district plans to develop a well, a wastewater treatment plant, and a fire training facility. Some years ago the Board had approved a change for installation of a Park. The Park proved infeasible due to the dangers of the at grade rail crossing.

The staff report is peculiar in that it provides no recommendation one way or the other. It simply lists criteria from the land use plan, provides information about site and vicinity conditions, and then lobs the question to the Board of Supervisors. This is strange because this Planning and Development Department is usually quite forceful with its recommendations. We have even seen staffers argue with Planning Commissioners on the record in public to support their recommendations or resist a change proposed by one or more Commissioners.

Los Osos Sewer Actions. This item actually contains three separate and distinct actions related to the construction of the new plant and sewer system.

- Approve the project and accept the specifications for the project and authorize the staff to advertise for bids a portion of the sewer collection system.
- Award a bid for the Mid Town site restoration Project to the R Burke Corporation \$ 414,000. (Restoration of the site where the original sewer plant was being constructed)
- Adopt the Agreement for a \$4,060,000 grant from the US Department of Agriculture, which is a complement to the \$83,200,000 loan from the USDA which will be drawn down in the future.
- Approve a recycled water agreement with the San Luis Coastal Unified School District.

It also contains an action related to the cleanup and restoration of the former Mid Town Sewer Plant site.

Train Wreck I: The recycled water agreement discussion opens a door to one of the key project requirements which must be met in order for the County to draw down both the \$83.2 million USDA Loan and the California State Water Resources Board loan of \$86.2 million. The County must find a way to return 100% of the treated effluent back to the area overlying the groundwater basin. In other words, it can't go into the bay or the ocean. The County has had difficulty in finding users who will take the treated water. Farmers and municipalities have been gun shy. If the County cannot prove that it has contracts for entities and individuals to use the water, it could have serious problems in drawing down the

loans. If it can't draw down the loans, who pays? Remember, the County has already advanced over \$20 million for project design and other work. It plans to sell temporary bonds on May 24, 2012 to cover these costs and then reimburse itself from the USDA and State loans. If anything goes wrong, such as not being able to meet the effluent requirement, there could be a serious problem. A portion of the Board letter is quoted below because it opens the door to this possibility:

“Recycled Water Agreement

*A condition of the Project's approval was to return 100% of the treated effluent back to the area overlying the groundwater basin. **Additionally, the Project's funding approvals from the USDA and State Water Board each require user agreements for the delivery of recycled water prior to construction and issuance of financing.** In order to meet these conditions, staff has worked with stakeholders to develop contracts for irrigation reuse of recycled water. These efforts include outreach and education with agricultural and urban users, including farmers, golf course, cemetery, and the San Luis Coastal Unified School District (School District). At the same time, recycled water use has been considered by the County and water purveyors as a component of the Basin Plan for the Los Osos Basin.*

*On October 25, 2011, your Board executed Program Participation Agreements with agricultural interests for the irrigation of crops with recycled water. **Although the initial interest from agriculture is sufficient to meet Project conditions, it has been somewhat limited.***

(Note: “initial interest” is not user agreements.)

Even so, our local experience is relatively consistent with similar program start-up in Monterey County. As with many voluntary programs, interest increases in time with success. After implementation and with actual results proven on water quality, delivery reliability, and operational flexibility, staff believes that it is reasonable to believe that the voluntary nature of the agricultural reuse program will increase. As part of the Project's conditions, our program development needs to also be consistent with the intent of Water Code Section 13550, which generally provides that reuse water needs to be used in lieu of potable water. To that extent, water quality needs vary between different agricultural crops, or for example, the irrigation of turf at schools. Actual water quality data will be known only when the Project is operational, which again is imperative to address concerns of some, prove success, and increase participation under the over “adaptive management” approach of the overall reuse program.

(Note: Wishful Thinking -- Weasel Language?)

In contrast to local agriculture, the School District already irrigates with recycled water at Laguna Middle School in the City of San Luis Obispo, so that agency is comfortable with the concept. This water is provided to the School District at a discount of 10% compared to the City's potable water rates. The School District expressed early interest in using recycled water in Los Osos from the Project if the pricing structure could also be provided at a 10% discount.

The attached agreement includes a 10% discount from current potable water rates. In order to protect the community's substantial investments in water infrastructure, the County intends and the agreement allows for all recycled water revenues to be transferred to the purveyors that deliver potable water within Los Osos. The term "agency" in the agreement is not defined but it is staff's clear intent that it includes Golden State Water Company in addition to the Los Osos Community Services District. Since delivery of recycled water will not occur until the Project is operational, in approximately three years, there is sufficient time for County to address additional concerns expressed by the water purveyors over the attached agreements, including protection of infrastructure investments and service duplication, the mechanism for rate-setting and coordination with the with the California Public Utilities Commission process faced by Golden State Water Company, and the need to ensure pumping of the Los Osos Basin in accordance with established water rights. The County has had several meetings with the purveyors within the past two weeks to begin making progress toward resolving such concerns."

Basic questions:

- How much total effluent needs to be contracted?
- How much is under contract now?
- What is the deadline to obtain valid agreements "prior to issuance of construction financing" by the two lenders.
- What happens to the ratepayers in the impacted water agencies, if the County undercuts their financial structure with discounted effluent?

Some folks should be having trouble sleeping at night over this one.

Train Wreck II: The Bid specifications exclude most San Luis Obispo and Santa Barbara County contractors. In yet another appeasement to the radical environmental socialists, the bid specifications as presented to the Board require that:

- All diesel construction equipment shall meet the California Air Resource Board's (ARB) Tier 3 standard for both off road heavy duty engines.
- All on road heavy-duty trucks shall meet the California Air Resource Board's 2007 or newer certification standard for on-road heavy duty-diesel engines.

This is much more restrictive than the ARB's requirements for current equipment. The regulations force retirement of expensive equipment well before the end of its useful life. The State itself recognized that the changes should be phased in over time, especially given the severe recession.

The SLO County requirement mandates that 100% of the equipment utilized on, or delivering to, the Los Osos project, would have to meet the restrictive County requirements.

What a disaster! So much for the Board of Supervisors "great economic development program."

ALERT

EXTREMELY IMPORTANT MEETING: SMART GROWTH DOCTRINE CONSULTANT
WEDNESDAY APRIL 25, 2012 ,6-8PM
SLO CITY/COUNTY LIBRARY (CORNER OF PALM AND OSOS)

This meeting conducted by the County Planning and Building Department will include preliminary findings by the County's consultant ECONorthwest, which is evaluating:

1. *"If the County decides to place limitations on growth in rural areas, how much growth will it shift to urban areas?"*
2. *"What will be the effects on property and the economy?"*

Question 1 is really a sham, since the County has already announced this policy and has adopted so-called "smart growth," greenhouse gas thresholds, and all sorts of other restrictions designed to force growth into existing urban areas. If they cared about the answer, why would they have done this in the first place?

What do you suppose the answer will be to question 2 from a consultant called ECONorthwest based in Portland, Oregon?

You would think they would have wanted to examine these questions before they spent millions on climate action plans, "smart growth plans," and all the rest.

This study will be used to drive policy (as long as it supports the doctrine).

ATTEND, PARTICIPATE, AND BE HEARD

Planning Commission Meeting of Thursday, April 26, 2012 (Cancelled)

The meeting is cancelled. No agenda items were posted prior to the cancellation.

2011 County Crop Report: The report indicates that the total value of the County's agricultural sales grew 3% from the prior year to \$736,206,000. Strawberries replaced wine grapes as the leading crop in terms of sales. The grape crop suffered a 34% decrease as a result of the April 8-9, 2011 freeze. The link below opens the report, which is comprised of tables providing information about the various agricultural products.

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/965/QXR0YWNoWVudF9BXzIwMTFfQ3JvcF9TdGF0aXN0aWNzLnBkZg==/12/n/4648.doc>

