

COLAB SAN LUIS OBISPO COUNTY

WEEK OF JUNE 1-7, 2014

**BOARD ASKED TO HIRE FIRM TO RUN PASO BASIN
RETROFIT PROGRAM WITH NO BID
SEE ITEM 20 BELOW- YOU WILL BE ASTONISHED**

**HUGE CONCERT AND BOOZE EVENT PROPOSED
FOR AVILA**

**SPECIAL PLANNING COMMISSION MEETING
FORWARDS HOUSING ELEMENT
(RECOMMENDS BOARD ADOPT MORE STRATEGIC APPROACH)**

No Board of Supervisors Meeting on Tuesday, May 27, 2014 (Not Scheduled)

There was no Board of Supervisors meeting on Tuesday, May 27, 2014. The Board does not normally schedule meetings on a Tuesday that follows a Monday holiday. Monday May 26th was Memorial Day.

Board of Supervisors Meeting of Tuesday, June 3, 2014 (Scheduled)

Item 4 - Drought Update. Each month the staff returns to the Board with an update on the status of the drought and actions that have been taken to deal with the drought. This is being done pursuant to the County's Local Declaration of a Drought Emergency. Unlike the prior reports, this one is short and does not report any County actions. In fact it is on the consent calendar. We suspect that the drought is losing its political sizzle. The Board majority is riding the proverbial tiger and is finding that getting off is difficult and perhaps dangerous. As we have reported previously, the Board majority has initiated a number of expansive consulting contracts to generate additional regulations and restrictions. It also has one contract to examine the feasibility of developing supplemental water sources.

Meanwhile the number of landowners joining the quiet title water rights lawsuit continues to grow. There do not appear to be any County programs to help people with dry wells.



Item 20 - \$326,000 No-Bid Contract Award to Wallace Group For Paso Retrofit Program .The Board letter summary outlines the program:

Under this contract, Wallace Group will oversee the work of a licensed plumber to retrofit enough existing homes in the Paso Robles Groundwater Basin Area to allow for development of up to 40 new single family dwellings. Wallace Group will track the amount of water saved as offset credits that new development applicants can purchase to fulfill the offset requirement. Wallace Group will also maintain a tracking system to monitor credits available and credits purchased.

The County will recoup program costs as offset credits are purchased by new development applicants. Costs to offset new development's water demand will equal the cost of retrofitting existing development. Staff will monitor the number of issued new development applications and those that are in progress, and will authorize only enough retrofit work for which costs can reasonably be expected to be recovered through the purchase of offset credits.

Check the math:

- ✓ The \$ 326,000 contract was not bid. Instead it is being issued on a purchase order to a firm which has been the subject of a Grand Jury investigation and pointed criticism, severe conflicts of interest, and potential self dealing. (See Below)
- ✓ The offsets will allow 40 new houses to be built in the Paso Basin. The owners will have to purchase offset credits generated by this program. This averages out to about \$8,150 per house ($\$326,000 \div 40 = \$8,150$).
- ✓ The staff report states that the savings in the older retrofitted homes will be 40 gallons per day, which is 14,600 gallons per year or 4% of an acre ft. (an acre ft. is 325,851 gallons). In previous reports the County has indicated that a new home in the Paso Basin can typically use 1 acre ft. per year. Thus at 14,600 gallons of savings, it would take 22.32 retrofitted homes to create a 1 acre ft. offset per new home ($325,851 \div 14,600$). For 40 homes it will require that 892.7 older homes be retrofitted.
- ✓ The staff report indicates that the average cost per retrofit will be \$928.28 per home. What market data does the Board and staff have to suggest that 892 homeowners in the Paso Basin are willing to have their homes retrofitted? Will the County require that they agree to permanent monitoring (as is done in Los Osos) to insure that the sceme is working or that the people don't modify the fixtures once the retrofits are completed?

- ✓ Will the toilet inspector come annually or more frequently? Will the visit be by appointment or surprise?
- ✓ The staff report estimates that the new homes will use 280 gallons per day, which is 102,220 gallons per year or a little less than a one-third of an acre ft. per year. Why has the factor been dropped from one acre ft. to one-third of an acre foot when the analysis used to justify the moratorium, putative ag cluster subdivision ordinance gutting, and other regulations was one acre ft.? Does the County simply just change the base numbers to fit its latest policy scam?

More County Incest: John L Wallace, the owner of Wallace group, was found by the Grand Jury to have a major conflict of interest involving contract awards. A CalCoast News Article from June 2011 detailed the situation. We think it's even worse. The article, entitled Grand Jury finds conflict of interest with Wallace Group, is excerpted below:

By *KAREN VELIE*

Accusations that the administrator of a sanitation district in San Luis Obispo County's South Bay has been funneling millions of dollars to a private engineering company he owns without proper oversight, has been validated by a San Luis Obispo County Grand Jury report that found a conflict of interest.

The South County Sanitation District provides sewer services to about 38,000 customers in Arroyo Grande, Grover Beach and the unincorporated town of Oceano. John Wallace is the chief administrator of the district and also owner and president of the Wallace Group, a private engineering consulting firm located in San Luis Obispo.

The Grand Jury found that the district board failed to recognize this conflict of interest and to eliminate or, at minimum, mitigate the conflict of interest and that Wallace's contract had never been competitively bid as required by law.

During the 2009/2010 fiscal year, the report says Wallace and the Wallace Group received \$836,000 for administrative and engineering services. At a similar size plant in Paso Robles, those costs ran under \$200,000 during the same period.

During a 2010 interview with CalCoastNews, Tony Ferrara, Arroyo Grande's mayor and the head of the district's governing board, said that paying Wallace for engineering consulting, budgeting and administration has saved the district money.

"If we had to go out to bid on every job, the costs would go up exponentially," Ferrara said. "It is not uncommon for a small group to use an engineering consultant because we don't have the resources to handle the breadth of professional services."

The Grand Jury also noted that Michael Seitz, the attorney for the sanitation district, said he did not believe there was a conflict of interest in having Wallace serve as administrator while giving contracts to his private firm. Seitz had instructed staff to not allow the public to view the minutes of meetings, older agendas or budgets without filing a written request, a violation of law.

Seitz's wife, Sharon Seitz, heads the Wallace Group's Human Resources department.

“It does not constitute a conflict of interest,” Seitz said during a 2010 interview with CalCoastNews.

Both Seitz and Ferrara have boasted during district meetings that an investigation by Richard Thomas of Thomas Consulting proved allegations by an employee that the district was paying too much for outside jobs were false.

“This investigation found no reason to suspect that (Wallace) or his firm would take advantage of the district in billing unnecessary work,” Thomas concluded in his report.

The Grand Jury said Thomas’ report was “ineptly performed.”

The Grand Jury recommends that the district board consider hiring independent management and that it evaluate and compare organizational and operational alternatives for the district.

“The Grand Jury finds the district in a state of denial regarding the conflict of interest and, as a result, the district has taken no effective steps to mitigate the conflict,” the report says. “The Grand Jury concludes that, as a result, the board and the district are exposed to a number of financial, legal and public trust issues.”

Self-Dealing is Illegal: It is illegal in California for a person administering a government entity to be on both sides of a contract. Wallace was serving as Administrator of the Sanitation District. In that capacity, he awarded almost \$900,000 of work to his own firm. It is irrelevant whether or not “it saved money.” Why didn’t the District Attorney prosecute? Is SLO County even more corruptly cozy than we thought? Eventually the District terminated his contract. But as noted in the CalCoast news article, Arroyo Grande Mayor Tony Ferrara, who was also serving as Chairman of the Sanitary District, vigorously defended Wallace. Significantly, Ferrara is a major political backer and contributor to Supervisor Ray’s re-election campaign. Should she be voting on this item?

COLAB called the County staff official listed on this Board item to ask if the item had been bid. She stated that it had not. When asked why it had not been bid, she stated, “because it was issued on a purchase order.” This is a typical County staff non-answer. COLAB asked how the Wallace group was selected. Astonishingly, she said she didn’t know and had to get her supervisor. (Note this is the official listed on the Board letter for questions and is supposedly administering the program). When she came back on the phone, she said James (Planner III Caruso, who is the architect of much of the County’s land use and water policy), was unavailable and would call back with the answer. As of Friday afternoon May 30, 2014 we have had no return telephone call.

Now the Board of Supervisors is being asked to unleash this firm on nearly everyone’s bathroom in the north county. County Counsel has certified the proposed contract as legal.

Some of the Detailed Provisions of the Proposed Contract :

Administrative Tasks

Consultant shall be responsible for the following administrative costs. Total administrative costs shall not exceed 10%, or \$23,637, of the total cost of retrofit work of \$225,108, as set forth below.

Is the \$23,637 capped? What if the work exceeds \$225,108? Is this a hidden incentive to expand the program exponentially?

Consultant shall ensure that retrofits are performed to the following specifications:

Toilets:

Up to **two** toilets per County-approved participating household that use MORE THAN 1.6 gallons per flush (gpf) shall be replaced with toilets that use 1.28 or less gallons per flush. Consultant shall require the licensed plumbers to verify gpf of existing toilets. Replacement toilets must be rated with a minimum score of 600 per the California Urban Water Conservation Council Maximum Performance Testing (MaP) program. Consultant shall require the licensed plumbers to test all newly installed toilets to ensure that they are functioning well and without leaks, and shall properly dispose of replaced toilets.

Licensed plumber shall be paid the sum of **\$293.85** per installed toilet. In the unusual event that a 10-inch rough in toilet is required, the Licensed plumber shall be paid the sum of **\$335.75** per installed toilet.

Showerheads:

Up to **two** showerheads per County-approved participating household that use MORE THAN 1.5 gallons per minute (gpm) shall be replaced with showerheads that use 1.5 gpm or less. Consultant shall require the licensed plumbers to test all newly installed showerheads to ensure that they are functioning well and without leaks, and shall properly dispose of replaced showerheads.

Licensed plumber shall be paid the sum of **\$44.00** per installed showerhead.

Aerators:

Up to 4 aerators per County-approved participating household that use MORE THAN 1 gpm may be replaced with aerators that use 1 gpm or less.

Licensed plumber shall be paid the sum of **\$19.50** per installed aerator

Water Pressure Determination:

Consultant shall require the licensed plumbers to perform a water pressure determination on each County-approved participating household.

Licensed plumber shall be paid the sum of **\$25** per water pressure determination performed.

Adjust Existing Water Regulator:

Adjust Existing Water Regulator:

If needed based on water pressure determination, Consultant will require the licensed plumbers to adjust existing water regulator to the correct pressure.

Licensed plumber shall be paid the sum of **\$25** for each water regulator adjusted.

Why does the County need an outside civil engineering consulting firm to administer a plumbing retrofit program? Could a plumbing contractor administer the program? How will the firm select the plumbers? Will the plumbers be spouses, relations, or have other connections with the Wallace group?

Item 22 - Early Warning: Stack-and-Pack Day at the Board.

On June 17, 2014, your Board will hold public hearings for the following amendments:

1. Hearing to consider a request by the COUNTY OF SAN LUIS OBISPO for a General Plan Amendment to incorporate information relative to infrastructure needs and financing within the “Disadvantaged Communities” of Shandon, San Miguel and Oceano into the San Luis Obispo County Land Use and Circulation Elements as required by Government Code Section 65302.10 (Senate Bill 244). The request includes revisions to the Shandon, San Miguel and Oceano Community Plans.

County File Number: LRP2013-00014

Supervisory Districts: Districts 1 and 4

2. Hearing to consider a request by the COUNTY OF SAN LUIS OBISPO for a General Plan Amendment to update the Housing Element of the County General Plan per State law. Amendments include but are not limited to, updates to the Sites Analysis, revisions to programs, deletions of programs that have been completed, and updates to population, housing and development trends.

County File No: LRP2012-00010

Item 30 - Hearing to Determine If the County Will Allow a Major 2-Day/Night Entertainment Event at the Avila Beach Golf Resort. The event is entitled “Forever Neverland.” This one should stir up the natives big time. According to the Board letter:

Forever Never Land, LLC has contracted with Avila Beach Golf Resort to hold a music and entertainment event on the golf course fairways 1 and 9 on September 13 and 14 of 2014. Some of the notable points of the proposed event include:

- The event hours will be 2PM to 10PM each day;*
 - Only persons 21 years of age or older will be admitted;*
 - The event coordinator is requesting approval for up to 10,000 participants;*
 - The event would include 4 to 5 different themed areas each featuring either live music, food, games, alcohol or a combination of the four;*
 - Ticket sales are on-line, there will be no ticket sales at the event;*
 - Event parking will be limited to 500 vehicles, other ticket holders are encouraged to use one of the many shuttles to be provided by Forever Never Land, LLC;*
 - Event coordinators are working with the County’s Public Works and law enforcement agencies to have minimal impact on traffic for residents and businesses in the Avila area;*
 - Based on a listing provided by the San Luis Obispo County Planning Department all property owners within 500 feet of the event have been notified by mail of the event and pending application hearing;*
 - Forever Never Land, LLC will contract with other specialty businesses to provide: traffic control and shuttle services, water and sanitation, security, medical (first aid) support, food inspection and clean up and removal of rubbish;*
 - Forever Never Land will also have on site a certified food inspector and acoustical engineer.*
- Pursuant*

The promoters' website may have jumped the gun:

Fnl Venue Confirmed November 15, 2013

We are excited to announce that we've secured Avila Beach Golf Resort as home to the first ever Forever Never Land music and fun festival! This beachside golf resort tucked away in the cute community of Avila Beach is the perfect location for Forever Never Land. It's located halfway between Los Angeles and the San Francisco Bay Area. It also has a private beach, plenty of parking, and beautiful weather! After you visit Avila Beach Golf Resort for Forever Never Land, you might just end up coming back for a day of golf or two.

BUY YOUR 2014 FNL TICKETS

Don't know which ticket to buy? Compare ticket types here.

EARLYBIRD 1-DAY AND 2-DAY GENERAL ADMISSION SOLD OUT!!

Starting at \$50

EARLYBIRD 1-DAY AND 2-DAY VIP ADMISSION SOLD OUT!!

Starting at \$150

1-DAY AND 2-DAY GENERAL ADMISSION

Starting at \$75

What your GA Ticket Includes:

- Admission to Forever Never Land and/or Music Forever Land
- Although Forever Never Land and Music Forever Land are different names for Saturday & Sunday, the experience is still exactly the same!
- FNL Rides, Games, and Activities

TICKET TYPE	PRICE	SERVICE FEE	QUANTITY
General Admission Forever Never Land (Saturday)	\$75.00	\$15.00	<input type="text"/>
General Admission to Forever Never Land (Sunday)	\$75.00	\$15.00	<input type="text"/>
General Admission 2-Day	\$125.00	\$15.00	<input type="text"/>

1-DAY AND 2-DAY VIP ADMISSION

Starting at \$225

What your VIP Ticket Includes:

- Admission to Forever Never Land
- FNL Rides, Games, and Activities
- 11 Hours of Open Bar each day
- VIP Restrooms (flushable Porta Potties with Running Water) They're gonna need these.
- VIP Seating (extra seating, cabanas, and shaded VIP areas in prime locations)
- VIP Entry Line (get into the festival faster)
- Fast Track Line Pass (for all FNL rides)
- Entry to FNL's official Friday Night Bar Night Pre-party & Saturday Night Bar Night After-party

TICKET TYPE	PRICE	SERVICE FEE	QUANTITY
VIP Admission 1-Day - Saturday	\$225.00	\$25.00	<input type="text"/>
VIP Admission 1-Day - Sunday	\$225.00	\$25.00	<input type="text"/>
VIP Admission 2-Day	\$400.00	\$25.00	<input type="text"/>

Shuttle Passes, Parking & Other Add-ons
Starting at \$

And George Sullivan was told by Planning that he couldn't have his windmill in Santa Margarita and no picnics on the site either.

It's Hills district: Wonder if he gets a couple of VIP Passes?

forever never land

Special Planning Commission Meeting of Thursday, May 29, 2014, 1:30 PM (Completed)

Item 1- Continued Hearing on the Update of the Housing Element. The Commission unanimously forwarded the Housing Element to the Board of Supervisors, which must consider it and adopt it prior to July 1, 2014. (The vote was 4-0 as Commissioner Murphy was unable to

attend.) The Commissioners improved the clarity and consistency of the document. They also added a strong preface calling for the Board of Supervisors to deal with the housing problem and to take a broader approach, including examining the underlying premises of the County’s overall architecture of land use policy. Its current policies are often barriers to housing.

More significantly, the Commission called for the Board, County organization as a whole, business groups, and others to step back and take a much more strategic approach to the problem. The Board of Supervisors pretends that it does some strategic planning, but it is really more of a budget exercise. In combination with this so-called strategic process, the Board determines which Plan of Development amendment projects and which zoning ordinance amendment projects it will direct staff to work on during the ensuing budget year. This is simply work program planning and has little to do with true strategic planning.

At rock bottom the County does a great deal of balkanized regulatory-based land use planning but has no comprehensive strategic plan to integrate its job creation, economic development, land use, financial, and capital improvement planning. Any suggestions made from outside along these lines are smugly rejected by the Board, which adheres to business as usual. It would be a miracle if the Board would listen to their Planning Commissioners (who are Board appointments).

Background: The Staff summary below explains the essential purpose of the Housing Element:

The Housing Element is one of the seven required elements of the San Luis Obispo County General Plan. Its purpose is to 1) facilitate the provision of needed housing for all income levels, and 2) meet the requirements of State law (Government Code Section 65583). Generally, all cities and counties must update their Housing Elements to be in compliance with State law every five years to address a planning period prescribed by the State. California Government Code Section 65588 requires the next Housing Element to be adopted by the Board of Supervisors by June 30, 2014. Failure to meet this deadline could make the County and local nonprofit organizations ineligible to apply for certain state grants and loans, such as the Infrastructure Bank and Infill Infrastructure Grant programs, until the Housing Element was adopted and certified by the State.

Unincorporated County Share of Housing Needs 2014- 2019

Income Category	Number of New Units	Percent
Very Low	336	24.9
Low	211	15.7
Moderate	237	17.6
Above Moderate	563	41.8
Total	1,347	100

