

**COLAB SAN LUIS OBISPO COUNTY**

**WEEK OF JANUARY 26-February 1, 2014**

KEYNOTE SPEAKER  
Dr. Sam Blakeslee



**THURSDAY, MARCH 27 2014**

**SAVE THE DATE**

*5th Annual Dinner & Fundraiser*

**MADONNA EXPO CENTER**

Details to follow... We hope to see you there!

**COLAB SLO COUNTY**

**PROTECT YOUR WATER RIGHTS-PROTECT  
YOUR PROPERTY RIGHTS TO PROTECT  
YOUR FAMILY AND WAY OF LIFE**

**(SEE PAGE 2 BELOW)**

**HILL APCD CHAIR BID FIZZLES**

**APCD BOARD VOTES 11-0 TO RETAIN FONZI**

**MAJOR PASO SUPPLY STUDY TO LAUNCH**

**LOS OSOS SEWER PLANT OVERRUNS**

**FILE YOUR QUIET TITLE CLAIM  
 SAVE YOUR WATER TO SAVE YOUR PROPERTY  
 TO SAVE YOUR FAMILY AND WAY OF LIFE**



**Politics Turns California Law *Upside Down!***

**Under California Law**  
**Overlying Land Owners**  
 Have the right to use water on their property



**Fact:** Overlying owners have highest priority. In the event of an overdraft (declared shortage), those who sell water must cut back first to balance the basin.

**Fact:** Overlying owners have nothing to “win” in a lawsuit -we are simply asking the courts to affirm the rights we already have under the law.

**Under Political Control**

*highest > Priority > lowest*



**Overlying Land Owners**  
 If no action taken to secure their property rights!

**Fact:** “Quiet Title” is the necessary action to take to right this wrong!

**Fact:** Water basin management is best under court supervision according to the law, rather than politicians or a Board of Supervisors managing the basin.

**Learn more about what you can do to protect your water rights at [www.pr-win.org](http://www.pr-win.org)**

Even if you support the new proposed Water Management District, protect your rights. Things can go awry fast and long-term policies over the years cannot be known now.

**No Board of Supervisors Meeting of Tuesday, January 21, 2014**

The Board did not meet, as the 21<sup>st</sup> was a Tuesday following a holiday. The Board’s normal policy is to not schedule meetings on Tuesdays after Monday holidays.

**Board of Supervisors Meeting of Tuesday January 28, 2014 (Scheduled)**

**Note: Items 27, 28, and 29 Are Scheduled For 1:30 PM and Thereafter.**

**Item 15 - Application to US Department of Housing and Development (HUD) for Homeless Program Funds - \$ 1.0 million.** It appears that over half of the money is slated for CAPSLO. Watch out for conflicts of interest here.

**Item 27 - Paso Basin.** This item contains a request by the staff for the Board to approve six separate actions related to the Paso Robles Water Basin as summarized below:

- 1. Receive Paso Robles Groundwater Basin Management Plan implementation update in order to provide staff direction on recommended actions as the Board deems appropriate; and*
- 2. Consider a FY 2013-14 agreement with Carollo Engineers in an amount not to exceed \$1,484,161 to prepare a Supplemental Water Supply Options Feasibility Study for the Paso Robles Groundwater Basin (Supply Options Study Agreement – Attachment “1”); and*
- 3. Consider a FY 2013-14 contract with Hollenbeck Consulting in an amount not to exceed \$90,000 to provide technical assistance with the development of feasibility studies for the Paso Robles Groundwater Basin (Technical Assistance Agreement – Attachment “2”); and*
- 4. Consider a budget adjustment, by a 4/5 vote, in the amount of \$1,574,161 from Flood Control District reserves in Fund 1300000000 to Flood Control Fund 19 for the Supply Options Study and Technical Assistance Agreements; and*
- 5. Create the Paso Robles Groundwater Basin Advisory Committee (Attachment “3”) and direct the Clerk to post vacancies pursuant to requirements of the Maddy Act; and*
- 6. Appoint Megan Silcott as the Farm Bureau alternate member to the Paso Robles Groundwater Basin Blue Ribbon Committee.*

**Action one** is entitled “Paso Water Groundwater Basin Management Plan Implementation Update.” There is no written material in the electronic agenda package describing the update “report.” We would therefore expect a surprise power point presentation, which has not been provided with the agenda item as usual, which prevents the public from being able to review the material prior to public comment on the item.

**Action two** is a large consulting project to determine the feasibility of some of the proposals for improving recharge in the basin, obtaining water from alternate sources, and financing and construction infrastructure to move water around the basin. In part, the write-up states:

**Supply Options Study \$1,484,161.** *This scope of work is for the Supply Options Track to evaluate supplemental water supply options for use in the Paso Basin, consistent with the Blue Ribbon Committee’s Top Ranked Solutions list and ranking methodologies. Water supply options to be considered include Salinas River and its upper watershed*

tributaries, Nacimiento Water, State Water and Recycled Water options. In addition to utilizing the currently unallocated supplies, potential exchanges, reoperation and detention systems on the Salinas River for additional water supplies will be considered. Availability of these supply options will be determined. The infrastructure required to make supplies available at points of delivery and any contractual or environmental considerations will be identified. Supply options will be ranked and screened through a rough screening analysis and, in coordination with the Basin Solutions team, a more detailed fine screening analysis based on input from the public and stakeholder groups. Relative costs (capital and annual operation and maintenance) will be identified for the rough screening, and more detailed costs to secure and implement the most viable supply options will be estimated.

*This scope of work does not include evaluation of water distribution, groundwater banking and other groundwater management activities, as this work will be performed by a separate consultant under a separate contract.* The scope of work for the Basin Solutions contract (not this contract) includes identification of end use locations in the basin that will offset pumping, end-user options (direct use or groundwater recharge) and project management options. The two teams will coordinate through regular conference calls to facilitate exchange of information needed for each study.

**Action 3 is a “Technical Assistance Agreement,” \$90,000.** This agreement retains the services of John R. Hollenbeck, who successfully managed the Nacimiento Aqueduct Project and brought it in on time and under budget. It appears that Hollenbeck will watch over to the various consultants and provide independent review and recommendations to the County on various aspects of the Paso Basin Problem. This may be an attempt to implement a more stringent and serious mode of project management than has characterized the County’s effort to date.

*This scope of work is for technical assistance associated with the development of the Paso Basin feasibility studies, which shall include but not be limited to:*

- Compiling technical information, reports, contracts and data needed for the feasibility studies for delivery (preferably electronically) to the Supply Options and Basin Solutions teams two weeks prior to kick-off meetings.*

- Providing input on the supply options and Basin solutions to be evaluated by providing comments on Technical Memorandums to be submitted by the Supply Options and Basin Solutions teams within two weeks of receipt.*

- Reviewing the approaches and methodologies to be used, including cost estimates, and providing comments on the associated Technical Memorandums to be submitted by the Supply Options and Basin Solutions teams within two weeks of receipt.*

- Providing technical review of and comments on all deliverables from the Basin Solutions and Supply Options teams and comments from the public within two weeks of receipt.*

- Participating in meetings throughout the development of the studies.*



**Eight Months Wasted on the Moratorium:** The measures listed above and the contract to develop conservation measures with the Upper Salinas-Las Tablas Conservation District, adopted at the January 14<sup>th</sup> meeting, constitute the beginning of efforts to attempt to solve longer term basin problems. But why did the Board waste eight months before actually getting started? The matter was first included on the May 7, 2013 Board agenda. The then Board majority (Arnold, Mecham, and Teixeira) gave some general direction to staff to formalize some projects to help sustain the basin. Hill and Gibson proposed a regulatory approach instead, which was rejected at that time. Nothing happened – no formal structure was established to manage the problem, no deadlines were set, and no regular Board review process established. Instead, in July Hill and Gibson launched a preemptive strike and gave direction to proceed to develop the moratorium.

The week after the May 7<sup>th</sup> meeting, COLAB implored the Board to swiftly and proactively deal with the overall problem and the plight of those whose wells were dry or likely to go dry. We were ignored, and instead nothing has happened for eight months except for the imposition of an illegal and draconian moratorium which hasn't advanced one solution, let alone provided one drop of water to anyone. **WE REFERENCE OUR RECOMMENDATION (highlighted in blue below) TO THE BOARD FROM THE MAY 12-18, 2013 COLAB WEEKLY UPDATE:**

**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 thy 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.**

It took only a few weeks to launch the moratorium. Why has launching long-range solution studies (not even the actual solutions) taken 8 months? What if things get worse in the short term due to drought?

**Item 28 - Los Osos Sewer Project Cost Overruns (The Budgetary Transfers and New Appropriations Should Require 4 Yes Votes to Pass, which is not noted on the Agenda).** This is the return of the same item (it has been revised and expanded for this hearing) that was continued from the December 17, 2013 meeting. Both Arnold and Meacham had questions. Gibson and Hill wanted to jam it through, but Ray (although she said she was fine with approving the contract), deferred to Meacham's plea for more time. He indicated he had been consumed with Paso water matters.

The bottom line is that the project, originally budgeted at \$173.4 million, has now grown to \$183.4 million, a \$10 million overrun. Luckily for the County, it has received \$10 million in "unexpected" State water grants, which keep the wolf outside the door for the moment. Even with these grants, the Board will need to authorize internal borrowing in order to facilitate sufficient cash flows as the new sewer treatment plant begins to be constructed.

Upon examining the matter a little more deeply, the issue is much more serious than a \$10 million gap. The real problem is that the sewer treatment plant, which was originally budgeted at \$36.1 million, came in at \$50.6 million (including a \$2.4 million contingency). There have been other overruns on certain consulting/design/management engineering contracts. At this point the staff is projecting a \$13.4 million savings in the cost of the collection and disposal systems, and is applying \$2.2 million of the project's \$6.3 million contingency plus the \$10 million in new grants to show a *currently* "balanced" budget.

Exhibit A-2 of the staff report indicates that \$81.3 million, 44%, of the now \$183.4 million budget, has been expended thus far. Except for the remaining \$4.1 million contingency, any further substantial cost overruns could place demands on the County's general fund reserve. Additionally, there are approximately \$10 million in contingencies scattered through contracts which have already been issued. In the terminology of yachting, the project is sailing close-hauled. You don't want a wire to snap or a track to rip out here.



One of the action items contained in this overall agenda item is increasing the collection system design and management contract from \$6.9 to \$9.7 million which is carried over from the December 17, 2013 agenda and is back for a decision. This issue

was at the heart of Supervisor Mecham's request for a continuance in December. At that time we were saying, "Hey want about the treatment plant?" No response.

**Item 29 - Los Osos Sewer Treatment Plant Construction Contract Award.** The County received five bids for the project, which had originally been budgeted at \$36.1 million. In order to soften the negative perception of the overrun, the County keeps referencing the bids in terms of last summer's engineer's estimate of \$46.6 million and neglects to mention the actual May 11, 2011, Board-adopted budget, which can be seen in an attachment to the agenda item Exhibit A-1. The bids were as follows:

*Engineer's Estimate \$46,579,000.00*

*Balfour Beatty Infrastructure, Inc. \$46,390,170.78*

*Anderson Pacific Eng. Const., Inc. 47,540,170.78*

*Auburn Constructors, Inc. 48,180,299.00*

*Archer Western Const., LLC. 52,839,250.00*

*PCL Construction, Inc. 55,519,806.78*

Further complicating the issue is that the two lowest bidders have been disqualified as being unresponsive. Thus the Board must decide if it wishes to award the bid to Auburn. Relatedly, it must also decide if it wishes to increase the sewer treatment engineering consultant construction management contract by \$1.4 million.

Finally and separately, the issue of increasing the collection system design and construction management contract from \$6.9 to \$9.7 million, which was carried over from the December 17, 2013 agenda, is back for a decision.

**Labor Compliance Program:** Interestingly and not mentioned previously, the County must enter into a Labor Compliance Program agreement with the State and promise that it will pay prevailing wages and hire only contractors and subcontractors who meet agreement requirements. All contractors and subs must hire only union sanctioned apprentices. Often this will eliminate the ability of local subs to participate. The Board letter states:

*A portion of the overall project funding includes Proposition 84 bond revenues. As part of the funding requirements, your Board will need to adopt a formal Labor Compliance Program which will be applicable to the awarded Los Osos Water Recycling Facility construction contract. Adoption of the resolution attached to this Board letter will allow for Public Works to submit the approved plan to the Department of Industrial Relations for registration as the County's labor compliance program for projects funded under Prop 84 and will provide for the Director of Public Works to hire consultants, as needed, to properly administer the program.*

The full package can be accessed at the link:



**San Luis Obispo County Air Pollution Control District Meeting of Wednesday, January 22, 2014 (Completed)**

**Item A-1: Selection of a Chair and Vice-Chair.** It would appear that the plan was supposed to have been to appoint Supervisor Hill as Chair. Hill is currently the Vice-Chair. The Air Pollution Control Officer's write-up stated in part:

*The custom established by past Boards has been to alternate the Chair and Vice Chair between members from the Board of Supervisors and members from the cities, with the Vice Chair of the prior year, if still on the Board, traditionally being elected as Chair for the succeeding year.*

Apparently this plan became derailed by the controversy that erupted as a result of a letter from Hill to the New Times Weekly Newspaper, which characterized many segments of the community in the crudest and most negative terms. Since the article first appeared, Hill and APCD Director Larry Allen have actually amplified and expanded the controversy, which is attracting national attention.

Given the limited space here and the significance of Hill's continued aberrant behavior, we will deal with the history of the controversy and its policy implications separately from this Weekly Update. The Hill letter is reproduced below:

*Who is susceptible to conspiracy-theory thinking?*

***Adam Hill - San Luis Obispo County supervisor, San Luis Obispo -***

*Not only the superficially educated and narrow-minded, not only bumpkins with bad breath and worse teeth, not only the gullible and aggrieved, not only those who are nostalgic for a past that never was, not only those who are afraid of losing control—the fire-breathers, the weapons-collectors, wearers of bespoke body armor, anonymous online trolls, lovers of Ayn Rand novels for whom the gift of literacy is truly wasted, not only the teacher's pets from cardio-prayer class, and the self-appointed scolds of free speech and the memorizers of parables about power ...*

*Not only them, and not only the emotionally obese whose dreams are scarily self-tunneling and find themselves most alive when watching themselves rerun on the government channel late at night while wearing a human mask ...*

*Not only the sufferers of psychosomatic persecutions who use their cats as food tasters, not only the scavengers of propaganda, not only the depressed and bed-crazy, not only those who hear voices in other people's heads, not only the owners of 66 books on terror, not only those who crowd their homes with canned goods and medical salts, not only the connoisseurs of cartoon porn, not only those with ominous hair and gnawing*

*vendettas against the IRS, not only proudly unregistered voters or voters registered to parties with serpents in their logo ...*

*Not only them, and not only the over-medicated who've barricaded themselves behind an alternative reality as a way to hide from their own damaged lives and turn to AM radio for the comforts of hate and heart-worming pet tales ...*

*And not only the adrift and the paranoid and the resentful, not only the rural white, not only the panicky liars, not only racists and anti-Semites, not only those who speak in spittled spurts about the Constitution, not only the no-longer-employable-work-from-homers, not only the smelling-impaired, not only those who would never donate their organs to strangers, not only defunct politicians, not only the fanatics, not only those who fear world music ... .*

The text was first published in the January 16, 2016 New Times weekly newspaper of San Luis Obispo.

**Item C-6: APCD PROPOSED 2014 LEGISLATIVE PROGRAM.** The proposed program which, as originally submitted, essentially allowed the Board Chair and the APCO to support whatever they want. The item write-up stated in part:

*Given the infrequency of APCD Board meetings and speed of certain legislative matters, we do not anticipate bringing individual bills to your Board for a position. In the rare instances where it is deemed necessary for the District to provide a timely response on an important legislative issue prior to a Board meeting, the APCO will consult with the Board Chair on the proposed position to be taken and the position letter will be included on the next meeting agenda for Board review and information.*

After considerable discussion, it was determined to refer urgent matters to the executive committee or even call a special meeting. COLAB asked, "Why don't you prohibit staff from supporting SB 1 (the stack and pack tax increment financing bill designed to exponentially implement smart growth)." It's not clear if they will agendize SB 1 for discussion and action, but we should all know how our local elected reps stand on this massive reorganization of local government.