

# **COLAB SAN LUIS OBISPO COUNTY**

**WEEK OF APRIL 21-27, 2013**

## **ATASCADERO LIBRARY PROJECT TO BE REBID STILL A MYSTERY**

**RESIDENTIAL LOTS GOING OFF TAX ROLLS FOREVER  
MEANWHILE SHERIFF HAS LOST 25 SWORN STAFF**

### **ALERT**

**LAS PILITAS AGGREGATE QUARRY MEETING THURSDAY  
APRIL 25, 2013, 6:30 PM**

**SANTA MARGARITA ELEMENTARY SCHOOL  
CRUCIAL FOR BUSINESS AND CONSTRUCTION FUTURE  
NEEDS YOUR SUPPORT**

**(See Page 6 For Details)**

#### **Board of Supervisors Meeting of Tuesday, April 16, 2013 (Completed)**

**Item 2 - What Went Wrong With the Atascadero Library Bid?** The Board voted 3-2 (Mecham and Teixeira dissenting) to accept the staff recommendation to rebid the \$8.4 million Atascadero library project. Several community members spoke to the issue and expressed their disappointment in the delay because they had hoped to have the building completed next year on Atascadero's centennial. The speakers raised the same issues as COLAB had in last week's update. Supervisor Mecham pressed the issue with staff and still never received a complete answer. Staff said the bid required that the bidders be certified to erect steel or use a subcontractor who is certified. The low bidder was not certified and did not propose a certified subcontractor. The 2<sup>nd</sup> low bidder was certified. The County originally awarded the bid to the first low bidder. The 2<sup>nd</sup> low bidder appealed. The appeal panel decided that the whole project had to be rebid. Why didn't they recommend the award to the 2<sup>nd</sup> low bidder? The General Services Director said (on the record) that staff might have confused the first low bidder about the requirement. The Board did not pursue the question about "how did the staff exactly confuse the 1<sup>st</sup> low bidder about the requirement?" Even if they did, was it material?

In the end Mecham requested the Board to award the bid to the 2<sup>nd</sup> low bidder. Instead and as noted above, 3 supervisors voted to throw out all the bids and start over.

We bet that if the 2<sup>nd</sup> low bidder submits a new bid and is not the low bidder and does not receive the contract, it will sue the County.

**Item 3 - Ordinance to Prohibit the Use of Sky Lanterns.** The Board set the hearing to consider the sky lantern ordinance for May 7<sup>th</sup>. Apparently there is a growing problem in the County and in the State as a whole caused by the use of sky lanterns.

**Background:** *In 2011 the County Fire Department first became aware of sky lanterns, a new product being sold in local stores, on the internet, and non-commercial variations. Sky lanterns are airborne paper lanterns that are a tradition found in some cultures, and are typically constructed from oiled rice paper on bamboo frames. Each lantern contains a small candle or fuel cell composed of a waxy flammable material. When lit, the flame heats the air inside the lantern, thus lowering its density causing the lantern to rise in to the air. They are known to travel significant distances from the point of release. There is a serious fire and safety hazard associated with sky lanterns, which includes the potential to start an unintended fire on or off the property from which they are released.*

**Item 13 - Sale of County-owned Parcels in Cayucos to Land Trust Non-Profits.** The Board authorized staff to sell 48 county owned lots on hillsides above Cayucos by a bid restricted to not-for-profit land trusts. The map accompanying the item shows lots ranging in size from 1600 sq. ft. to 9200 sq. ft. COLAB suggested that before giving the lots to a non-profit land trust, the Board determine if any could be developed, thereby providing the County with additional property tax over the years. For example, a new \$750,000 view house on 1/3<sup>rd</sup> of an acre would generate \$7500 per year in new taxes, which would benefit the County and school district. Over 25 years (and even if the value never increased) the house would generate \$150,000. Similarly, 20 such houses would generate a new \$3million over 20 years.

Supervisor Gibson was dismissive of the idea of investigating the potential. He said the lots are too small and the area is an antiquated subdivision and should never be developed. He said that “the staff report covered it”.

**Irony #1:** The Planning Commission (in line with prior Board of Supervisors direction) just completed a recommendation to the Board that in line with “smart growth” small lots (down to 2,100 sq. ft.) be encouraged as part of the proposed Planned Development Ordinance. The lots, which are being socialized in Cayucos, range from 1600 sq. ft. to 9,200 sq. ft., with an average of 5400 sq. ft. The folks in Templeton, Nipomo, Oceano, Santa Margarita, Shandon, etc. can enjoy lots as small as 2100 sq. feet under the proposed new ordinance. But the valuable view lots above Cayucos are “too small.”

**Irony #2:** During the discussion of a separate and unrelated agenda item, the Sheriff noted that during the recent recession, his department lost 25 funded sworn deputy, supervisorial, and corrections front line safety positions.

You would think the Board would be looking for opportunities to replenish lost revenue and strengthen key safety activities. We just heard that a major cause of homelessness in the City of San Luis Obispo is the inability of the County Mental Health Budget (Behavioral Health) to deal with patients in the jail and elsewhere because the funding is so insufficient. God forbid that someone driving his/her Aston Martin up Highway 1 would have a hillside house sully the 3-second view. No doubt the downtown businesses in SLO can “appreciate” the County’s priorities.

**Item 24 - Appeal by a Property Owner of the Denial of a Certificate of Compliance in Los Osos.** The Board denied the appeal but gave strong direction to staff to work with the landowner’s attorney to achieve the proposed goal (merger of 4 lots into one larger lot) in the simplest way possible. In this instance, Supervisor Gibson (it’s in his district) actually and quite firmly tried to help divine a path to approval. A Deputy County Counsel and the Deputy Planning Director kept finding reasons to prevent an immediate solution. We wish the Board would take this approach on all the land use issues. Supervisor Gibson included in his motion direction to staff to “assist the applicant to achieve his goals”. What a great “prime directive” this would make.

The Board should have insisted on a firm date for the Planning Department to complete the process and report back to the Board on the status. Otherwise they could drag it out, make more complicated than it needs to be, and try to drive the applicant into insolvency.

**Background:** Most new subdivision lots are created through an application pursuant to the County’s subdivision ordinance and the State Map Act, which requires that cities and counties regulate the subdivision of land. But what about lots which were created prior to county regulation and the Map Act? Planning could require those owners to file an application for a Certificate of Compliance or actually take it through the subdivision process. Older lots may not be replicable under new subdivision standards.

<b>Board of Supervisors Meeting of April 23, 2013 (Scheduled)</b>
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**Item 1 - Improvements to the Cayucos Water System.** The write up states in part:

*The Public Works Department has been developing an infrastructure improvement program for the upgrade of County Service Area 10A (CSA 10A) water system for the past few years. These efforts have been accomplished in conjunction with the Cayucos Citizens Advisory Committee (CCAC). Water system improvements are necessary to supply the residents of CSA 10A with flows able to meet California Fire Code fire-flow requirements. This project is the first phase of the needed improvements and consists of upsizing 3,800 linear feet of selected sections of substandard, undersized 4-inch distribution waterlines in Richard Avenue, Stuart Avenue, and Shearer Avenue, to 8-inch pipelines.*

The write up does not indicate if this project will enable the easing of development restrictions.

**Item - 8 Expanded Juvenile Hall.** This is a fairly routine item containing actions necessary for the County to comply with state grant provisions for funding that it received to expand a juvenile hall. What is disturbing is a section that illustrates how environmental regulations impact project design and costs in subtle ways that are often under the radar of citizens and taxpayers.

*Part of the review process included site meetings with the Environmental Coordinator, the biologist and Probation to set boundaries for the riparian habitat. The environmental recommendations and boundaries prompted the modification to the initial concept design to better suit the site confines. The design was again modified to meet the requirements of the State and local Fire Marshals for a fire lane and the recreational yard requirements for the outdoor programs. The fire lane is narrower at points than is required due to the boundaries established for the riparian habitat, and the requirements for recreational space. Additional fire hydrants are proposed to mitigate the fire lane width requirements.*

Imagine the accumulative impacts of this sort of thing over time throughout the County  
Imagine the statewide impacts.

**Item 12 - Authorization to Apply for a \$638,000 State Energy Grant.** According to the Board letter the grant would enable the Planning Department to revise and simplify ordinances which are now making it too hard to do green energy projects. The write up states in part:

*If successful, this grant application will lead to the establishment of Renewable Energy (RE) combining designations (or overlay zones) on the County general plan maps. This proposed RE combining designation is similar in intent to the existing Extractive Resource (EX and EX1) combining designations that protect areas of existing extraction and significant mineral resources from incompatible development. In the case of the proposed RE designation, an eligible renewable energy project (wind or solar) would be a priority use and other resources or considerations would be secondary. The regulations to be established will probably be aimed at smaller renewable energy projects (e.g. 40 acres). This streamlining approach is based on careful mapping of resources, infrastructure and environmental and other constraints. Staff and a consultant will prepare regulations with extensive stakeholder input with the acknowledgment that the County wishes to streamline and encourage renewable energy projects. The grant proposal also includes preparation of a very broad-based EIR that looks at the specific areas proposed for an RE designation (based on the resource, infrastructure and constraints mapping). This will assist future applicants with a more streamlined environmental review of specific renewable energy projects.*

Single-family houses on hillsides are bad for the view shed, but several hundred big honking windmills will be great.

**Item 20 - Sole Source Contract with Intelegy Corporation of San Ramon to Implement Obama Care (Affordable Care Act) Call Center.** The County is gearing up to implement Obama Care, which officially starts on January 14, 2014. One category of potential

participants involves those who will be newly eligible for Medi-CAL. There are sub programs and choices, and clients must receive assistance on how to choose the appropriate version. The \$152,000 contract will provide consulting services to the County on how to set up and run a call center to provide the service and do the client sorting. The Board letter indicates that 50 County employees will be trained to function within the new call center. It is not clear what becomes of their current duties.

**Irony 1:** Obama Care, which is supposed to streamline and make health care more affordable, is exponentially expanding all sorts of administrative and processing functions and industries. Just wait until they begin resolving problems over approving medical procedures in relation to diagnosis, age, pre-existing condition, and appropriate cost for the procedure.

**Client:** Hi, I need bypass surgery and I don't have insurance. Where do I sign up?

**Call center guy:** How old are you?

**Client:** 41.

**Call center guy:** Why do you need a bypass at such a young age?

**Client:** I weigh 310, smoke 3 packs of Camels per day, and drink a quart of scotch every night.

**Call center guy:** Why don't you have insurance?

**Client:** I can't work.

**Call center guy:** I'll have a supervisor (not the elected version) call you back.

**Client:** I'm running out of cell phone minutes.

**Should the County get in the Call Center Business in the First Place?** Interestingly, the Intelegy corporate President, Vail Dutto, once wrote in a business publication with regard to call center services:

*Why are companies sending these tasks overseas? One factor is the general willingness, or even imperative, of corporations to focus on their "core competency." Gartner's survey of corporations with revenues of \$100 million to \$4 billion showed that 25-30% of the firms were outsourcing to U.S. based firms. Cost then looms large. Contact centers in India can result in 30-40% cost savings, says Vail Dutto, CEO of San Ramon, Calif.-based InTelegy. InTelegy has focused on managing call centers onsite for clients, but in June forged a partnership with HCL Technologies of India. InTelegy now can offer clients use of a 400-seat call center in New Delhi at a billable rate of \$18 an hour per Indian worker, vs. \$30 to*

*\$35 an hour for their U.S. counterparts. "It's just really expensive to do business here in the U.S., particularly from a customer support standpoint," Dutto says.*

*The cost benefits go beyond wages alone, Dutto says. Turnover at U.S. call centers can run at 100% and absenteeism can reach 14%, Dutto says. But those drop drastically in India, she suggests, partly because of door-to-door transport services for workers. Prestige also may play a role. Dutto says while call center jobs in the U.S. might be on par with fast-food work, in India they are equivalent to accountant or computer programmer positions. All employees at the InTelegy-HCL Technologies facility have a college degree.*

**Irony 2:** Obviously running call centers is not a core competency of the County Social Services Department. Why don't they just take Dutto's free advice and contract the thing out? Dutto's New Delhi call center is staffed by all college graduates, has low to no turnover, and has very low absenteeism.

#### **UPDATE ON SANTA MARGARITA QUARRY PROPOSAL**

Las Pilitas Resources, LLC is a proposed rock quarry operation on Highway 58 approximately 4 miles east of Santa Margarita. The project recently took a major step forward with the release of the draft environmental impact report (EIR). Last week, the San Luis Obispo County Planning and Building Department released the draft for public comment and review more than 2 years after the project applicants began their search for an EIR author and consultant.

The local owners of Las Pilitas Resources, Mike Cole and Steve Souza, are both Santa Margarita residents and local business owners. Steve has operated Souza Construction out of San Luis Obispo for nearly 20 years, while Mike has operated Mike Cole Farms in San Luis Obispo County since the 1980's. Both are committed to protecting their town's small-town character while providing a much-needed resource to our community.

The project site spans a total of 203 acres, of which 60 acres will be utilized. Under the current proposal, more than 100 acres of land will be left in open space. The Conditional Use Permit (CUP) being sought from the county would allow for the quarry to operate for approximately 30 years.

Las Pilitas Resources will provide our community with a local aggregate resource. As the long-term aggregate demand has increased by 166% over the past decade, the permitted supply has fallen 71% short of what's needed. At this rate, all locally available aggregate resources will be depleted in 13 years. Furthermore, the area around the Las Pilitas Resources property has been designated by the State of California as having high quality aggregate resources, and the site has been zoned for mineral extraction for more than 30 years.

The Las Pilitas Resources proposal will also help boost the local economy by facilitating job creation and providing a more competitively-priced product, savings that will benefit local businesses and lower costs to consumers. The project will also provide additional revenues to the county through increased equipment and property values, money that can be reinvested in our community.

Please take a moment to visit their newly redesigned website, [www.laspilitasresources.com](http://www.laspilitasresources.com). There, you can sign up as a supporter of the project by clicking on the "Support Us" tab. You can also show your support by "liking" their Facebook page and following them on Twitter.

You can also support the project by attending a public meeting regarding the Las Pilitas Resources proposal next Thursday, April 25th. The County's Planning and Building Department will be providing the public with important information regarding the quarry project. You will find more information on this meeting below:

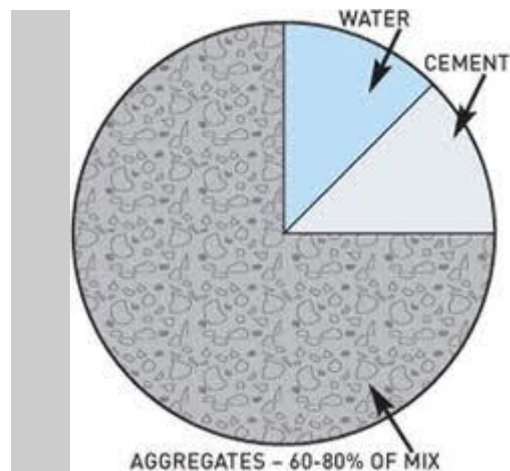
**What: Public Meeting regarding the Las Pilitas Resources proposal**

**Where: Santa Margarita Elementary School Cafeteria (22070 H Street) in Santa Margarita**

**When: Thursday, April 25, 2013**

**Time: 6:30pm (suggested arrival time is 6:00pm)**

COLAB looks forward to providing our readers with updates regarding the Las Pilitas Resources proposal as it continues through the entitlement process.



A local supply of aggregates is essential to our roads, which are already deteriorating. Hauling from distant sources boots costs and means less road maintenance.