

# COLAB SAN LUIS OBISPO COUNTY

WEEK OF DECEMBER 16-22, 2012

## PASO WATER BASIN BLUE RIBBON COMMITTEE REPORTS ON POSSIBLE SOLUTIONS - BOARD WILL HAVE TO DECIDE WHICH ONES ARE STUDIED

### PATTERSON: “GIBSON MATTER CAREFULLY INVESTIGATED”

Board of Supervisors Meeting of Tuesday, December 11, 2012 (Completed)

**Supervisor Patterson Comments on the Gibson Matter.** After several speakers commented on the County’s refusal to conduct an independent investigation, outgoing Supervisor/Board Chairman Patterson stated that the matter “was very carefully investigated.” He continued with the statement (presumably to justify the lack of action), “The County has no code of conduct.” He further noted, “County Counsel Neal and County Administrator Buckshi are now surveying some of the departmental codes of conduct prefatory to developing a County wide code.”

**What about the existing Organizational Values Statement?** As we have been pointing out repeatedly for weeks, the “Statement” that was adopted with much fanfare several years ago, states in part:

#### *Organizational Values*

*The employees and elected officials of San Luis Obispo County are guided by the following values. Our decisions and actions demonstrate these values. Putting our values into practice creates long-term benefits for stakeholders, customers, employees, communities and the public we serve.*

•*Integrity*

*We are dedicated to high ethical and moral standards and uncompromising honesty in our dealings with the public and each other.*

*We behave in a consistent manner with open, truthful communication, respecting commitments and being true to our word.*

Do County Counsel Neal and the Board members actually believe that this statement has not been violated? If the words “Code of Conduct” had been written at the top instead of “Organizational Values,” would the Board uphold its own self-imposed standards? The point is that there is no difference. Are the public and the County employees gullible enough to excuse the lack of action because the CAO and County Counsel are going to develop a “Code of Conduct”? Under what authority did the CAO and County Counsel suddenly determine to develop a Code of Conduct after the Gibson matter was revealed? There was no public direction from the Board. There has been no public discussion by the Board of the Organizational Values in relation to a new “Code of Conduct” or why the Organizational Values are insufficient for the current situation. Is the behavior OK under the Organizational Values but not OK under a Code of Conduct? This is just an excuse to try and let the matter drop.

**Government Code Section 25042:** A portion of the State Statute, which pertains to County Supervisors, is quoted in the box below.

25042. Any supervisor who (a) refuses or neglects to perform any Duty imposed on him, without just cause, or (b) wilfully violates any Law provided for his government as a supervisor, or (c) fraudulently Or corruptly performs any duty imposed on him, or (d) wilfully, Fraudulently or corruptly attempts to perform an act as supervisor Which is unauthorized by law, in addition to any other penalty prescribed by law, forfeits to the county five hundred dollars (\$500) for every such act, to be recovered on his official bond, and is further liable on his official bond to any person injured thereby for all damages sustained.

The underlined portion of the Statute would seem to prohibit a supervisor from using public funds to pay salary and benefits (for a period of years) to a direct report subordinate staffer (who he appointed to her job and whose payroll authorization he signed every two weeks) and with whom he is having a personal relationship. After all this was not a casual affair with a remote employee in some distant office with whom he had no working contact, no ability to approve bi-weekly payroll, and no control. What if he had to pay the fine of \$500 for every bi-weekly payroll he signed over 6 years? The County might try to escape under the “other duties as required clause.”

Perhaps it will take a TAXPAYER SUIT to get some accountability on this one.

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**Los Osos Community Plan Update.** The Board unanimously authorized the Planning Department to commence a 3-year process to update the Los Osos Community Plan. There was no discussion of the total cost of the Plan itself or the related Habitat Conservation Plan, Water Basin Management Plan, or Circulation Plan.

**Background:** The issue is significant because of the area's history in relation to the Central Coast Regional Water Quality Control Board (CCRWQB) requiring the construction of the sewage treatment plant, collection system, and disposal system. Apparently the Coastal Commission is requiring that the County to adopt a Habitat Conservation Plan (HCP) as a condition of approval of the sewer treatment system. Moreover, the CCRWQB is requiring the County to adopt a Water Basin Management Plan that would assure safe yield (no more water comes out to the basin than flows in annually) before vacant parcels in the Los Osos prohibition zone can be connected to sewer system. The vacant parcels are important because they can contribute to the revenue base of the sewer system, which is already stressing the existing residents, who have to pay the property assessment, use charges and lateral charges. All the dominos must fall for the operation of the sewer plant to be approved by various Federal and State agencies. The County would prepare the Water Basin Plan as a subordinate component of the Community Plan. Both the Water Basin Plan and the HCP would inform and constrain what can be contained in the Community Plan.

With each step, the County gets further down the proverbial rabbit hole on this one.

<b>Board of Supervisors Meeting of Tuesday, December 18, 2012 (Scheduled)</b>
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**Zoning Ordinance and General Plan Amendments (Item 43).** The item contains amendments to the County's inclusionary housing ordinance. Had it not been for the continuation off-calendar, this ordinance amendment proposal would have contained the revised Ag. Cluster (property confiscation) ordinance. This portion has been removed. It seems safe for now.

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**Irony Department (Item 6).** Section 82011b of the State statues requires that the Board of Supervisors of any county review and approve the Conflict of Interest Codes of any local government agencies located within the respective counties on a biennial basis. The SLO Board will have the Codes from a number of local agencies before it for consideration. Wonder if they are qualified?

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**Big Bucks For Real Property Tax System (Item 9).** The item seeks authorization for the County to enter into a \$1,620,213 contract with a large software design/technical support firm (Tiburon Systems) to install updated software and hardware to manage the real property assessment and tax billing operation. The total project is reported to cost \$4,054,500 over 2 years. The County is adding 7.5 FTE in new staffing to help execute the project. This is in addition to whatever on-site and backup staffing is being provided by the vendors.

**County Still Has Mainframe Computer:** The Board report indicates that the new software will allow the County to discontinue use of an obsolete mainframe computer that is reportedly costing \$900,000 a year to operate. The report does not indicate what other departments are still using obsolete systems running on the mainframe, if any. If there are others, there must be other costs to move them off as well. A number of California counties have been among the last jurisdictions to remain on mainframe computers in the country. In part, this has been the result of an inability either to develop or to purchase “off the shelf” software to manage the complex real property assessment, billing, and payment process. Most local governments had taken advantage of advancing technologies and had ditched their costly, staff-intensive mainframes by the 1990’s.

The Board should set up quarterly reporting and watch for scope and cost creep. This is another rabbit hole which can get deeper and deeper.

**A Risky Project:** A number of California counties have attempted this project and there have been considerable problems and large cost overruns. In part, some of this has been covered up by constantly redefining the project goals and scopes. The Boards of Supervisors and citizens lose track and time, and cost extensions proliferate.

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**Rank Creep (Item 17).** The Board is being requested to approve reclassification of 6 positions to a higher salary level. One the ways local government costs grow is through rank creep. Rank creep is the process by which a mixture of higher ranking (and higher paid) positions are gradually substituted for existing lower grade positions. Over time this can substantially add to the budget. In this case, a medium ranked clerical in the Social Services Department complained that she was performing the job duties of a higher ranking position class. Personnel studied the matter and agreed. It then found five other individuals who would have to be upgraded. This results in a new \$60,000 per year and growing.

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**More Money For the Economic Vitality Corporation (EVC) [Item 19].** The Planning Department recommends more money for the EVC to conduct Economic Development activities on behalf of the County. You be the judge:

*On August 28, 2012, the Board of Supervisors approved the annual renewal agreement providing \$80,775 in General Fund support for the Economic Vitality Corporation (EVC) to implement the San Luis Obispo County Clusters of Opportunity Economic Strategy. The scope of work included the following tasks:*

- Acting as lead agency, assist the County by facilitating implementation and preparing updates as needed for a countywide economic strategy.*
- Obtain matching funds in an amount at least equal to the amount of funding provided by the County (any non-County funding secured by the EVC for the countywide economic strategic plan shall be counted toward this matching funds performance objective).*

□ Convene at least one seminar on a topic related to the economic strategy that will assist and improve county businesses and the county economy.

The EVC now requests that the County provide an additional \$18,000 for the following additional tasks:

- Act as a referral agency to the County, engaging business cluster stakeholders and facilitating input on proposed policy adoption and modification actions.
- Monitor opportunities for statewide action pertaining to economic initiatives. Engage cluster industry and other community stakeholders as feasible and appropriate.
- Establish and maintain collaborative relationships with economic development and workforce development partners locally and in adjacent regions (Monterey, Santa Barbara, and Ventura Counties).

Nice work if you can get it.

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**EVC Gets Money to Run Energy Watch Partnership: (Item 21).** The State Public Utilities Commission has forced PG&E to grant local governments money (raised from your utility bill) to assist businesses to reduce electric and gas use. San Luis Obispo County in turn contracts with its non-profit Economic Development agency (EVC) to carry out the program. The Board letter states:

*The MOU would clarify the changing roles of the EVC and the County. The additional funding associated with the contract would allow the Energy Program Coordinator position to continue to be 50% funded by the Energy Watch Partnership contract in the amount of \$185,950 for the 2010-2012 program cycle (the remaining 75% of the Energy Program Coordinator is funded by other grants that require the remaining portion of this position's time). Energy Program Coordinator to continue be funded for 50% of the position and the remaining \$236,073 would fund two (2) limited term Land Use Technician positions for 18 months. The balance is for marketing supplies required by the contract.*

What a muddled paragraph! Does the underlined portion of the paragraph mean that if 50% of the Energy Program Coordinator job is \$185,000, that the total is actually \$370,000 per year? Wow! Even if the payment term of the salary covers 2 years, it would be \$185,000 per year. More nice work if you can get it.

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**Implementation of the Public Employees' Pension Reform Act (PEPRA) In San Luis Obispo County (Item 34).** Earlier this year the Legislature passed several pension reforms that will take effect on January 1, 2013. These will only affect employees hired after January 1, 2013. They include provisions impacting salary calculations, cost sharing, limits on post retirement employment, and so forth. The Board item adopts the provisions into the County's pension system. Any savings will have to be calculated during the next actuarial study of the system.

Paso Robles Ground Water Basin Blue Ribbon Committee Progress Update (Item 35).

EXHIBIT A

Strategy	Alternatives	Mechanisms
Conservation	<p>Implementation of Best Management Practices and Best Available Technologies</p> <p>Limiting Demand to Perennial Yield</p>	<p>Voluntary</p> <p>Incentive Based</p> <p>Ordinances and Governance Structures</p>
Supplemental Water	<p>Nacimiento Water</p> <p>Salinas Reservoir</p> <p>Basin &amp; Watershed Creeks/Rivers</p> <p>State Water Project</p>	<p>Expansion of current infrastructure</p> <p>Injection</p> <p>Direct Deliveries</p> <p>Recharge</p> <p>Exchanges</p> <p>Banking Programs</p> <p>Wheeling</p> <p>New Off / On-Stream Storage</p>
Recycled Water	<p>Wastewater Facilities</p> <p>Onsite Systems</p>	<p>Direct Deliveries</p> <p>Recharge</p> <p>Injection</p>

The chart above lists the strategies and potential implementation mechanisms which the Committee recommends be studied as potential means to prevent over draft of the Basin. The Board will have to decide if it conceptually approves of the recommended mechanisms and then must authorize the funding to conduct the studies to assess their actual potential impact and feasibility. Meanwhile, the moratorium on the creation of new lots remains in force.

**Planning Commission Meeting of Thursday, December 13, 2012 (Completed)**

**Phillips 66 Oil Company Request for Permits to Expand Maximum Allowed Production.** The Commission approved a Development Plan and Coastal Development Permit which will allow Phillips to expand the throughput at its plant next to the railroad in western Nipomo. The plant employs 240 people and a number of contractors, is a significant property tax payer, and purchases many goods and services in San Luis Obispo County. In order to remain competitive it must expand its volumes. Both County Planning and the APCD, supported the project.

COLAB appeared in support and pointed out that the County is very fortunate to have the Phillips 66 facility (Phillips is a major US energy corporation). The expansion of the processing volumes is a good omen for the future of the facility.

Hopefully the California Coastal Commission will ratify the County's approval without subjecting Phillips 66 to a protracted and costly process. Hopefully the Coastal Commission will not try to extract so much mitigation tribute (money, land, easements, etc.) that Phillips is driven away.

Background:

**SUBJECT:**  
Hearing to consider a request by Phillips 66 for a Development Plan / Coastal Development Permit to allow for the increase in the daily maximum limit of crude oil throughput (by 10 percent) from 44,500 barrels per day (bpd) to 48,950 bpd at the existing oil refinery. Additionally, for the SLOCAPCD permit, the 12-month rolling average of crude oil throughput would increase from 16,220,600 barrels per year (bpy) to 17,866,750 bpy. The project will not result in new ground disturbance on the approximately 1,644 acre parcel. The proposed project is within the Industrial land use category and is located at 2555 Willow Road, southwest of the Village of Callender Garrett. The site is in the South County (Coastal) planning area.

