



## **COLAB SAN LUIS OBISPO COUNTY**



**WEEK OF MAY 17-23, 2015**

**\$8.8 MILLION IN UNBUGETED EMPLOYEE RAISES  
THEY REQUIRE SERVICE CUTS AND UNDER STAFFING**



**PLANNING COMMISSION HAS MANY QUESTIONS  
ABOUT PERMANENT PASO MORATORIUM  
(HAS BEEN CONTINUED TO MAY 28 FOR FUTHER REVIEW)**

**-LAS PILITAS MINE KILLED-  
ARNOLD AND COMPTON DENIED TIME TO  
FORMULATE REASONS FOR APPROVAL**

**LOCAL AGENCY FORMATION COMMISSION  
COMMENCES PASO BASIN WATER DISTRICT  
REVIEW**

**Board of Supervisors Meeting of Tuesday, May 12, 2015 (Completed)**

**Item 3 - Hearing to consider an appeal by Las Pilitas Resources, LLC of the Planning Commission's decision to deny its application for a Conditional Use Permit and Reclamation Plan for the Las Pilitas Quarry (DRC2009-00025) located at 6660 Calf Canyon Highway near the community of Santa Margarita. The Board of Supervisors denied the appeal (thereby killing the project) on a 3/2 vote, with Arnold and Compton dissenting. The**

hearing lasted from 10:00 AM until 9 00: PM. There were 123 speakers, with 71 opposed to the project, 51 in support, and 1 who was incomprehensible. The Sierra Club supported denial of the project as did the SLO County Bicycle Coalition.

Supervisor Compton clearly had spent the most time studying the project and had many questions related to the staff recommendation that it be denied and the Planning Commission's ultimate denial. She presented extensive questions and reasons why the Board should find that the various objections to the project should be overruled. Many of the reasons for denial turned out to be trivial and/or subjective when exposed to Compton's questions as well as comments by the applicant. In the end, the 3 Supervisors who denied the project, Gibson, Hill, and Mecham, refused to allow Arnold and Compton the time to formulate those issues as findings of overriding concern, as required by the process. It would have been improper for the concerns to be formalized into a motion prior to the full hearing. Instead, they simply rejected Compton's motion to sustain the appeal on the basis that there were no statements of overriding concern in the motion. At the same time they would not recess the meeting to provide the time to prepare the statements of overriding concern for full, fair, and proper consideration.

### **What a railroad job.**

**Background:** On February 5, 2015 the County Planning Commission, on a 3/2 vote, denied the application for the development of a new quarry to the northeast of Santa Margarita on Highway 58. A former Planning Director had warned Las Pilitas Resources in writing in 2011 that an approval of the site would be difficult to impossible. After analysis of the application and environmental impact report, the staff recommended denial and, as noted, the Commission agreed. Las Pilitas appealed to the Board of Supervisors to overturn the Planning Commission. The Board needed a minimum of 3 votes to override the Commission. The Board also needed to override what are termed 7 unavoidable Class I California Environmental Quality (CEQA) negative impacts which were ginned up by the staff and the Planning Commission. This barrier required that the Board adopt what is called a finding of "overriding concern" for each one in order to approve the project. The key reasons for the denial by the Board are listed below:

- 1. The project was found to be inconsistent with several goals and policies of the County General Plan.*
- 2. The project was found to be inconsistent with Title 22, the Land Use Ordinance.*
- 3. The project would be detrimental to the health, safety and welfare of the public and the community of Santa Margarita.*
- 4. The project was found to be incompatible with the character of the immediate neighborhood and the community of Santa Margarita and its orderly development.*
- 5. The project would generate traffic that would result in land use incompatibilities with pedestrians, bicyclists, school children and the community as a whole.*
- 6. The project would result in seven (7) significant and unavoidable impacts related to aesthetics, noise and traffic and discussed in the Final EIR.*
- 7. There was a lack of specific overriding economic, legal, social, technological, or other benefits of the project that outweigh the significant effects on the environment, as would be required to approve the project pursuant to Public Resources Code section 21081.*

## Board of Supervisors Meeting of Tuesday, May 19, 2015 (Scheduled)

### **Item 2 - Monthly Drought Report.** The latest update states:

*To date, the County has received 91 responses to the supplemental survey (On Well Problems). Of the 91 respondents, 29 (35%) report that one or more wells have gone dry, 12 (14%) are trucking in water, and 66 (79%) have heard of other wells running dry in their area.*

So there is massive County policy based on hearsay.

#### **Reservoir Levels (% of capacity):**

Note: Historical averages calculated using data from the following time frame:

Nacimiento: 1959 – 2013; Lopez: 1994-2013; Salinas: 1987-2013; and Whale Rock: 1985-2013.

Reservoir	% of Capacity	Current Acre Feet Storage
Nacimiento	28%	106,075
Whale Rock	43%	16,599
Lopez	38%	18,868
Salinas	16%	3,906

Source: [www.slocountywater.org](http://www.slocountywater.org) County of San Luis Obispo

### **Item 3 - Purchase Agreement for Diablo Power Plan Surplus Desalinated Water.** The County is entering into an agreement to purchase water that could be used in an emergency in Cambria. It would have to be trucked since there are no pipeline connections from the remotely located power plant. The write-up states:

*The Pacific Gas and Electric (PG&E) Company's Diablo Canyon Power Plant uses a reverse osmosis desalination facility to produce water for their onsite operations. The desalination facility has the capacity to produce more water than needed for such day-to-day onsite operational needs. The desalination facility can produce more than 450 gallons per minute and the system currently runs between 40% - 50% capacity.*

The water would be stored and used in a fire emergency. The drought stricken Cambria pines present a tremendous hazard.

A small start.

### **Item 17 - More Red Flags on the Women's Jail Project.** The Board letter states in part: *The project has experienced schedule delays in the construction of the concrete caissons—a significant part of the foundation system for the new facility--which has been the main source of the additional costs for inspection services. These delays were caused by both an inaccurate estimate of the number of caissons that could be completed in a day, i.e., six scheduled vs two completed, and means and methods, i.e., the number of caisson drill rigs able to operate at one time due to site constraints. This has tripled the on-site time required for inspection. Another task that experienced longer inspection periods than anticipated was caused by increasing the number of concrete slab pours from two to five at the housing unit.*

The Board item omits a current overall financial status of the project. What was the original budget? What is it now? How does this latest issue impact it?

**Item 30 - Nacimiento Pipeline Repairs Completed.** The line has been repaired at a cost of \$1.4 million dollars. The county is seeking recovery of these funds from the original contractor, Teichert Construction.

## SHOCKING FINANCIAL DISCLOSURE BELOW

**Item 38 - 3<sup>rd</sup> Quarter FY 2014-15 Financial Report.** In a shocking revelation, the County Administrative Officer has informed the Board that \$8.3 million in unbudgeted wage increases will impact the current year budget and will require holding positions vacant and reducing services. There are two main causes for this debacle:

**1. Automatic Pilot Prevailing Wage Adjustments:** The County's compensation system contains a pernicious provision under which its labor contracts provide for automatic increases when salaries fall below what the unions and the County call prevailing wages – simply a term for a multi-county average. While the Board is touting small cost of living increases in various contracts, the hidden automatic pilot feature drives costs up without any policy or managerial control. As stated in the County report below, \$7.4 million is due to a combination of the automatic pilot program and the \$ 2.4 million un-negotiated Christmas gift of \$1,000 given to each employee last December. The report states in part:

*Approximately \$8.8 million in unbudgeted expenditures is projected through year-end. County departments report that they expect to absorb 94% or approximately \$8.3 million of this through a combination of salary savings generated by staff vacancies, reductions in services and supplies costs, and unanticipated revenue. The balance of the expenditures is proposed to be covered with \$494,295 General Fund contingencies.*

a. If the departments can offset \$8.3 million of cost by savings generated by vacancies, savings in services and supplies, and unanticipated revenues, was the budget too large in the first place?

b. Why were the triggering labor contract mechanisms (prevailing wage adjustments) not foreseen in the preparation of the proposed FY 2014-15 Budget?

*Of the \$8.8 million in unbudgeted expenditures, approximately \$7.4 million (84%) is due to prevailing wage adjustments granted to many employee bargaining units and the one-time \$1,000 Health Care Cost Offset payment to all permanent full-time employees and a prorated amount to all permanent part-time employees in FY 2014-15. As noted, departmental savings will be the primary source of funding for unbudgeted expenditures associated with the compensation increases. To the extent departmental savings are not available to cover the amount, staff recommends that your Board authorize a transfer of the deficient amount out of General Fund contingencies and/or reserves to the departmental operating budgets.*

Note that some of this amount will have to be covered by transfers from general fund contingency. This will require a 4/5ths vote, which provides an opportunity for fiscally responsible Board members to exercise policy control by voting no. Action number 8 under this agenda item should be rejected. It states:

*8. Approve miscellaneous budget adjustments totaling \$1,811,472 (summarized on page 23 of the attached report) resulting from unbudgeted year-end costs. The recommended financing for the adjustments consists of \$494,295 from General Fund contingencies and the remaining \$1,317,177 from unanticipated revenues and expenditure savings from within departmental budgets;*

**VOTE NO!**

**2. The \$2.4 Million Christmas Gift:** Staff told the Board that it was all covered and never disclosed service reductions. Back on December 2, 2014, COLAB pointed out:

- a. This gift of taxpayer money was never bargained for by the employees in accordance with the law.
- b. It is illegal because the County is receiving nothing in return. It is not permissible in California for government agencies to give out money without receiving something in return. The Board has not asked for anything whatsoever. It is being justified on the basis that some employees made concessions during the recession to help the County balance its budget when property taxes, sales taxes, hotel taxes, and other revenues turned down. That fact is irrelevant. The Board cannot grant gifts of taxpayer money for something that presumably happened in the past.
- c. Will the Board members themselves, their legislative aides, and the elected department heads each receive \$1000? Will Gibson be voting to give the \$1000 to his legislative assistant?
- d. Last week the Board raised almost \$2 million in fees in order to protect the general tax supported services. This week they are giving away \$2.4 million in pure general fund balance in what amounts to a patronage gift.
- e. This week the Board proposes to levy more costs on homebuilders for “affordable housing.”
- f. They have the gall, insensitivity, and arrogance to try to sneak this through on the consent calendar.

**The Board blew us off. Now the chickens have come home to roost.**

### **3. The Board Needs To Stop the Dance:**

- a. What are the exact service reductions in each department?

b. Does the Board agree with these?

c. The Board Budgeted 2,400 plus employees. Some of these are now being held vacant to cover this cost. What is the service impact? Does the Board agree?

d. Remember, except for the \$2.4 million onetime Christmas present, the rest of this is base building in terms of future budget salary costs.

e. The CAO says some that of this will be offset by unexpected revenue. Shouldn't the Board decide how unexpected revenue is used? --- **Not simply to cover up bad labor negotiations and Christmas gifts to employees.**

**Item 43 - Annual Review of the Growth Management Ordinance.** The County operates a growth management ordinance which generally restricts the number of new home permits to 2.3% per year above the previous year. The number is 0% in Los Osos and Cambria. It is 1.8% in Nipomo. In the Paso Basin it is essentially 0% because of the moratorium unless the property owner can demonstrate a 1:1 water offset. For the current fiscal year 2014-15 the ordinance would allow up to 1,104 residential permits to be issued. After the first 9 months of the year only 144 had been issued. As near as we can tell from the data, there have been 11 requests in the areas impacted by the Paso Moratorium. The data does not indicate how many have been approved. The 2015-16 cap allows for 1,105 to be approved.

**Board Misses The Point:** The real issue is why are so few permits being requested? One would think with the recovering economy, that there would be an accelerating number. Obviously the Paso Moratorium, Byzantine land use regulations, glacial process, and exorbitant processing fees, and mitigation exactions, people are being forced into stack-and-pack housing within the cities and URL's. It is not possible to assess the number who simply opted for other states. In the meantime, the County's strategic businesses (tech, innovation, health, etc.) continue to point out that lack of housing is a key barrier to critical employee attraction and retention, which in turn limits growth in these critical industries.

**Local Agency Formation Commission (LAFCO) Meeting of Thursday, May 21, 2015  
(Scheduled)**

**Item B-1: Study Session - Paso Robles Groundwater Basin Water District-History and Current Status of Basin, County's Resolution of Application (Recommend Receive and File).** The staff will present a status report on the history and current conditions in the Paso Basin prefatory to the Commission's beginning to process the County's application for creation of a Paso Robles Basin Water Management District.

County Paso Basin District Formation Manager John Diodati will present the various components of the application. No substantive action is contemplated at this meeting. It is not clear from the write-up if an actual valid application document has actually been filed by the County with LAFCO.

The most significant item in the communication is a proposed schedule for LAFCO processing:

### Possible Schedule

Action	Target Date	Comment
Board Consideration of Resolution of Application	April 21, 2015	Approved by the Board of Supervisor
LAFCO Staff Review-30 day Initial Review Begins	When Submitted	Expect application to be submitted soon
LAFCO Staff Analysis and Staff Report Preparation	On-going	Complete staff review and analysis of Boundary and Powers
Study Session: The Basin and the Resolution of Application	May 21, 2015	Study Session
Study Session: DWR and Fox Canyon Groundwater	June 18, 2015	Study Session
Notice of Public Hearing: Pending Board approval of funding plan and other information	July - 2015	21-Day newspaper notice is required. Direct landowner-voter notice is not required, but will be completed at least 21 days in advance of the hearing
Staff Report and Documentation Release	July - 2015	Staff Report and other documentation
1st Public Hearing	August 20, 2015	Public Hearing-Boundaries/Powers
2nd Public Hearing	Sept. 17, 2015	Public Hearing-Funding /Other Topics
Additional Hearings as Needed		

Note that the critical 1<sup>st</sup> public hearing is tentatively scheduled for August 20, at the peak of the summer vacation period for families. It is likely that many impacted land owners and citizens will not be able to attend. This was one of the ploys used when the Board of Supervisors adopted the Paso Basin Moratorium.

The Commission letter confirms that a number of areas are to be exempted from subjugation to the proposed district.

*The Boundary excludes the Atascadero Sub-Basin, the Cities of Paso Robles, and Atascadero, Heritage Ranch, San Miguel and Templeton CSDs from the proposed service area of the District.*

Most of the agenda package contains copies of the material from the Board of Supervisors Meeting of April 21, 2015. For our readers' convenience, we repeat the issues which COLAB raised before the Board, when on a 3/2 vote, it determined to send the application to LAFCO.

**Background:** Per prior Board direction, the staff has prepared an application to the Local Agency Formation Commission (LAFCO) for the creation of the AB 2453 Paso Basin Water Management District. The Board of Supervisors is to determine whether it will submit the

application as presented, modify it and submit it, or reject it. The LAFCO Board consists of 2 members of the Board of Supervisors, 2 elected representatives of the cities in the County, 2 board members of special districts in the County, and a citizen representative selected by the other members. They are collectively called the commissioners. LAFCO's job is to review the application and determine if it meets various requirements the State's Cortese-Knox Act, which regulates local government formation matters. The LAFCO may approve the application as submitted, modify it and approve it, or reject it. LAFCO may also add conditions to any approval. If LAFCO approves the district formation, it must be submitted to a vote of the property owners living within the proposed boundary. Fifty percent plus 1 of the voters who actually vote must approve the final LAFCO structure for it to become activated. Our discussion here is organized into 4 sections, including A) Is There a Benefit by Creating the District? B) Process Issue Problems, C) Financial Issues, and D) Powers and Functions of the District.

## **A. Is there a Benefit by Creating the District?**

### **1. Local Control?**

Proponents and Supervisors Gibson, Hill, and Mecham list "local control" as the overarching public benefit and primary justification for the creation of the new government entity. A number of questions arise concerning the actual operational meaning of local control in this situation:

**a. How independent will the district really be given various limitations place on it legislatively?** The staff report states:

*AB 2453 authorizes the Water District, if formed, to exercise a broad range of powers, subject to review and approval by LAFCO in accordance with Cortese-Knox and obtaining consent from the County, Flood Control District, or other local agency(s) before engaging in any activities normally and historically undertaken by those agencies.*

What if a future Board of Supervisors does not give consent or imposes conditions? Where is the guarantee of local control here?

**b. What About Land Use Authority?** The County will, of course, retain land use authority over the area included in the proposed district. Currently that area is under a land use and water moratorium. Per Board direction the staff is preparing General Plan and land use ordinance amendments which would render that moratorium permanent. Even if those provisions sunset after the completion and approval of a groundwater sustainability plan in some future year (perhaps 2022), what independence and local control does the board of the water management district actually have in these matters? What's to stop a future Board from re-imposing the moratorium? What's to stop a future Board of Supervisors from imposing even more severe restrictions, such as a 2:1 water offset requirement or subjecting homeowners to moratorium restrictions when they apply for minor improvements such as an extra bathroom?

**c. Local Control by Whom and to What Ends?** The fact that the new district is designed to have a board of directors elected from various classes of ownership of people living in or near the district is given as proof of local control in contradistinction to control by the Board of Supervisors. Much effort was expended by proponents to demonstrate that no one faction by ownership class (amount of acreage owned) could get control of the district board. This discussion was a distraction. The real issues include: 1) what is the likelihood that some

combination of 5 directors will include maintenance of the moratorium as a key element of the district's future groundwater sustainability plan (GSP)? 2) Since all the powers included in AB 2453 are recommended to be operationalized in the LAFCO approval (and most of those powers are regulatory in nature), what is the likelihood that some combination of 5 directors will adopt ordinances implementing them? 3) Since the approval of fees, assessments, and taxes are based on Prop 218 land ownership vote, the 2 representatives of 30-40 largest landowners will control the budget.

## **2. Ending the Moratorium?**

What is the proponents' general long-range plan for ending the moratorium and opening up development of existing residential parcels and small ranchette type parcels? In order to have conceived of the district, the proponents must have considered this major issue. For that matter and for those Supervisors who support district formation, what is their general proposal for the district to eliminate the moratorium? What would be the general time frame for implementing their proposal?

On the other hand, what if it is impossible to ever end the moratorium in terms of complying with SB 1168? Or what if the Board of Supervisors or the district proponents have no intention of ever lifting the moratorium? If the moratorium is to be permanent (which appears to more and more be the case), why is the district even necessary? If future Ag. expansion and residential expansion are essentially over, what would be the purpose of the district? After all, with no new development, the County could easily eliminate the current 2,500 acre feet per year overdraft and be immediately compliant with SB 1168.

## **3. Does the District Benefit Residential and Small Ranchette Owners?**

Most of the owners in the unincorporated area of the basin live in single-family homes on small lots or ranchettes. They account for a very small portion of the water drawn from the basin. Should these properties be exempt from district regulations and assessments since they are not a substantial contributor to any existing or impending overdraft? What about exempting properties of 40 acres or under?

## **B. Process Issue Problems:**

### **1. The Moratorium:**

The County adoption of the so-called Paso Basin Urgency ordinance water and development moratorium contaminated the whole process and confused the issue. Prior to its precipitous adoption to the moratorium the Board had been talking about ways in which to assist residents suffering from the drought fueled problem of some wells going dry (the number has never been shown to be statistically significant). In August 2013, the Board abandoned this course and imposed a 2-year plus 2-month ban on drilling new wells (including agricultural expansion and new homes). At that time the moratorium was termed a "time out" to ascertain the seriousness of the problem and both short- and long-term remedies.

Significantly, the proponents of the new water district PRAAGS went on record as supporting the moratorium.

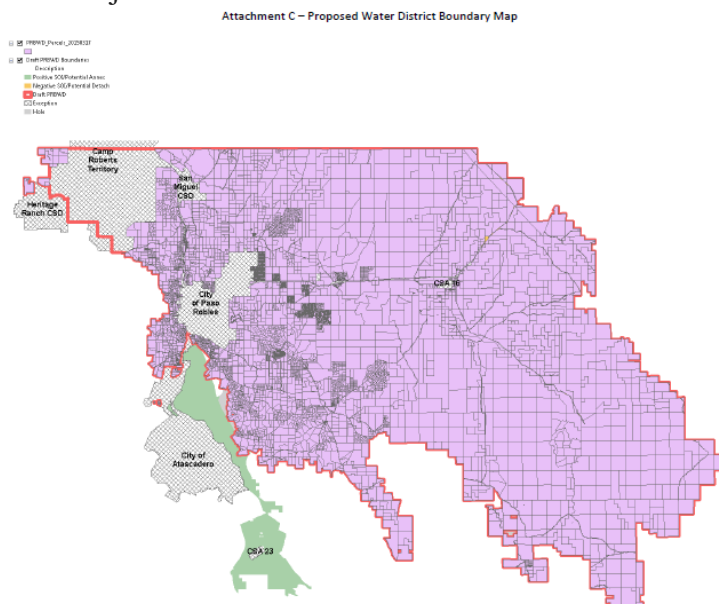
### **2. The Moratorium Is Essentially Permanent:**

At this point, the Board of Supervisors water issues majority (Gibson, Hill, Mecham/GHM<sup>3</sup>) are proposing that the 2-year/2-month moratorium be extended until the new district is in place and has received approval from State Water Resources Water Control Board (DWR) for an SB 1168 compliant basin-wide groundwater sustainability plan (GSP). The problem is that the Plan must be developed by a groundwater sustainability agency (GSA) which has authority over the entire basin or by a group of agencies which develop a comprehensive GSP, perhaps through a joint powers agreement. Since the City of Paso Robles, the City of Atascadero, the Templeton Community Service District, the San Miguel Community Service District, and, potentially, certain community water systems refuse to subject themselves to the proposed district, the process could become very time consuming. The Board letter confirms the complexity and potential time delay here:

*More specifically, the SWRCB may designate a high or medium-priority basin as a probationary basin unless one of the following has occurred on or before June 30, 2017: (a) a local agency has elected to be a GSA that intends to develop a GSP for the entire basin; (b) a collection of local agencies has formed a GSA or prepared agreements to develop one or more GSPs that will collectively serve as a GSP for the entire basin; (c) a local agency has submitted an alternative that has been approved or is pending approval by DWR.<sup>5</sup> In addition, the SWRCB may designate a high- or medium-priority basin as a probationary basin unless one of the following has occurred on or before January 31, 2022: (a) a GSA has adopted a GSP for the entire basin; (b) a collection of local agencies has adopted GSPs that collectively serve the entire basin; (c) DWR has approved an alternative.<sup>6</sup>*

The Atascadero Mutual Water Company is reportedly already preparing its own groundwater sustainability plan independent of everyone else.

The boundary map shows all the entities that will not be included in the district, will not be subject to the moratorium, and will be happily pumping ground water while most of the basin residents are subject to the moratorium.



### 3. The Plan is Unfair:

As noted above, large sections of the basin are not included in the proposed district. Will the entities governing these “excused” areas agree to a moratorium in the future as part of a truly basin-wide sustainability plan? The areas in purple are within the proposed district. The others plan to be excluded.

#### **4. County As Applicant Is Huge Conflict:**

As we have pointed out in the past, the midnight legislative addition of the provision in AB 1453, which allowed the County to front for the proponents as applicant for the district, is a nasty conflict in several ways. First of all, Gibson and Mecham are both LAFCO Commissioners. They will be reviewing and approving their own plan. Where is the integrity in such a process? They constitute 30% of the vote on the matter itself as well as the LAFCO Executive Director's salary and other conditions of employment. The director will be preparing the LAFCO analysis and recommendation. If you know that two of your bosses have just approved the very request on which you are making recommendations, how independent are you likely to be? Similarly, the County is advancing \$350,000 to finance the application and related actions. Would the Board of Supervisors do this for an application by the people of Templeton or Nipomo to become cities?

Staffers have suggested that having the County function as applicant has precedent. They cite the formation of a lighting district some years ago. The problem is the formation of the proposed Paso Basin Water Management District is not a small and limited technical matter. Given its listed powers, it will have profound impacts on thousands of citizens and property owners over a vast 400,000 acre area. There is substantial controversy and divided opinion. The fact that a 3-Board member majority is ramrodding the issue and has dedicated a senior staffer to proselytize for district formation does not inspire confidence.

#### **5. No Proponent Petition:**

By allowing the County to be the applicant before LAFCO, the district proponents were able to avoid the normal legal democratic process of circulating a petition and obtaining sufficient signatures to demonstrate that there is enough support for a new district to justify the time and expense of preparing and processing an application. By the time the voters ultimately decide, the County will have spent \$350,000. Instead, 3 members of the Board of Supervisors preempted the public and made the determination for them. As noted above, 2 of the 3 same Board of Supervisors members (Gibson and Mecham) will be "independently" reviewing the application as members of LAFCO.

#### **6. Polling:**

Since the initial vote to determine if the district is to be operationalized is a vote of all the property owners, why not stop and conduct a poll to determine if there is substantial support prior to expending more money on processing the application and conducting a complex election? The 5 County Supervisors as members of SLOCOG have voted to authorize several polls related to the potential of a ½ cent sales tax for roads and transportation. Given the severe community division of the district issue, why not conduct a quick poll.

These process conflicts may doom the proposed district in the minds of the basin's general voters, even if analysis shows that some revised version of the district to be a valuable tool for management of the basin. The blatant disrespect for those with questions or those who proposed alternatives, such as Supervisor Arnold, the hundreds of quiet title adjudication signatories and other citizens have and continue to leave a nasty taste. Could this be a foretaste of the tone and operational character of the new district?

## **C. Financial Issues:**

### **1. Funding Mechanism and Costs Not Sufficiently Developed:**

During the January 27, 2015 Board Meeting, a portion of the staff report on the LAFCO application process stated:

*When staff returns to your Board with the completed LAFCO application, a detailed budget and cost estimate (e.g. per parcel or per well user) will be known and discussed.*

The staff has returned and only has the vaguest notion of what the financial impact of the proposed district will be. In fact it has not developed a real allocation model for the different land uses and their impact on water use.

*It is important to reiterate that this report is for discussion purposes only and not the final allocation of costs. Depending on the funding mechanism used, a more refined allocation of costs will still need to occur. For example this model levies \$2 per acre equally to all land use categories, and certain categories – such as Graze and Vacant Rural - may not justify the full allocation. A reduction in their allocation would increase the cost to other land use categories.*

So the Board will be submitting an application to LAFCO which does not contain a complete financial plan.

Accordingly, the Board will be approving an application which will defer the decisions to LAFCO, which effectively eliminates 3 of the 5 Board members from the decision. “Perfect!”

*The work effort to fully refine the allocation model of a potential levy will take place during the Proposition 218 proceedings and be consistent with legal requirements*

In effect the Board is flying blind.

### **2. Budget:**

A \$1 million per year budget (for the next 5 years) for 2 staffers and various consultants is presented. The budget provides no services other than the preparation of a groundwater sustainability plan and coordination with abutting entities plan. In other words, the district will tax the basin property owners \$5 million for a service which the County could already provide. The staff has provided a separate budget that indicates that it would cost the County the same \$5 million to perform the same work. It seems impossible, given all the data, major reports, and analyses that have been prepared over recent years, as well as plans already in effect, that a new \$5 million on top of everything else is required.

The budget as presented is a line item budget, and thus there is no way to tell what the actual tasks and products that cost \$5 million over 5 years actually cover.

Most astonishingly, the only things which the \$5million provides are the preparation of the GSP and district operational overhead. The write-up is clear:

*Services related to SGMA compliance, such as the development of a GSP, can be provided by the District immediately upon formation. The proposed budget, which will have had a successful Proposition 218 proceeding, only provides for enough funding to operate the District and fund the GSP. Any improvements, programs or projects deemed necessary by the GSP in order to sustainably manage the Paso Basin will need their own funding revenue source, which will be subject to the requirements of Proposition 218.*

Future improvements to collect, move, recharge, store, or otherwise improve the water situation will be additional costs. The application makes no attempt to estimate what these might be at different levels and what the assessments would be. It appears that the district will provide no substantive services until after 2020 or 2022.

*Any such improvements related to groundwater sustainability are not anticipated to be imposed until after the development of the GSP. Under the SGMA, the final GSP must be submitted to DWR by either 2020 or 2022. The date that will be required for the Paso Basin has yet to be determined. Therefore, any such improvements will most likely not be undertaken until at least 2020, and as discussed above, these improvements, programs or projects will be unknown until the GSP is developed*

As County application project manager and advocate John Diodati blithely told the San Luis Obispo Tribune:

*“the decision right now is who should manage the basin, not how to manage the basin,”*

**A \$5 MILLION DECISION PLUS THE \$350,000 TO PROCESS THE ISSUE AND WHATEVER ELSE HAS BEEN SPENT.**

### **3. Regulatory Program Costs:**

It is clear from the powers and functions included in AB 2453 that one of the main roles of the district will be to promulgate, inspect, and enforce ordinances and regulations which it develops. There is no attempt to estimate these costs and their impact on the property assessments.

This whole presentation avoids the real financial issues and is tantamount to lubricating the district application process with Vaseline in order to secure adoption with as little friction as possible.

### **D. Powers and Functions of the District:**

As we have in pointed out in the past, the powers allocated to the district are formidable. The problem is that the Board of Supervisors has never held an open discussion of them and stated whether it actually wished to impose them on the residents of the district. The application should not go forward to LAFCO unless this takes place. As the Board letter states:

*The LAFCO application requests activation of all available powers consistent with the limitations already contained within AB 2453.*

*The District will initially participate in a GSA for the Paso Basin or enter into an agreement(s) to fund and develop one or more GSPs for the Paso Basin. The GSP(s) will be used as the*

*planning document for groundwater management in the Paso Basin. Any improvements, programs or projects (water conservation, water supply projects, etc.) recommended in the GSP adopted by the District will be considered by the District board for implementation. It is uncertain what these improvements, programs or projects may be at this time. The initial service provided by the District can be generalized as compliance with the Sustainable Groundwater Management Act (SGMA).*

Again other than running its overhead and preparing a “planning document for groundwater management in the Paso Basin,” there will be no other services for 5 years.

#### **Planning Commission Meeting of Thursday, May 14, 2015 (Completed)**

#### **Item 4 - Water Conservation Program/General Plan and Land Use Ordinance Amendments.**

- 1. Make the Paso Water and Development Moratorium Permanent.**
- 2. Creation of a Water Offset Program (Pay to Use Your Own Water)**
- 3. Miscellaneous Restrictions on the Use of Water**

The Commissioners began the process of analyzing the massive program documents. The session lasted from 9:00 AM until 5:00 PM and has been continued to Thursday, May 28<sup>th</sup> for further review. All the Commissioners had many questions, and Commissioners Irving and Harrison were very clear that there are many problems with the discriminatory program. Once the Commission has completed its review, it will send the program forward to the Board of Supervisors for possible adoption. There are likely to be many changes made by the commission.

#### **Background:**

*The objectives of the development and implementation of the proposed Countywide Water Conservation Program (Program) are to substantially reduce increases in groundwater extraction in areas that have been certified LOS III; provide a mechanism to allow new development and new or altered irrigated agriculture to proceed in certified LOS III areas, subject to the requirements of the County General Plan and County Code, in a manner that fully offsets projected water use; and to reduce wasteful use of water in the county.*

#### **The write-up goes on:**

*The proposed Program is comprised of two components, Water Neutral New Development (WNND) and Water Waste Prevention (WWP). The figure below shows the individual components of the Countywide Water Conservation Program.*

The chart below illustrates the key strategy components of the program. No information is presented on how much water will be saved through the implementation of each category. How can the Commission recommend a public policy with major impacts on peoples' property and lives without any detailed performance estimates backed by current data (of which there is a huge amount)?

