

Tuesday, June 4, 2002

The Board of Supervisors of the County of San Luis Obispo, and ex-officio the governing body of all other special assessment and taxing districts for which said Board so acts, met in regular session at 9:00 A.M..

PRESENT: Supervisors Harry L. Ovitt, Peg Pinard, K.H. 'Katcho' Achadjian, Michael P. Ryan and Chairperson Shirley Bianchi

ABSENT: None

PLEDGE OF ALLEGIANCE TO THE FLAG LED BY CHAIRPERSON BIANCHI.

SUM **AGN**

1 A-1-A **Thereafter, on motion of Supervisor Achadjian, seconded by Supervisor Ryan and on the following roll call vote:**

AYES: Supervisors Achadjian, Ryan, Ovitt, Pinard, Chairperson Bianchi
NOES: None
ABSENT: None

RESOLUTION NO. 2002-224 resolution proclaiming June 6, 2002 through June 13, 2002 as "Certified Nursing Assistants Week" in San Luis Obispo County, adopted.

Chairperson Bianchi: reads the resolution and presents the same to Dr. Mary Parker, who thanks the Board for the recognition and comments on the need to have these people who are the "front line" for nursing care.

2 A-1-B **Thereafter, on motion of Supervisor Achadjian, seconded by Supervisor Ryan and on the following roll call vote:**

AYES: Supervisors Achadjian, Ryan, Ovitt, Pinard, Chairperson Bianchi
NOES: None
ABSENT: None

RESOLUTION NO. 2002-225, resolution proclaiming the week of June 2, 2002 through June 8, 2002 as "League of Women Voters Week" in San Luis Obispo County, adopted.

Supervisor Pinard: reads the resolution and presents the same to Ms. Sara Horne, President of the League of Women Voters.

Ms. Horne: introduces the League's first and second Vice Presidents and the Chairperson for Local Action; addresses the accomplishments of the League over the years and highlights the events that will occur during the week.

Supervisor Pinard: states this was the first organization she joined when she moved to the County in 1970; speaks to the number of women who are members of the League and have become elected officials.

3 A-1-C **Thereafter, on motion of Supervisor Achadjian, seconded by Supervisor Ryan and on the following roll call vote:**

AYES: Supervisors Achadjian, Ryan, Ovitt, Pinard, Chairperson Bianchi
NOES: None
ABSENT: None

RESOLUTION NO. 2002-226, resolution proclaiming June 9, 2002 as "Arts Honors Day" in San Luis Obispo County, adopted.

Supervisor Achadjian: reads the resolution and presents the same to Ms. Kate Stalberg.

Ms. Stalberg: thanks the Board for the recognition; indicates they will be honoring local art organizations, individuals and students that have been accepted to the Cal Arts program; the event will be held at the Clark Center this Sunday.

4 B-PC This is the time set for members of the public wishing to address the Board on items set on the Consent Agenda.

Mr. Michael Winn: speaks to Item B-21 and states this Ride-On program has low usage and asks that the Board not expend money for this as it is money that could be better spent elsewhere.

Mr. Eric Greening: addresses Item B-21 believes there is a need for Ride-On in this area and explains. **No action taken.**

5 B-1 Consent Agenda Item B-17 is withdrawn. Item B-29 is amended to replace page B-29-3
thru which clarifies the solid waste collections to the Paso Robles Landfill. Item B-30 is
B-32 amended to correct the cover sheet to read “(RECOMMEND APPROVAL).” Item B-32 is
added to the Consent Agenda.

Thereafter, on motion of Supervisor Ryan, seconded by Supervisor Ovitt, and on the following roll call vote:

AYES: Supervisors Ryan, Ovitt, Pinard, Achadjian, Chairperson Bianchi

NOES: None

ABSENT: None

Consent Agenda Items B-1 through B-32 are approved as recommended by the County Administrative Officer and as amended by this Board.

Consent Agenda Items B-1 through B-32, as amended, are on file in the Office of the County Clerk-Recorder and are available for public inspection.

Board of Supervisors Items:

B-1 Request by Chairperson Bianchi to allocate \$1,500 from District Two Community Project Funds to the Los Osos Community Advisory Council to be used to pay costs associated with holding monthly public meetings, **Approved.**

B-2 Request by Chairperson Bianchi to allocate \$2,500 from District Two Community Project Funds to the Greenspace - The Cambria Land Trust to be used to attend California Pitch Canker Task Force meetings, **Approved.**

B-3 Submittal of a petition from the San Miguel Cemetery District to reduce the number of Board Trustees members from five to three, **Denied.**

Clerk-Recorder Items:

B-4 Minutes of the April 2, 9, 16 and 23, 2002 Board of Supervisors' meetings, **Approved.**

B-5 Submittal of the declaration of results of the May 21, 2002 special tax elections held in Ground Squirrel Hollow Community Services District, Emerson Road Improvement District, Pineridge Drive Road Improvement District, Roscoe Place Improvement District and County Service Area No. 9, Zone I; All Districts, **Approved.**

District Attorney Items:

B-6 1) A State reimbursed program to fund anti-bias and diversity training and education activities

for local schools and law enforcement organizations; and, 2) a budget adjustment in the amount of \$35,000 from General Fund Contingencies for the Victim Witness division to coordinate and pay for expenses associated with the program, **Approved.**

- B-7 Request to modify an exiting Statutory Rape Vertical Prosecution grant agreement adding an additional \$15,679 with the State Office of Criminal Justice Planning, **Approved.**

General Services Items:

- B-8 Ground lease (Clerk's File) at the San Luis Obispo County Regional Airport with Eric Norrbom, II, dba Cal Coast Fuel to continue to operate an aboveground aviation fuel storage and dispensing facility, **Approved.**
- B-9 Amended contract with ANVI, Inc., dba Lopez Lake Marina and Store to include the operation of Santa Margarita Lake Marina, **Approved.**
- B-10 Amended contract with ANVI, Inc., dba Lopez Lake Marina and Store to modify rent terms pertaining to the new and current slip boat docks at Lopez Lake, **Approved.**
- B-11 Contract (Clerk's File) with Padre Associates, Inc., to provide environmental consulting services for the New County Government Center, **Approved.**
- B-12 Extension of the emergency action to remove contaminated soil stockpiled on County property in San Luis Obispo, **Approved.**
- B-13 Bid opening report for the construction of additional office space at the Animal Services facility, **Approved and the Chairperson is instructed to sign contract documents with Smith Electric Service in the amount of \$123,800.**

Planning and Building Items:

- B-14 Agreement (Clerk's File) with the City of San Luis Obispo to reimburse costs related to the purchase of property located in the Irish Hills, southwest of San Luis Obispo; 2nd District, **Approved.**
- B-15 Grant agreement (Clerk's File) with the Port San Luis Harbor District to provide funding to purchase a new crane for the pier; 3rd District, **Approved.**
- B-16 Proposed mitigated negative declaration for the Noyes Road Drainage Channel Project; 4th District, **Approved.**
- B-17 Submittal of a resolution approving an agreement with Nipomo Village, LLC, exempting an affordable housing project located in the community of Nipomo from the Growth Management Ordinance; 4th District, **Withdrawn.**

Public Health Items:

- B-18 Agreement (Clerk's File) with the San Luis Obispo County AIDS Support Network to provide HIV-related services, **Approved.**
- B-19 **RESOLUTION NO. 2002-227**, amending the position allocation list for Budget Unit 3000 - Public Health converting a three-quarter (.75) position Physical/Occupational Therapist position to a full time (1) position, **Adopted.**

Public Works Items:

- B-20 Flood Control and Water Conservation District Zone 3 Surplus Water Declaration in the amount of zero acre feet for 2002-03; 3rd and 4th Districts, **Approved.**

- B-21 Agreement with Ride-On Transportation to provide transit services in the community of Nipomo; 4th District, **Approved.**
- B-22 Bid opening report for the construction of a portion of Noyes Road between Ormonde Road and Highway 227, **Approved and the Chairperson is instructed to sign contract documents with Herrera Engineering in the amount of \$87,147.**
- B-23 Bid opening report for the widening of Los Osos Valley Road for an acceleration lane west of Foothill Boulevard, near the City of San Luis Obispo, **Approved and the Chairperson is instructed to sign contract documents with Papich Construction in the amount of \$45,500.**
- B-24 **RESOLUTION NO. 2002-228**, adopting a memorial sign program for County public right-of-ways; All Districts, **Adopted.**
- B-25 **RESOLUTION NO. 2002-229**, establishing the 2002-03 special tax rate and confirming the per parcel special tax amount in Nipomo Lighting, Zone E (Tract 1700, Los Pinos Estates); 4th District, **Adopted.**
- B-26 **RESOLUTION NO. 2002-230**, reducing service charges for the cooperative road project in County Service Area No. 9 (Los Osos); 2nd District, **Adopted.**
- B-27 **RESOLUTION NO. 2002-231**, authorizing the Director of Public Works to apply for grant funding from the State to install a battery power back-up system for traffic signals; 1st, 2nd, 3rd and 4th Districts, **Adopted.**
- B-28 The following maps:
- A. Tract 1802 Phase 1, a proposed subdivision resulting in 1 lot, by Lloyd Ingber, Erik Benham, Robert Marshall and Debra Lesin Norman, Hutton Road, south of Nipomo, **Approved** and **RESOLUTION NO. 2002-232**, to approve an open space easement agreement; 4th District, **Adopted.**
- B. CO 00-0092, a proposed subdivision resulting in 2 lots, by Joshua and Marylou Montgomery, Santa Rita Road, west of Templeton; 1st District, **Approved.**
- C. CO 99-0088, a proposed subdivision resulting in 2 lots, by William, John and Laverne Poole, Highway 58 and Parkhill Road, east of Santa Margarita; 5th District, **Approved.**
- D. Tract 2297, a proposed subdivision resulting in 7 lots, by Felix Camacho et al., Willow Road and Pomeroy Road, Nipomo Mesa, **Approved** and **RESOLUTION NO. 2002-233**, to accept the relinquishment of access rights along Willow and Pomeroy Roads, and **RESOLUTION NO. 2002-234**, accept the offer of dedication for road widening; 4th District, **Adopted.**
- E. Tract 1879, a proposed subdivision resulting in 4 lots, by Creekside 11 LLC, Truesdale Road and San Juan Street, Shandon, reject the offer of dedication without prejudice to future acceptance, **Approved** and **RESOLUTION NO. 2002-235**, approving a mitigation agreement; 1st District, **Adopted.**
- F. COAL 99-0317, a proposed lot line adjustment of 2 lots, by Michael and Heidi Woodruff, Salinas Avenue and Florence Street, Templeton; 1st District, **Approved.**

Other Items:

- B-29 Request by the Auditor-Controller to approve a rate adjustment for garbage hauling services provided by Paso Robles Country Disposal and San Miguel Garbage Company, **Approved as amended.**

B-30 Request by Behavioral Health to approve a State grant application to assist with transition to community living for individuals in Institutions for Mental Disease in the amount of \$325,000, **Approved as amended.**

B-31 Contract with Rachael Bond, R.N., to provide nursing services at General Hospital, **Approved.**

ADDED (All requirements of the Brown Act were met as this was posted prior to the 72-hour noticing requirement.)

B-32 Request by Supervisor Ovitt to appoint Father Larry Gosselin, Betty Robinson and Janice Mumford to the San Miguel Cemetery District, **Approved.**

6

C-1 This is the time set to consider a request to authorize the processing of a General Plan Amendment application (San Luis Obispo Marketplace Associates) to amend the San Luis Obispo Area Plan of the Land Use Element by: changing the land use category on an approximately 131 acre site from Agriculture to Commercial Retail (55 acres), Residential Multi-Family (30 acres), Recreation (40 acres) and Open Space (6 acres); and modifying the community wide San Luis Obispo Urban Area Standards, located southwest of Dalidio Drive between Highway 101 and Madonna Road; 3rd District.

Ms. Kami Griffin: Planning, gives a brief overview, indicating the recommendation is to take this item off calendar.

Supervisor Pinard: believes the intent here should be to take this off calendar and keep it on file in the Planning Department.

Supervisor Achadjian: thanks the Board members for allowing this process to take place; thanks Supervisor Pinard, Council members Ewan and Howell Marx, the City of San Luis Obispo staff and the Dalidios for their willingness to work on this issue.

Mr. Ernie Dalidio: Applicant, thanks everyone for all their help through this process; thanks each Supervisor for their role and for the respect and courteous treatment he received from each of them.

A motion by Supervisor Pinard, seconded by Supervisor Achadjian, to take this matter off calendar, hold it in the Planning files for possible reopening without any additional fees being charged to the Applicant, is discussed.

Supervisor Ryan: states he will not support the motion as worded as he believes the correct action is to just continue this item off calendar.

Supervisor Achadjian: addresses his concern to the use of the word possible.

Supervisor Pinard: amends the motion to remove the word possible and restates her motion, with the second concurring.

Thereafter, on motion of Supervisor Pinard, seconded by Supervisor Achadjian, with Supervisors Ovitt and Ryan casting dissenting votes, motion carries and the Board takes this matter off calendar and directs that the files be held in the Planning Department and if this matter needs to be reopened there will not be any further fees charged to the Applicant.

7

D-1 This is the time set for hearing to consider expenditure proposals for the use of State Citizen's Option for Public Safety Program (COPS) funds.

Sheriff Pat Hedges: presents the staff report and recommendations.

No one appearing and thereafter, on motion of Supervisor Ryan, seconded by Supervisor Achadjian and on the following roll call vote:

AYES: Supervisors Ryan, Achadjian, Ovitt, Pinard, Chairperson Bianchi

NOES: None

ABSENT: None

the Board held a public hearing on this item and approves the expenditures for the Citizen's Option for Public Safety Program (COPS Program) and amends the Fixed Asset List for the purchase of a replacement Records Management System by predesignating monies that were earmarked for mobile data communications; further, the Board directs the Auditor-Controller to encumber these monies and previously designated monies.

8

D-2 This is the time set for hearing to consider an appeal by Dan Doberstein of the Subdivision Review Board's decision to approve the request to subdivide an existing 4.86 acre parcel, resulting in four parcels and abandon the road dedication along the western property line, located at the southwest corner of Live Oak Ridge Road and Amber Way, in the community of Nipomo; 4th District.

Mr. Matt Janssen: Planning/Environmental Specialist, presents the staff report; outlines the issues raised in the appeal and staff's response to the same; recommendation is to deny the appeal and uphold the decision of the Subdivision Review Board.

Supervisor Achadjian: presents a map of Parcels B and C and highlights the area that is shown as the driveway/trail and questions whether this is the area being proposed for abandonment, with Mr. Janssen responding.

Ms. Pat Beck: Planning, addresses the Doberstein property and what could be required with respect to access to this site.

Mr. Dan Doberstein: Appellant, states he is not opposed to the subdivision of this property but does have several concerns with respect to how it may impact his property; speaks to the proposed road abandonment and the impacts it may have with respect to access onto his property; indicates he is offering a trail through his property; concerns how the abandonment will affect emergency access for CDF; comments on the tree removal and the lack of any replacement plan; indicates he has avocado and citrus trees on his property and believes an Agricultural setback should be required to protect his "right-to-farm"; addresses his concerns regarding drainage and traffic on Live Oak; speaks to a petition that he had signed by the neighbors (it is not presented for the record).

Mr. Bill Dyer: representing the Applicant, addresses the requirement to improve Amber Way; requirements by the County as to where to place the equestrian trail; presents a blue line map of the site and addresses drainage issues.

Mr. Richard Marshall: Public Works, addresses prior road abandonments that have occurred in this area; explains that abandonments remove public use but are still private easements for parcels; further, addresses the overall circulation plan for this area.

Supervisor Achadjian: addresses the review by CDF on this, which is included in the staff report.

Mr. Dyer: comments on the trees indicating there are no oak trees only eucalyptus tree on this site.

Mr. Michael Winn: states he doesn't oppose the subdivision but does not want to see the abandonment occur and would like the Board to accept the 25 foot offer; believes there needs to be a tree replacement plan.

Ms. Georgia Kinninger: representing several groups regarding equestrian trails, speaks to this area being unique and wanting to keep it that way for trails; states trails through property versus near roadways is better; would like to see the trees remain at least on the back side of

the property to act as a wind break.

Mr. Dyer: addresses the issue of public access and liability to the property owner.

Mr. Doberstein: addresses his concern to there being no guarantee of access to the back of his property and suggests there are oak trees on the subject property.

Ms. Jan DiLeo: County Parks, indicates they had not heard of any concerns regarding the trails prior to the Subdivision Review Board hearing and addresses the recommendations she made for trails with respect to this application.

Board Members: address various issues, comments and concerns regarding: the conditions of approval and the road improvement requirements; whether or not there are oak trees on this property and requiring a wind break on the site, with staff responding.

Matter is fully discussed and thereafter, on motion of Supervisor Achadjian, seconded by Supervisor Ovitt and on the following roll call vote:

AYES: Supervisors Achadjian, Ovitt, Pinard, Ryan, Chairperson Bianchi

NOES: None

ABSENT: None

the Board denies the appeal and RESOLUTION NO. 2002-236, resolution affirming the decision of the Subdivision Review Board and conditionally approving the application of Patrick Wheeler for a tentative parcel map for Parcel Map CO00-0345, adopted. Further, the Board adopts the Mitigated Negative Declaration in accordance with the applicable provisions of the California Environmental Quality Act, Public Resources Code Section 21000 et seq.

- 9 D-3 This is the time set for hearing (Introduced May 21, 2002) to consider an ordinance amending Chapter 1.10 of the County Code relating to the regulation of telecommunications systems which utilize public streets, rights-of-way or other public property.

Mr. Jim Grant: Assistant County Administrative Officer, presents the staff report and recommendation.

Supervisor Pinard: addresses her concern to the lack of any prior enforcement with respect to this issue and questions how that protects the public.

Mr. James Lindholm: County Counsel, indicates that representatives of the various companies say they are exempt from this ordinance and have filed a lawsuit and through this litigation they will be resolving the various issues being asserted in the lawsuit.

No one appearing and thereafter, on motion of Supervisor Ryan, seconded by Supervisor Ovitt and on the following roll call vote:

AYES: Supervisors Ryan, Ovitt, Pinard, Achadjian, Chairperson Bianchi

NOES: None

ABSENT: None

the reading of the proposed ordinance is waived and said proposed ordinance is read by title only and ORDINANCE NO. 2972, ordinance amending Chapter 1.10 of the County Code, adopted.

- 10 E-1 This is the time set for consideration of the Third Quarter Financial Report.

Ms. Gail Wilcox: Assistant County Administrative Officer, presents the staff report and recommendations.

Supervisor Pinard: questions various aspects of discharging bad debt.

Mr. Frank Freitas: Tax Collector-Treasurer, addresses several of the bad debts his Department has cited, indicating these are unpaid taxes and there is no provision in State law to allow for collection agency intervention.

Ms. Wilcox: states that for other departments collection agencies are used.

Mr. Eric Greening: addresses concerns that what is happening at the State level is being kept in the back of everyone's mind with respect as to how it will impact future items such as this; wants to see "reality based decision making" and questions how this will be accomplished.

Mr. David Edge: County Administrative Officer, indicates they will be addressing the potential impacts by the State with their opening comments during the budget hearings and as the State makes changes to their budget, the Board will be dealing with the various impacts those changes will have on the County.

Thereafter, on motion of Supervisor Ovitt, seconded by Supervisor Achadjian and on the following roll call vote:

AYES: Supervisors Ovitt, Achadjian, Ryan, Chairperson Bianchi

NOES: None

ABSENT: Supervisor Pinard

the Board receives and files the third quarter financial report, approves budget adjustments totaling \$4,101,636 to fund the 2001-02 compensation increases for County employees as well as other projected year end costs; accepts gift funds and donations on behalf of several County departments totaling \$25,264.73 and approves the associated appropriation transfers on behalf of the Library and Social Services in the amount of \$18,913.39, and approves requests to discharge bad debt from Mental Health, Tax Collector, Animal Services and Public Health totaling \$381,478.04.

11

CS The Board announces it will be going into Closed Session regarding:

I. PENDING LITIGATION (Gov. Code, § 54956.9.) It is the intention of the Board to meet in Closed Session concerning the following items:

A. Conference with Legal Counsel - Existing Litigation (Gov. Code, § 54956.9(a).) (Formally initiated) (1) *In re PG&E*, (2) *AT&T v. County of San Luis Obispo*, (3) *MCI v. County of San Luis Obispo* and (4) *South County Sanitation District v. County of San Luis Obispo*.

B. Conference with Legal Counsel - Anticipated Litigation (Gov. Code, § 54956.9.) (5) *Significant exposure to litigation (Gov. Code, § 54956.9(b).)* No. of cases 2. Facts and circumstances not known to potential plaintiff which indicate significant exposure to litigation. (6) *Initiation of litigation (Gov. Code, § 54956.9(c).)* No. of cases 2.

Chairperson Bianchi: opens the floor to public comment.

Ms. Rochelle Becker: Mothers for Peace, reads from resolutions, passed in 1995 and 1996, by Santa Barbara County addressing their opposition to the transportation of spent nuclear fuel and radioactive waste through populated areas of Santa Barbara County; addresses the nuclear plant in this County and questions where this County's resolution of opposition is; asks the Board to reconsider being an intervener at the NRC hearings for Diablo Canyon; states that Mothers for Peace have been accepted for participation in these hearings; presents copies of her letter and the resolution language from Santa Barbara County, for the record.

Mr. Eric Greening: addresses the item *In re PG&E* that is listed on the Closed Session and thanks Supervisor Pinard for applying for intervener status at the NRC proceedings; urges the

Board to reconsider their “non-action” at the last Closed Session.

Thereafter, the Board goes into Open Public Session.

12 PC This is the time set for members of the public wishing to address the Board on matters other than scheduled items.

Mr. Richie Ray Walker: addresses the California Vehicle Code and how it abuses everyone.

Mr. Ira Winn: addresses the upcoming hearings regarding Diablo Canyon and suggests that “radiation without representation” is tyranny; feels that without representation at these hearings the local citizens will not have a voice.

Ms. Joann Rusch: states she is here in support of Mothers for Peace and asks the Board to ask that PG&E cease production immediately and commit to alternative sources; urges the Board to seek intervener status.

Ms. Joan Carter: states she wants to know why three of the Supervisors opposed seeking intervener status.

Mr. Fred Frank: thanks Supervisor Pinard and Chairperson Bianchi for their support for intervener status; states the County needs a voice at these hearings; understands this may be a fiscally tough thing to do, but it needs to be done; urges the Board to reconsider their prior position.

Mr. Gary Adams: asks the Board to reconsider their position to not intervene at these hearings.

Ms. June Shepard: suggests nuclear facility pits are a clear target for terrorists.

Mr. Jesse Arnold: thanks Supervisor Pinard and Chairperson Bianchi for their support and agrees with prior speakers.

Mr. Klaus Schumann: Green Party member and resident of the County, asks the Board to reconsider their decision and secure the County a seat in the hearing process, as this should not be left up to local groups to handle.

Ms. Marian Mellow: states she believes the discussion regarding intervener status during Closed Session was illegal and therefore invalid; addresses her views on the lack of safety with respect to nuclear power; wants the issue of intervener status brought back as an open session item.

Mr. Michael Kovacs: speaks to the 1992 Grand Jury report regarding stopping County Government growth and wants the County to stop ignoring this report; wants the County to stop overcharging for services and refund this money back to the taxpayers; supports accountability of all elected/appointed public officials.

Ms. Jude Rock: addresses the Board’s decision to not become interveners; presents a copy of a map from the phone book that shows emergency planning zones with respect to Diablo Canyon; states she spoke to Congresswoman Capp’s office and was told she had asked the NRC for an extension and got it.

Ms. Vita Miller: states she was “appalled” at the discussion regarding intervener status occurring during a Closed Session and also believes this was invalid; hopes the Board will hold another discussion in open session; agrees with prior speakers.

Ms. Carol Paulsen: asks the Board why they don’t want to be interveners in this process; questions why PG&E should be allowed more when they have made a mess of what is currently

there.

Ms. Mary Beth Schroeder: states the Board just needs to say “no” to more for PG&E and needs to consider the health of the residents of this County.

Ms. Sandra Marshall: states she has lived in the County for 30 years and tried stopping Diablo back in the 80's and no one listened then; wants the County to be an intervener in this process and agrees with prior comments.

Ms. Rosemary Wilvert: speaks to the importance of dealing with the issue of nuclear power.
No action taken.

- 13 CS Thereafter, pursuant to the requirements of the Brown Act, County Counsel reports out on the items discussed during Closed Session as follows: No report required because no final action was taken.
- D-4 This is the time set for hearing (Introduced May 21, 2002) to consider service delivery changes at General Hospital and the Family Care Center.

Ms. Gail Wilcox: Assistant County Administrative Officer, presents the staff report; indicates the financial projections were prepared by Medical Services and Behavioral Health Services staff and have not been analyzed by either the Auditor or Administration; presents a chart titled “Charity Care Data from Private Hospitals,” for 1999, 2000 and 2001, for the four private hospitals in the County.

Mr. Dan Cashier: Interim Hospital Authority Board (IHAB) Vice President, addresses the position of IHAB indicating that with whatever decision the Board makes with respect to the future operations of General Hospital and the Family Care Centers, the County must maintain control of: (1) the cost of services to be provided; (2) the level of service to be provided; (3) the quality of services to be provided; and, (4) the stability of the healthcare system which provides the services; feels there has been a misrepresentation of the money spent on the hospital and presents figures showing that Inpatient Services at the Hospital is 21% of the total cost to Medical Services, with Outpatient Ancillary Services making up 41%, the Clinics (Family Care Centers) are 34%, Breastfeeding program is 3% and the SART Program is 2%; further addresses their clarification of Net County cost with respect to the annual cost to operate General Hospital; outlines the Net County Cost savings if General Hospital is closed, which would be a net annual savings of \$348,281; addresses the unstable local and national healthcare systems; suggests there needs to be a Cost versus Benefits Study including a Risk Assessment Analysis performed as to future capital costs before the Board can make an effective decision that will benefit the County residents and taxpayers now and in the future.

Board Members: address various issues, comments and concerns regarding: use of the wording “health care” versus “health care services”; the amount of funding to Medical Services being \$10 million not \$8 million.

Mr. Hank Skau: Chief Financial Officer for General Hospital, addresses the financial aspect and that funding is at \$10 million, but they are still looking for some to come back through State reimbursements.

Board Members: address various issues, comments and concerns regarding: cost figures in the IHAB report relating to the breastfeeding program; Legislation changes regarding the number of nurses versus the number of inpatient beds that will be required; whether the cost savings shown, if the Hospital were closed, include staff salaries and benefits; concerns that the costs associated with the pharmacy were not included in this report, with Mr. Larry Hood, Chief Executive Officer for General Hospital responding.

Dr. Ke-Ping Tsao: indicates he is an independent doctor with no ties to any clinics or hospitals; suggests this issue needs to be handled in a very organized way; in 1991 when he was President of the Medical Society they took a position regarding General Hospital; he is currently

Chief of Staff at French Hospital and addresses this hospital's commitment to the County.

Dr. David Harris: states he is the current President of the Medical Society and reads from a letter they previously sent to the Board on May 2, 2002; suggests the number one issue is providing direct access to health care and this care needs to be provided at the hospitals and clinics the patients choose to use.

Dr. Grace Crittenden: states for 10 years she practiced at the Atascadero Clinic and is now in private practice; states her experiences were always good at General Hospital but is recommending that the Board follow the staff recommendations to close the Hospital; wants to see patients currently cared for at this Hospital cared for as all other patients are cared for; suggests the additional resources from closing the Hospital should be put into the clinics and primary care.

Ms. Lori Anderson: speaks to the need to keep the Hospital open; without the Hospital the County will lose Federal funding that is currently used at the clinics.

Ms. Mary Beth Schroeder: states she does not want the Hospital closed; the money doesn't need to go to the clinics it needs to be used at the Hospital; feels the public has a right to have this Hospital stay open.

Mr. Richie Ray Walker: speaks to his attempts over the years to keep this Hospital open; states he has always had superior care here and at the pharmacy; addresses the overall instability of health care programs/services.

Ms. Sara Horne: President for the League of Women Voters, states they have no position as to whether the Hospital should remain open or close; they do feel that a lot of the financial information is very difficult to read and understand; suggests that before any decisions are made the financial information presented today should be validated by the Auditor and Administration; wants to see information that shows how much money is spent at the private hospitals for indigent care.

Dr. Stanley Kirk: states he was President of the Medical Society back in 1969 and also was on a committee to look at General Hospital around the same time; suggests by closing the Hospital a lot of money could be saved and used to increase the access to health care services.

Dr. Anthony Keese: addresses the changes that have occurred in medicine over the years which have reduced the need for extended hospital stays and uses; suggests the clinics need to be further developed and this can be done by closing the Hospital.

Ms. June Henry: agrees with comments by those who want to keep the Hospital open and does not believe that indigents will receive the same level of care at private hospitals.

Mr. Jesse Arnold: speaks in support of keeping the Hospital open; believes there needs to be a public hospital to serve the "public."

Ms. Willow Walking Turtle: states the doctors in the County do not accept Medi-Cal so she uses General Hospital; questions how the County can justify a new \$6 million government center when there is a need to keep the Hospital open; addresses pharmacy costs in private hospitals; wants this Hospital kept open.

Mr. Dean Rollins: General Manager for the San Luis Obispo County Employees' Association, addresses the figures presented by IHAB which show that the majority of the cost is not coming from the Hospital; suggests this information does not justify closing the Hospital at this time.

Ms. Vita Miller: believes the hearing notice is still inadequate and lists the deficiencies of the same; wants to see the Board convene another citizens panel to review all the issues associated with the Hospital and Medical Services; the Hospital needs to be kept open; believes the

following questions still need to be answered: (1) what services are we seeking to protect; (2) specifically where is the Board recommending these services be provided; (3) do we have enough data to provide a cost/benefit analysis; (4) what is the position of IHAB; (5) has there been an analysis of the potential outcome if the present management team is allowed to continue and further reduce costs and increase reimbursements in the future; (6) have savings been identified and calculated; and, (7) have there been a variety of alternative systems explored.

Mr. Eric Greening: indicates he is glad to hear that the Board is willing to review a wide range of information.

Mr. Michael Kovacs: questions how the County will cost effectively provide this care and feels the people have been misled.

Ms. Pam Marshall Heatherington: addresses additional concerns regarding the need for more inpatient beds for Mental Health and increased clinic services.

Mr. Michael Miller: if the County won't be saving any money by closing the Hospital then why do it; feels the Board has a moral obligation to keep the Hospital open and make dramatic changes by improving the delivery of services.

Ms. Sandra Marshall: speaks to the need to have General Hospital for those folks who are without health insurance and relates several personal experiences by herself and family members.

Dr. Fred Vernacchia: states he wants the Hospital closed and the money redirected towards the access to health care.

Supervisor Ryan: indicates the County is looking at an economic problem and suggests it takes a blend of both economics and health care to work together successfully; wants to see this hearing continued to a date certain, in a couple of months, and wants the following issues to be reviewed by staff based on the assumption that General Hospital is closing or closed: (1) **Develop a census of who our customers are** - how many indigent customers are the County's responsibility (meaning actually the "responsibility" of the County and who the customers are that are using the Hospital), for those indigent that are the County's responsibility: how are they cared for today; where are they cared for today; and, what is the cost of today's delivery of care (County and other care givers) - meaning the County is paying for some of this and so are other hospitals (based on the information presented by Ms. Wilcox today); (2) **Cost of operating health care clinics** - (standing alone with no hospital) this needs to be looked at in a broad sense, meaning look at it as: the County running it; creating a private/public partnership in delivering this service; moving the San Luis Obispo clinic into the empty hospital building; and/or consolidate with Public Health (who also has rentals in this area as this would possibly creating another savings); (3) **How will the County address Mental Health inpatient services** - possible expansion of current services using space at the General Hospital building; can the County contract with another hospital to provide the license that would be needed for inpatient services; (4) **How many services do we contract for today** - and can these existing contracts be expanded; also, wants to see more detailed accounting as to how staff comes up with the figures they have; wants to see where these numbers started and how staff got to the end figures and also wants to see all those numbers in between; wants to see assumptions that were made and the actual figures used to come up with the final numbers; feels when this information comes back at another hearing, the Board will be able to discuss all this further and at that point the Board could move toward a specific decision or direction; believes one thing that has been proven over time is that the model that currently exists is not working efficiently; believes it's time to look at another model of how we will provide health care and delivering it in the most efficient manner that we can.

Supervisor Ovitt: addresses comments by the speakers today and Dr. Kirk discussing closure of the Hospital back in 1969 and that was based on its operations then when the inpatient numbers were way up; addresses current figures, citing from Medical Services' third quarter report which shows numbers lower than in 2000-01, with inpatient days being 35%

below what they projected and 4% lower than this time last year; clinic visits are less than projected, although year-to-date, the clinics are up by 1%; another thing that needs to be looked at deals with the scenarios in the Beilenson report and this appears to have the same costs if we just had all the same clinics; ironically, the full cost for all administration was applied back onto the clinics (\$1+ million) which doesn't equate to what the total full administration costs would be because services have been pared down; figures from IHAB show a savings of only \$386,000; when you look at what was reported, the cost savings alone, which included the 855, 1255 and DSH monies, was a loss of \$868,000 for Medical Services alone and this is based on the \$8+ million reported in the IHAB presentation; these figures don't include any of the ancillary services such as pharmacy, which is losing +/- \$2.5 million; currently the County has CMSP contracts, so why are the indigent or qualified patients going elsewhere; he believes this is occurring because these patients have a choice; wants to see services provided Countywide; paraphrases from the information presented by the Consumers Union - one is on a policy level that all the hospitals must be in agreement among providers, payers and participants on the broad issues such as the definition of fair-share responsibility for uninsured public versus private responsibility; suggests the majority of comments in the Consumers Union letter relate to uninsured, not the 17,000+ indigents that the County takes care of; the letter talks about service delivery system and the County having an opportunity to create a set of places, people and technology linked together in a way that can make the process of receiving dignified and respectful quality of care distinctly different from the care most low income patients are otherwise experiencing if the Hospital closes; feels this is an opportunity, not a negative, as he has never looked at the closure of the Hospital as the County not being able to provide services; has always maintained that the funds derived from the closure would be allowing the County the capability of providing the services to the people where they live; believes its time to start working in the areas where services are needed instead of a central area which is what he sees is happening now; believes if the IHAB figures are correct, that money can be turned back into better health patient care; as one doctor said today - it's the patient, it's not employees, it's not brick and mortar, it's not computers and it's not the numbers we see here, it's the patient we have to take care of; the patient is not getting taken care of as long as we try to centralize and not go out into the communities where the patients are; believes the direction today should be to continue with the closure, direct Administration to move forward with this, begin the interim program for the closure and begin discussions on the reduction of ancillary facilities.

Supervisor Pinard: follows up on questions that have been raised: (1) who are we "legally" required to provide health care services for - we've heard the uninsured, the under-insured, indigent and others who don't fit into these categories; we need to know how many of these people are in our County (using Census information), we need to know our customer; we spend approximately \$58 million in the County for medical services (based on approximately 10 budget units); questions where is all this money going; the County does have duplicate services, such as labs, immunization sites, and a lot of other types of services; suggests if we are going to provide health care there cannot be any "sacred cows"; feels the issue of the Hospital is only one part of the equation and the whole picture needs to be looked at; need to talk about what type of health care service we want to provide, who is going to provide it, where it's going to come from and who is going to do the lab services; questions she wants answered include defining who the client is, how many in each of varying classifications can we anticipate and what are our requirements by law; wants to know what the financial picture is of the other hospitals, wants to see the overall status of each (the best information that can be obtained); one of the doctors indicated that many of the private carriers go by Medi-Cal rates and wants to know who these are; indicates the County says they can pay Medi-Care rates and the insurance carriers are paying Medi-Cal rates, what are we doing differently and why; needs to know what the private sector has contracted for; how do we currently distinguish between a hospital's bad debt patients and those patients that the County is legally responsible for - has concerns that the County could find itself in a position of paying for anyone's bad debt; questions regarding Mental Health and how these services will be provided and this still needs to be addressed; also need to look at the prison, County jail, and a number of service areas that rely on the Hospital (our County health provider service) and how they will be taken care of; regarding the need to have the Auditor go over the figures that were presented today; something else that needs to be looked at is holding our license at another facility and co-join with that hospital; questions how many doctors are in the County and of those how many are not taking new patients; where

will our patients being going; where could some of the ancillary services such as the lab and pharmacy go; another issue to look at is the large number of folks in the County who are either retired or are getting ready to retire, suggesting that the largest percentage of health care (approximately 90+%) dollars go to prolonging the last year of life and suggests that if most of our population is in that range, then the projections of what health care costs are needs to be looked at in that reality; feels the bottom line is “what is the budget we are willing to pay.”

Chairperson Bianchi: addresses the data that has been acquired, including the IHAB presentation today, was done prior to the closure of Mission Medical and the County needs to evaluate what impact that closure will have on the total health care system; if the Hospital does not close, the County also needs to define who we will be serving and how much that will cost; on page D-4-5 of the staff report, there is a question - can the private hospitals absorb additional patients, and states that isn't the question she asked; states her question was - can the private sector absorb the 45-50,000 visits a year that our clinic system and ancillary services, etc. currently see; she can anticipate because of the philosophical question, on page D-4-8 which states “we reiterate previous recommendations that you focus your discussion on the philosophical issue of whether you want the County to continue “to be in the business” of running of a hospital and believes looking into the future that the next question will be “do we want to continue to be in the business of running a clinic system”; page D-4-17, regarding both Options 1b and 2b, the County would create a new Psychiatric Health Facility which would be a facility that is independent of any general acute care hospital - however, this psychiatric health facility can legally treat some of the patients that have been seen at General but cannot treat all the categories; indicates there is a category of patients seen at the current inpatient psychiatric unit who may not be legally treated at a Psychiatric Health Facility and that these types of patients would need to be sent to the nearest such facilities being located in Salinas, Bakersfield, or the City of Santa Barbara; suggests we need know how much it would cost our County to send those patients out of County for treatment; states her questions should also include those raised by Vita Miller, as though they were her questions; wants the County Auditor to review the data in the staff report and the information presented by IHAB and see if these figures are similar.

Thereafter, on motion of Supervisor Ryan, seconded by Supervisor Ovitt and unanimously carried, the Board agrees to continue the meeting past 5:00 p.m. to 5:10 p.m..

Chairperson Bianchi: addresses the issue of duplicate labs, indicating there is a Public Health lab and a Medical Services lab and these two do not perform all similar functions and suggests there are tests done by the Public Health lab that you wouldn't want performed near or in a Medical Services lab; suggests an evaluation of what parts of those two labs could and could not be consolidated.

Thereafter, on motion of Supervisor Ovitt, seconded by Supervisor Ryan and unanimously carried, the Board affirms that the County will continue to be a provider of outpatient , primary care services.

Chairperson Bianchi: directs that the Board members will have one week from today to get any further questions, in writing, to staff for response.

Mr. David Edge: County Administrative Officer, indicates he believes one of the motions is going to include a bunch of questions that will come to staff (with more coming over the next week); the Board can direct any amount of work towards staff that they want, but what he's heard so far is an exploration of what would involve a several hundred thousand dollar consultant contract and would probably be a year's worth of work at this point and gives some examples of questions he has heard; his office doesn't have the resources to do this.

Supervisor Ryan: states he believes staff can come back in two months with quite a few answers that will touch on many of these questions and it will be information that the Board doesn't have in front of them today; understands that some of these may not be conclusive answers; and, also staff will be able to come back with a lot better figures than what has been

presented to date.

A motion by Supervisor Ovitt, seconded by Supervisor Ryan to direct the Administrative staff to discontinue the direct provision of inpatient hospital services and begin the implementation plan to do that and to also investigate the continued operation of all ancillary services, whether they be inpatient or clinic with this report coming back with the implementation plan for closure so the Board can make a decision on these services and, the questions raised by Supervisor Ryan be addressed at the same time, is discussed.

Supervisor Pinard: questions use by Atascadero State Hospital and the Jail and where these folks will go.

Ms. Wilcox: states there are existing contracts with the hospitals for CMSP and for the law enforcement medical care patients.

Chairperson Bianchi: questions the need for answering questions at all if the direction is to close the Hospital today.

Thereafter, on motion of Supervisor Ryan, seconded by Chairperson Bianchi and unanimously carried, the Board continues the meeting to 5:15 p.m..

Discussion continues on the main motion.

Supervisor Ovitt: addresses comments indicating what current inpatient statistics show; patients are using other hospitals instead of General Hospital; feels the biggest question is where are we going tomorrow with health care and that a greater decision is going to be what is implemented with the closure of the Hospital; can't begin discussing what will be done with a greater health care program as long as we are still in the acute care business.

Supervisor Ryan: states the motion isn't just closing the hospital but preparing the implementation plan to accomplish that.

Supervisor Achadjian: why put staff through answering all the questions if closure of the Hospital is going to start today, with Supervisor Ovitt responding.

Supervisor Ovitt offers to amend his motion to direct that this matter come back on September 10, 2002.

Supervisor Ryan: indicates his questions, which are included in the motion, all relate to closing the Hospital.

Chairperson Bianchi: questions whether the County has ever received a response from Sierra Vista on the continuation of the contract.

Mr. Edge: states if this is regarding the longterm contract he has inquired of both hospital systems whether they would be interested in implementing those contracts at this point and both hospital systems said no they wouldn't be interested in pursuing those contracts that were written three years ago; French did say they would be interested in negotiating an arrangement that would be of mutual interest.

Thereafter, on motion of Supervisor Ryan, seconded by Chairperson Bianchi and unanimously carried, the Board continues the meeting to 5:25 p.m..

Return to discussion on the main motion.

Supervisor Ryan agrees, as the second, to continue this matter to September 10, 2002.

Supervisor Pinard: addresses her concern to getting answers to the questions with respect

to licensing for Mental Health inpatients.

Supervisor Ovitt: states the implementation plan being requested in the motion would include all these types of concerns.

Matter is fully discussed and thereafter, a motion by Supervisor Ovitt, seconded by Supervisor Ryan to direct the Administrative staff to discontinue the direct provision of inpatient hospital services and begin the implementation plan to do that and to also investigate the continued operation of all ancillary services, whether they be inpatient or clinic, and to have this report come back with the implementation plan for closure so the Board can make a decision on these services and the questions raised by Supervisor Ryan be addressed at the same time, with matter to return on September 10, 2002, fails on the following roll call vote:

AYES: Supervisors Ovitt, Ryan

NOES: Supervisors Pinard, Achadjian, Chairperson Bianchi

ABSENT: None

Matter if further discussed and thereafter, on motion of Supervisor Achadjian, seconded by Supervisor Pinard and on the following roll call vote:

AYES: Supervisors Achadjian, Pinard, Ryan, Chairperson Bianchi

NOES: Supervisor Ovitt

ABSENT: None

the Board directs the Administrative staff to come back on September 10, 2002 with answers to as many of the questions that have been asked by the Board members today as possible and directs the Auditor to review the financial information.

Supervisor Achadjian: states the understanding is that the Board members can still direct additional questions to staff within the next week.

On motion duly made and unanimously carried, the Board of Supervisors of the County of San Luis Obispo, and ex-officio the governing body of all other special assessment and taxing districts for which said Board so acts, does now adjourn.

I, **JULIE L. RODEWALD**, County Clerk-Recorder and Ex-Officio Clerk of the Board of Supervisors of the County of San Luis Obispo, and ex-officio clerk of the governing body of all other special assessment and taxing districts for which said Board so acts, do hereby certify that the foregoing is a fair statement of the proceedings of the meeting held Tuesday, June 4, 2002, by the Board of Supervisors of the County of San Luis Obispo, and ex-officio the governing body of all other special assessment and taxing districts for which said Board so acts.

JULIE L. RODEWALD, County Clerk-Recorder
and Ex-Officio Clerk of the Board of Supervisors

By: /s/Vicki M. Shelby,
Deputy Clerk-Recorder

DATED: June 7, 2002

vms