



Chairman

Andrew L. Vanderlaan
Public Member

May 7, 2007

11A
11B

Vice Chairman

Bill Horn
County Board of
Supervisors

TO: Local Agency Formation Commission

FROM: Executive Officer
Chief, Policy Research

Members

Toni Atkins
Councilmember
City of San Diego

SUBJECT: Reorganization of Structural Fire Protection and
Emergency Medical Services in Unincorporated San
Diego County—Phase I (Ref Nos. SR05-10A-M; SA05-
10A-M; SI05-10; RO05-10; DF05-10)

Dianne Jacob
County Board of
Supervisors

Andrew J. Menshek
Padre Dam
Municipal Water District

EXECUTIVE SUMMARY

This memorandum transmits the *Micro Report: Reorganization of Structural Fire Protection and Emergency Medical Services in Unincorporated San Diego County—Phase I*. The *Micro Report* culminates over ten years of LAFCO research on improving structural fire protection and emergency medical services in the unincorporated area and presents the first ever comprehensive assessment of the issues and governance options that can bring about needed change.

Ron Morrison
Mayor
City of National City

Bud Pocklington
South Bay Irrigation District

Betty Rexford
Councilmember
City of Poway

The *Micro Report* was released for a 60-day public review on January 31, 2007. During the review period, LAFCO staff held public workshops in Pine Valley, Ramona, and in the City of San Diego. Transcripts of workshop comments are provided to the Commission in Attachment 3. Written comments from residents, community groups, volunteer fire protection organizations, agency officials, labor organizations, the California Department of Forestry and Fire Protection (CAL FIRE), and the San Diego County Fire Chiefs' Association are enclosed as Attachment 4. The *Micro Report*, exhibits and attachments, transmittal memo, comment letters, and transcripts are available to the public on the San Diego LAFCO website: www.sdlafco.org.

Alternate Members

Mark Lewis
Mayor
City of El Cajon

Greg Cox
County Board of
Supervisors

John S. Ingalls
Santa Fe
Irrigation District

The *Micro Report* is the fourth volume of San Diego LAFCO reports, which chronicle the financial, organizational, and service-related problems of fire protection and emergency medical services in San Diego County. The first volume, *Funding Fire Protection—An Overview of Funding Issues Facing Fire Protection Agencies* was released in 1999. The report analyzed the inequitable funding among fire protection

Harry Mathis
Public Member

Kevin Faulconer
City of San Diego
Representative

Executive Officer

Michael D. Ott

Counsel

William D. Smith

service providers and contained recommendations that resulted in the LAFCO *Task Force on Fire Protection and Emergency Medical Services*. The Task Force has been responsible for elevating the awareness of fire protection needs in the County—but equally important—the Task Force has been responsible for securing over \$12 million of funding for unincorporated area fire agencies. Supervisor Jacob is the Chairwoman and Commissioner Vanderlaan is the Vice-Chairman of the Task Force; Commissioner Menshek is also a Task Force member.

The second LAFCO volume, *Fire Protection and Emergency Medical Services Review*, which was released in 2004, dealt with infrastructure deficiencies; cost avoidance opportunities; opportunities for shared facilities; government structure options including consolidation; management efficiencies; local accountability and governance, and other issues required by State Law. The third volume, *Macro Report: Options for Providing Structural Fire Protection and Emergency Medical Services*, was published in 2005. The Macro Report provided the framework for LAFCO and the Board of Supervisors to partner and jointly initiate the reorganization of 28 fire protection agencies in San Diego County.

The Micro Report, transmitted herein, was prepared at the Commission's request for a detailed study of the proposed reorganization of unincorporated area structural fire protection and emergency medical services. As proposed, Phase I of the Reorganization would consolidate the fire protection and emergency medical service functions of 17 public agencies and seven volunteer fire companies under a Regional Fire Protection District (FPD) and extend services to approximately 950,000 acres of unincorporated territory not within any public structural fire protection and emergency medical service agency.

Four possibilities for providing governance for regional fire protection are presented in the Micro Report: (1) formation of a Regional FPD; (2) naming the County of San Diego as successor to Phase I agencies; (3) authorizing latent powers for fire protection and emergency medical services within a zone of CSA 135 (Regional Communications); and (4) retention of the status quo. A summary comparison of each alternative is attached to this transmittal as Exhibit A.

In accordance with State Law, four municipal water districts (MWD), which were included in the Phase I proposal, cannot be considered for reorganization. The Commission is asked to consider requests from seven agencies that have made appeals to be withdrawn from Phase I and to consider removing all tribal reservation lands from the proposed regional agency.

The Micro Report presents estimates of the aggregate revenue that would transfer to a regional agency and estimates of costs for providing regional services under 12 service options. Estimated costs for all options exceed revenues—and underscore prior Commission findings that a regional agency could be viable only with additional sustainable funding. This transmittal includes supplemental estimates of costs and revenues that reflect the elimination of MWDs and the possible exclusion of seven agencies from the Phase I Reorganization.

The biggest challenge associated with reorganizing any service delivery system is money. LAFCO's 1999 funding study and efforts of the LAFCO Task Force have resulted in incremental funding solutions, which cumulatively, have made over \$20 million available for fire protection and emergency medical services. Part of this \$20 million was a FY 05-06 County *Fire Enhancement Program* allocation of \$8.5 million to provide fire protection and emergency medical services in Phase I. The *Fire*

Enhancement Program must be reauthorized annually; however, the Program commits the County to multi-year contracts to retain CAL FIRE presence in Phase I. As discussed in the transmittal report, consideration should be given to awarding future contracts through a process that allows local agencies and volunteer companies to submit competitive bids for providing enhanced services and increased coverage with local resources.

The *Fire Enhancement Program* also establishes a precedent for reprioritizing the use of county revenues and—it can be argued—places the County in partnership with local agencies and volunteers in ensuring the safety of unincorporated area residents. It would be difficult for the County to reverse its substantial commitment to funding fire protection services over the past ten years. The most direct means to provide assurances that county funding will continue is for LAFCO to designate the County or the County-dependent CSA 135 as successor to the Phase I fire agencies. Fire protection services would then become a core responsibility of county government and funding fire protection services with discretionary funds would become a county priority.

While it can be debated whether a reorganized fire protection system should be administered by the County or some other organization, LAFCO staff believes that the current system of fire protection is in need of change. If the County is willing to accept responsibility and is designated as successor to existing local agencies, then future compulsory LAFCO studies will evaluate the efficacy of a county system. If changes become necessary, LAFCO would be empowered to initiate a subsequent reorganization.

The Board of Supervisors has sponsored Senate Bill 806 (Hollingsworth) to appropriate up to \$40 million annually to improve fire protection services in areas that are classified as underserved or unserved. Although SB 806 will become a two-year bill and may not be considered until 2008, LAFCO staff suggests the Commission could still move forward by **conditionally** approving a reorganization of Phase I agencies that would depend on the County of San Diego's willingness to reprioritize discretionary revenue to support fire protection and emergency medical services in the unincorporated area.

In summary, transmitted herein is the *Micro Report: Reorganization of Structural Fire Protection and Emergency Medical Services—Phase I*. The Report presents the Commission with conditional recommendations for reorganization, because additional sustainable funding has not been secured. These recommendations will enable the Commission to conditionally approve any of the governance options to accomplish reorganization.

REQUESTS FOR EXCLUSION FROM PHASE I

Seven agencies have submitted written requests to be removed from the Phase I Reorganization (See Exhibit A). The Boards of Directors for the Borrego Springs and Valley Center FPDs have asked to be excluded from reorganization. The Boards of Directors for the Deer Springs and Julian-Cuyamaca FPDs and the Advisory Boards for CSA 107 (Elfin Forest); CSA 110 (Palomar Mtn.), and CSA 113 (San Pasqual) have requested that their agencies be deferred to Phase II of reorganization. Written and oral comments from residents and community organizations contain similar requests.

CSA 107 (Elfin Forest) and Julian Cuyamaca FPD requests are supplemented with registered voter petitions. The CSA 107 petition was signed by approximately 28 percent of CSA voters; the Julian-Cuyamaca FPD—with four times the number of registered

voters as CSA 107—collected signatures from approximately five percent of FPD voters (see Table 5 page 16). The petitions do not activate any mandatory action in State Law; nevertheless, they are an indication of community support, and may be a prologue to possible protest or election outcomes.

The Phase I Reorganization is guided by the *Substantially Similar Proposal (SSP)*, which was submitted by the San Diego County Fire Chiefs’ and District Fire Chiefs’ Associations. In accordance with LAFCO procedures, the SSP supplanted a reorganization of all unincorporated area structural fire protection and emergency

medical organizations that had been jointly proposed by the Commission and the Board of Supervisors.

Table 1

Matrix of Agency Characteristics

	Borrego Springs FPD	Deer Springs FPD	Julian-Cuyamaca FPD	Valley Center FPD	CSA 107 (Elfin Forest)	CSA 110 (Palomar Mtn)	CSA 113 (San Pasqual)
Vote-approved assessment	•	•	•	•	•	•	•
Geographically isolated	•		•		•	•	
Alternative reorganization					•		
Meets SSP service level	•	•	•	•	•	•	•
ALS	•	•	•				

The SSP split reorganization into two phases. Seventeen agencies and approximately 950,000 acres of unserved territory were placed into Phase I by evaluating whether a potential need for service improvements or enhancements was present. If conditions indicate that locally governed service would not necessarily improve as a result of being included in a regional agency, requests for exclusion could be considered. Characteristics of the agencies requesting exclusion are graphed in Table 1.

Agencies that currently provide advanced life support (ALS) question what further level of service would be achieved by reorganization and suggest that current high levels could be difficult to maintain within a regional agency—although the SSP stipulates that no area would experience a reduction in service from reorganization.

Several agencies are geographically isolated within Phase I. These agencies reason that active community involvement enables self-sufficiency. Borrego Springs FPD, for example, has annual community donations that allow the FPD to replace ambulances and apparatus. Julian-Cuyamaca FPD also receives annual bequests from community donors, which help fund an active community-based volunteer organization. The agencies are protective of their network of community support and fearful that community involvement would recede if local governance was replaced by a regional agency. Another isolated agency, CSA 107 (Elfin Forest) is currently participating in a study with contiguous fire protection providers, which may lead to a sub-regional consolidation of fire protection services. CSA 107 is also the only CSA that is not included in a county agreement with CAL FIRE for coordination, planning and training. Each of the seven agencies receives generous voter-approved special assessment revenue—in most cases exceeding local property tax receipts.

• **Municipal Water Districts**

The proposal to reorganize Phase I agencies included removing the structural fire protection and emergency medical services functions from the Pauma, Mootamai, Ramona, and Yuima MWDs. In 2005, LAFCO staff indicated that this aspect of the reorganization would require research as to its compliance with State Laws. LAFCO staff subsequently concluded that removal of individual powers from multipurpose districts as a function of reorganization is not authorized. Accordingly, the four MWDs cannot be considered for reorganization unless fire protection and emergency medical services and supporting revenues are voluntarily relinquished.

• **Tribal Reservation lands**

Consideration should be given to eliminating Tribal Reservation lands from Phase I. The Rural FPD and CSA 111 and 112 currently include reservation territory and the Phase I reorganization would broaden the overlay to other reservations. Tribal Fire Departments participate in mutual aid agreements, however surrounding or overlaying special districts are not obligated to provide services and reservation lands do not contribute tax dollars to fire protection agencies. The Chairman of the Campo Kumeyaay Nation has requested that the Campo Indian Reservation be removed from the Rural FPD and CSAs 111 and 112. To clarify the service obligations of a regional fire protection agency, the proposed Phase I could be amended to exclude all Tribal Reservation lands.

Table 2

Estimated Acreage in Phase I		
	Phase I	Possible exclusion
Borrego Springs FPD	198,839	
Deer Springs FPD	28,263	
East County FPD	4,130	4,130
Julian-Cuyamaca FPD	52,145	
Pine Valley FPD	44,458	44,458
San Diego Rural FPD	445,803	445,803
Valley Center FPD	54,149	
Mootamai MWD		
Pauma MWD		
Ramona MWD		
Yuima MWD		
In accordance with State Law, MWDs cannot be considered for Phase I Reorganization		
CSA 107 (Elfin Forest)	6,204	
CSA 109 (Mt. Laguna)	21,380	21,380
CSA 110 (Palomar Mtn)	22,717	
CSA 111 (Boulevard)	49,786	49,786
CSA 112 (Campo)	32,282	32,282
CSA 113 (San Pasqual)	10,757	
Unserved territory	950,000	950,000
TOTAL	1,920,913	1,547,839

COST AND REVENUE ESTIMATES FOR DIMINISHED REGIONAL AGENCY

- **Revenue estimates adjusted to eliminate MWDs and possible withdrawal of agencies requesting exclusion from Phase I**

Table 3 presents estimates of Phase I revenue for a regional agency with a service area adjusted to exclude four MWDs and the possible withdrawal of seven additional agencies. Property tax receipts for a smaller regional agency would be approximately 77 percent lower than the proposed Phase I agency; special assessment revenue would

decrease approximately 86 percent. Total estimated revenue of \$14.1 million for the proposed Phase I regional agency would be reduced to \$2.52 million for the smaller agency.

Table 3

Adjusted Phase I Revenue Estimates

Pre Prop 13	FY 05-06 Property Tax		FY 05-06 Voter-Approved Assessment			
	Assessed Value	Revenue	Fund Name	Parcel Count	Fund Total	Total Assessment
Special Districts						
Borrego Springs FPD ✓	\$ 461,859,342	\$ 872,970	Special Tax	5,611	\$ 222,500	\$ 222,500
Deer Springs FPD	1,786,502,448	338,049	Standby	29,286	1,259,850	
			Suppression	27,860	1,349,878	2,609,728
East County FPD ✓	602,903,883	621,164	Special Tax	1,306	59,960	
			Sp.Tax Bostonia	816	200,432	
Julian-Cuyamaca FPD	475,831,981	144,066	Paramedic	1,895	303,118	563,510
Pine Valley FPD ✓	202,135,578	143,536	Special Tax	2,081	105,800	105,800
San Diego Rural	1,979,920,645	496,468	—			0
			Descanso	1,015	53,750	
			Dulzura	197	11,550	
			Tecate	63	13,400	
			Potrero	275	15,400	
			Jacumba	282	16,150	
			Rural West	2,994	340,450	
			Otay Mesa CFD	1	22,070	
			Hidden Vly CFD	10	111,653	583,423
Valley Center FPD	1,930,297	374,448	Standby	6,641	1,029,229	
			Valley Ctr. CFD	5,103	194,046	1,223,275
			—			0
Mcotamai MWD ✓	13,422,519	9,319	—			0
Pauma MWD ✓	25,839,956	12,290	—			0
Ramona MWD ✓	3,103,989,964	2,351,980	Fire/Paramedic	11,511	2,514,438	2,514,438
Yuima MWD ✓	200,877,555	320,435	Special Tax	984	48,509	48,509
CSA 107 (Elfin Forest)	202,358,898	30,972	Special Tax	514	220,068	220,068
CSA 109 (Mt. Laguna)	23,798,898	19,982	Special Tax	262	20,550	20,550
CSA 110 (Palomar Mtn)	77,341,051	24,863	Special Tax	853	47,524	47,524
CSA 111 (Boulevard)	131,728,587	41,096	—			0
CSA 112 (Campo)	109,801,557	31,275	—			0
CSA 113 (San Pasqual)	94,683,800	23,216	Special Tax	343		55,511
Volunteer Companies						
De Luz Heights n/a	n/a	n/a	n/a	n/a	n/a	n/a
Inter-Mountain n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ocotillo Wells n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ranchita n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shelter Valley n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sunshine Summit n/a	n/a	n/a	n/a	n/a	n/a	n/a
Micro Report Total		\$5,886,800				\$8,215,842
ADJUSTED Total		\$1,353,521				\$1,167,483

- **Cost estimates adjusted to eliminate MWDs and possible withdrawal of agencies requesting exclusion from Phase I**

Cost estimates developed for the Micro Report are not aggregate costs of Phase I jurisdictions. Cost estimates were developed for a theoretical *regional* agency by subdividing the expansive Phase I territory into five operational battalions based upon geographic and operational relationships irrespective of *current jurisdictional boundaries*; costs reflect an appropriate staffing of the five battalions (see Micro Report Map 3).

Cost estimates have been developed to reflect an alternative regional agency with a service area that excludes the service territory of four MWDs and the possible elimination of service territory of seven jurisdictions that are requesting exclusion from Phase I. Costs to provide services within individual Phase I jurisdictions cannot be isolated from cost estimates for a regional operation. Accordingly, costs for an alternative regional agency with a service area that is smaller than the proposed Phase I does not reflect a mere withdrawal of individual agencies—but rather, a total reconfiguration of Phase I service area. Table 4 presents a cost estimates for the 12 service level options presented in the Micro Report.

Table 4

Adjusted Phase I cost estimates				
	Model 5-Local 3 on-duty, BLS Career	Model 5-CDF 3 on-duty, BLS Career	Model 5a-Local 3 on-duty, BLS Career/Volunteer	Model 5a-CDF 3 on-duty, BLS Career/Volunteer
Phase I cost	\$ 58,783,284	\$ 57,345,911	\$44,889,088	\$45,657,747
Adjusted cost	\$ 39,189,023	\$ 38,063,883	\$ 28,376,793	\$ 29,107,861
	Model 6-Local 3 on-duty, ALS Career	Model 6-CDF 3 on-duty, ALS Career	Model 6a-Local 3 on-duty, ALS Career/Volunteer	Model 6a-CDF 3 on-duty, ALS Career/Volunteer
Phase I cost	\$ 59,613,483	\$ 60,897,538	\$46,899,892	\$47,638,670
Adjusted cost	\$ 39,835,697	\$ 41,140,970	\$ 30,276,716	\$ 31,310,095
	Model 7-Local 4 on-duty, ALS Career	Model 7-CDF 4 on-duty, ALS Career	Model 7a-Local 4 on-duty, ALS Career/Volunteer	Model 7a-CDF 4 on-duty, ALS Career/Volunteer
Phase I cost	\$ 69,763,540	\$ 69,983,822	\$ 49,799,308	\$ 50,638,476
Adjusted cost	\$ 48,294,078	\$ 48,852,888	\$ 31,690,125	\$ 32,514,707

Table 5

Estimate of additional revenue required	
Cost estimate:	
Model 5a (3 on-duty BLS career/volunteer)	28,376,793
Estimated resources:	
FY 05-06 property tax	1,353,521
FY 05-06 special assessment	1,167,483
FY 05-06 Fire Enhancement Fund	8,530,000
Total	11,051,004
Additional revenue required:	\$ 17,325,789

Projected shortfall between estimated cost and estimated revenue

As discussed in the Micro Report, determining what amount of additional revenue would be required to fund Phase I is problematic. Unknown variables, such as what service level would be implemented or how many jurisdictions would be consolidated under a regional agency, impact both cost and revenue estimates. Uncertainty about whether the *Fire Enhancement* Program will continue to underwrite services within a regional agency adds to the complexity of cost and revenue projections.

The Micro Report developed a theoretical model for projecting any disparity between anticipated revenue and anticipated cost of providing regional services by *assuming* a

model 5a service level, *assuming* participation of all 17 Phase I jurisdictions at FY 05-06 funding levels; *assuming* that volunteer organizations would be incorporated into the regional operation; and *assuming* continued allocations from the *County Fire Enhancement Program*. Under such *assumptions*, the estimate for annual cost exceeds estimated revenue by \$22.2 million (Micro Report page 36). By applying the identical assumptions to an alternative regional agency, which has a reduced service area and associated diminished cost and revenue estimates, costs for Model 5a would exceed revenues by approximately \$17.3 million (Table 5).

▪ **Principal test of reorganization involves finding additional revenue**

The biggest challenge to reorganizing any service delivery system is money. The Phase I reorganization proposes not only to enhance services across areas with widely unequal funding—but to extend services to 950,000 acres of territory that would bring no funding whatsoever to the regional agency. Estimates of shortfall vary depending upon the service level implemented and the ultimate boundary of the regional service provider; however, *all* alternatives would include revenue shortfalls. Accordingly, one of the principal tests for reorganization would be whether additional, sustainable revenue would be available to support a regional agency.

None of the reorganization options—Regional FPD, CSA 135, or the County of San Diego as successor service provider—would generate new revenue. As discussed in the Micro Report, a regional agency would inherit inflexible property tax allocations from former Phase I agencies; special assessment revenue—also the legacy of Phase I organizations—could increase only with voter approval.

The SSP, foreseeing the revenue-raising limitations of a regional fire protection agency, recommends that discretionary county revenues be reprioritized and a portion permanently allocated to the regional agency. Supervisor Dianne Jacob and the Board of Supervisors have sponsored state legislation (SB 806-Hollingsworth) that would annually provide approximately \$40 million to improve fire protection services in unserved and underserved area by shifting one percent of property tax revenue from San Diego County schools to a regional fire protection agency. School loss would be backed-filled by the State General Fund. Senate Bill 806, which was authored by State

Senator Dennis Hollingsworth, in February, 2007 has just entered the legislative process and the likelihood of forthcoming revenue is unknown.

- **County funding of fire protection**

As already discussed, the County has joined LAFCO and the fire protection community in proposing incremental solutions for increasing the resources available to fire protection organizations in the unincorporated area. Since 1997, when San Diego LAFCO first assigned a priority to studying consolidating fire protection services, the County has contributed more than \$20 million towards providing unincorporated area residents with structural fire protection and emergency medical services.

Most recently, the Board of Supervisors allocated \$8.5 million of discretionary revenue to fund fire protection and emergency medical services in the unincorporated area through the *Fire Enhancement Program*. The *Fire Enhancement Program* must be reauthorized annually, however, it establishes a precedent for reprioritizing the use of county revenues and—it can be argued—places the County in partnership with local agencies and volunteers in ensuring the safety of unincorporated area residents.

The LAFCO reorganization process would include a transfer of revenues from Phase I agencies to a regional fire protection provider. The process is guided by State laws that attempt to maintain a balance between transfer of service responsibility and transfer of funds; Government Code §56810 and Revenue and Taxation Code § 99 determine how transfers are calculated and implemented. In view of the County's involvement in providing fire protection and emergency medical services within Phase I, County funds, which support fire protection services, should transfer to the regional fire protection provider to support the service responsibility that would also transfer to the regional provider.

A transfer of discretionary funds from the County to a regional fire protection agency would be supported by two precedents: (1) the aforementioned allocation of discretionary revenue to unincorporated area fire protection services through the *Fire Enhancement Program*; and (2) the voluntary transfer in 1983-84 of County General Fund revenue and two percent of the annual property tax increment to 10 fire protection agencies which, having been formed subsequent to Prop.13's enactment, could neither levy a property tax rate nor share in the allocation of existing property tax revenue.

Although SB 806 will likely become a two-year bill that will not be considered until 2008, the Commission could still move forward and—**conditionally**—approve a regionalized system of structural protection and emergency medical services under a cooperative approach with the County of San Diego. The potential to access discretionary revenues exists only under the two county-related options. **Conditionally** approving a regional fire protection system under CSA 135 or under direct County oversight should be considered for the prospect that county revenues could be reprioritized to fund a regional system of structural fire protection and emergency medical services.

PUBLIC REVIEW OF MICRO REPORT

The Micro Report was released for a 60-day public review on January 31, 2007. All Micro Report documents, including this transmittal memo, related exhibits and attachments, public comments letters, and transcripts from public workshops are available at the San Diego LAFCO web site: www.sdlafo.org.

During the review period, LAFCO staff held public workshops in the unincorporated communities of Pine Valley and Ramona and the City of San Diego. LAFCO staff also made presentations to the Borrego Springs FPD, the Julian-Cuyamaca FPD, and the San Dieguito Planning Group, at the request of these organizations. The workshops provided a forum to engage an expanded audience in the reorganization project; respond to inquiries about the Micro Report; and receive comments regarding the proposed reorganization. Standing-room-only attendance at the community workshops is a strong indicator of interest in the proposed reorganization.

- **Public comments**

Nine hours of workshop comments were recorded; transcripts of all comments are bound as Attachment 3. Written comments from residents, community groups, volunteer fire protection organizations, agency officials, labor organizations, the California Department of Forestry and Fire Protection (CAL FIRE), and the San Diego County Fire Chiefs' Association are grouped under Attachment 4. Workshop transcripts and comments letters are available at: www.sdlafaco.org.

- **San Diego County Fire Chiefs' Association comments**

The San Diego County Fire Chiefs' Association approved a two-part motion that (1) supports the Micro Study; and (2) recommends formation of an independent Regional Fire Protection Governance Model.

- **CAL FIRE comments**

CAL FIRE comments explain the State agency's interest in a local reorganization and question Micro Report methodology for projecting costs. CAL FIRE asserts that Micro Report projections under-estimate local costs and over-estimate CAL FIRE costs.

Micro Report cost projections were formulated with a number of assumptions, which are identified in the Report (pg 23-26). Costs and revenues for Phase I were developed using a *snapshot* of FY 05-06 data. Local costs reflect median salary and benefits averaged over all local fire protection providers in San Diego County. Projections for CAL FIRE costs were developed with data supplied by a prior CAL FIRE administrator.

Micro Report estimates attempt to compare local median personnel cost with CAL FIRE personnel costs for similar positions. In July 2006, CAL FIRE labor contracts were changed to require a minimum of two paid CAL FIRE employees on an engine. The two-person requirement, which substantially increases CAL FIRE personnel cost over median local cost, was not reflected in Micro Report estimates for models that include career-volunteer service delivery by CAL FIRE.

Written and oral public comments: A preponderance of the comments and workshop testimony, generally invoke one or more of the following concerns about consolidating structural fire protection and emergency medical service functions under a regional authority:

1. **Effect on volunteers:** Apprehension that volunteers would be trivialized and downgraded to a minor supporting role within a regional agency and volunteer organizations would eventually decline or disband.

LAFCO staff response: Volunteers in the unincorporated area have organized, funded, and unselfishly served their communities by providing structural fire protection and emergency medical services where government faltered. From

spartan start-ups, the volunteers have matured into sustained, professional operations that are thoroughly integrated into the region's fire protection system. The importance of volunteers to the County of San Diego is such that the County contracts with volunteers to provide all structural fire protection and emergency medical services within six county-dependent special districts. In FY 05-06, nine Phase I agencies, which were essentially volunteer operations, were responsible for administering more than \$2 million in public funds.

The Micro Report estimates that volunteer operations would provide \$14 to \$20 million of annual service to a regional agency. Proposed organizational models for Phase I embed a career firefighter or fire-fighter-paramedic in volunteer units to ensure that effective volunteer operations receive on-going support and are able to provide enhanced levels of services. LAFCO staff believes a regional agency should be oriented towards helping volunteers in their efforts to provide better service, rather than demanding volunteer operations to narrowly support the regional agency's goals.

Volunteers who serve in fire protection companies likely do so to meet numerous motivational needs; however, most comments submitted to LAFCO point to a sense of community and the ability to materially contribute and conclude that volunteers not actively engaged in an organization's mission are quick to resign. Comments make anecdotal reference to incidents where CAL FIRE contracts have replaced local volunteer operations and CAL FIRE's believed indifference to local volunteers provoked resignations. CAL FIRE responds that it operates "...combined paid-volunteer/reserve staffing systems with some...contracting agencies and view this type of staffing as quite appropriate for the type of agency envisioned in the Micro Report." LAFCO staff believes the CAL FIRE relationship with volunteers may be problematic because CAL FIRE is prohibited from responding unless two *paid* personnel are on duty at all times.

Anecdotal accounts presented by the public have not been confirmed; nevertheless, the notion that volunteers within a regional organization would be assigned a minor role pervades much of the public testimony. If CAL FIRE remains a major contract service provider within a regional fire protection agency, regional officials would need to be especially sensitive to a potentially uneasy relationship between dedicated volunteers and CAL FIRE personnel who must conform to State personnel policies.

Volunteer fire protection companies are authorized by State Law to provide services as private—not public—operations. LAFCO's authority to consolidate, dissolve, or otherwise effect organizational change on local *public* agencies does not apply to *private* organizations. Volunteer operations within a regional fire protection agency would retain autonomy and continue to work cooperatively with the regional agency in much the same manner as volunteer companies cooperate with surrounding agencies today. Nevertheless, some distinctions would occur:

- A Regional FPD would *not* be able to contract with volunteer companies to provide fire protection services. Public Contract Code 20812(a) specifically prohibits FPDs from contracting with a private volunteer company for fire protection services. Restrictions do not apply to contracts between volunteer agencies and CSAs or contracts between volunteers and the County.
- Volunteers within former CSAs who administer public tax revenues as a function of providing contractual fire protection services to the County would relinquish that authority to the regional agency. All discretionary funds—including any new

sustainable revenue—would be allocated to needs within the Regional FPD through the annual budget process. The fiscal requirements of volunteer operations would be prioritized as part of a regional system. Terms and conditions of reorganization would require that community advisory boards be maintained to represent resident/voter interests to the regional board. In practice, many of the community boards that currently advise the Board of Supervisors would likely become advisory to the regional agency.

It is important to note that regional officials would not have unlimited discretion over all revenues. Officials would be compelled to restrict expenditures of voter-approved special assessment revenue to programs within the specific areas where assessments were levied. Funds from each area would be maintained under discreet accounting controls and terms and conditions of reorganization would require that fiscal advisory councils be put in place to monitor fund use.

2. **Status of voter-approved assessments:** Apprehension that local voter-approved special assessment revenue would be diverted to fund services in other communities.

LAFCO staff response: Voter-approved special assessment revenue within the proposed Phase I significantly exceeds revenue from property tax. Special assessment revenue and property tax revenue become approximately equal when adjusted to eliminate revenue from the MWDs and revenue loss from the potential withdrawal of other agencies (see Table 5, page 5); however, special tax revenue still represents a considerable voluntary commitment and constituents are correct to be watchful over public management of their tax dollars.

As explained in the Micro Report, Proposition 218 requires that a relationship exist between voter-approved assessment revenue and benefits received by assessed parcels. Accordingly, special assessment revenue can only fund programs within the area where an assessment is levied. A regional fire protection agency would be required to maintain separate accounting and operating plans to accommodate all special assessment areas.

The administration of separate funding zones is a common practice. A regional agency could find a model in the San Diego Rural FPD, for example, which has several zones wherein allocation of voter-approved assessment revenues must be restricted. Terms and conditions of the reorganization would also reinforce the requirement to maintain special assessment funds within defined assessment zones and would demand that Fiscal Advisory Councils monitor fund use.

Notwithstanding requirements to restrict special assessment revenue to specific uses, the integrity of discrete special assessment accounting is compromised by the prevalence of mutual and automatic aid agreements and the frequency of emergency service response to unserved areas. Any agency that engages in any manner of extra-territorial response is likely subsidizing other communities with restricted special assessment revenue. This is a current and historical reality of fire protection service that will likely continue as long as funding among agencies is unequal and firefighters insist upon providing the emergency response that the public expects.

One outcome of forming a regional fire protection agency—stabilized with additional sustained revenue—would be to provide a baseline level of service throughout the region without regard to local funding limits. Voters would then have the option to

reevaluate local assessment levels and perhaps replace dissimilar local assessments with a universal regional tax.

3. **Representation:** Apprehension about the loss of representation and local control that would occur if local fire protection districts and volunteer fire companies were replaced with a regional agency.

LAFCO staff response: The number of elected officials would be reduced from the current aggregate of elected officials within Phase I under any of the reorganization alternatives reviewed in the Micro Report. The SSP anticipates the loss of representation and local control that would be the result of reducing the number of local agencies and stipulates that loss be mitigated to the extent possible. Accordingly, LAFCO staff believes terms and conditions of reorganization should require that elected or appointed community Advisory Councils be maintained to represent constituents' interests; Fiscal Advisory Councils should monitor special assessment funds.

A Regional FPD with a maximum 11-member Board of Directors would provide the highest level of representation of any reorganization alternative. An initial FPD board must be elected at large—or an initial can be appointed by the Board of Supervisors; subsequent boards can be elected by division if certain conditions are met. Characteristics of representation under a Regional Fire Protection District; under the County as a successor agency; and under a CSA, are discussed in the Micro Report and attached Ralph Andersen & Associates report on Governance, and summarized in Exhibit A .

4. **Sustainable revenue:** Apprehension that Phase I agencies could be dissolved and a regional agency formed without additional sustainable revenue being secured.

LAFCO staff response: The SSP identified the lack of adequate and sustainable funding as the number one problem in the reorganization effort. Minutes from LAFCO meetings document the Commission's consistent assertion that it would be inappropriate to create a regional fire protection agency from multiple underfunded agencies and extensive unfunded territory without securing additional ongoing revenue. Indeed, successive commission reorganization studies, which provide increasingly detailed information about funding, were authorized to aid the difficult search for new revenue.

One of the principal tests for reorganization would be whether additional, sustainable revenue would be available to support a regional agency. None of the alternative governance models reviewed in the Micro Report—including retention of the status quo—would be authorized to increase existing tax rates. As discussed in the Micro Report, inflexible property tax allocations would be inherited from dissolved Phase I agencies; special assessment revenue—also the legacy of Phase I organizations—could increase only with voter approval. Limitations apply to the County of San Diego also; however the County, as successor agency for structural fire protection services or as Directors of CSA 135 could reprioritize county general fund revenues to support of fire protection and emergency medical services.

The SSP, foreseeing the revenue-raising limitations of a regional fire protection agency, recommends that county tax proceeds be reprioritized and a portion permanently allocated to the regional agency. Senate Bill 806, sponsored by Supervisor Dianne Jacob and introduced by State Senator Dennis Hollingsworth in late February, 2007, proposes to transfer one percent of property tax revenues away

from San Diego County schools to support a regional fire protection agency; school loss would be backed-filled by the State General Fund. Projections, estimate that SB 806 would provide approximately \$40.7 million in FY 2008-09. The measure has just entered the legislative process and expectation of forthcoming revenue is not known.

5. **Administration:** Apprehension that regional fire protection services would be administered by the County Department of Planning and Land Use (DPLU) and CAL FIRE imposed as exclusive service provider in Phase I.

LAFCO staff response: DPLU administers the *County Fire Enhancement Program* (Micro Report pg. 20). The Program makes direct grants and awards equipment and apparatus to fire protection agencies and volunteer companies within Phase I. The Program also funds Amador contracts to keep CAL FIRE wildland fire companies operational in the non-fire season and subsidizes Schedule A programs between CAL FIRE and four Phase I FPDs. Schedule A programs place state CAL FIRE personnel in local agency-owned facilities, typically displacing local employees—although CAL FIRE tries to absorb qualified employees into the State system.

In response to LAFCO staff questions about how the *County Fire Enhancement Program*—more specifically, program funds—would factor into a reorganized Phase I, DPLU submitted a draft reorganization alternative, the *Conceptual Reorganization of San Diego County Fire Services*. The *Conceptual Reorganization* describes several options for Phase I governance. All options install DPLU as administrator for regional fire protection and emergency medical services and rely on an expanded partnership with CAL FIRE to provide contract services within Phase I.

The Micro Report reviews options for governance that would involve county administration. Dissolving Phase I districts and naming the County as successor; or authorizing a zone of CSA 135 to provide fire protection and emergency medical services to a zone covering Phase I are alternatives that would place Phase I under County management. The Micro Report also contains a discussion of issues that should be evaluated when considering either alternative (Micro Report pg. 55-57). Before accepting the role of Phase I service provider, LAFCO staff believes the county should develop a vision for structural fire protection and emergency medical services in cooperation with unincorporated area residents, volunteers, and local fire protection officials. There appears to be mistrust of County motives in administering the current *Fire Enhancement Program*, which is expressed in many oral and written comments. Even the most skeptical detractor is grateful to the County for the generous support and commitment that the Fire Enhancement Program represents; however there is discontent over the manner in which the program was implemented; comments seem to focus on a communication void between county staff and constituents.

A County vision statement could define what goals could be pursued through expanding CAL FIRE presence in Phase I. CAL FIRE is a praiseworthy professional organization whose employees have an extraordinary record of service to the citizen of California. The resistance to an expanded CAL FIRE role that is expressed in comments is not a condemnation of CAL FIRE—it is a position that questions the long term consequences of disbanding local fire protection resources and transferring all responsibility to a State agency. LAFCO staff also believes that contracts for structural fire protection and emergency medical services should be awarded through a process that allows local agencies and volunteer companies to

submit competitive bids for providing enhanced services and increased coverage with local resources.

State Law requires LAFCOs to conduct comprehensive reviews of the services provided by local agencies as an on-going activity. MSR's are required to contain determinations about local accountability and governance, management efficiencies, cost avoidance opportunities, and other elements of providing effective public services. MSR's are used by the Commission, the Grand Jury, and other public agencies to assist in decision-making. In recent years, the Commission has completed *Municipal Service Reviews* (MSR) for many special districts, including the Otay Water District and Tia Juana Valley County Water District. Terms and Conditions of the Phase I reorganization should require San Diego LAFCO to place a regional fire protection service provider as the highest priority within the MSR cycle.

ELECTION REQUIREMENTS

Voters have the most influential role in determining whether a reorganization of structural fire protection and emergency medical services will take place. Four possibilities for providing governance for regional fire protection are presented in the Micro Report: (1) formation of a Regional FPD; (2) naming the County of San Diego as successor to Phase I agencies; (3) authorizing latent powers for fire protection and emergency medical services within a zone of CSA 135; and (4) retention of the status quo.

The first option, dissolving current agencies and forming a Regional Fire Protection District would require an automatic election among registered voters within the approved Phase I. An automatic election would *not* be triggered by Commission approval of either: (1) dissolving Phase I agencies and naming the County of San Diego as successor for providing regional fire protection and emergency medical services; or (2) dissolving Phase I agencies and authorizing CSA 135 (Regional Communications) to provide structural fire protection and emergency medical services within a limited zone of the CSA. Notwithstanding the absence of State Law requiring an automatic election for either alternative, it is quite likely that—if approved by the Commission—either alternative would receive the required amount of protest to require an election.

Commission decisions must be submitted to voters for confirmation if sufficient protest signatures are gathered. Because the proposed dissolution of Phase I agencies was initiated by the Commission, the threshold for protest is relatively low compared to protest of LAFCO approvals for actions initiated by voters/landowners or local public agencies.

An election would be required among all voters within an approved Phase I if signatures were submitted from 10 percent of landowners or registered voters within *any single* Phase I district. If the number of voters or landowners within a district were less than 300, signature requirements would rise to 25 percent [(Government Code § 57113(a)(1)(A, B)]. Registered voter counts within the proposed Phase I are relatively

Table 5

2007 registered voters	
Borrego Springs FPD	1,477
Deer Springs FPD	6,930
East County FPD	4,666
Julian-Cuyamaca FPD	2,125
Pine Valley FPD	1,324
San Diego Rural FPD	10,546
Valley Center FPD	8,973
CSA 107 (Elfin Forest)	557
CSA 109 (Mt. Laguna)	62
CSA 110 (Palomar Mtn)	209
CSA 111 (Boulevard)	781
CSA 112 (Campo)	823
CSA 113 (San Pasqual)	313
TOTAL	38,786

low; so, for example, only 32 signatures within CSA 113 (San Pasqual) would cause an election to be held among all Phase I voters.

- Voters/landowners within the 950,000 acres of unserved territory that is proposed to be included in Phase I could *not* sign petitions protesting Phase I dissolutions because protest provisions would apply only to landowners/voters within local agencies that would be dissolved. Unserved area voters could vote in any election that resulted from sufficient protest being filed.

A mandatory election for formation of a Regional FPD would be required regardless of protest outcomes. If an election on dissolution were required, both elections would appear on the same ballot as mutually inclusive issues; voters would be required to give majority approval for both actions or both would fail.

Election timing: A number of activities would need to be completed by the Commission, the Board of Supervisors, the Registrar of Voters, and in some cases eligible voters, before an election could be held. There are mandatory waiting periods when reconsideration of Commission actions can be filed and mandatory time periods to notice and hold a Conducting Authority hearing to receive protests. The Registrar of Voters has an authorized period to count and validate protest signatures and there are mandatory periods prior to an election when a call for election and an impartial analysis must be received by the Registrar of Voters.

The earliest election date when all requirements could be met would be June 3, 2008 Primary Election. If reorganization receives conditional approval—for example, requiring that adequate new sustainable revenue be committed to regional fire protection services—conditions would need to be satisfied before elections were scheduled and the June 2008 date might be too early. The subsequent election date would be the November 4, 2008 General Election.

COMMISSION AND BOARD OF SUPERVISORS ACTIONS REQUIRED TO PROCEED WITH REORGANIZATION OF PHASE I

A number of decisions need to be made on May 7, 2007 and at subsequent dates either by the full commission or Executive Officer before a reorganization of unincorporated area structural fire protection and emergency medical services can be finalized. Some of these decisions can be categorized as ministerial; however, some are discretionary and have broad policy implications. For example, boundary and governance issues need to be decided by the Commission before any subsequent policy or ministerial actions can occur. Ministerial actions involve developing a legal description of the boundaries, determining an exchange of property taxes per provisions of State Law, establishing an appropriations limit, etc. This process is analogous to an escrow, where conditions need to be satisfied before the transaction is finalized.

Assistance and concurrence from other agencies will be needed, namely the County of San Diego. The following list summarizes key activities that would need to be accomplished, if the Commission conditionally approves any of the governance options outlined in the Micro Report. Although presented chronologically, many activities could be concurrently addressed.

1. **Amendment of Phase I proposal—Municipal Water Districts:** The Phase I proposal needs to be amended to exclude Municipal Water Districts (MWDs) based on the legal research conducted by LAFCO staff and Legal Counsel. However, if an MWD voluntarily decides to be a part of the reorganization proposal, the Executive Officer would need to work with the affected agency to remove service functions and a proportionate share of tax monies from the MWD(s).

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO, MWDs

2. **Jurisdictional Boundary Determination – Removal of Agencies from Phase I:** Based on the Matrix of Agency Characteristics, transcripts of public workshops, comment letters, and testimony received at the LAFCO May 7, 2007 public hearing, the Commission will need to determine the boundaries of the proposed successor fire agency. As noted in this transmittal report, the Borrego Springs FPD, Deer Springs FPD, Julian-Cuyamaca FPD, Valley Center FPD, CSA 107 (Elfin Forest), CSA 110 (Palomar Mtn), and CSA 113 San Pasqual) request to be removed from Phase I. Another boundary determination the Commission will need to make concerns Tribal lands and whether reservation territory should be excluded from the boundary of a successor fire agency.

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO

3. **Metes and Bounds Legal Description:** LAFCO boundary determinations are subject to metes and bounds legal descriptions. The Commission would need to authorize the Executive Officer to direct the County Assessor to prepare a metes and bounds legal description.

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO; County Assessor

4. **Governance:** The Micro Report covered four governance options: (1) Establishment of a Regional Fire Protection District; (2) Designation of County of San Diego as successor to Phase I agencies; (3) Designation of CSA 135 – San Diego Regional Communications as successor to Phase I agencies; and (4) Retention of status quo system. If the Commission decides to approve reorganization, options 2 and 3 appear to be logical if the County is responsible for funding a reorganized system of fire protection and emergency medical services. Concurrence would be needed from the County for either of these county-oriented options.

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO; County Board of Supervisors

5. **Property Tax Allocation:** A property tax allocation must be developed per Government Code Section 56810 and 56811, and Revenue and Taxation Code 99. The completed metes and bounds legal description would be forwarded to the County Auditor-Controller for calculation of property tax revenue.

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO; County Board of Supervisors; County Auditor-Controller

6. **Miscellaneous Terms and Conditions:** The overall reorganization would be subject to a number of terms and conditions regarding effective date, election provision, transfer of assets, properties, etc. These conditions would be of a technical and legal nature.

Decision Classification: Executive Officer ministerial responsibility

Decision Responsibility: LAFCO

7. **Appropriations Limit:** State Law requires the preparation of a provisional Gann limit for the formation of new agencies (e.g., Regional FPD).

Decision Classification: Executive Officer ministerial responsibility

Decision Responsibility: LAFCO

8. **Amended Resolution:** If required, the Board of Supervisors adopts a resolution amending its resolution for the formation of a Regional Fire Protection District.

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO; County Board of Supervisors

9. **Ratification:** Depending on the conditions of approval, and issues encountered by LAFCO staff during the completion of proceedings, LAFCO staff may need to return to the Commission for final approval of the Phase I reorganization.

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO

10. **Protest Proceedings:** State Law requires a public hearing (Conducting Authority hearing) for voter/landowner protest of LAFCO decision. Depending upon the governance option selected by the Commission an election may be automatically required or subject to specified protest thresholds. State law permits LAFCO to delegate responsibility for conducting the protest proceedings to the Executive Officer.

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO; County Registrar of Voters; County Assessor

11. **Election Provisions:** An election may need to be scheduled for formation of a Regional FPD or for confirmation of the reorganization of special districts. The Regional FPD election is mandatory; the special district reorganization is dependent on protest levels.

Decision Classification: LAFCO determination; Executive Officer ministerial responsibility

Decision Responsibility: LAFCO; County Registrar of Voters; County Assessor

CONCLUSION AND RECOMMENDATION

The Phase I Reorganization has been proposed to provide central command and control, stabilize funding, and enhance services within an expansive unincorporated area where structural fire protection and emergency medical services are provided by multiple unequally funded public and private volunteer organizations. The reorganization would consolidate the service functions of numerous special districts and extend public fire protection and emergency medical services to approximately 950,000 acres of unserved territory. The Micro Report confirms prior commission studies, which establish that attaining the goals of reorganization would require additional sustainable funding.

The Commission has received written requests from seven fire protection agencies that have requested removal or deferral from the proposed reorganization. The Commission will need to evaluate the requests based on the Matrix of Agency Characteristics (pg 4) in this transmittal report, as well as the comments received at the public workshops and the May 7, 2006 public hearing.

The Micro Report estimates that approximately \$44.8 million would be required to extend the minimum service level—Model 5a, delivered by local career and volunteer personnel—throughout Phase I. The amount of additional revenue required to fill the gap between the estimated cost of Model 5a and estimated revenues is approximately \$22.3 million. Projections of additional revenue that would be needed to fund service model 5a within a smaller regional agency decrease to approximately \$17.3 million.

If the Commission determines to move forward with a reorganization of fire agencies on May 7—prior to additional funds being received through SB 806 or other proposals—governance options would narrow considerably. For reasons discussed in this transmittal report, designation of: (1) the County of San Diego; or (2) a county-dependent special district represent potentially viable options to regionalize the fire protection system—if the Commission decides to approve the reorganization on May 7. Approval of both options must be **conditional**, however, because they are dependent on Board of Supervisors' concurrence. Confirmation from the voters may also be required. Should county-oriented options be selected, LAFCO staff would need to work closely with the Commissioners and Supervisors Jacob and Horn and the entire Board of Supervisors to secure necessary approvals and concurrence.

In conclusion, if the Commission decides to approve a reorganization of fire protection and emergency medical agencies within unincorporated San Diego County, then the Commission should consider the service models, and governance models, and associated estimates of costs and revenues discussed in the Micro Report. Accordingly, it is recommended that the Commission provide related approvals and direction for the following actions:

Executive Officer Recommendation

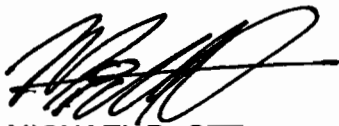
1. Certify in accordance with the Executive Officer's determinations that pursuant to § 15061 (b)(3) of the State CEQA guidelines, sphere affirmations and determinations are not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the sphere actions would have a significant effect on the environment, and is not subject to CEQA;

2. Certify that the Commission reaffirms its approval of the Municipal Service Review for Unincorporated Area Structural Fire Protection and Emergency Medical Services, originally adopted on February 7, 2005, and the Review of Special District Spheres of Influence, approved on August 7, 2006; and therefore, directs the Executive Officer to prepare the form of resolution to:
 - a. Approve a reaffirmation of the spheres of influence for: Alpine FPD; Bonita-Sunnyside FPD; Deer Springs FPD; East County FPD; Julian-Cuyamaca FPD; Lakeside FPD; Lower-Sweetwater FPD; North County FPD; Pine Valley FPD; Rancho Santa Fe FPD; Rincon del Diablo MWD (ID E); San Diego Rural FPD; San Marcos FPD; San Miguel Consolidated FPD; Valley Center FPD; Vista FPD; Mootamai MWD; Pauma MWD; Ramona MWD; Yuima MWD; CSA No. 107 (Elfin Forest); CSA No. 109 (Mt. Laguna); CSA 110 (Palomar Mtn.); CSA 111 (Boulevard); CSA 112 (Campo); CSA113 (San Pasqual); and CSA 115 (Pepper Drive); and a coterminous sphere of influence for the Borrego Springs FPD;
 - b. Approve a transitional sphere of influence for all special districts included in a conditionally approved Phase I Reorganization of Structural Fire Protection and Emergency Medical Services in Unincorporated San Diego County; and
 - c. Direct the Executive Officer to prepare written Statements of Determinations for approved and affirmed spheres of influence;
3. Find in accordance with the Executive Officers determination, that pursuant to § 15320 of the State CEQA Guidelines, the proposed *Reorganization of Structural Fire Protection and Emergency Medical Services in Unincorporated San Diego County: Phase I* is not subject to the environmental impact evaluation process because the reorganization would not change the geographical area in which previously existing powers, mutual aid and automatic aid agreements are exercised;
4. For the reasons set forth in the Micro Report:
 - a. Amend the proposed Phase I Reorganization of Structural Fire Protection and Emergency Medical Services in Unincorporated San Diego County in to remove the Mootamai, Pauma, Ramona, and Yuima Municipal Water Districts in accordance with State Law;
 - b. Consider requests for removal / deferral from Phase I of the proposed reorganization of the proposed reorganization if factors contained in the Matrix of Agency Characteristics (Table 1, page 4), comments in the public input transcripts, and testimony provided at the LAFCO hearing override interests of inclusion in a regional agency. Requests for removal / deferral have been made by the Borrego Springs FPD; Deer Springs FPD; Julian-Cuyamaca FPD; Valley Center FPD; CSA 107 (Elfin Forest); CSA 110 (Palomar Mtn.); and CSA 113 (San Pasqual);
 - c. Review the request from the Campo Kumeyaay Nation regarding removal from the proposed reorganization and consider whether tribal lands, in general, should be removed from the reorganization;
 - d. Direct the Executive Officer to prepare the form of resolution pursuant to Government Code § 56880 and the determination in Government Code § 56881 for the conditional approval of the *Reorganization of Structural Fire Protection and Emergency Medical Services in Unincorporated San Diego*

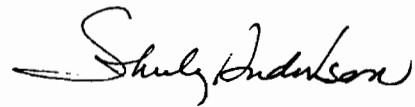
County: Phase I, including dissolution of special districts within the boundary of Phase I as amended by the Commission; and concurrent approval of one of the following forms of regional governance:

- i. Formation of a Regional Fire Protection District specifying either an elected or appointed 11-member Board of Directors; **or**
 - ii. Authorization of latent powers for structural fire protection and emergency medical services, within a zone of CSA No. 135 (Regional Communications) that is coterminous with the boundary of Phase I as amended by the Commission; **or**
 - iii. Designating the County of San Diego as successor to the responsibility for providing structural fire protection and emergency medical services within the boundary of Phase 1, as determined by the Commission;
5. Direct the Executive Officer to work with Commissioners Horn and Jacob to present the Commission's reorganization determination and associated actions to the full Board of Supervisors, including:
 - a. Calculating and transferring property tax revenue from dissolved Phase I agencies to the regional provider of structural fire protection and emergency medical services provider as conditionally approved by the Commission;
 - b. Calculating and transferring County property tax revenue to a regional provider of structural fire protection and emergency medical services as conditionally approved by the Commission, in an amount equal to the County's cost during the most recent fiscal year, as determined by the Commission, for providing structural fire protection and emergency medical services in the unincorporated area;
 - c. Calculating and transferring supplemental County property tax revenue to a regional provider of structural fire protection and emergency medical services as conditionally approved by the Commission, in an amount, as determined by the Board of Supervisors, to provide funding for a regional provider at the service level determined by the Commission;
6. Direct the Executive Officer to prepare a request to the Board of Supervisors and the County Assessor asking the County to submit:
 - a. A metes-and-bounds legal description for the boundary of the proposed Phase I Reorganization of Structural Fire Protection and Emergency Medical Services in Unincorporated San Diego County as determined by the Commission to satisfy requirements of the State Board of Equalization; and
 - b. Board of Equalization filing fees;
7. Delegate the responsibility of conducting all related protest proceedings to the Executive Officer;
8. Direct the Executive Officer to prepare terms and conditions of reorganization including, but not limited to:
 - a. Requirements to establish advisory and fiscal oversight boards;
 - b. Naming the effective date of reorganization;

- c. Requiring districts within Phase I as amended by the Commission, to complete an audit of district assets within 60 days of the date of adoption of a conditional approval of a Phase I Reorganization;
 - d. Transferring all assets of dissolved districts to the successor agency;
 - e. Transferring all equipment, apparatus, and facilities, utilized for structural fire protection and emergency medical service, in which the County of San Diego holds title to a regional service provider;
 - f. Transferring employees and employment rights from dissolved districts to the Phase I service provider;
9. Direct the Executive Officer to prepare a provisional Gann limit according to Government Code § 56811; if formation of a Regional Fire Protection District is approved; and
 10. Direct the Executive Officer to regularly update the Commission about the completion of ministerial items associated with the completion of the proposed reorganization and to return to the Commission as needed, with items that require LAFCO approval or ratification.



MICHAEL D. OTT
Executive Officer



SHIRLEY ANDERSON
Chief, Policy Research

MDO:SA:tjc

Enclosures:

Micro Report

Attachment 1: County Conceptual Reorganization of San Diego County Fire Services

Attachment 2: Ralph Anderson & Associates report

Attachment 3: Transcripts of LAFCO public workshops

Attachment 4: Comments letters

CHARACTERISTICS OF GOVERNANCE

	REGIONAL FPD	CSA No. 135	COUNTY of SAN DIEGO	STATUS QUO
Category	Special district organized under Health and Safety Code §13800 et seq. FPDs are authorized to provide, fire protection services; rescue services; emergency medical services; hazardous materials emergency response; ambulance service; and any other service relating to the protection of lives and property.	Dependent special district organized under Government Code § 25210 et seq. CSAs may provide structural fire protection, ambulance service and numerous other extended services as authorized by LAFCO. CSA 135 is specifically authorized to provide regional communications.	Charter County authorized under Government Code § 23700 et seq. with all powers specifically stated and necessarily implied in general law and the Charter of the County of San Diego.	7 FPDs, 6 CSAs, and 4 MWDs; volunteer fire companies provide service to approximately 950,000 acres outside of local agencies.
Legislative body	<p>(1) <i>Elected</i> 3, 5, 7, 9 or 11-member Board of Directors initially elected at large; or</p> <p>(2) <i>Appointed</i> 3, 5, 7, 9, or 11-member Board of Directors; or</p> <p>(3) <i>Self-appointed</i> 5-member Board of Supervisors; or</p> <p>(4) <i>Appointed</i> 5 or 7-member Fire Commission, with powers delegated from Board of Supervisors; serves at Supervisors' pleasure or 4-year terms.</p> <p>Appointed boards can be transformed to elected board; or elected board to appointed board; and election at large changed to election by division by subsequent voter actions.</p>	5-member County Board of Supervisors	5-member County Board of Supervisors	55 elected Special District Directors plus 5 elected County Supervisors

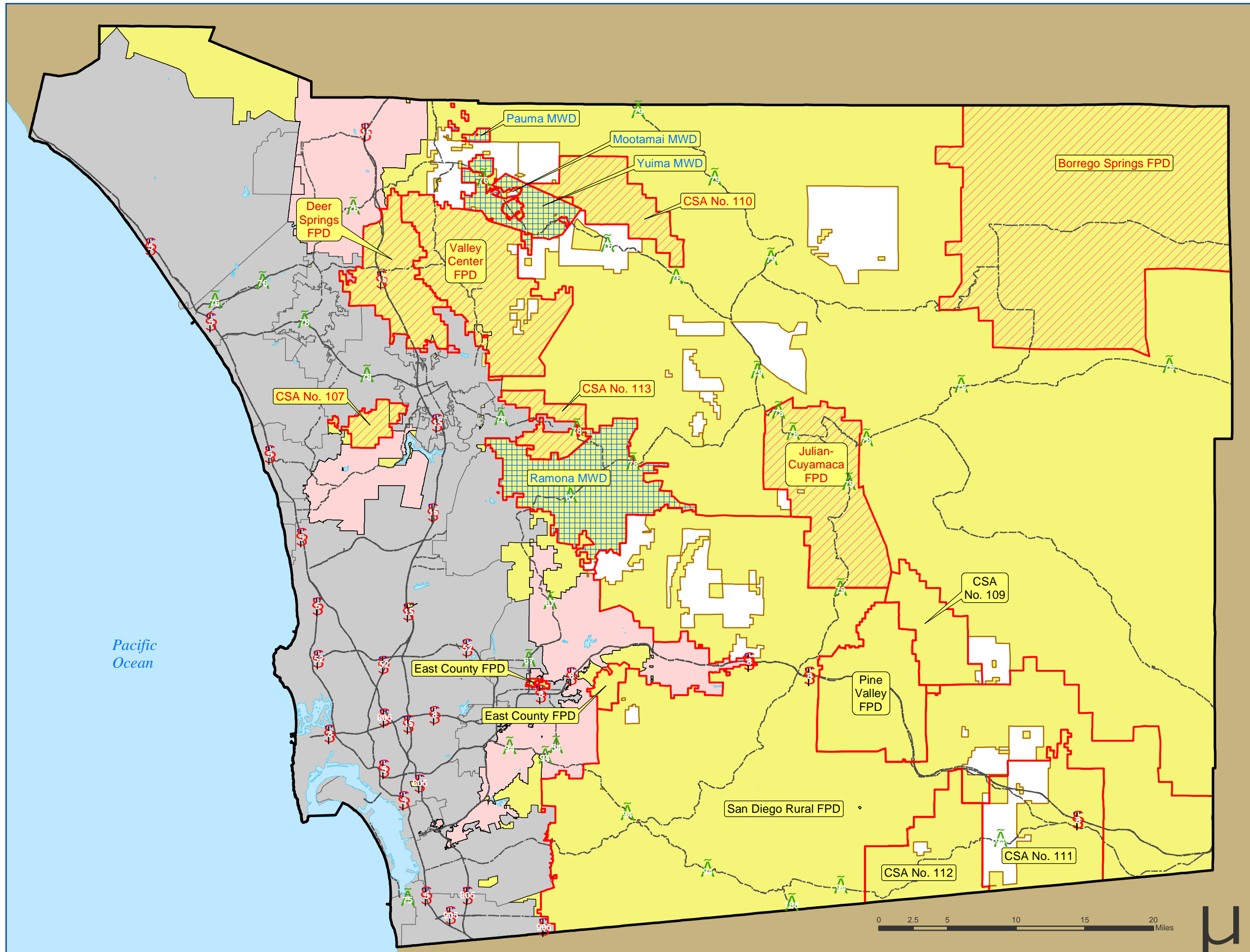
CHARACTERISTICS OF GOVERNANCE

	REGIONAL FPD	CSA No. 135	COUNTY of SAN DIEGO	STATUS QUO
Ability to create new tax revenue without voter approval	No	No	No	No
Potential access to discretionary revenue	(1) County Fire Enhancement Program	(1) County Fire Enhancement Program (2) County General Fund	(1) County Fire Enhancement Program (2) County General Fund	(1) County Fire Enhancement Program
LAFCO reorganization actions required	(1) Amend reorganization proposal to exclude MWDs and other agencies as approved by the Commission; (2) Dissolve special districts within amended proposal; (3) Form Regional FPD to include territory of dissolved districts and all unserved area.	(1) Amend reorganization proposal to exclude MWDs and other agencies as approved by the Commission; (2) Dissolve special districts within amended proposal; (3) Authorize latent power for structural fire protection and EMS within CSA 135 service zone that replicates the reorganization boundary.	(1) Amend reorganization proposal to exclude MWDs and other agencies as approved by the Commission (2) Dissolve special districts within amended proposal; (3) Designate County of San Diego as successor for providing structural fire protection and emergency medical services in the Reorganization boundary;	No LAFCO actions
Election provisions	<i>Mandatory</i> election among voters within reorganization area. If protest causes election on dissolution of special districts, both elections would appear on ballot; voters would be required to give majority approval for dissolution <i>and</i> FPD formation for either question to become effective (see CSA 135 for protest provisions).	<i>Possible</i> election among all voters within reorganization area if: 10% of registered voters <i>or</i> landowners within any one district that will be dissolved submit protest. If number of voters/landowners within a district is less than 300, signature requirements rise to 25%. Only voters/landowners within agencies that will be dissolved have protest rights. Voters/ landowners within unserved acres could not sign protest petitions.	Same as CSA 135	NA

CHARACTERISTICS OF GOVERNANCE

	REGIONAL FPD	CSA No. 135	COUNTY of SAN DIEGO	STATUS QUO
Principle revenue existing sources	(1) Property Tax (2) Voter-approved special assessment	(1) Property Tax (2) Voter-approved special assessment	(1) Property Tax (2) Voter-approved Special Assessment	(1) Property Tax (2) Voter-approved Special Assessment
Service provider	Any combination of FPD or public contract provider as determined by appointed or elected legislative body.	Any combination of CSA or contract provider as determined by Board of Supervisors.	Any combination of County or contract provider as determined by Board of Supervisors.	Any combination(s) of district(s) or contract provider(s) as determined by legislative body of each public agency.
Able to contract with private provider for fire services	No; prohibited by Public Contract Code § 20812(a)	Yes	Yes	Varies by type of district
Volunteers integrated into regional system	Volunteer 501(c)(3) assets and operations autonomous; funding volunteer operations would be prioritized in annual FPD budgeting process; volunteer operations integrated into FPD at discretion of appointed or elected legislative body. Potential to augment volunteer operations with on-site career personnel.	Volunteer 501(c)(3) assets and operations autonomous; funding volunteer operations would be prioritized in annual CSA 135 budgeting process; volunteer operations integrated into CSA 135 at discretion of Board of Supervisors. Potential to augment volunteer operations with on-site career personnel.	Same as CSA 135	Volunteer 501(c)(3) assets and operations autonomous; funding depends up individual volunteer organization; underfunded volunteers subject to random closures. Volunteers within areas under CAL FIRE contracts integrated into service system at CAL FIRE discretion.
Service level	Established by elected or appointed legislative body	Established by Board of Supervisors	Same as CSA 135	(1) Varies by district and volunteer company (2) Random service delivery that depends on automatic aid to areas outside of districts.
Authorized to partner in Joint Powers Authority	Yes; Health & Safety § 13861	Yes, Government Code § 6502	Yes, Government Code § 6502	Districts, Yes; Volunteers, No

Reorganization of Structural Fire Protection and Emergency Medical Services in Unincorporated San Diego County: Phase I



- Proposed Phase I**
 - Borrego Springs FPD
 - Deer Springs FPD
 - East County FPD
 - Julian-Cuyamaca FPD
 - Pine Valley FPD
 - San Diego Rural FPD
 - Valley Center FPD
 - CSA No. 107 (Elfin Forest)
 - CSA No. 109 (Mt. Laguna)
 - CSA No. 110 (Palomar Mtn)
 - CSA No. 111 (Boulevard)
 - CSA No. 112 (Campo)
 - CSA No. 113 (San Pasqual)
 - Mootamai MWD
 - Pauma MWD
 - Ramona MWD
 - Yuima MWD

- Removed per State Law**
 - Mootamai MWD
 - Pauma MWD
 - Ramona MWD
 - Yuima MWD

- Request for exclusion**
 - Borrego Springs FPD
 - Deer Springs FPD
 - Julian-Cuyamaca FPD
 - Valley Center FPD
 - CSA No. 107 (Elfin Forest)
 - CSA No. 110 (Palomar Mtn)
 - CSA No. 113 (San Pasqual)

- Phase II**
- Tribal Reservations**



This map is provided without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Copyright SanGIS. All Rights Reserved. This product may contain information from the SANDAG Regional Information System which cannot be reproduced without the written permission of SANDAG. This product may contain information which has been reproduced with permission granted by Thomas Brothers Maps.