



**Chairman**

Bill Horn  
County Board of  
Supervisors

October 3, 2016

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**Vice Chairman**

Sam Abed  
Mayor  
City of Escondido

TO: Local Agency Formation Commission  
FROM: Executive Officer  
Local Governmental Analyst

**Members**

Dianne Jacob  
County Board of  
Supervisors

SUBJECT: San Diego LAFCO East County Fire Protection Committee

Andrew Vanderlaan  
Public Member

**EXECUTIVE SUMMARY**

Lorie Zapf  
Councilmember  
City of San Diego

During the Commission’s budget discussion at the August 1<sup>st</sup> LAFCO meeting, your Executive Officer informed the Commission that the proposed reorganization of County Service Area No. 115 (Pepper Drive) had become significantly more complex in 2016. As originally submitted in 2015, the San Miguel Consolidated Fire Protection District (FPD) and Lakeside FPD both requested dissolution of CSA No. 115 and annexation of the same territory. The two proposals are considered conflicting per special provisions in State Law (Government Code Sections 56655 and 56657), because both districts cannot annex the same territory. The primary difference between the conflicting proposal provisions and the ordinary procedures for singular proposals is that the Commission cannot approve a conflicting proposal until it has considered the other (conflicting) proposal. In other words, before LAFCO can approve San Miguel Consolidated FPD’s proposal it must either disapprove or modify Lakeside FPD’s proposal—or vice versa. With respect to fire districts in particular, the same territory cannot be annexed to two fire districts, because a dual annexation would result in duplication and overlap of service responsibilities. As discussed in this memorandum, it appears that the San Miguel Consolidated FPD and Lakeside FPD are interested in having LAFCO modify their respective proposals to eliminate a conflict. The chief element of the modification would be to split the annexation and revenues of the dissolved CSA No. 115 between the two FPDs. Such a modification appears to be promising, but LAFCO staff still needs to conduct a review of associated services and finances of both districts in order to reach an informed decision on overall feasibility.

Lorraine Wood  
Councilmember  
City of Carlsbad

Jo MacKenzie  
Vista Irrigation District

Ed Sprague  
Olivenhain Municipal  
Water District

**Alternate Members**

Greg Cox  
County Board of  
Supervisors

Chris Cate  
Councilmember  
City of San Diego

Racquel Vasquez  
Councilmember  
City of Lemon Grove

Harry Mathis  
Public Member

Judy Hanson  
Leucadia Wastewater  
District

**Executive Officer**

Michael D. Ott

**Legal Counsel**

Michael G. Colantuono

If the above discussion is not cause for confusion, then the following discussion will be, because a number of substantive conditions have changed since the two conflicting proposals were submitted to LAFCO in 2015. In April 2016, the County modified the CSA No. 115 service contract and eliminated a sole source arrangement with the City of Santee where Santee used to receive all of the property tax revenue generated within CSA No. 115 in exchange for providing fire protection. The revised county contract now stipulates that any of the four nearby fire agencies (El Cajon, Santee, San Miguel Consolidated FPD, and Lakeside FPD) can receive reimbursement for responding to incidents within the CSA. LAFCO staff will be meeting with County representatives and stakeholders to obtain a preliminary assessment regarding the effectiveness of the modified contractual arrangement.

Another significant change in 2016 pertains to the San Miguel Consolidated FPD contract with Cal Fire. In 2012, San Miguel Consolidated FPD was experiencing financial difficulties and decided to contract with Cal Fire for fire protection and communications service. In 2016, San Miguel decided to terminate the Cal Fire contract in order to provide services directly to district residents. LAFCO staff is in the process of obtaining San Miguel's FY 2016-17 budget and audits to independently evaluate the financial impacts associated with this service change. LAFCO staff will also be reviewing Lakeside FPD's financial documents to ensure that both districts will have sufficient financial ability to continue service within CSA No. 115. In addition, both the San Miguel Consolidated FPD and Lakeside FPD have purchased new properties in 2016 and are in the process of relocating existing fire stations to the new properties. When operational, the new fire stations will be able to serve Pepper Drive and the surrounding vicinity, but the stations are located less than one mile from one another. These property-related decisions have raised questions about station location, operational redundancy, and whether both districts adequately considered cost avoidance opportunities prior to purchasing and relocating multi-million dollar fire stations.

The above cumulative changes and issues require additional and specialized LAFCO analysis to properly review. LAFCO staff will be evaluating the respective service plans, financial documents, and legal documents prior to issuing a recommendation. To assist with conducting the review, LAFCO staff assembled a consultant team consisting of John Traylor and Rich Miller, plus LAFCO Legal Counsel Michael Colantuono. A stakeholders' working group has also been assembled consisting of FPD board members and staff. In addition, an ad hoc LAFCO committee was recently activated consisting of four LAFCO members (Commissioners Vanderlaan, MacKenzie, Sprague, and Supervisor Jacob). It is expected that the working group, consultant team, and ad hoc committee will fulfill their respective duties in approximately 9-12 months. After that time, the groups will be disbanded and a LAFCO hearing will be held.

In terms of the ad hoc committee of commissioners, the committee is considered temporary and is comprised of less than a quorum of the full commission. As a temporary committee comprised of less than a quorum of the Commission, the committee may, but need not, comply with the Brown act. A draft resolution establishing the ad hoc committee

is attached for Commission review and ratification. Also addressed in this memorandum is the need to make a mid-year budget allocation of approximately \$100,000 in order to complete the necessary LAFCO review. The Commission has a total fund balance of \$1,284,558; therefore, sufficient funds exist for this high priority life safety project. Below is additional detail and background.

## **BACKGROUND**

CSA No. 115 serves as a financing mechanism for the County of San Diego to provide structural fire protection and Emergency Medical Services (EMS) in an unincorporated island between the cities of Santee and El Cajon, bordering Pepper Drive. Refer to attached map. The unincorporated island was created in 1980 when Santee incorporated and assumed responsibility for about 90 percent of the Santee FPD. CSA No. 115 was formed to continue fire protection and EMS services to this unincorporated 440 acre remnant of the former Santee FPD. The particular sub-region where CSA No. 115 is located (e.g., Pepper Drive, Bostonia, South Lakeside, and Giles pie Field) has historically had a high fire protection and EMS call volume. Recent data shows that about 400 calls per month have occurred in the sub-region. In July 2016 alone, the volume peaked at 728 calls. Both fire districts believe that the call volume necessitates two fire stations to serve the area, but there is disagreement regarding the desired location of the stations.

Until 2016, the County had been contracting directly with the City of Santee to provide fire protection services to CSA No. 115, despite the fact that about 45% of the calls were historically responded to by El Cajon with the remainder responded to by Santee (30%), San Miguel Consolidated FPD (24%), and Lakeside FPD (1%). These figures were based on 2012 data and the call volume and distribution has likely changed due to station closures and relocations. Starting in April 2016, the County changed its CSA No. 115 contract from being an exclusive arrangement with Santee to one that reimburses the four nearby first responders, based on quarterly data. The preliminary response data LAFCO staff received from the County for the fourth quarter of 2016 shows that call volume has increased and is distributed among the first responders as follows: El Cajon (31%), Santee (5%), San Miguel Consolidated FPD (46%), and Lakeside FPD (18%).

While the modification to the CSA No. 115 contracting practices has provided a more equitable method of reimbursement, the San Miguel Consolidated and Lakeside FPDs believe a longer term jurisdictional solution is needed. This is the motivation for the initiation of the two conflicting reorganization applications. The problem with this application approach, however, is that both fire districts are seeking annexation of the same territory, and LAFCO cannot approve the annexation of the same territory to both districts. Another complication is that both districts have provided different, but singularly compelling arguments justifying the reorganization of CSA No. 115. Determining which district should be the successor to CSA No. 115 is accordingly a difficult analytical exercise—involving considerable service, financial, and legal analysis.

## JOINT APPLICATION APPROACH

A possible solution to resolve the competing nature of the two reorganization applications would be for each district to annex respective portions of CSA No. 115. Both fire districts believe this approach has merit and recently notified LAFCO staff that they would agree to a proposal modification whereby LAFCO would name each fire district as successor to CSA No. 115, conditioned on the allocation of a proportionately equal amount of territory and revenue from the predecessor CSA. While concurrence about this joint application approach is promising, LAFCO staff still needs to conduct independent analysis to reach an objective evaluation of the need for two relocated new fire stations; associated financial, service, and legal issues; development of two separate boundary metes and bounds descriptions; and formulation of terms and conditions. Reorganizing fire protection services is a priority for LAFCO and a decision has already been made to waive the \$31,980 processing fees for the two proposals (\$15,990 for each reorganization application). The additional review tasks associated with evaluating the two reorganization applications will total an estimated \$100,000. This is an unbudgeted amount for FY 2016-17, however, there are sufficient funds in LAFCO's fund balance (\$1,284,558) and Special Project Trust Fund Account 46726 (\$200,480) to accommodate a mid-year LAFCO budget adjustment and fund transfer. On September 26<sup>th</sup>, the ad hoc LAFCO committee will be requested to provide comments on this funding proposal. A verbal update will be provided to the Commission on October 3<sup>rd</sup>, regarding committee comments. A breakdown of the estimated LAFCO costs is below:

<b>Cost Detail</b>	
<b>Joint Application Review: CSA No. 115 Reorganization</b>	
<b>Task Description</b>	<b>Cost</b>
Engineering/Legal Description	\$25,000
LAFCO Consulting & Outreach	\$35,000
Service/Finance Review	\$25,000
Legal Support	\$15,000
<b>Total Cost</b>	<b>\$100,000</b>

## CONCLUSION AND RECOMMENDATION

In summary, LAFCO staff has been spending considerable time conducting outreach and analysis of the two conflicting LAFCO applications for reorganization of CSA No. 115. A number of variables have changed since the applications were submitted in 2015 creating a need for additional analysis and formation of an ad hoc committee of commissioners. A draft resolution ratifying the creation of the ad hoc committee is attached for Commission consideration. It is also recommended that the Committee allocate up to \$100,000 to fund the associated engineering, consultant, outreach, analysis, and legal support necessary to conduct the analysis of the reorganization proposals. Therefore, it is:

**RECOMMENDED:** That your Commission,

1. Ratify the resolution establishing an ad hoc advisory committee regarding two pending, competing proposals to reorganize County Service Area No. 115.
2. Obtain comments from the ad hoc committee on cost estimates for LAFCO support to process the San Miguel Consolidated and Lakeside FPD reorganization applications as a joint application and authorize the Executive Officer to make necessary appropriations adjustments (increases and decreases) and fund transfers not to exceed \$100,000.
3. Direct the Executive Officer to notify the Commission about any appropriations and fund transfers made per Recommendation No. 2.

Respectfully Submitted,

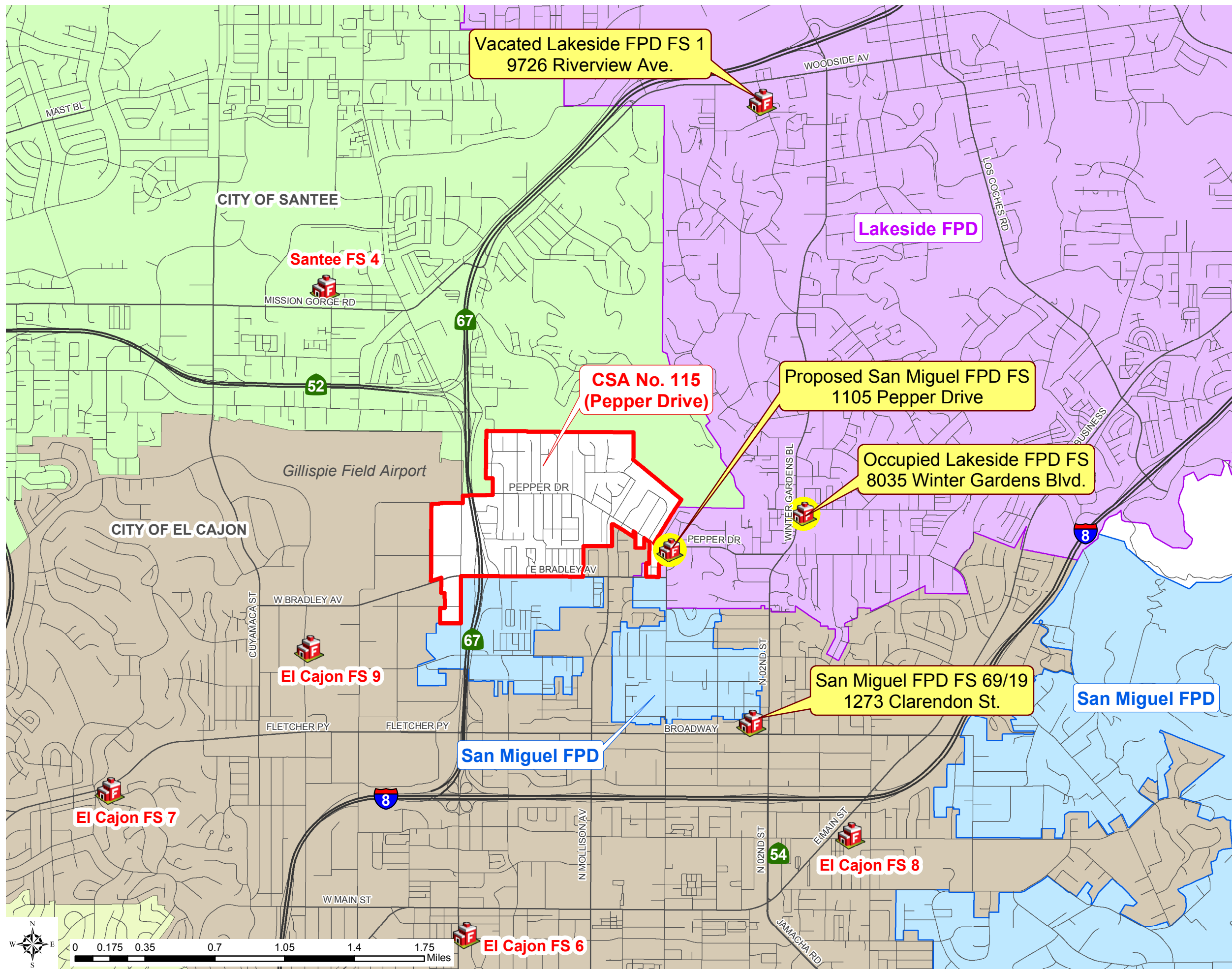
MICHAEL D. OTT  
Executive Officer

JOE A. SERRANO  
Local Governmental Analyst





**Attachments**

- (1) Vicinity Map
- (2) Draft Ad Hoc Advisory Committee Resolution

# County Service Area No. 115 (Pepper Drive)



**LEGEND**

-  Fire Stations
-  CSA No. 115 (Pepper Drive)
-  Lakeside FPD
-  San Miguel Consolidated FPD



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This map has been prepared for descriptive purposes only and is considered accurate according to the GIS and LAFCO data.

File: G:/GIS/Inquiries/CSA\_115 overview route.mxd  
Printed August 2016.

## RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF THE SAN DIEGO LAFCO ESTABLISHING AN AD HOC  
ADVISORY COMMITTEE REGARDING COMPETING PROPOSALS TO  
REORGANIZE COUNTY SERVICE AREA NO. 115  
(PEPPER DRIVE)**

**WHEREAS**, the San Diego Local Agency Formation Commission (San Diego LAFCO) has received competing proposals for reorganization of County Service Area No. 115 (Pepper Drive) and to assign CSA No. 115's service responsibilities (Fire Protection and Emergency Medical Services) to other agencies;

**WHEREAS**, study and decision on those competing proposals will require amendment of the LAFCO budget and efforts to resolve differences between the proponents of the competing proposals; and

**WHEREAS**, it will be useful for an ad hoc advisory committee of Commissioners to assist staff in developing the proposals for presentation to the Commission.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

SECTION 1. The Commission hereby confirms the August 1, 2016 formation of an ad hoc advisory CSA 115 Advisory Committee is hereby established to be comprised of Commissioners Jacob, MacKenzie, Sprague and Vanderlaan.

SECTION 2. The Committee is charged with advising LAFCO staff regarding the two pending, competing proposals to reorganize CSA 115. The Committee shall have such support from the General Counsel and other LAFCO staff as the Executive Officer shall direct. The Committee shall be comprised of less than a quorum of the Commission and may meet in conjunction with other ad hoc committees that are comprised of less than a quorum of the respective local agencies.

SECTION 3. The Committee shall provide recommendations and advice to LAFCO staff upon request. Its role shall be advisory only and it shall have no power to bind the Commission or LAFCO. The Committee shall be disestablished without further action of this Commission upon action by the Commission on the competing applications to reorganize CSA 115.

SECTION 4. As a temporary, ad hoc advisory committee comprised of less than a quorum of the Commission, the Committee may, but need not, comply with the Brown Act as authorized by Government Code section 54952, subdivision (b).

Passed and adopted by the Local Agency Formation Commission of the County of San Diego this \* day of \*, 20\_, by the following vote:

AYES: \*

NOES: \*

ABSENT: \*

ABSTAINING: \*

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STATE OF CALIFORNIA)

COUNTY OF SAN DIEGO)

I, MICHAEL D. OTT, Executive Officer of the Local Agency Formation Commission of the County of San Diego, State of California, hereby certify that I have compared the foregoing copy with the original resolution adopted by said Commission at its regular meeting on \*, 20\_, which original resolution is now on file in my office; and that same contains a full, true, and correct transcript therefrom and of the whole thereof.

Witness my hand this \* day of \*, 20\_.

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MICHAEL D. OTT, Executive Officer  
San Diego Local Agency Formation Commission