



Chairman

Bill Horn
County Board of
Supervisors

6A

Vice Chairman

August 3, 2015

6B

Sam Abed
Mayor
City of Escondido

TO: Local Agency Formation Commission

6C

Members

FROM: Executive Officer
Local Governmental Consultant

Dianne Jacob
County Board of
Supervisors

SUBJECT: Adoption of an Amendment for a Transitional (zero) Sphere of Influence for the Pine Valley Fire Protection District and an Amendment to the Service-Specific Sphere of Influence for CSA No. 135 (San Diego Regional Communications / Fire Protection) to Include the Territory Formerly within the Pine Valley FPD Ref. Nos.: SA14-09(a) SA14-09(b)

Andrew Vanderlaan
Public Member

Lorie Zapf
Councilmember
City of San Diego

Proposed "Dissolution of Pine Valley Fire Protection District" Ref. No.:DT14-09

Lorraine Wood
Councilmember
City of Carlsbad

"Expansion of Latent Powers of County Service Area No. 135 (San Diego County Regional Communications System / Fire Protection) to provide structural fire protection and emergency medical services within the service-specific area" Ref. No.: LP(F)14-09

Jo MacKenzie
Vista Irrigation District

Vacant
Special District

Alternate Members

Greg Cox
County Board of
Supervisors

EXECUTIVE SUMMARY

Chris Cate
Councilmember
City of San Diego

The proposed dissolution of the Pine Valley Fire Protection District (FPD) is linked to a LAFCO reorganization plan for Structural Fire Protection and Emergency Medical Services (EMS) in Unincorporated San Diego County. This plan was approved by the Commission and transmitted to the Board of Supervisors in December 2007. In January 2008, the Board evaluated the LAFCO reorganization plan with respect to a County Fire Enhancement Program and services provided by state, local and volunteer fire protection organizations. On June 25, 2008, the Board approved a Hybrid Plan to improve emergency services to be administered under the County Fire Enhancement Program and San Diego County Fire Authority (SDCRFA). The Hybrid Plan incorporates many of the jurisdictional elements of the LAFCO reorganization plan, and relies on County Service Area (CSA) No. 135 to provide governance for services provided in unincorporated territory.

Racquel Vasquez
Councilmember
City of Lemon Grove

Ed Sprague
Olivenhain Municipal
Water District

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Legal Counsel

Michael G. Colantuono

The Hybrid Plan initially preserved local control by layering a county administrative function over existing organizations. In subsequent years, the Hybrid Plan has evolved using a stepped process consolidating a number of individual County Service Areas and independent fire protection districts.

Service under the Hybrid Plan has and will be provided primarily by State CAL FIRE contractors augmented by volunteer operations—also under contract to the County. The proposed dissolution of the Rural and Pine Valley FPDs represents the third step of a multi-year implementation plan that integrates paid and volunteer providers into a regional plan. Contracts for service under the Hybrid Plan are sole-sourced under a provision in Board Policy that

Table 1

Affected Organizations	
	County Hybrid Plan
Volunteer Companies	
De Luz Heights VFD	Step I
Inter-Mountain Fire-Rescue VFD	Step I
Ocotillo Wells VFD	Step I
Ranchita Fire-Rescue VFD	Step I
Shelter Valley VFD	Step I
Sunshine Summit VFD	Step I
Warner Springs VFD	—
Special Districts	
CSA 109 (Mt. Laguna)	Step II
CSA 110 (Palomar Mtn)	Step II
CSA 111 (Boulevard)	Step II
CSA 112 (Campo)	Step II
CSA 113 (San Pasqual)	Step II
Pine Valley FPD	Step III
San Diego Rural FPD	Step III

exempts the organization from competitive procurement practices. The Hybrid Plan will be annually funded with discretionary allocations from the County General Fund. With the recent dissolution of multiple CSAs and the proposed dissolution of Rural and Pine Valley FPDs, funding has now been expanded to include a small portion of predecessor district property tax and special tax/assessment revenue.

In approving the Hybrid Plan in 2008, the Board of Supervisors created the San Diego County Regional Fire Authority (SDCRFA) as a zone of CSA No. 135. The Hybrid Plan has been incrementally introduced and implemented into the SDCRFA in three distinct steps. Refer to Table 1. LAFCO recently approved the dissolution of CSA Nos. 109, 110, 111, 112, and 113 in 2011, and is scheduled to consider the dissolution of the Rural and Pine Valley FPDs in 2015. LAFCO staff will be coordinating with County staff regarding future potential reorganizations that may further expand the Hybrid Plan in the future. Potential reorganizations may involve the Julian-Cuyamaca FPD, and a number of island areas located within the structural fire protection and EMS service area of CSA No. 135. Other potential reorganizations that may or may not involve CSA No. 135 include CSA No. 115 (Pepper Drive) and CSA No. 107 (Harmony Grove).

Step I, included approximately 942,818 acres where emergency services were at the time provided by six volunteer companies and Fire Enhancement Program-funded contracts with State CAL FIRE stations. Following activation

of latent powers, the County continued to contract with CAL FIRE and additionally contract with volunteers to provide structural fire and EMS service within the greater part of Step I. In areas,

which are outside the range of volunteer and CAL FIRE contract operations, the County has arrangements for services with surrounding agencies to provide coverage.

Step II—presented to and approved by the for Commission on December 5, 2011 added another 136,818 acres to the latent powers area of CSA No. 135 and increased the SDCFA service area to approximately 69 percent of the SDCFA. The Commission has waived an approximate \$154,000 LAFCO processing fee for Step II.

Step III—presented herein, if implemented, was originally scheduled to be initiated in 2012, but was delayed for various reasons between the County and subject agencies. If approved Step III will expand the latent powers area to include the remaining 490,136 acres of the SDCFA and reorganize the Pine Valley and San Diego Rural FPDs under CSA No. 135. The Hybrid Plan also specifies that the Julian-Cuyamaca FPD, which opted out of the SDCFA, will be able to reconsider district options when Step III is initiated. The intent of the Step III jurisdictional changes is to strengthen the command structure within the SDCFA and ensure the long-term viability of fire protection services in the unincorporated communities of the Rural and Pine Valley FPDs. The approximate amount of LAFCO processing fees waived for Step III was capped at \$125,000.

Description of Proposal

This proposal covers two jurisdictional changes of organization: (1) Dissolution of Pine Valley Protection District and (2) Expansion of Latent Powers of County Service Area No. 135 to provide structural fire protection and emergency medical services within the territory of the dissolved FPD. The dissolution of the Pine Valley FPD was initiated by Resolution, adopted on a 4 to 0 vote, with one board member absent on June 24, 2014 to comply with a June 20, 2013 Agreement with the County of San Diego. The Agreement required the Pine Valley FPD to file a dissolution application with LAFCO by June 30, 2014. A dissolution application was accordingly filed with LAFCO on June 27, 2014 to satisfy terms of this agreement.

Terms of the agreement also require the County to contract with the State for CAL FIRE (A-4142) services within the Pine Valley FPD through June 30, 2015 with possible extensions, as long as the FPD initiated necessary steps for dissolution. The Pine Valley FPD has accordingly complied with this initiation requirement.

The Pine Valley FPD has proposed that the effective date of the dissolution be June 30, 2015; however, this effective date could not be achieved, because a negotiated exchange of property tax revenues did not occur until after the LAFCO docketing period for the July 6, 2015 Commission hearing. The terms and conditions of the proposed dissolution have been modified accordingly to reflect a subsequent effective date.

The Resolution of Application incorporates terms and conditions that require County Service Area (CSA) No. 135 to succeed to all rights, duties, and obligations of the dissolved district and, as successor agency, to continue to provide services within the territory of the dissolved district at defined levels. Most of the Pine Valley FPD's original terms and conditions for dissolution were developed in consultation with County staff. However, of the terms and conditions required further development and modification to achieve compliance with provisions in State Law. Pine Valley FPD's staff were very responsive to LAFCO staff and there is agreement between the two staffs and County staff regarding the modifications recommended by LAFCO staff. Although not included in Pine Valley FPD's original terms and conditions, LAFCO staff informed the subject agencies that the proposed dissolution would need to be cross conditioned

on the County of San Diego initiating, and LAFCO's completion, of a parallel application for the latent powers expansion of CSA No. 135 structural fire protection and emergency medical services. This parallel application is commonly referred to as a latent powers proposal under Government Code Sections 56050.5 and 56425(i). Under requirements of Government Code Section 56824.12, the latent powers expansion proposal can only be initiated by the County of San Diego, as subject agency. The CSA No. 135 latent powers proposal was accordingly initiated by the County Board of Supervisors on October 21, 2014 and submitted to LAFCO on November 7, 2014.

Agency Profile

Pine Valley FPD

The Pine Valley FPD provides structural fire protection and basic life support (BLS) level emergency medical first responder services as its primary function, within the unincorporated East County communities of Pine Valley and Guatay. The FPD was founded in 1962 to provide an existing volunteer fire protection operation with public governance and access to public funding. The FPD has evolved into an "All Hazards" response agency to meet the needs and expectations of the two communities. The District covers approximately 75 square miles including significant amount of National Forest where the U.S. Forest Service is responsible for watershed protection and wildland fires.

In 2008, the County Fire Enhancement Program began subsidizing CAL FIRE presence in the Pine Valley FPD. The District's Station is staffed by CAL FIRE personnel and the district volunteers are supported by CAL FIRE. Today, the FPD continues providing structural fire protection and prevention, and emergency medical services at the basic life support (BLS) level.

Per contract between the FPD and the county of San Diego (Contract No. 545748) Advanced Life Support (ALS) first responder service will be introduced in the 2014/2015 contract year. Terms and Conditions of the District's proposed dissolution specify that the successor agency must provide services within the territory of the dissolved district per the Plan for Service adopted by the County of San Diego.

Based on the Plan for Service, staffing will continue at the same or better than existing level (One station within Pine Valley FPD is staffed by two CAL FIRE career firefighters daily) Staffing goals for volunteer stations currently consist of two reserve volunteers and one community volunteer per engine. This goal and funding for career staffing is in the County's contract with CAL FIRE, and will remain in place after the LAFCO process is completed. There will be no changes to the level of paramedic service resulting from the proposed jurisdictional changes.

The Pine Valley FPD population is estimated to be 2,193 (SANDAG 2013); Acres /Square miles: 44,460 acres; 69.47 square miles; and ISO rating: 5/9 by area. Prevalent land uses are characterized as: undeveloped; Rural; Public Agency; General Plan designations: Semi-Rural; Residential; Rural; Public Agency and Agriculture.

County Service Area No. 135

County Service Area (CSA) No. 135 was originally formed in 1994 to provide funding and administration for a district-wide regional communications system. CSA No. 135 supports an 800 MHz communications system for public safety personnel in San Diego County. The CSA boundary includes unincorporated San Diego County and 10 cities; additional cities and organizations contract for regional communications services. Fiscal and operational oversight

has been delegated to a member-agency Advisory Board. The communications system is staffed by the Sheriff's Department. CSA No. 135 operates under the principal act contained in Government Code § 25210 et seq.

In October 2008, CSA No. 135 was authorized by LAFCO to provide structural fire protection services as a latent power within a restricted area. The San Diego County Regional Fire Authority (SDCFA) was also established by county ordinance in 2008 to cover approximately 1.5 million acres in unincorporated San Diego County. The CSA No. 135 fire protection and EMS latent powers area represents approximately 60 percent of the SDCFA land area.

Activation of latent powers fulfilled Step I of a three-part county plan to extend fire protection services throughout the SDCFA. Step II of the plan was approved by LAFCO on December 5, 2011 that expanded the latent powers area by about 136,932 acres. This latent powers proposal resulted in the concurrent dissolution of five CSAs (CSA Nos. 109, 110, 111, 112, and 113). Services within the latent powers area are provided through contracts with CAL FIRE and volunteer fire companies; funding is provided by a small share of property taxes/special taxes from predecessor districts and through the County Fire Enhancement Program. LAFCO approved a sphere-of-influence for the latent powers area in 2008 that is coterminous with the restricted fire protection service area. The population within the fire protection and EMS portion of CSA No. 135 is 12,227 (5,702 registered voters) and the acreage within this part of the CSA is 921,514. The most recent ISO rating is 4/10.

Governance

The Pine Valley FPD has a five-member independent Board of Directors. Directors are elected at-large to serve staggered four-year terms. CSA No.135 is governed by the Board of Supervisors. Terms and Conditions of the proposed dissolution specify that Pine Valley directors in office at the time of dissolution will serve out their remaining terms of office as CSA No. 135 Fire Advisory Board members. Fire Advisory Board By-Laws are on file in the LAFCO office. The bylaws were developed in cooperation with County staff and in apparent compliance with County Policy No. A-74: County Boards, Commissions and Committees

Dispatch

Dispatch services within the Pine Valley FPD are currently provided by CAL FIRE from the CAL FIRE San Diego Unit Monte Vista station; 2249 Jamacha Road, El Cajon, CA 92109. Upon district dissolution, the County of San Diego, as successor agency, will determine whether changes or amendments to existing CAL FIRE dispatch agreements would be required. The Pine Valley FPD currently provides BLS first responder service. The District's proposal for dissolution does not include changes services; however, proposed terms and conditions specify that the successor agency needs to provide services within the territory of the dissolved district per the plan for service adopted by the County of San Diego. Paramedic Service is proposed for the Pine Valley FPD fire station per County Contract No. 545748 in FY 2014–15.

Employees

The Pine Valley FPD reports that it currently employs One (1) Fire Chief, one (1) Deputy Chief Volunteer Liaison and one (1) Administrative Assistant. Terms and conditions adopted by the District state that district employees shall be offered equivalent employment with either the County/CSA 135 or another Agency. The successor agency would determine whether additional personnel would be required to provide services at the same or increased levels within the

proposal territory. Pine Valley FPD is not a CalPERS contract agency and therefore has no retirement liability for the two employees.

Successor Obligations

Terms and conditions of the proposed dissolution designate the County of San Diego, performing as fire protection and emergency services provider within the restricted latent powers area of CSA No. 135, as successor to Pine Valley FPD for the purpose of succeeding to all rights, duties and obligations as agreed in Contract 545748, San Diego County, July 2013, prior to the effective date. All Pine Valley FPD assets would accordingly transfer to the County.

Finance

Property tax revenue is the primary funding source for district-wide operations within the Pine Valley FPD. The Pine Valley FPD has no voter approved special taxes. Fire Mitigation Fees, San Diego County Fire Authority Administration Fees, and Grants make up the remainder of the FPD's revenue.

Total revenue for Pine Valley for fiscal year 2013-14 was \$372,115.00; revenues decreased to \$346,930 in FY 2014-15. Pine Valley FPD does not have oversight over County monies that support fire and emergency medical services within the District. Pursuant to the current County/District Agreement, the County ensures the presence of CAL FIRE in Pine Valley FPD by direct contracting with CAL FIRE. Because county funding is not conveyed to Pine Valley for district administration, but remains under county control, the \$772,953 for the FY 2013–14 CAL FIRE contract does not represent a revenue source for the FPD. In FY 2014-15, the County's contribution to the CAL FIRE contract increased to \$1,022,632 and will increase to \$1,072,042 in FY 2015-16. Likewise, funding for County volunteer programs that may function within the District and appropriations for county equipment that may be utilized within Pine Valley remain with the County and are not transferred to the District to become part of the Pine Valley budget.

Plan for Service

Whenever a local agency submits a resolution of application for a change of operations, the local agency must prepare and submit a standard plan for providing services within the affected territory per Government Code Section 56653. The plan for service must address whatever is requested by the Executive Officer, plus the following: an enumeration and description of the service to be extended to the affected territory; level and range of those services; an indication of when those services can feasibly be extended to the affected territory; an indication of any improvement or upgrading of structures/facilities; information with respect to how those services will be financed.

In addition, if the change of organization involves the exercise of new or different functions/services per Government Code Section 56824.12, supplemental cost and service provider information must also be furnished by the applicant specifying: total estimated cost to provide the new or different function or class of services within the special district's jurisdictional boundaries; estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries.

The estimated costs may be identified by customer class; an identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers; a written summary of whether the new or different function or class of services or divestiture of the power to provide particular functions or classes of service, within all or part of the jurisdictional boundaries of a

special district, pursuant to subdivision (b) of Section 56654, will involve the activation or divestiture of the power to provide a particular service or services, service function or functions, or class of service or services; a plan for financing the establishment of the new or different function or class of service within the special district's jurisdictional boundaries; alternatives for the establishment of the new or different functions or class of service within the special districts.

On October 21, 2014, the County of San Diego initiated the expansion of structural fire protection and emergency medical services within CSA No.135 and adopted the below Standard Plan for Service per Government Code Sections 56653 and 56824.12.

Standard Plan for Service

1. *An enumeration and description of the services to be provided: Structural Fire Protection and Emergency Medical Services–Staffing will continue at the same or better level as today.*

Staffing–Pine Valley FPD station is staffed by two Cal FIRE career firefighters daily. The funding for the career staffing is in the County's contract with Cal FIRE. This would remain in place after the LAFCO process. Paramedic Service is proposed for the PVFPD fire station. It is anticipated that this added service will be in place either prior to or shortly after the latent powers expansion and district dissolution. There will be no changes in the level of paramedic service resulting from the LAFCO process.

Fire Prevention Services–County staff will provide fire prevention services within the expanded CSA No. 135 latent powers area.

2. *The level and range of service to be provided.*

Career firefighters are provided through a contract with Cal FIRE. A proposed Paramedic Engine Company will provide Advanced Life Support EMS.

3. *An indication of when service can be feasibly extended to the reorganization territory.*

Services within the affected territory are provided today through contracts with Cal FIRE and Volunteer Fire Companies (501c3). The contracts are in place. At the end of the terms, the contracts will be renegotiated or renewed. No change to the service is anticipated.

4. *An indication of any improvements or upgrades of facilities that the reorganized agency will make or require.*

The Pine Valley Fire Station is planned for an extensive re-model. The re-model is not dependent upon the LAFCO process. However, Pine Valley FPD has placed a term and condition that; San Diego / CSA No. 135 shall complete contractual obligations as agreed in Contract 545748, San Diego County, July 2013, prior to the effective date. Contractual obligations include completion of the Pine Valley Fire Station rebuild, Pine Valley Training Facility renovation, upgrades and grant purchased installations.

5. *Information with respect to how services will be financed*

The services will be financed using District and the San Diego County Fire Authority / CSA No. 135 Latent Powers Area existing funding (Property Tax, County General Purpose Revenue). It

is anticipated that the funding will continue to be budgeted within the same categories of services after the reorganization is complete.

6. *Total estimated cost to provide the new or different function or class of services within the special district's jurisdictional boundaries.*

The following tables in the Preliminary Staff Report provide the five-year budget for CSA No. 135 and the County Fire Authority.

7. *Identification of existing providers, if any, if the new or different function or class of service proposed to be provided and the potential fiscal impact to the customers of those existing providers.*

The fire and emergency medical services is currently provided within the Pine Valley FPD by CAL FIRE employees under contract with the County of San Diego, and County Volunteer Firefighters. These service providers will not change with this proposal.

8. *Written summary of whether the expansion of latent powers will involve the activation or divestiture of powers.*

The Resolution of Application adopted by San Diego County Board of Supervisors to expand the latent powers for fire protection and emergency medical services within CSA No. 135 and to expand the latent powers for fire protection and emergency medical services sphere for CSA No. 135 was approved on October 21, 2014. The associated resolution of application was submitted to LAFCO on November 7, 2014. It is proposed that fire protection and emergency medical service zone of CSA No. 135 be expanded into the territory of the (former) Pine Valley FPD.

9. *Plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.*

Financing will be provided through property tax and grants. In FY 2014–15, the Pine Valley FPD had a balanced budget of \$346,930 in income and \$346,930 in projected expenditures. The Pine Valley FPD budget does not reflect the approximately \$845,000 CAL Fire Contract, as that contract is administered directly by the San Diego County Regional Fire Authority.

Tables 2 and 3 below provide the proposed (five-year) budget for the CSA No. 135 and the County Fire Authority.

10. *Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.*

An alternative to the proposal would be for the Pine Valley FPD to remain and not be dissolved. This could result in a loss of county funding to the District. In FY 2014–15, the County funding (\$1,022,632) allowed for a CAL FIRE Schedule A–4142 contract for the Pine Valley station. Because county funding is not conveyed to the Pine Valley FPD, but instead remains under county control, the loss of this funding would not represent a revenue loss for the FPD. However, the elimination of this funding would result in service impacts to the FPD and residents within the FPD.

Table 2: CSA 135 FY2015-20 Five Year Budget Forecast Description Updated 07-15-15Description	Fiscal Year 2015-16 Approved Budget*	Fiscal Year 2016-17 Approved Budget*	Fiscal Year 2017-18 Department Projection	Fiscal Year 2018-19 Department Projection	Fiscal Year 2019-20 Department Projection
Salaries & Benefits	-	-	-	-	-
Utilities	177,761	177,761	177,761	177,761	177,761
Fuel	77,679	77,679	77,679	77,679	77,679
Station Improvements/Maintenance	20,605	20,605	20,605	20,605	20,605
Equipment/Vehicles, Maintenance	147,509	147,509	147,509	147,509	147,509
Communications, radios	35,486	35,486	35,486	35,486	35,486
Insurance	84,874	84,874	84,874	84,874	84,874
Station Supplies	136,086	136,086	136,086	136,086	136,086
Services & Supplies	680,000	680,000	680,000	680,000	680,000
Operating Transfers Out to Fire Authority (Stipends, apparatus maintenance, staff cost, etc.)	1,787,313	1,787,313	1,787,313	1,787,313	1,787,313
Total Expense	2,467,313	2,467,313	2,467,313	2,467,313	2,467,313
CSA 135 current tax revenue	171,000	171,000	171,000	171,000	171,000
San Diego Rural current tax revenue	650,000	650,000	650,000	650,000	650,000
Pine Valley current tax revenue	186,000	186,000	186,000	186,000	186,000
Total Taxes Current Property Revenue	1,007,000	1,007,000	1,007,000	1,007,000	1,007,000
Mount Laguna Fire Protection & EMS	18,835	18,835	18,835	18,835	18,835
Palomar Structure Fire Protection & EMS	53,724	53,724	53,724	53,724	53,724
San Pasqual Fire Protection	46,441	46,441	46,441	46,441	46,441
Descanso Service Zone	53,000	53,000	53,000	53,000	53,000
Dulzura Service Zone	12,300	12,300	12,300	12,300	12,300
Tecate Service Zone	12,200	12,200	12,200	12,200	12,200
Potrero Service Zone	15,700	15,700	15,700	15,700	15,700
Jamul Service Zone	238,000	238,000	238,000	238,000	238,000
Jacumba Service Zone	16,975	16,975	16,975	16,975	16,975
Rural West Com Service Zone	67,350	67,350	67,350	67,350	67,350
San Diego Rural fire, CFD 04-01	10,617	10,617	10,617	10,617	10,617
San Diego Rural fire, CFD 09-01	260,519	260,519	260,519	260,519	260,519
Total Special Assessment Revenue	805,661	805,661	805,661	805,661	805,661
Other Mitigation Revenue	233,847	233,847	233,847	233,847	233,847
Other Ongoing Revenue	30,805	30,805	30,805	30,805	30,805
Operating Transfer from General Fund	390,000	390,000	390,000	390,000	390,000
Total Revenue	2,467,313	2,467,313	2,467,313	2,467,313	2,467,313

*A total of \$1,787,313 is not part of the approved budget, but is the estimate of costs and revenue upon dissolution. The San Diego County Fire Authority will return to the County Board of Supervisors to amend the budget, as necessary. Updated July 15, 2015

Table 3: San Diego County Fire Authority- FY2015-20 Five Year Budget Forecast Description	Fiscal Year 2015-16 Approved Budget*	Fiscal Year 2016-17 Approved Budget*	Fiscal Year 2017-18 Department Projection	Fiscal Year 2018-19 Department Projection	Fiscal Year 2019-20 Department Projection
Salaries & Benefits	2,822,807	2,877,275	2,963,593	3,052,501	3,144,076
Cal fire	12,149,343	12,756,810	13,139,514	13,533,700	13,939,711
Other Contracts	3,432,792	1,753,283	1,805,881	1,860,058	1,915,860
VFF Program (stipend & background checks)	2,174,589	2,174,589	2,174,589	2,174,589	2,174,589
Station Improvements/Maintenance	78,446	78,446	78,446	78,446	78,446
Equipment/Vehicles	2,582,671	2,127,671	2,170,225	2,213,629	2,257,902
Communications, radios	172,171	172,171	172,171	172,171	172,171
Information Technology	592,279	592,279	592,279	592,279	592,279
General Supplies	248,079	341,579	341,579	341,579	341,579
Services & Supplies and Other Costs	21,430,370	19,996,828	20,474,684	20,966,451	21,472,536
Operating Transfers Out	574,964	574,964	574,964	574,964	574,964
Management Reserves (SD Rural FPD CalPERS Payout and Debt Payment)	7,200,000	-	-	-	-
Total Expense	32,028,141	23,449,067	24,013,241	24,593,916	25,191,576
Intergovernmental Revenues	501,527	51,527	51,527	51,527	51,527
Charges for Current Services	1,048,272	1,048,272	1,048,272	1,048,272	1,048,272
Miscellaneous Revenues	181,729	181,729	181,729	181,729	181,729
Other Miscellaneous	7,200,000	-	-	-	-
Operating Transfer In	1,787,313	1,787,313	1,787,313	1,787,313	1,787,313
Use of Fund Balance	2,009,300	1,029,883	-	-	-
General Purpose Revenue	19,300,000	19,350,343	21,004,400	21,585,075	22,182,735
Total Revenue	32,028,141	23,449,067	24,073,241	24,653,916	25,251,576

*A total of \$1,787,313 is not part of the approved budget, but is the estimate of costs and revenue upon dissolution. The San Diego County Fire Authority will return to the County Board of Supervisors to amend the budget, as necessary. Updated July 15, 2015

Protest and Election Provisions

The jurisdictional changes proposed in the Step III part of the Hybrid are somewhat different than the changes approved for Step I and II in that two independent fire protection districts are proposed for dissolution in Step III. LAFCO may order dissolution proposals without an election pursuant to Government Code Sections 57077.1(c) if the dissolution is consistent with a special study, sphere of influence, or service review. Because the dissolution is presently not consistent with a special study, subject agency spheres, or a prior service review action, the dissolution cannot be ordered without holding protest proceedings per these provisions. However, the proposed dissolution was initiated by unanimous resolution of the Pine Valley FPD pursuant to Government Code Section 57102 (4 in favor and 1 absent); therefore, the proposal may be ordered without an election after holding a protest hearing to determine whether a majority protest exists. This means that if 50 percent or more of the voters register written protest, the dissolution would be terminated. LAFCO approval of the expansion of CSA No. 135's latent powers expansion is not subject to subsequent protest or election requirements.

Following the protest hearing, a resolution will be adopted ordering the dissolution and latent powers expansion proposals, unless the dissolution proposal receives protests that trigger termination.

Terms and Conditions

The Pine Valley FPD submitted an extensive list of terms and conditions (including some terms and conditions included in Resolution No. 06242014) associated with dissolution covering successor agency responsibilities; transfer of employees; formation of advisory boards and committees; community meetings and mailers; use of certain protest procedures and findings; transfer of authority over taxes and assessments; maintenance/improvement of service per the Plan for Service adopted by the County of San Diego; automatic aid agreements; completion of a municipal service review; and establishment of an effective date. The terms and conditions were reviewed by LAFCO staff for conformance with applicable statutes and the expansion of fire protection / EMS latent powers proposal initiated by the County of San Diego on behalf of CSA 135. The County's latent power proposal includes some, but not all of the Pine Valley FPD's terms and conditions.

In general, some of the terms and conditions submitted by the Pine Valley FPD can be approved with minor modifications and editing, while others should be deleted because they incorrectly place restrictions on LAFCO's discretionary authority. For example, conditions designed to limited LAFCO's and the Board of Supervisors' responsibilities. With respect to LAFCO, the Commission is not required to first obtain approval from the proponents on matters such as this and proponents cannot limit LAFCO's authority under state statute and case law [208 Cal.App.3d 753(1989) 256 Cal. Rptr. 5900]. However, much of the intent and subject matter covered in Pine Valley's conditions can be incorporated into the Executive Officer's recommendations and/or Commission determinations. With respect to the terms and conditions submitted by the County, some of the conditions are either already incorporated in the conditions proposed by the Pine Valley FPD or can be approved with minimal editing. Other conditions proposed by both the Pine Valley FPD or County are no longer necessary because the original issues associated with the conditions have been resolved or can be resolved more efficiently through other means. A strike-out format is shown below with explanatory notes describing the necessary modifications.

Proposed Terms and Conditions

1. Prohibition on Dissolved Agency. Upon the Commission's order giving approval to the dissolution of the Pine Valley FPD, the FPD is prohibited from taking any of the actions contained in Government Code Section 56885.5, including:

(A) Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.

(B) Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission.

Comment: This condition has been added by LAFCO staff because it was not included in either the Pine Valley FPD's or County's requested terms and condition. It is a standard condition and needs to be imposed by LAFCO. The proposed condition is authorized by Government Code Section 56885.5 and will ensure that actions are not taken that may adversely affect the feasibility of dissolution.

2. Successor Agency. Upon and after the Effective Date, CSA No. 135 shall be the successor to Pine Valley FPD for purpose of providing structural fire protection and emergency medical services, and succeeding to all of the rights, duties, and obligations of the extinguished district with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations within the territory previously included within the extinguished district (Government Code Sections 25210.1 et seq., 56700 and 56886(m).

Comment: Modification of this term and condition proposed by the Pine Valley FPD is necessary to comport with applicable references in the successor agency statutes (Government Code Section 56886(m and r).

3. Employees. ~~As of the Effective Date, district employees of Pine Valley FPD shall be offered equivalent employment either with the County/ CSA 135 or another Agency with no break in service. Those employees shall include but not be limited to, Deputy Chief Don Heiser, Volunteer Liaison and Chief Roberto Uribe Jr. As of the effective date, district employees (full time employees, contract employees, and temporary or limited term employees) shall be offered equivalent employment as determined by the County with the County, CSA No. 135, or through a contract with another agency. (Government Code Section 56886(l).~~

Comment: The recommended modifications to Pine Valleys FPD's conditions are consistent with the County of San Diego's LAFCO application for expansion of CSA No. 135's latent fire and EMS powers. Per Government Code Section 56886(l), LAFCO has authorization to specify the transfer of employees of the extinguished district to the successor. The modifications are necessary to provide assurances to the employees and direction for the successor to integrate the employees of the extinguished district into the County civil service system.

4. ~~Formation of County Advisory Board Organization and Governance. Prior to the Effective Date, in accordance with the County Board of Supervisor Policy A-74, the County Board of Supervisors must; (a) form a County Advisory Oversight Board advisory directly to the County Board of Supervisors to represent Pine Valley's constituents' interests and to advise the County Board of Supervisors on service issues with CSA 135; (b) appoint the five members of Pine Valley's Board in office upon the date of formation of the County Advisory Board as members of~~

~~the County Advisory Board effective upon the Effective Date. The dissolved fire protection district will become part of the fire protection and emergency medical services subarea of CSA No. 135. CSA No. 135 is governed by the five-member Board of Supervisors and the Deputy County Administrative Officer for the Public Safety Group will serve as the Fire Warden. Operationally, the County of San Diego will continue to contract with existing 501c3's and CAL FIRE to provide services. A seven-member fire advisory board will be created in accordance with County Board Policy A-74.~~

Comment: This term and condition, as originally proposed by the Pine Valley FPD, is unnecessary and has been already been included in the action taken by the County Board of Supervisors on October 21, 2014. The Condition should be modified to cover the organization and governance of the CSA No. 135 and the creation of an advisory board in accordance with County Board Policy A-74. The underlined language consists of a term and condition proposed by the County.

~~5. Community Meeting. No later than three months after the Effective Date, CSA 135 shall mail notice to all residents and owners of real property within the Territory and hold a meeting within the Territory to discuss the effect of the LAFCO approval and respond to questions and comments from the meeting attendees. At the meeting, CSA 135 shall provide written contact information to the public to facilitate communications between CSA 135 and the public with respect to CSA 135's provision of the Services.~~

Comment: This term and condition can be deleted and incorporated as a recommendation to the Board of Supervisors. LAFCO does not have authority to condition the subject proposal on how the County is to conduct public meetings or the content of its outreach mailers. LAFCO would have no enforcement ability over this term and condition as proposed by the Pine Valley FPD. This modification/deletion is in conformance with the County's resolution of application for the latent powers expansion proposal. The subject matter covered in this proposed term and condition can be included, however, in the Executive Officer's recommendations and Commission determinations.

~~6. Annual Mailer. For the first two years, CSA 135 shall mail to all mailing addresses within the territory an annual report of Services provided within the Territory during the preceding year and a description of planned increases in the Services to be put in place during the coming year. Thereafter, the information will be distributed upon the advice of the CSA 135 Fire Advisory Board.~~

Comment: This term and condition proposed by the Pine Valley FPD should be deleted and incorporated as a recommendation to the Board of Supervisors. LAFCO does not have authority to condition the subject proposal on communications undertaken by the County. LAFCO would have no enforcement ability over this proposed term and condition. The subject matter covered in this proposed term and condition can be included, however, in the Executive Officer's recommendations and Commission determinations.

~~7. Dissolution Committee. Dissolution Committee. LAFCO shall refer to the Matter to a Dissolution Committee. The Resolution of the Board of Pine Valley authorizing application to LAFCO for the Matter provides that the dissolution of Pine Valley shall be contingent upon LAFCO using the Dissolution Committee process. PVFPD to have two representatives on the committee.~~

Comment: This term and condition proposed by the Pine Valley FPD specifies that the FPD's application is contingent on LAFCO using a dissolution committee. This proposed condition is at odds with LAFCO's discretionary authority and conditions such as this cannot limit LAFCO's responsibilities. LAFCO is not required to first obtain approval from the proponents on matters such as this and proponents cannot limit LAFCO's authority under state statute and case law [208 Cal.App.3d 753(1989) 256 Cal. Rptr. 5900]. For matters that may necessitate review by a committee, the Commission has formed a Special Districts Advisory Committee. Furthermore, since the areas of concern contained in Pine Valley FPD's application will be addressed satisfactorily without a dissolution committee, this condition is unnecessary.

8. Application Subject to Landowner/Voter Objection. ~~LAFCO shall treat the Matter as subject to landowner and voter objection; the Matter shall be contingent upon LAFCO not using any process to avoid the landowner/voter objections.~~

Comment: This term and condition proposed by the Pine Valley FPD specifies that the FPD's application is contingent on LAFCO not using a particular protest provision (Section 57077.1(c) (1)). As with other proposed terms and condition proposed by the Pine Valley FPD, this proposed condition is at odds with State Law and LAFCO's discretionary authority. It accordingly cannot be imposed. LAFCO is not required to first obtain approval from the proponents, and the proponents cannot limit LAFCO's authority. Government Code Section 57077.1(c)(1), requires that the Commission waive election and protest provisions if an application is submitted by the subject district and is consistent with a special study, sphere of influence or service review. Given that that sphere and service review consistency determinations have not yet been made, Section 57077.1(c) (1) will not be used for the proposal. Rather, Section 57077.1(a) will be used. Section 57077.1(a) requires that a protest hearing be held and an election ordered depending on protest and whether the subject agency (Pine Valley FPD) objects by resolution.

9. LAFCO Findings. ~~On the Matter, LAFCO to consider the following findings;~~

~~(1) The commission must designate CSA 135 as successor which is authorized by its principal act to deliver at lease all of the Services at service levels no less than those provided by Pine Valley on the day immediately preceding the Effective Date.~~

~~(2) The commission must find that the dissolution of Pine Valley into CSA 135 Promotes public access and accountability for community services needs and financial resources.~~

Comment: This term and condition proposed by the Pine Valley FPD specifies that LAFCO cannot make an affirmative action on the proposal unless it adopts certain findings. LAFCOs are responsible for making quasi-legislative determinations and not findings as requested by the proponent, therefore, this condition cannot be imposed. Furthermore, as with other proposed terms and condition proposed by the Pine Valley FPD, this proposed condition is at odds with LAFCO's discretionary authority. LAFCO is not required to first obtain approval from the proponents on this matter. However, the Executive Officer's recommendations will include language substantially similar to the requested condition, except that the recommended language will be written as "determinations" and not "findings". The Executive Officer's determinations can be incorporated into the Commission's resolution of approval.

10. Transfer by Operation of Law. If the ~~Matter~~ proposed jurisdictional changes are approved by LAFCO, then as of the effective date, CSA No. 135 shall have ownership, possession, and control of all books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, land, and other assets and property, real or personal, owned or leased by, connected with the administration of, or held for the benefit or use of, Pine Valley FPD. Refer to Exhibit B containing a list of property ownership, leases, and contractual obligations. The County of San Diego, on behalf of CSA No. 135, shall be the successor to all assets, liabilities, and service responsibilities of the dissolved district, including but not limited to, land, equipment, vehicles, contractual rights and obligations, materials, and supplies. CSA No. 135 shall be the successor to all monies, including cash on hand, monies due but not collected and other obligations. The County of San Diego, on behalf of CSA No. 135, shall be the successor to all liabilities and service responsibilities of the dissolved district, including, but limited to land, equipment, vehicles, contractual rights and obligations, materials, supplies and all accounts payable and other obligations. Exhibit B on file in the LAFCO office lists improved and unimproved land owned by Pine Valley prior to the Effective Date and to be owned by CSA No.135 on and after the Effective Date. Exhibit B also lists Real Property Lease (Easement) to which Pine Valley FPD is bound as landlord or tenant prior to the Effective Date and which bind CSA No.135 on and after the Effective Date. Exhibit B lists contracts binding upon Pine Valley FPD prior to Effective Date and to be binding upon CSA No. 135 after the Effective Date.

Comment: This term and condition proposed by the Pine Valley FPD has been combined with a condition proposed by the County of San Diego to addresses the transfer of properties and other obligations of the FPD to CSA No. 135, and is an allowable and appropriate condition per Government Code Section 56886 (a-u).

11. Tax Revenues. Upon the Effective Date, the legal existence of Pine Valley FPD shall cease, except as otherwise required by law and the Resolution of the Board of Pine Valley's governing board adopting these terms and conditions to the Matter. All property tax revenues and voter-approved special tax or special assessment revenues (if any), received or receivable by Pine Valley FPD as of the Effective Date shall be collected or collectible by CSA 135 for the exclusive use of funding the Services within the Territory. CSA 135 property taxes, special taxes, and special assessments shall not be available for other CSA 135 or County purposes.

Comment: This term and condition proposed by the Pine Valley FPD addresses the continuation and accounting of special taxes and assessments by CSA No. 135, and is an allowable and appropriate condition per Government Code Section 56886 (s-u). Various editorial changes have been made to the term and condition.

12. Plan for Service CSA No.135 shall continue to provide the services within the territory ~~at the same or increased levels of services provided~~ by Pine Valley FPD per the Plan for Services adopted by the County of San Diego on October 21, 2014. ~~Levels of Services provided by Pine Valley FPD within the Territory as of the date of the Board of Pine Valley's approval of these terms and conditions As shown on Exhibit G.~~ CSA No. 135 shall continue to provide services within the territory provided by the Pine Valley FPD per the Plan for Services adopted by the County Board of Supervisors on October 21, 2014. Refer to Exhibit B. Levels of Services may improve or increase prior to the day immediately preceding the Effective Date.

Pursuant to the Agreement between the County of San Diego and Pine Valley Fire Protection District FPD for use of fire protection funds dated July 1, 2013, CSA No.135 shall continue to provide staffing levels as previously authorized ~~at or above these~~ as shown in the agreement

~~on file with LAFCO between the County and Pine Valley FPD Exhibits "G" on file with LAFCO~~ through fiscal year 2017/2018 with fire-fighting staff who possess the same or better individual fire-fighting and emergency services credentials and skills as those held by Pine Valley FPD's staff on the day immediately preceding the Effective Date, including but not limited to basic life support and advanced life support skills and credentials. Refer to Exhibit B for the list of documents on file with LAFCO.

CSA No.135 shall continue to provide the services within the territory, fire-fighting and emergency response equipment provided by Pine Valley FPD per the Plan for Services adopted by the County of San Diego on October 21, 2014.

Comment: This term and condition proposed by the Pine Valley FPD addresses levels of service. While this is an important issue associated with the proposed dissolution, allowable terms and conditions in Government Code Section 56886(r) do not directly permit LAFCO to specify a particular level of service. Rather, LAFCO can only specify the continuation of any service provided at the time it was previously provided by the predecessor district. The manner in which the services will be provided is contained in the Plan for Services adopted by the County of San Diego. The Plan for Services will be recorded along with the district dissolution and latent powers documents. Refer to Exhibit B for the Plan for Services adopted by the County Board of Supervisors. The subject matter covered in this proposed term and condition can be included, however, in the Executive Officer's recommendations and Commission determinations.

~~13. Governing Documents. Until duly revised by CSA No. 135 and unless otherwise provided herein, or legally required, all ordinances, community facility districts, community service zones, resolutions, policies, procedures and practices adopted hereby making such revisions as it deem appropriate.~~

Comment: This condition can be deleted because the subject matter of the conditions is covered in the Tax Revenue term and condition proposed above.

14. Transfer in "As-Is" Condition. CSA No.135 shall accept all real and personal property, books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, and all other assets and obligations transferred from Pine Valley FPD in "as-is" condition, without any payment or repair obligation from Pine Valley FPD [Government Code Section 56886(h)]. All incidental liabilities, such as accounts payable, contract obligations and consumer deposits, shall be transferred to CSA No.135's appropriate, respective, ~~segregated~~ isolated accounts. All assets including, but not limited to cash reserves, land, structures, appurtenances, rolling stock, personal property including tools, office furniture, fixtures and equipment, and held by Pine Valley FPD, shall be transferred to the appropriate services zone of CSA No.135 as of the Effective Date.

Comment: This term and condition proposed by the Pine Valley FPD addresses the acquisition, improvement, disposition, sale, transfer, or division of properties and is an allowable term and conditions per Government Code Section 56886(h).

15. Property Tax Transfer. Prior to issuance of the Certificate of Completion Filing for the Matter, the County Board of Supervisors, as the governing body for CSA No. 135, shall commence and complete a property tax transfer process, as outlined in Revenue and Taxation Code Section et seq. ~~Section 99.02 of the Revenue and Taxation Code~~, to transfer the fire related ad valorem property tax revenues to CSA No. 135.

Comment: This term and condition proposed by the Pine Valley FPD addresses a property tax transfer process that is explicitly addressed in Revenue and Taxation Code Section 99 et seq., and is not necessary; however, there is no harm in including this condition in LAFCO's resolution of approval, despite its redundancy.

16. Transfer of Facilities. Upon the Effective Date, the facilities located at the real properties identified on Exhibits B of Pine Valley Application shall be transferred to CSA No.135 for use in providing the Services. Prior to issuance of the Certificate of Completion for the ~~Matter proposed dissolution of the Pine Valley FPD~~, the County Board of Supervisors, as the governing body of CSA No.135, shall take call actions necessary to provide for lease arrangements for facilities retained in the ownership of multi-function agencies and provide a copy of associated lease documents to LAFCO for recordation.

Comment: This term and condition proposed by the Pine Valley FPD addresses the continuation of lease obligations by CSA No. 135, and is an allowable and appropriate condition per Government Code Section 56886 (c).

17. Enter into Automatic Aid Agreements. Prior to the effective date, CSA No.135 shall enter into written automatic aid agreements of each other party with each automatic aid agreement and each mutual aid agreement identifies on Exhibit B to CSA No. 135's assumption of Pine Valley's obligations and rights under each agreement and shall assume the obligations and rights of Pine Valley in providing automatic aid and mutual aid services under the agreement

Comment: This term and condition proposed by the Pine Valley FPD addresses the continuation of automatic aid agreements by CSA No. 135, and is an allowable and appropriate condition per Government Code Section 56886(r).

18. CERT. CSA No. 135 shall assume and continue support for Pine Valley's CERT program in place on the day immediately preceding the Effective Date.

Comment: This term and condition proposed by the Pine Valley FPD addresses the continuation of service programs by CSA No. 135, and is an allowable and appropriate condition per Government Code Section 56886(r).

19. Insurance Service Office (ISO) Ratings. CSA No.135 shall use best efforts to maintain or improve current ISO rating of those properties that lie within both the Territory. Such efforts shall include maintain operational readiness at the station operated by Pine Valley on the day immediately preceding the effective date. Pine Valley Fire Protection District maintains a class 4/9 ISO Fire Department rating.

Comment: This term and condition proposed by the Pine Valley FPD addresses levels of service. While this is an important issues associated with the proposed dissolution, allowable terms and conditions in Government Code Section 56886(r) do not permit LAFCO to specify a particular level of service. Rather, LAFCO can only specify the continuation of any service provided at the time it was previously provided by the predecessor district. Since this condition is permissive, it may be retained.

20. CSA No.135 Plan of Services. ~~CSA No. 135 shall obtain Pine Valley's approval of CSA No. 135's plan for fire protection and emergency response services within the Territory prior to submitting the plan to LAFCO for consideration.~~

Comment: This term and condition proposed by the Pine Valley FPD addresses a matter that is to be resolved prior to LAFCO consideration of the proposed dissolution and is

not allowable under any of the terms and conditions in Government Code Section 56886 et seq. However, prior to the issuance of the Certificate of Filing, the Pine Valley FPD will have an opportunity to comment on CSA No. 135's plan for service.

~~21. Municipal Service Review. LAFCO shall complete a Municipal Service Review of CSA No. 135's provision of Services pursuant to the process described in Section 54630 of the Act within 18 months of the Effective Date.~~

Comment: This term and condition proposed by the Pine Valley FPD addresses the completion of a Municipal Service Review and is not an allowable term and condition per Government Code Section 56885.5 or 56886 et seq. LAFCO may only condition its approval on the initiation, conduct, or completion of proceedings for a change of organization or reorganization. Municipal Service Reviews are service studies and not change of organization. In lieu of including this requirement in the terms and conditions, it will be addressed in the Executive Officer's recommendations and Commission resolution of approval

22. Fire Safe Council. CSA No. 135 shall assume and continue support for Pine Valley's Fire Safe Council program in place on the day immediately preceding the Effective Date.

Comment: This condition may be imposed because it is a current service obligation of the Pine Valley FPD and authorization is provided per Government Code Section 56886(r).

23. Transfer in Unison. The proposed dissolution of Pine Valley FPD and San Diego Rural FPD are mutually benefiting components of Phase III of the County Hybrid Plan therefore, the proposed dissolution of Pine Valley FPD is contingent upon completion of LAFCO proceeding to dissolve Rural FPD.

Comment: This condition is proposed by the Pine Valley FPD and is authorized per Government Code Section 56885.5 pertaining to the completion of proceedings of another change of organization or reorganization.

24. Completion of Contractual Obligations: San Diego County/CSA No. 135 shall complete contractual obligations as agreed in Contract 545748, San Diego County, July 2013, prior to the effective date. Contractual Obligations include completion of the Pine Valley Fire Station rebuild, Pine Valley Training Facility renovation, upgrades and grant purchased installations.

Comment: This condition is proposed by the Pine Valley FPD and is authorized per Government Code Section 56886(m) pertaining to the succession of all rights, duties, and obligations of the extinguished local agency.

Spheres of Influence

LAFCO approved a sphere-of-influence for the latent powers area of CSA No. 135 in 2008 that is coterminous with the restricted fire protection service area. The Pine Valley FPD is not presently within the CSA No. 135 service specific sphere, although when the CSA sphere was adopted seven years ago, it was anticipated that a subsequent sphere amendment would be considered in conjunction with the possible dissolution of the Pine Valley FPD and expansion of CSA No. 135's fire protection service area. Besides this sphere amendment for CSA No. 135, it will also be necessary to amend the Pine Valley FPD sphere from a coterminous designation to a transitional (Zero) designation. A transitional sphere designation indicates that the service responsibility should be reassigned from one agency to another (successor local agency).

Environmental Review

The recommended sphere amendments for Pine Valley FPD and the service-specific sphere of influence for the latent powers subarea within CSA No. 135 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. Therefore, the sphere actions are subject to a categorical exemption pursuant to the California Environmental Quality Act (Section 15061(b)(3)). The proposed jurisdictional changes are also subject to a categorical exemption, pursuant to Section 15320 of the State CEQA Guidelines, because the proposed jurisdictional changes consisting of dissolution of Pine Valley FPD and the expansion of the latent powers subarea for fire protection services within CSA No. 135 do not change the geographical area in which previously existing powers are exercised;

Executive Officer Recommendation: That your Commission

1. Find in accordance with the Executive Officer's determinations that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, sphere amendments for Pine Valley FPD and for the service-specific sphere of influence for the latent powers subarea within CSA No. 135 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. Amend the spheres of Influence for Pine Valley FPD to a transitional (zero) designation and CSA No. 135 to include the unincorporated territory of dissolved Pine Valley FPD per Map 1;
3. Find in accordance with the Executive Officers determination, that pursuant to Section 15320 of the State CEQA Guidelines, the proposed jurisdictional changes consisting of dissolution of Pine Valley FPD and the expansion of the latent powers subarea for fire protection services within CSA No. 135 are not subject to the environmental impact evaluation process because the proposed jurisdictional changes do not change the geographical area in which previously existing powers are exercised;
4. Direct the Executive Officer to commence a Municipal Service Review of County Fire Protection and Structural Fire Protection Services within three years after the effective date of the proposed dissolution of the Pine Valley FPD;
5. Conclude that CSA No. 135 has provided an adequate Plan for Services demonstrating that as successor to the Pine Valley FPD, it will be able to deliver all of the services at service levels no less than those provided by Pine Valley FPD; that CSA No. 135 can provide services at the public service costs less than or substantially similar to the costs of Pine Valley FPD, but may also improve services at costs relative to the improve service level; and that the County Board of Supervisors will endeavor to promote public access and accountability for community services needs and financial resources;
6. Encourage the County Board of Supervisors and/or County Fire Advisory Board to hold educational meetings regarding the proposed dissolution of the Pine Valley FPD and prepare regular communications as necessary following the effective date of dissolution regarding changes and improvement to services or service levels in affected communities;
7. Find that an exchange of property taxes associated with the subject proposal was approved by the Board of Supervisors on June 24, 2015;

8. For the reason set forth in the Executive Officers Report, approve the associated sphere amendments, and proposed jurisdictional changes consisting of dissolution of Pine Valley FPD and expansion of the latent powers subarea for fire protection services within CSA No. 135;
9. Direct and delegate to the Executive Officer the responsibility for conducting the protest proceedings per Government Code Section 57000 et seq., subject to the proposed Terms and Conditions in Exhibit A;
10. Determine that per Government Code Section 56425(i), the written statements on file with the Commission specifying the nature, location, and extent of any functions or classes of services provided by the Pine Valley FPD will be consolidated with the written statements on file with County Service Area No. 135 and CSA No. 135 shall have all the powers and authorities of the Pine Valley FPD with respect to the nature, location, and extent of those functions or classes of services within subject area;
11. Determine that if the Pine Valley FPD dissolution is disapproved by the Commission or if the voters reject the dissolution that the Pine Valley FPD sphere of influence will remain as currently designated on August 3, 2015, and its written statements on file with LAFCO per Government 56425(i) shall not be consolidated with CSA No. 135. Further determine that if the Pine Valley FPD is not dissolved, the expansion of CSA No. 135's structural fire protection and emergency medical services latent powers shall not be approved;
12. Determine that the proposal, as approved, consists of dissolution of the Pine Valley FPD and expansion of CSA No. 135's latent fire protection and emergency medical services authorizing CSA No. 135 to provide service within the former boundaries of the Pine Valley FPD for the reasons set forth in the Executive Officer's report;
13. Pursuant to Government Code Section 57077.1(a), and 57000(c), delegate to the Executive Officer to conduct protest proceedings and to order the dissolution without confirmation of the voters except that if the dissolution meets the requirements of subdivision (b) of Section 57077.1, to order the dissolution subject to an election based upon the submittal of written protests meeting specified thresholds;
14. Determine that CSA No. 135 has provided evidence demonstrating that sufficient revenue to provide fire protection and emergency medical services within the boundaries of the Pine Valley FPD per the reasons contained in the Executive Officer's report pursuant to Government Code Section 56824.14;
15. Determine that the Commission has considered the factors enumerated in Government Code Sections 56425 and 56668 as discussed in the Executive Officer's report;
16. Determine that the proposed dissolution and latent powers proposals are in compliance with applicable LAFCO Policies L-102 (Spheres of Influence of Cities and Special Districts), L-106 and L-107 (Jurisdictional Conflicts) in that the proposals will simplify governmental services, stabilize financial resources for the provision of fire protection and emergency medical services and result in planned, orderly, and efficient development patterns; and conform to LAFCO's related sphere and service review, and conflict resolution policies;
17. Pursuant to Government Code Section 57102, determine that one of the findings is applicable because the Pine Valley FPD has by unanimous resolution (4 in favor, 0 opposed, and 1 absent) consented to the dissolution; therefore, the Commission may order the dissolution without an election after holding a protest hearing;

18. Approve the subject proposals subject to the terms and conditions attached hereto in Exhibit A for the reasons set forth in the Executive Officer's report, and delegate to the Executive Officer pursuant to Government Code Section 57000(c) to commence Conducting Authority proceedings;
19. Acknowledge that notice of the public hearing has been given pursuant to Government Code Sections 56661, 56155, and 56157; and
20. Direct the Executive Officer to include the aforementioned actions in a resolution approving the subject proposals and to mail copies of the resolution as may be required by State Law and make any and all required filings with the County Assessor, County Auditor, and the State Board of Equalization as required by Section 57200, et seq., of the Government Code.

Respectfully Submitted,



MICHAEL D. OTT
Executive Officer



E. John Traylor
Local Governmental Consultant

MDO:ra

Attachments

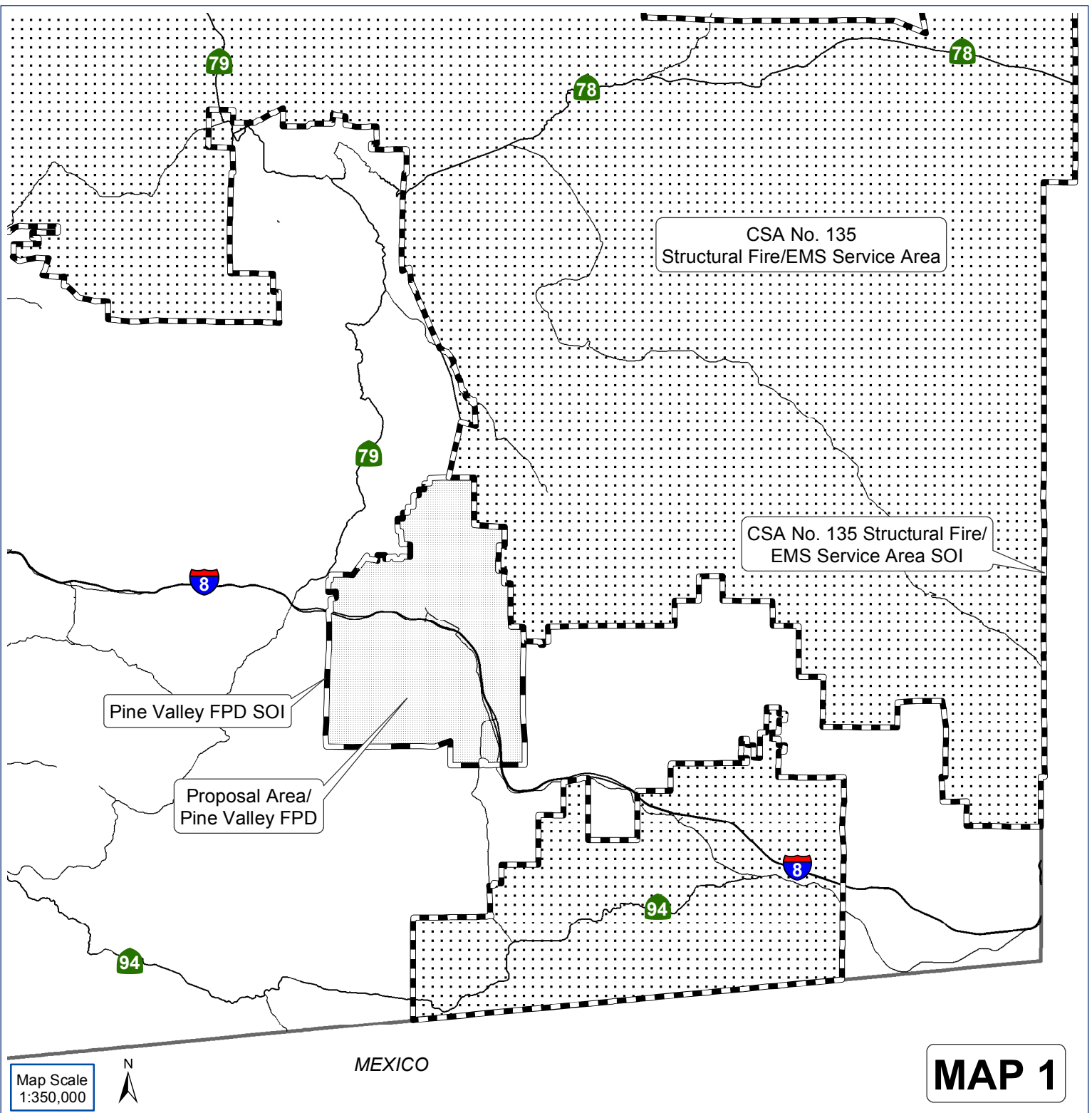
Map 1: Pine Valley FPD and CSA No. 135

Exhibit A: Recommended Terms and Conditions

Exhibit B: List of Properties, Leases, Obligations, Agreements, and Service Levels

Exhibit C: Plan for Services

Exhibit D-1 and D-2 Statements of Written Determinations



SA14-09(a); SA14-09(b) **ADOPTION OF AN AMENDMENT TO A TRANSITIONAL (ZERO) SPHERE OF INFLUENCE FOR THE PINE VALLEY FPD AND AN AMENDMENT TO THE SERVICE-SPECIFIC SPHERE OF INFLUENCE FOR CSA 135 (FIRE/EMS) TO INCLUDE THE TERRITORY FORMERLY WITHIN PINE VALLEY FPD**

DT14-09 **PROPOSED "DISSOLUTION OF PINE VALLEY FPD"**

LP(F)14-09 **"EXPANSION OF LATENT POWERS OF CSA 135 TO PROVIDE STRUCTURAL FIRE PROTECTION AND EMS WITHIN THE SERVICE-SPECIFIC AREA"**

	Proposal Area/Pine Valley FPD
	Pine Valley FPD SOI
	CSA 135 Fire/EMS Service Area
	CSA 135 Fire/EMS Service Area SOI

SOI = Sphere of Influence

Exhibit A

RECOMMENDED TERMS AND CONDITIONS

Dissolution of Pine Valley Fire Protection District and
Expansion of Latent Powers of County Service Area 135 (San Diego County
Regional Communications System / Fire Protection) to Provide Structural Fire
Protection and Emergency Medical Services within the Service-Specific Area
Ref. No's: DT14-09; LP(F)14-09

1. Prohibition on Dissolved Agency. Upon the Commission's order giving approval to the dissolution of the Pine Valley FPD, the FPD is prohibited from taking any of the actions contained in Government Code Section 56885.5, including:

(A) Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.

(B) Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission.

2. Successor Agency. Upon and after the Effective Date, CSA No. 135 shall be the successor to Pine Valley FPD for purpose of providing structural fire protection and emergency medical services, and succeeding to all of the rights, duties, and obligations of the extinguished district with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations within the territory previously included within the extinguished district (Government Code Sections 25210.1 et seq., 56700 and 56886(m)).

3. Employees. As of the effective date, district employees (full time employees, contract employees, and temporary or limited term employees) shall be offered equivalent employment as determined by the County with the County, CSA No. 135, or through a contract with another agency. (Government Code Section 56886(l)).

4. Organization and Governance. The dissolved fire protection district will become part of the fire protection and emergency medical services subarea of CSA No. 135. CSA No. 135 is governed by the five-member Board of Supervisors and the Deputy County Administrative Officer for the Public Safety Group will serve as the Fire Warden. Operationally, the County of San Diego will continue to contract with existing 501c3's and CAL FIRE to provide services. A seven-member fire advisory board will be created in accordance with County Board Policy A-74.

5. Transfer by Operation of Law. If the proposed jurisdictional changes are approved by LAFCO, then as of the effective date, CSA No. 135 shall have ownership, possession, and control of all books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, land, and other assets and property, real or personal, owned or

leased by, connected with the administration of, or held for the benefit or use of, Pine Valley FPD. Refer to Exhibit B containing a list of property ownership, leases, and contractual obligations. The County of San Diego, on behalf of CSA No. 135, shall be the successor to all assets, liabilities, and service responsibilities of the dissolved district, including but not limited to, land, equipment, vehicles, contractual rights and obligations, materials, and supplies. CSA No. 135 shall be the successor to all monies, including cash on hand, monies due but not collected and other obligations. The County of San Diego, on behalf of CSA No. 135, shall be the successor to all liabilities and service responsibilities of the dissolved district, including, but limited to land, equipment, vehicles, contractual rights and obligations, materials, supplies and all accounts payable and other obligations. Exhibit B on file in the LAFCO office lists improved and unimproved land owned by Pine Valley prior to the Effective Date and to be owned by CSA No.135 on and after the Effective Date. Exhibit B also lists Real Property Lease (Easement) to which Pine Valley FPD is bound as landlord or tenant prior to the Effective Date and which bind CSA No.135 on and after the Effective Date. Exhibit B lists contracts binding upon Pine Valley FPD prior to Effective Date and to be binding upon CSA No. 135 after the Effective Date.

6. Tax Revenues. Upon the Effective Date, the legal existence of Pine Valley FPD shall cease, except as otherwise required by law and the Resolution of the Board of Pine Valley's governing board adopting these terms and conditions to the Matter. All property tax revenues and voter-approved special tax or special assessment revenues (if any), received or receivable by Pine Valley FPD as of the Effective Date shall be collected or collectible by CSA 135 for the exclusive use of funding the Services within the Territory. CSA 135 property taxes, special taxes, and special assessments shall not be available for other CSA 135 or County purposes.

7. Plan for Service. CSA No.135 shall continue to provide the services within the territory provided by Pine Valley FPD per the Plan for Services adopted by the County of San Diego on October 21, 2014. CSA No. 135 shall continue to provide services within the territory provided by the Pine Valley FPD per the Plan for Services adopted by the County Board of Supervisors on October 21, 2014. Refer to Exhibit B. Levels of Services may improve or increase prior to the day immediately preceding the Effective Date.

Pursuant to the Agreement between the County of San Diego and Pine Valley FPD for use of fire protection funds dated July 1, 2013, CSA No.135 shall continue to provide staffing levels as previously authorized as shown in the agreement on file with LAFCO between the County and Pine Valley FPD through fiscal year 2017/2018 with fire-fighting staff who possess the same or better individual fire-fighting and emergency services credentials and skills as those held by Pine Valley FPD's staff on the day immediately preceding the Effective Date, including but not limited to basic life support and advanced life support skills and credentials. Refer to Exhibit B for the list of documents on file with LAFCO.

CSA No.135 shall continue to provide the services within the territory, fire-fighting and emergency response equipment provided by Pine Valley FPD per the Plan for Services adopted by the County of San Diego on October 21, 2014.

8. Transfer in "As-Is" Condition. CSA No.135 shall accept all real and personal property, books, records, papers, offices, equipment, supplies, moneys, funds, appropriations, licenses, permits, entitlements, agreements, contracts, claims, judgments, and all other assets and obligations transferred from Pine Valley FPD in "as-is" condition, without any payment or repair obligation from Pine Valley FPD [Government Code Section 56886(h)]. All incidental liabilities, such as accounts payable, contract obligations and consumer deposits, shall be transferred to CSA No.135's appropriate, respective, isolated accounts. All assets including, but not limited to cash reserves, land, structures, appurtenances, rolling stock, personal property including tools, office furniture, fixtures and equipment, and held by Pine Valley FPD, shall be transferred to the appropriate services zone of CSA No.135 as of the Effective Date.

9. Property Tax Transfer. Prior to issuance of the Certificate of Filing for the Matter, the County Board of Supervisors, as the governing body for CSA No. 135, shall commence and complete a property tax transfer process, as outlined in Revenue and Taxation Code Section et seq. 99.02, to transfer the fire related ad valorem property tax revenues to CSA No. 135.

10. Transfer of Facilities. Upon the Effective Date, the facilities located at the real properties identified on Exhibits A of Pine Valley Application shall be transferred to CSA No.135 for use in providing the Services. Prior to issuance of the Certificate of Completion for the proposed dissolution of the Pine Valley FPD, the County Board of Supervisors, as the governing body of CSA No.135, shall take call actions necessary to provide for lease arrangements for facilities retained in the ownership of multi-function agencies and provide a copy of associated lease documents to LAFCO for recordation.

11. Enter into Automatic Aid Agreements. Prior to the effective date, CSA No.135 shall enter into written automatic aid agreements of each other party with each automatic aid agreement and each mutual aid agreement identifies on Exhibit B to CSA No. 135's assumption of Pine Valley's obligations and rights under each agreement and shall assume the obligations and rights of Pine Valley in providing automatic aid and mutual aid services under the agreement

12. CERT. CSA No. 135 shall assume and continue support for Pine Valley's CERT program in place on the day immediately preceding the Effective Date.

13. Insurance Service Office (ISO) Ratings. CSA No.135 shall use best efforts to maintain or improve current ISO rating of those properties that lie within both the Territory. Such efforts shall include maintain operational readiness at the station operated by Pine Valley on the day immediately preceding the effective date. Pine Valley Fire Protection District maintains a class 4/9 ISO Fire Department rating.

14. Fire Safe Council. CSA No. 135 shall assume and continue support for Pine Valley's Fire Safe Council program in place on the day immediately preceding the Effective Date.

15. Transfer in Unison. The proposed dissolution of Pine Valley FPD and San Diego Rural FPD are mutually benefiting components of Phase III of the County Hybrid Plan therefore, the proposed dissolution of Pine Valley FPD is contingent upon completion of LAFCO proceeding to dissolve Rural FPD.

16. Completion of Contractual Obligations: Dissolution of Pine Valley FPD shall become effective upon recordation. Recordation shall not occur prior to the County award of a construction contract to build a new Pine Valley Fire Station.

Exhibit B

Proposed “Dissolution of Pine Valley Fire Protection District”
 “Expansion of Latent Powers of County Service Area No. 135 (San Diego County
 Regional Communications System / Fire Protection) to provide structural fire protection
 and emergency medical services within the service–specific area”
 Ref. Nos.: DT14-09 LP(F)14-09

Item B-1 Real Property Ownership APN 410-120-37
 Station 44: 28850 Old Highway 80
 Pine Valley, CA 91962

Pine Valley and Training Facility APN 410-120-35
 28856 Old Highway 80
 Pine Valley, CA 91962

Item B-2 Real Property Leases
 Easement access with US Post Office.

Item B-3 Agreements for Auto Aid
 July 1, 2010 between the Fire Departments of the
 County of San Diego Operational East Zone (East
 Zone Fire Departments includes: Borrego Springs
 FPD; Boulevard Volunteer Fire; Campo Fire &
 Rescue; Campo Reservation FPD; Intermountain
 Volunteer Fire; Julian–Cuyamaca FPD; Mt. Laguna
 Volunteer Fire; Ocotillo Wells Volunteer Fire; Pine
 Valley FPD; Ramona Fire Department; Ranchita
 Fire Department; San Diego Rural FPD; Shelter
 Valley Volunteer Fire; Sunshine Summit Fire
 Department; Warner Springs Fire Department.

Item B-4 Level of Services

Levels of Service

STAFFING LEVELS FOR PINE VALLEY (7/24/15)

Fiscal Year	Fire Capt.	FAE	FFII	FFII (Para)	Total Staff
2013/2014	2	2	2	0	6
2014/2015	2	2	2	1	7
2015/2016	2	2	2	1	7
2016/2017	2	2	2	1	7
2017/2018	2	2	2	1	7

**Exhibit C
Plan for Services**

Proposed “Dissolution of Pine Valley Fire Protection District”

“Expansion of Latent Powers of County Service Area No. 135 (San Diego County Regional Communications System / Fire Protection) to provide structural fire protection and emergency medical services within the service-specific area”

Ref. Nos.:DT14-9 and LP(F)14-9

This Plan for Services meets the requirements of Government Code Section 56653, and is considered an attachment to the following resolutions: RESOLUTION OF APPLICATION BY BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO AMEND THE SPHERE OF INFLUENCE OF THE LATENT POWERS FOR FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR COUNTY SERVICE AREA NO. 135 AND TO EXPAND THE AREA WITHIN CSA 135 WHERE THE LATENT POWERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE EXERCISED AS AUTHORIZED BY LAFCO, INTO THE TERRITORY WITHIN THE BOUNDARIES OF FORMER SAN DIEGO RURAL FIRE PROTECTION DISTRICTS RESOLUTION OF APPLICATION BY BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO AMEND THE SPHERE OF INFLUENCE OF THE LATENT POWERS FOR FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR COUNTY SERVICE AREA NO. 135 AND TO EXPAND THE AREA WITHIN CSA 135 WHERE THE LATENT POWERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE EXERCISED AS AUTHORIZED BY LAFCO, INTO THE TERRITORY WITHIN THE BOUNDARIES OF FORMER PINE VALLEY FIRE PROTECTION DISTRICTS.

(1) An enumeration and description of the services to be provided: STRUCTURAL FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES- STAFFING WILL CONTINUE AT THE SAME OR BETTER LEVEL AS TODAY: STAFFING GOALS FOR EACH VOLUNTEER STATION CURRENTLY CONSISTS OF TWO RESERVE VOLUNTEERS AND ONE COMMUNITY VOLUNTEER PER ENGINE 365 DAYS PER YEAR. A RESERVE IS GENERALLY A VOLUNTEER WHO LIVES OUTSIDE THE AREA, WHERE A COMMUNITY VOLUNTEER LIVES WITHIN THE STATION COVERAGE AREA. THIS GOAL WOULD REMAIN IN PLACE FOR THE VOLUNTEER STATIONS AFTER THE LATENT POWERS EXPANSION AND DISTRICT DISSOLUTION. FOUR STATIONS WITHIN SDR FPD AND ONE STATION WITHIN PVFPD ARE STAFFED BY TWO CAL FIRE CAREER FIREFIGHTERS DAILY. THE FUNDING FOR THE CAREER STAFFING IS IN THE COUNTY’S CONTRACT WITH CAL FIRE. THIS WOULD REMAIN IN PLACE AFTER THE LAFCO PROCESS. CURRENTLY PARAMEDIC SERVICE IS PROVIDED OUT OF TWO SDR FPD CAREER STATIONS (OTAY AND JAMUL). WITHIN THE NEXT YEAR, PARAMEDIC SERVICE IS PROPOSED FOR THE PVFPD AND THE SDR FPD LAKE MORENA AND DESCANSO FIRE STATIONS. IT IS ANTICIPATED THAT THIS ADDED SERVICE WILL BE IN PLACE EITHER PRIOR TO OR SHORTLY AFTER THE LATENT POWERS EXPANSION AND DISTRICT DISSOLUTION. THERE WILL BE NO CHANGES IN THE LEVEL OF PARAMEDIC SERVICE RESULTING FROM THE LAFCO PROCESS. FIRE PREVENTION SERVICES- COUNTY STAFF WILL PROVIDE FIRE PREVENTION SERVICES WITHIN THE EXPANDED CSA 135 LATENT POWERS AREA.

(2) The level and range of services to be provided: THE SERVICE DELIVERY MODEL FOR STATIONS STAFF BY VOLUNTEER FIREFIGHTERS WILL BE BASIC LIFE SUPPORT (BLS) FOR EMERGENCY MEDICAL SERVICE (EMS) NEEDS. STAFFING GOALS ARE 24 HOUR COVERAGE, SEVEN DAYS PER WEEK, 365 DAYS PER YEAR. VOLUNTEERS ARE CONSIDERED COUNTY VOLUNTEERS WITH COUNTY PROVIDED WORKERS’ COMPENSATION AND LIABILITY INSURANCE. CAREER FIREFIGHTERS ARE PROVIDED THROUGH A CONTRACT WITH CAL FIRE AT SIX STATIONS. PARAMEDIC ASSESSMENT ENGINES WILL BE PHASED IN FOR A TOTAL OF FIVE STATIONS PROVIDING ADVANCED LIFE SUPPORT (ALS) EMS NEEDS. OTHER STATIONS STAFFED BY CAL FIRE WILL PROVIDE BLS.

(3) An indication of when services can be feasibly extended to the reorganization territory: SERVICES WITHIN THE AFFECTED TERRITORY ARE PROVIDED TODAY THROUGH CONTRACTS WITH CAL FIRE AND VOLUNTEER FIRE COMPANIES (501C3). THE CONTRACTS ARE IN PLACE. AT THE END OF THE TERMS, THE CONTRACTS WILL BE RENEGOTIATED / RENEWED. NO CHANGE TO THE SERVICES IS ANTICIPATED.

(4) An indication of any improvements or upgrades of facilities that the reorganized agency will make or Require: THE PINE VALLEY FIRE STATION IS CURRENTLY UNDERGOING AN EXTENSIVE RE-MODEL. THIS RE-MODEL IS NOT DEPENDENT UPON THE LAFCO PROCESS. NO SIGNIFICANT IMPROVEMENTS WILL BE NEEDED AS A RESULT OF THE LAFCO PROCESS.

(5) Information with respect to how services will be financed: THE SERVICES WILL BE FINANCED USING DISTRICT AND THE COUNTY/ CSA135 LATENT POWERS AREA EXISTING FUNDING (PROPERTY TAX REVENUE, COUNTY GENERAL PURPOSE REVENUE, SPECIAL BENEFIT FEES, AND COMMUNITY FACILITIES DISTRICT FEES). IT IS ANTICIPATED THAT THE FUNDING WILL CONTINUE TO BE BUDGETED WITHIN THE SAME CATEGORIES OF SERVICES AFTER THE REORGANIZATION/ CONSOLIDATION IS COMPLETE.

(6) The total estimated cost to provide the new or different function or class of services within the special district's jurisdictional boundaries: TABLES 1 and 2 below provide the five-year budgets of CSA 135 and the County Fire Authority.

(7) An identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers: THE FIRE AND EMERGENCY MEDICAL SERVICES IS CURRENTLY PROVIDED WITHIN THE PINE VALLEY AND SAN DIEGO RURAL FIRE PROTECTION DISTRICT BY CAL FIRE EMPLOYEES UNDER CONTRACT WITH THE COUNTY OF SAN DIEGO, AND COUNTY VOLUNTEER FIREFIGHTERS. THE SERVICE PROVIDERS WILL NOT CHANGE WITH THIS PROPOSAL.

(8) The plan for service involves the activation of latent powers as exercised in the following resolutions: RESOLUTION OF APPLICATION BY BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO AMEND THE SPHERE OF INFLUENCE OF THE LATENT POWERS FOR FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR COUNTY SERVICE AREA NO. 135 AND TO EXPAND THE AREA WITHIN CSA 135 WHERE THE LATENT POWERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE EXERCISED AS AUTHORIZED BY LAFCO, INTO THE TERRITORY WITHIN THE BOUNDARIES OF FORMER SAN DIEGO RURAL FIRE PROTECTION DISTRICT RESOLUTION OF APPLICATION BY BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO TO AMEND THE SPHERE OF INFLUENCE OF THE LATENT POWERS FOR FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES FOR COUNTY SERVICE AREA NO. 135 AND TO EXPAND THE AREA WITHIN CSA 135 WHERE THE LATENT POWERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE EXERCISED AS AUTHORIZED BY LAFCO, INTO THE TERRITORY WITHIN THE BOUNDARIES OF FORMER PINE VALLEY FIRE PROTECTION DISTRICT

(9) A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries: SEE QUESTION (6) ABOVE. FINANCING WILL BE PROVIDED THROUGH PROPERTY TAX AND ASSESSMENT REVENUE ALLOCATED THROUGH THE COUNTY'S ANNUAL BUDGETING PROCESS.

(10) Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries: AN ALTERNATIVE TO THE PROPOSAL COULD BE FOR THE TWO FIRE PROTECTION DISTRICTS TO REMAIN. THIS COULD RESULT IN A LOSS OF THE COUNTY FUNDING PROVIDED TO THE DISTRICTS, WITH A RESULTING REDUCTION IN FIRE AND EMERGENCY MEDICAL SERVICES TO THE AREA.

Table 1: CSA 135 FY2015-20 Five Year Budget Forecast Description Updated 07-15-15Description	Fiscal Year 2015-16 Approved Budget*	Fiscal Year 2016-17 Approved Budget*	Fiscal Year 2017-18 Department Projection	Fiscal Year 2018-19 Department Projection	Fiscal Year 2019-20 Department Projection
Salaries & Benefits	-	-	-	-	-
Utilities	177,761	177,761	177,761	177,761	177,761
Fuel	77,679	77,679	77,679	77,679	77,679
Station Improvements/Maintenance	20,605	20,605	20,605	20,605	20,605
Equipment/Vehicles, Maintenance	147,509	147,509	147,509	147,509	147,509
Communications, radios	35,486	35,486	35,486	35,486	35,486
Insurance	84,874	84,874	84,874	84,874	84,874
Station Supplies	136,086	136,086	136,086	136,086	136,086
Services & Supplies	680,000	680,000	680,000	680,000	680,000
Operating Transfers Out to Fire Authority (Stipends, apparatus maintenance, staff cost, etc.)	1,787,313	1,787,313	1,787,313	1,787,313	1,787,313
Total Expense	2,467,313	2,467,313	2,467,313	2,467,313	2,467,313
CSA 135 current tax revenue	171,000	171,000	171,000	171,000	171,000
San Diego Rural current tax revenue	650,000	650,000	650,000	650,000	650,000
Pine Valley current tax revenue	186,000	186,000	186,000	186,000	186,000
Total Taxes Current Property Revenue	1,007,000	1,007,000	1,007,000	1,007,000	1,007,000
Mount Laguna Fire Protection & EMS	18,835	18,835	18,835	18,835	18,835
Palomar Structure Fire Protection & EMS	53,724	53,724	53,724	53,724	53,724
San Pasqual Fire Protection	46,441	46,441	46,441	46,441	46,441
Descanso Service Zone	53,000	53,000	53,000	53,000	53,000
Dulzura Service Zone	12,300	12,300	12,300	12,300	12,300
Tecate Service Zone	12,200	12,200	12,200	12,200	12,200
Potrero Service Zone	15,700	15,700	15,700	15,700	15,700
Jamul Service Zone	238,000	238,000	238,000	238,000	238,000
Jacumba Service Zone	16,975	16,975	16,975	16,975	16,975
Rural West Com Service Zone	67,350	67,350	67,350	67,350	67,350
San Diego Rural fire, CFD 04-01	10,617	10,617	10,617	10,617	10,617
San Diego Rural fire, CFD 09-01	260,519	260,519	260,519	260,519	260,519
Total Special Assessment Revenue	805,661	805,661	805,661	805,661	805,661
Other Mitigation Revenue	233,847	233,847	233,847	233,847	233,847
Other Ongoing Revenue	30,805	30,805	30,805	30,805	30,805
Operating Transfer from General Fund	390,000	390,000	390,000	390,000	390,000
Total Revenue	2,467,313	2,467,313	2,467,313	2,467,313	2,467,313

*A total of \$1,787,313 is not part of the approved budget, but is the estimate of costs and revenue upon dissolution. The San Diego County Fire Authority will return to the County Board of Supervisors to amend the budget, as necessary. Updated July 15, 2015

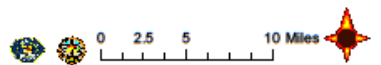
Table 2: San Diego County Fire Authority- FY2015-20 Five Year Budget Forecast Description	Fiscal Year 2015-16 Approved Budget*	Fiscal Year 2016-17 Approved Budget*	Fiscal Year 2017-18 Department Projection	Fiscal Year 2018-19 Department Projection	Fiscal Year 2019-20 Department Projection
Salaries & Benefits	2,822,807	2,877,275	2,963,593	3,052,501	3,144,076
Cal fire	12,149,343	12,756,810	13,139,514	13,533,700	13,939,711
Other Contracts	3,432,792	1,753,283	1,805,881	1,860,058	1,915,860
VFF Program (stipend & background checks)	2,174,589	2,174,589	2,174,589	2,174,589	2,174,589
Station Improvements/Maintenance	78,446	78,446	78,446	78,446	78,446
Equipment/Vehicles	2,582,671	2,127,671	2,170,225	2,213,629	2,257,902
Communications, radios	172,171	172,171	172,171	172,171	172,171
Information Technology	592,279	592,279	592,279	592,279	592,279
General Supplies	248,079	341,579	341,579	341,579	341,579
Services & Supplies and Other Costs	21,430,370	19,996,828	20,474,684	20,966,451	21,472,536
Operating Transfers Out	574,964	574,964	574,964	574,964	574,964
Management Reserves (SD Rural FPD CalPERS Payout and Debt Payment)	7,200,000	-	-	-	-
Total Expense	32,028,141	23,449,067	24,013,241	24,593,916	25,191,576
Intergovernmental Revenues	501,527	51,527	51,527	51,527	51,527
Charges for Current Services	1,048,272	1,048,272	1,048,272	1,048,272	1,048,272
Miscellaneous Revenues	181,729	181,729	181,729	181,729	181,729
Other Miscellaneous	7,200,000	-	-	-	-
Operating Transfer In	1,787,313	1,787,313	1,787,313	1,787,313	1,787,313
Use of Fund Balance	2,009,300	1,029,883	-	-	-
General Purpose Revenue	19,300,000	19,350,343	21,004,400	21,585,075	22,182,735
Total Revenue	32,028,141	23,449,067	24,073,241	24,653,916	25,251,576

*A total of \$1,787,313 is not part of the approved budget, but is the estimate of costs and revenue upon dissolution. The San Diego County Fire Authority will return to the County Board of Supervisors to amend the budget, as necessary. Updated July 15, 2015

Revised
May 7, 2014

Consolidation Phasing Proposal - SD County Fire Protection

- CSA135 Phasing**
- Steps 1 & 2: COMPLETED March 2012
 - Step 3: Territory Slated for Consolidation
 - Other Jurisdictions



THIS MAP CAN BE 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. Note: This product may contain information from the SANDAG Regional Information System which is used as reproduced without the written permission of SANDAG. This product may contain information reproduced with permission provided by Rand McNally & Company © by SANDAG. This map is copyrighted by Rand McNally & Company. It is unlawful to copy or reproduce all or any part thereof, whether for personal use or otherwise, without the prior written permission of Rand McNally & Company.
Copyright SANDAG 2014 - All Rights Reserved. Full text of this legal notice can be found at: http://www.sandag.org/legal_notices.htm
File: _ServiceArea03_MapServiceArea_phasing_2014_03.mxd

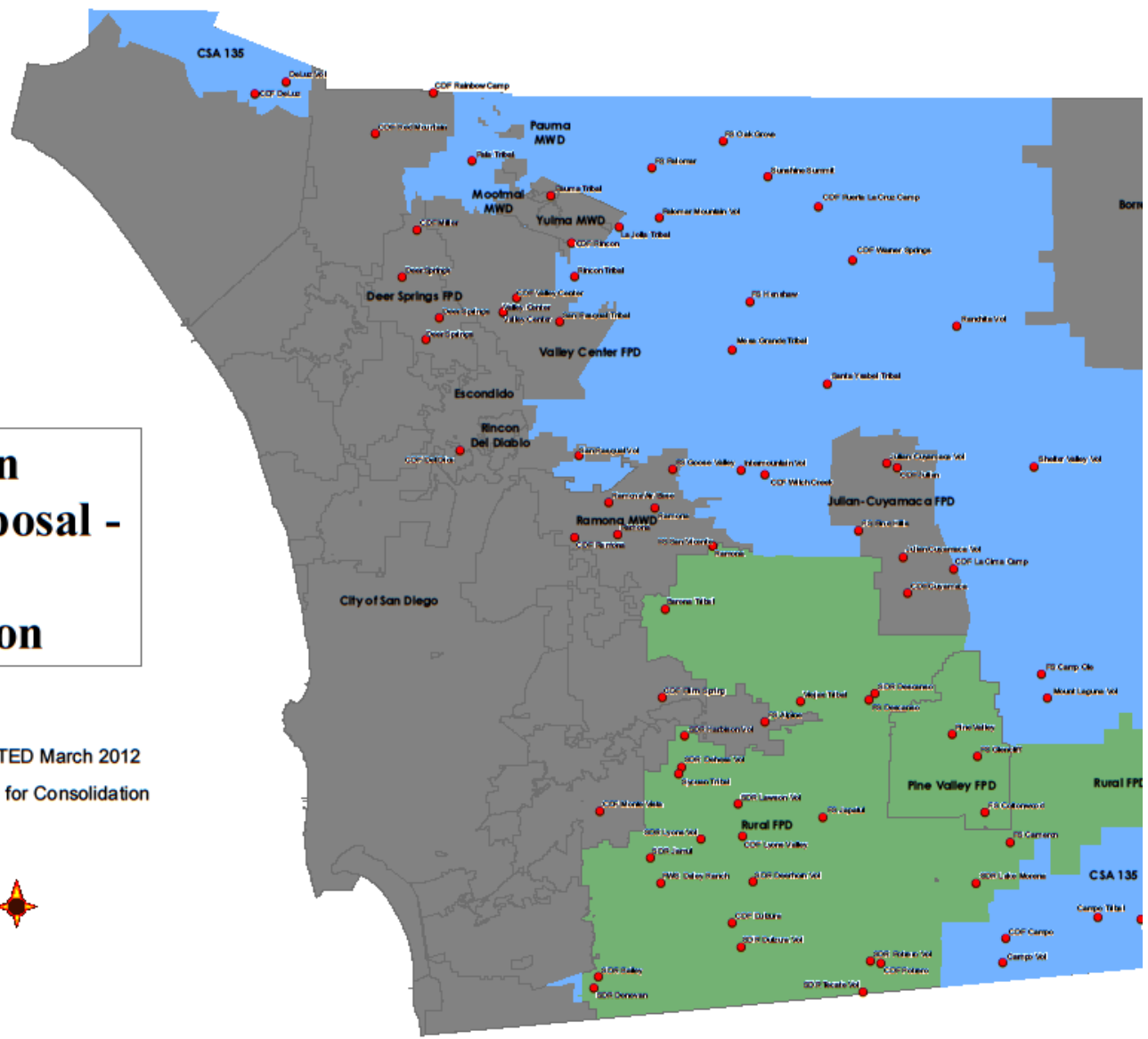


Exhibit D-1
**RECOMMENDED STATEMENT OF DETERMINATIONS
FOR APPROVAL OF A TRANSITIONAL (ZERO) SPHERE OF INFLUENCE;
FOR THE PINE VALLEY FIRE PROTECTION DISTRICT
SA14-09(a)**

The following statement of determinations is prepared pursuant to section 56425 of the Government Code for the adoption of a transitional (zero) sphere of influence shown on the attached map for the Pine Valley Fire Protection District (FPD). A written statement specifying the functions or classes of services provided by the District and establishing the nature, location, and extent of the functions or classes of District services is on file with the San Diego Local Agency Formation Commission. This written statement will be transferred to County Service Area No. 135 as successor agency to San Diego Rural FPD.

Determination (1): The present and planned land uses in the area, including agricultural and open space lands.

The County of San Diego has jurisdiction over land use and planning matters within the Pine Valley FPD and surrounding unincorporated areas; all land use decisions concerning sphere territory would be guided by the County General Plan. Affirmation of a sphere of influence would not affect agricultural and open space land uses.

Determination (2): The present and probable need for public facilities and services in the area.

The Pine Valley FPD covers approximately 69.47 square miles; structural fire protection and emergency medical services are provided district-wide. The District has experienced very modest population change in the past 20 years, which minimizes pressure to expand district services. The 2013 population estimate of 2,207 is a slight increase from 2012 estimates. The probable need for increased public facilities and services are determined by the land use designations adopted by the County of San Diego. However, the Pine Valley fire station is slated for a major remodel/expansion in 2015 to accommodate demands for current service delivery.

Determination (3): The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

The Pine Valley FPD responds to emergency incidents within the district and in areas outside the district boundary where the only access is through the FPD. Agreements for reciprocal automatic and mutual aid are in place with neighboring jurisdictions. The Pine Valley fire station is slated for a major remodel/expansion in 2015 to accommodate demands for current service delivery. The area is already within the boundary of the San Diego County Fire Authority and is also adjacent to the fire protection latent powers area of County Service Area 135. On June 27, 2014, a Board resolution and application was submitted to San Diego LAFCO by the District for dissolution with subsequent inclusion in the fire protection latent powers area of CSA 135.

Determination (4): The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social and economic communities of interest are not relevant in considering affirmation of this sphere of influence.

Determination (5): For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the Pine Valley Fire Protection District.

Exhibit D-2
RECOMMENDED STATEMENT OF DETERMINATION
FOR A COTERMINOUS SERVICE-SPECIFIC SPHERE OF INFLUENCE
WITH SPECIAL STUDY AREAS
FOR A LATENT POWERS AREA WITHIN CSA 135
SA14-9(b)

The following statement of determination is prepared pursuant to Section 56425 of the Government Code for a coterminous service-specific sphere of influence for a latent powers area for fire protection and emergency medical services within County Service Area (CSA) No. 135. The service-specific sphere of influence includes special study areas to acknowledge territory where spheres of influence of adjacent fire protection districts overlay the CSA No. 135 latent powers area. Surrounding spheres were reaffirmed in 2013-14.

- (1) The present and planned land uses in the area, including agricultural and open space lands.

The Latent powers area for fire protection and emergency medical services within CSA No. 135, which contains approximately 1,079,636 acres, will be expanded to include an additional 696.37 square miles (445,676 acres) upon dissolution of the Rural FPD and 69.47 square miles (44,460 acres) with the dissolution of the Pine Valley FPD. Current land uses consist of a mixture of recreation, ranching, business, rural-residential and farming.

- (2) Present and probable need for public facilities and services in the area.

Amending the service-specific sphere of influence in CSA No. 135 will allow expansion of the latent powers area and facilitate implementation of Step III of the County Hybrid Plan for improving fire protection services in the unincorporated San Diego County.

- (3) The present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide.

The latent powers area for fire protection and emergency medical services within CSA No. 135 is currently restricted to 1,079,636 acres. Before fire protection and emergency medical services can be extended to additional unincorporated territory, the service-specific sphere of influence must be amended and the latent powers area expanded.

- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social and economic communities of interest are not relevant in considering amendment to a service-specific sphere of influence.