LOCAL AGENCY FORMATION COMMISSION 701 Ocean St. #318D Santa Cruz CA 95060 831-454-2055 website: www.santacruzlafco.org email: info@santacruzlafco.org



LAFCO AGENDA Wednesday, February 1, 2017 10:00 a.m. Room 525, County Governmental Center 701 Ocean Street, Santa Cruz

1)	ROLL CALL PAGE
2)	MINUTES a) December 7, 2016
3)	ORAL COMMUNICATIONS a) Anyone may briefly address the Commission concerning items not on the agenda.
4)	PUBLIC HEARINGS a) None
5)	OTHER BUSINESS a) Potential Fire Agency Reorganization, Municipal Service and Sphere of Influence Study9 b) Status of Proposals
6)	 WRITTEN CORRESPONDENCE a) December 20, 2016 Letter from LAFCO Executive Officer Concerning Election of Special105 District Member and Special District Alternate
7)	PRESS ARTICLES <u>Soquel Creek Water District</u> a) December 8 th Sentinel article:107 Soquel Creek Water District about to launch EIR to study impact
	<u>CALAFCO</u> b) January 2017 newsletter:109 CALAFCO Quarterly
	<u>Watsonville</u> c) January 13 th Pajaronian article:112 FedEx shows off new facility

Page 1 of 2 February 1, 2017 Agenda

8) ADJOURNMENT

a) The next regular meeting is scheduled for 10:00 a.m. Wednesday, March 1, 2017 at the Santa Cruz County Building.

Campaign Contributions

State law (Government Code Section 84308) requires that a LAFCO Commissioner disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from an applicant, any financially interested person who actively supports or opposes an application, or an agency (such as an attorney, engineer, or planning consultant) representing an applicant or interested participant. The law also requires any applicant or other participant in a LAFCO proceeding to disclose the amount and name of the recipient Commissioner on the official record of the proceeding.

The Commission prefers that the disclosure be made on a standard form that is filed with the Commission's Secretary-Clerk at least 24 hours before the LAFCO hearing begins. If this is not possible, a written or oral disclosure can be made at the beginning of the hearing. The law also prohibits an applicant or other participant from making a contribution of \$250 or more to a LAFCO Commissioner while a proceeding is pending or for 3 months afterward. Disclosure forms and further information can be obtained from the LAFCO office at Room 318-D, 701 Ocean Street, Santa Cruz CA 95060 (phone 831-454-2055).

Contributions and Expenditures Supporting and Opposing Proposals

Pursuant to Government Code Sections §56100.1, §56300(b), §56700.1, §59009, and §81000 et seq., and Santa Cruz LAFCO's Policies and Procedures for the Disclosures of Contributions and Expenditures in Support of and Opposition to proposals, any person or combination of persons who directly or indirectly contributes a total of \$1,000 or more or expends a total of \$1,000 or more in support of or opposition to a LAFCO Proposal must comply with the disclosure requirements of the Political Reform Act (Section 84250). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information may be obtained at the Santa Cruz County Elections Department, 701 Ocean Street, Room 210, Santa Cruz CA 95060 (phone 831-454-2060).

More information on the scope of the required disclosures is available at the web site of the Fair Political Practices Commission: <u>www.fppc.ca.gov</u>. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).

Accommodating People with Disabilities

The Santa Cruz Local Agency Formation Commission does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The Commission meetings are held in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at 831-454-2055 at least 72 hours in advance of the meeting to make arrangements. For TDD service the California State Relay Service 1-800-735-2929 will provide a link between the caller and the LAFCO staff.

Late Agenda Materials

To review written materials submitted after the agenda packet is published, contact the LAFCO Secretary-Clerk at the LAFCO office or in the meeting room before or after the meeting.



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, December 7, 2016 10:00 a.m.

Supervisors Chambers 701 Ocean Street, Room 525 Santa Cruz, California

The December 7, 2016 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Roger Anderson.

ROLL CALL

Present and Voting:	Commissioners J. Anderson, Leopold, LaHue, Bottorff, Lind, Friend and Chairperson R. Anderson
Absent:	None
Alternates Present:	None
Alternates Absent:	Bobbe, Coonerty, Smith
Staff:	Patrick M. McCormick, Executive Officer
	Brooke Miller, LAFCO Counsel
	Debra Means, Secretary-Clerk

MINUTES

MOTION AND ACTION

Motion: Leopold	To approve November 2, 2016 minutes with one minor correction.
Second: LaHue	Motion carries with Commissioners R. Anderson and Friend abstaining.

ORAL COMMUNICATIONS

<u>Brian Aluffi</u> is a longtime Santa Cruz resident and the president of Local 3605 from Central FPD. He believes there is a generational opportunity here to merge fire services within Santa Cruz County. He has worked for the fire service for more than 20 years. He has only heard positive feedback about merging fire districts in this County, except from some fire chiefs and fire boards who could stand to lose the most. Labor unions are in agreement throughout the different agencies.

He intends to pursue this opportunity by meeting with affected parties. He does not think another 20 years should go before a merger comes to fruition.

<u>Commissioner LaHue</u> adds that there is a scoping meeting today for the Environmental Impact Report regarding the potential Pure Water Soquel groundwater replenishment project. It will be held at Twin Lakes Church. There is one meeting at 2:00 p.m. and another at 6:00 p.m.

RESOLUTIONS FOR APPROVING SERVICE AND SPHERE OF INFLUENCE REVIEWS FOR THE CITY OF SCOTTS VALLEY AND THE SCOTTS VALLEY WATER DISTRICT

<u>Mr. McCormick</u> says that the reports were prepared in advance of the November public hearing. After significant participation, the Commission directed staff to prepare resolutions accepting both agencies' reports and both agencies' spheres of influence with the noticed amendments. After the hearing, some of the citizens talked to staff representatives from the City and Water District and were able to get more questions answered.

He is requesting a revision to a resolution exhibit as shown on page 21 of the agenda packet. They are the findings for the City of Scotts Valley. Chairperson Roger Anderson noticed that the findings had an extremely low growth rate .08% for Scotts Valley. He verified that those are AMBAG's adopted numbers for the City even though they are low. Staff recommends that two sentences be added to note that the population report is cyclical and the next cycle has already started. There will be an update in 2018 and the base population for Scotts Valley has already been readjusted. The update will have a higher growth rate.

<u>Commissioner Leopold</u> says that he offered to meet with any of the affected individuals and he did not hear from anyone. They must have done a good job of answering questions.

<u>Commissioner Lind</u> thinks one of the misunderstandings was that this action would immediately cause an effect. Once they understood, they felt much better about the information they received.

MOTION AND ACTION

Motion: Leopold	To adopt Resolutions No. 2016-13 and 2016-14 and include the
Second: J. Anderson	amendments for the City of Scotts Valley's report.
	Motion carries with a unanimous voice vote.

REVIEW OF THE WORK PROGRAM

<u>Mr. McCormick</u> continues to welcome feedback about the work program for the next six months. The Commission is interested in scoping a major fire study. The geographic extent could be as large as the whole County or a limited area. It could include one or more fire district consolidations, or it could include other cooperative services such as contracts for service or joint powers agreements.

He is beginning to make the rounds and talk to the fire agencies, the public, and the unions to see how much interest there is. To help the public and the Commission, he enclosed in the agenda packet a summary of 45 years of fire studies in Santa Cruz County going back to 1971. Included in the summary is a study that directed major improvements in fire Page 2 of 6 December 7, 2016 Minutes

protection in Santa Cruz County called the "Sierra Group Report." It took two drafts over a three year period; it included many recommendations, and most of them were implemented. The Sierra Group report suggested implementing a "911 concept". In 1975, if there was a fire, one had to dial a 7-digit number of the local fire department from a rotary phone. Each agency had their own dispatch procedure.

He wants to find out from the Commission what their priorities are over the next six months. The Commission has just gone through the first round of an accelerated service review methodology. He wants to know if the methodology needs improvements, whether it should be scrapped, or if it should be used for future reviews. This type of review is scaled down. The Commission decided not to use the scaled down version for three fire agencies: County Fire, Aptos La Selva, and Central. These fire agencies will get a more detailed study. When it is time for the water and sanitation agencies to be reviewed, a similar situation could happen where some agencies might need a more detailed review.

In the past, the Commission has adjusted its work program based upon applications being submitted. There is an inquiry from a property owner who owns one parcel adjacent to the Soquel Creek Water District (SCWD). It would need a sphere amendment. SCWD's review is more than five years old, so a service review will need to be done. SCWD has huge issues, but they also have a lot of information available. This inquiry has the potential water demand of a new house. He recommends putting SCWD as a top priority so he can start work on a service and sphere review as soon as possible. He contacted SCWD staff and they are available to supply any information needed to help with the reviews.

He wants to continue communicating with the fire agencies to see what they would want in a detailed report if they express interest.

Commissioner LaHue concurs that his water district is available to help.

He remembers hearing that some of the agencies felt they did not have enough time to respond to the review's questionnaire. They needed more time for their boards to discuss their review.

<u>Commissioner Leopold</u> is comfortable with the abbreviated format. He agrees with Commissioner LaHue's comments about giving the agencies enough time to meet with their boards. It is important to identify the agencies that want or need to look closer. He is concerned that the reviews are not done yet, and that puts the Commission at some risk. Moving forward to get the reviews done should be a top priority.

<u>Commissioner Bottorff</u> agrees with Commissioner Leopold and wonders if just the area of Central Fire and south should be concentrated on and not the City of Santa Cruz.

<u>Commissioner Friend</u> thinks that after speaking to the three unions from the City of Santa Cruz, Central, and Aptos La Selva fire districts, that they want all three agencies involved. They are interested in talking to their boards and the City's Council about a cost share with LAFCO. From a County Fire perspective, it would be great for LAFCO to be involved since they are insolvent. At a minimum, there is a unique opportunity for the largest fire districts in the County to be interested in a merger sooner than later. They have new boards, there is

Page 3 of 6 December 7, 2016 Minutes no fire chief at one of the fire agencies, and there is a potential for cost share. He wonders when the last time was that the head of a fire union came to LAFCO offering to participate in a merger.

He thinks because the unions are requesting it, that Central, Aptos / La Selva, and the City of Santa Cruz, should be involved. If there is a cost share, it will be easier to extend the scope. County Fire should be included because he is getting asked about this from his constituents. He understands from the unions that the coastal departments should merge first, and that will make it easier for Scotts Valley and other agencies. He thinks an extended study should definitely include Central and Aptos / La Selva. The debate would be whether to include the City of Santa Cruz and County Fire, but he would like to have them both included.

<u>Commissioner Jim Anderson</u> says there is much concern with the San Lorenzo Valley fire agencies about what will happen. The common thread he hears is that they are fine with a study as long as it does not cost them more money. It is more complicated to combine paid employees with volunteer organizations. The conversion from all volunteer to paid staff would be very time consuming.

He has tried to quell the idea that a fire study means mass consolidations. Studies are looking for efficiencies. His board is interested in participating, and he asked them to submit a letter to LAFCO with their intent.

<u>Chairperson Roger Anderson</u> adds that LAFCO has a limited amount of money and he wants to be sure that there will be value from any fire, water, or any other studies.

There have been 11 studies done over the last 40 to 45 years and some of the recommendations have been adopted. He is interested in knowing which types of recommendations have been adopted, and whether any political or economic facets in the present situation might make similar recommendations possible today. He would also like to know who paid for these studies. Some of the studies were done before Proposition 13 passed.

He wants a study to work, and he is not opposed to working with others about funding it or providing a significant contribution. He just wants to be sure that doing another study will be fruitful.

He wonders what other studies, such as water or some other types of consolidations, might make sense with the current issues agencies have. Water planning is a big issue currently and he wonders what LAFCO's role should be. He wants to make a good investment and provide a study that will be useful and solve some problems within this County.

<u>Commissioner LaHue</u> wants to confirm whether the Commission is going ahead with developing a scope after conferring with the districts about details such as cost sharing.

Commissioner Friend answers yes.

<u>Commissioner Leopold</u> understands the Chair's concerns. Since the Commission decided to do accelerated reviews, they heard from Aptos / La Selva that they wanted more. The labor representatives expressed that they were also interested in more. The Central FPD board majority has changed in the last election and they also express interest.

He believes Central FPD will be able to contribute financially towards a more extensive study. This is a great opportunity to have a majority of a board and a labor union interested in having these discussions. They currently do not have a permanent chief. If they are willing to contribute and it is affordable, he thinks they should take the opportunity.

At the last meeting, Aptos / La Selva's chief seemed hesitant after the Commission agreed to do what he wanted. It appears they have changed their minds. A new possibility has been potentially identified about Santa Cruz.

He agrees with his colleagues about having CSA 48 included because a problem needs to be fixed. Consolidation could be one of the ways to fix it.

<u>Commissioner Friend</u> says part of a motion should be to work with the districts to get contributions. Even if the Aptos / La Selva chief is uncommitted, there is a board majority and labor interests willing to look into a study.

<u>Commissioner Lind</u> thinks there is more interest and people willing to work together to explore this further. Both union and management seem willing to put the time in to look at options.

MOTION AND ACTION

Motion: Friend	To move the recommended actions.	
Second: Leopold	Motion carries with a unanimous voice vote.	

MEETING SCHEDULE FOR 2017

<u>Mr. McCormick</u> recommends the schedule should be the same for 2017 with meetings the first Wednesday of each month except for July.

MOTION AND ACTION

Motion: LaHue	To approve the 2017 calendar.	
Second: Leopold	Motion carries with a unanimous voice vote.	

RESOLUTION OF APPRECIATION

MOTION AND ACTION

Motion: Leopold	To adopt a Resolution of Appreciation for Art Smith.	
Second: J. Anderson	Motion carries with a unanimous voice vote.	1.1

<u>Chairperson Roger Anderson</u> asks Mr. McCormick if he knows what went wrong with Placer County's fire study.

<u>Mr. McCormick</u> says the company who did that study is the same company Central Fire is using for their Standards of Cover study. He does not know the specifics. There were two Placer studies. One was a LAFCO study and the other was the County study. The County study was not released even though money was spent to pay for the study.

<u>Chairperson Roger Anderson</u> thinks Santa Clara County did a large study a few years ago that was very controversial. He wonders if this study is relevant.

Mr. McCormick will look into it.

CLOSED SESSION (begins at 10:39 a.m.)

- Performance Evaluation of Executive Officer pursuant to Government Code Section 54957
- Salaries and Benefits of Unrepresented Employees: Executive Officer and Secretary-Clerk
- Agency Designated Representatives: Personnel Committee: Jim Anderson and John Leopold

OPEN SESSION (begins at 10:58 a.m.)

- Executive Officer Performance Review
- Salaries and Benefits of Executive Officer and Secretary-Clerk

<u>Commissioner Jim Anderson</u>, Chair of the Personnel Committee, reports that the Executive Officer received a satisfactory performance review. Mr. McCormick will receive a 5% raise and a 3% longevity raise. The Secretary-Clerk will receive an 8% raise.

<u>Commissioner Leopold</u> and the rest of the Commission thank staff for their outstanding service.

Meeting is adjourned at 11:02 a.m. The next LAFCO meeting is scheduled for 10:00 a.m. on Wednesday, January 4, 2017.

CHAIRPERSON ROGER W. ANDERSON

Attest:

Patrick M. McCormick, Executive Officer



Santa Cruz Local Agency Formation Commission 701 Ocean Street, Room 318-D Santa Cruz, California 95060 Phone: (831) 454-2055

Email: info@santacruzlafco.org Website: www.santacruzlafco.org

POTENTIAL FIRE STUDY

Date: January 25, 2017 for February 1st Agenda To: LAFCO Commissioners From: Patrick M. McCormick, Executive Officer *****, **~**^{-C}. Subject: Potential Fire Study

Summary: The Commission will receive a staff report on the status of determining a scope of work for a potential fire service study, and will consider appointing a committee of commissioners to focus on this project.

Recommendation: Receive briefing from staff and appoint an ad hoc committee of LAFCO Commissioners to work with the fire agencies and the Executive Officer on the scope of a potential fire protection study.

At the December 7, 2016 LAFCO meeting, the Commission reviewed its work program, received a staff report and some background information concerning fire agency reorganization studies, and directed that the top priority in the work program is to scope a potential comprehensive fire agency study. Since then, several Commissioners and the Executive Officer have been meeting with fire agency boards and fire chiefs to ascertain whether each agency believes that LAFCO should lead a comprehensive study. If there is support, the additional questions are then what the geographic study area should be, and what range of issues should be addressed.

The correspondence and other documents regarding the potential fire study are attached in chronological order.

The Central Fire Protection District Board of Directors met on January 10, 2017. They took action supporting a study and appointing a committee of two directors to work with the Aptos/La Selva FPD Board and LAFCO on scoping the study. On January 12, 2017, the Aptos/La Selva Fire Protection District Board of Directors appointed a committee of two directors to work with the Central FPD Board and LAFCO, and set an item for the Aptos/La Selva FPD February 9th meeting to draft a written response to LAFCO.

The Felton Fire Protection District Board of Directors, in a letter dated December 6, 2016, stated that they are fine with a countywide study being prepared, but that they do not want to incur any costs. The Zayante Fire Protection District Board of Directors, in a letter dated December 15, 2016, supports a mid-county consolidation study, but does not want the Zayante FPD to incur any costs. The Ben Lomond Fire Protection District

Board of Directors, in a letter dated December 21, 2016, indicated that they are not interested in an expanded fire study and they don't want to participate in financing such a study. I am expecting the Boulder Creek Fire Protection District Board of Directors to express a position at their February 14th meeting.

The Scotts Valley Fire Protection District received my presentation on November 9th. They have not taken a position on the potential study.

The Branciforte Fire Protection District Board of Directors received a presentation by LAFCO Commissioner Jim Anderson and me on January 9, 2017. The board had an extensive discussion that included the operating and financing problems of a small agency. The matter was continued to their February 16th meeting in order prepare an answer to LAFCO questions.

The Aromas Tri-County Fire Protection District has a very small area of their district in Santa Cruz County, and participates in the fire organization planning in San Benito and Monterey Counties. It has not responded to LAFCO's inquiry. The other districts that have not formally responded to LAFCO's inquiry are the Pajaro Valley Fire Protection District, County Service Area 4 (Pajaro Dunes), and County Service Area 48 (County Fire).

I have discussed the potential study with the chiefs of CAL FIRE, Santa Cruz City, and Watsonville City, and will continue to check in with them as the scope becomes better defined.

Recommendation

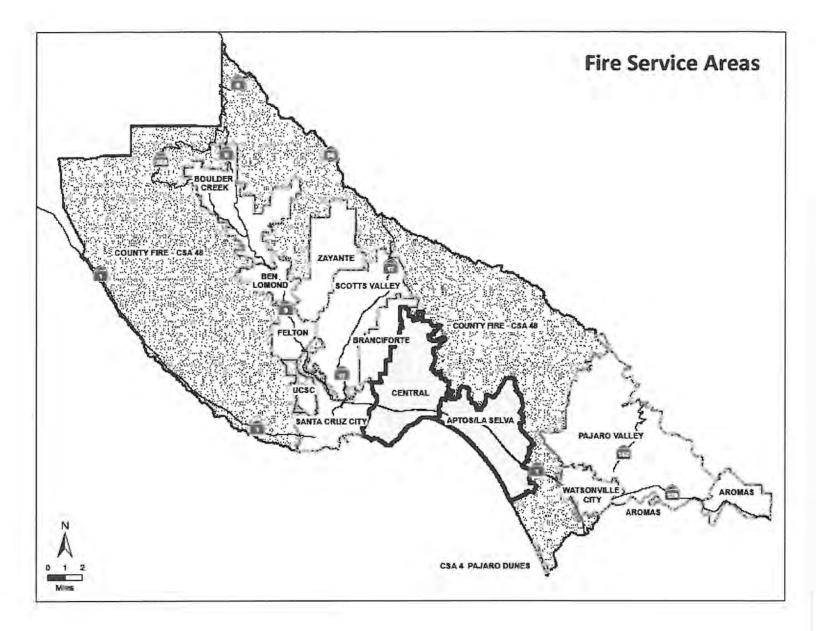
Both the Aptos/La Selva FPD and the Central FPD have appointed directors to ad hoc committees to work on potential consolidation. I believe that it would be helpful if LAFCO appointed an ad hoc committee of 2 or 3 commissioners to work with those district committees and the Executive Officer on the scope of a potential study. Under LAFCO's rules, the Chairperson makes committee appointments, subject to approval by the Commission. It is recommended that the Chairperson appoint an ad hoc committee of 2 or 3 Commissioners to work on fire study issues. The LAFCO committee would have no power to take any action on behalf of LAFCO. Any action to finalize a scope a work, to solicit consultant proposals, or to contract for a study would be taken by the full Commission after public testimony at a noticed LAFCO meeting.

cc: All fire agencies in Santa Cruz County

Attachments:

Map

Correspondence and other documents, July 21, 2016 - January 24, 2017



Correspondence and other documents regarding a potential LAFCO fire study in Santa Cruz County, July 21, 2016 to January 14, 2017

Item	Date	From
<u>#</u>		
1	7/21/16	Vince Hurley, A/LS FPD Board President
2	7/26/16	Pat McCormick, LAFCO
3	8/1/16	TJ Welch
4	8/3/16	LAFCO Secretary-Clerk
5	8/25/16	Pat McCormick, LAFCO
6	9/1/16	Vince Hurley, A/LS FPD Board President
7	9/29/16	Vince Hurley, A/LS FPD Board President
8	10/10/16	Interim Fire Chief Hall, Central FPD
9	10/12/16	Auburn Journal Article
10	10/18/16	Jeff Maxwell, Retired Central Fire Chief
11	10/24/16	Pat McCormick, LAFCO
12	10/31/16	Donita Springmeyer, Bonny Doon Resident
13	11/2/16	LAFCO Secretary-Clerk
14	11/3/16	Ryan Masters, Sentinel
15	11/28/16	Pat McCormick, LAFCO
16	11/29/16	Pat McCormick, LAFCO
17	11/29/16	Pat McCormick, LAFCO
18	11/29/16	Pat McCormick, LAFCO
19	11/29/16	Pat McCormick, LAFCO
20	12/6/16	Chief Rickabaugh, Felton FPD
21	12/7/16	LAFCO Secretary-Clerk
22	12/13/16	Chief Brownlee, Ben Lomond FPD
23	12/15/16	Chief Stipes, Zayante FPD
24	12/27/16	Ryan Peters and Brian Aluffi
25	1/10/17	Central FPD Staff
26	1/12/17	Aptos / La Selva FPD Staff
27	1/12/17	Chief Jones, Aptos / La Selva FPD

Subject

Request more extensive review countywide Staff report for August 3rd LAFCO meeting Supporting consolidation of Central and A/LS Minutes of August 3rd LAFCO meeting Soliciting fire agencies' input on expanded fire study Invitation to Aptos / La Selva Board meeting on 9/8/16 Deferral of invitation to speak Supporting an in-depth fire study Costly Placer fire study deeply flawed, won't be released Stressors, opportunities, model 6-agency merger Staff report for November 2nd LAFCO meeting Inadequate information in study, Bonny Doon Minutes of November 2nd LAFCO meeting Fire districts to explore merger opportunities To 9 fire agencies re: spheres and interest in fire study Staff report for December 7th LAFCO meeting Att. B, summary of county fire studies 1971-2016 Att. C, California fire service reviews 2005-2016 Att. D, list of sphere and service reviews OK with county-wide study, but no costs to Felton Minutes of December 7th LAFCO meeting Not interested in study or in financial participation Support mid-county study, but no Zayante costs Joint labor group position on LAFCO merger study Central FPD board agenda Aptos / La Selva FPD board meeting agenda Staff report Aptos / La Selva FPD board meeting



Aptos/La Selva Fire Protection District 6934 Soquel Drive - Aptos, CA 95003 Phone # 831-685-6690 - Fax # 831-685-6699

July 21, 2016

Pat McCormack Executive Officer Local Agency Formation Commission of Santa Cruz County 701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Dear Mr. McCormack,

At our most recent Board of Directors meeting for the Aptos/La Selva Fire Protection District, Fire Chief Jones brought forward the 2016 Santa Cruz LAFCO Service and Sphere of Influence Review. Fire Chief Jones explained that District received your letter dated June 6, 2016, too late to consider for our June agenda. It was further explained that Chief Jones communicated to you during a phone call that the Aptos/La Selva Board of Directors was very interested in weighing in on fire district sphere of influence and service delivery within the County of Santa Cruz.

The Aptos/La Selva Fire Protection District respectfully requests that you pull our agency's review from the accelerated review program. Our Board also requests that LAFCO consider further Service and Sphere of Influence review for any fire provider in Santa Cruz County.

The Aptos/La Selva Fire Protection District Board is disappointed in the current process as laid out and believes it is time for a more considered review of Santa Cruz County fire service spheres of influence.

Respectfully,

Vince Hurley, President, Board of Directors Aptos/La Selva Fire Protection District

ITEM 2

Santa Cruz Local Anancy Formation Commission 701 Oci in Street, Rom 316-D Santa Cruz, California 5, 060 Phona; (B31) 454 2015

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Entail: Info@santacruziatco.org Woballs: www.santacruziatco.org

FIRE AGENCIES STUDY

Date: July 26, 2016 for August 3rd Agenda
To: LAFCO Commissioners
From: Patrick M. McCormick, Executive Officer → < < .
Subject: Service Review and Sphere of Influence Reviews for the Twelve Fire Protection Districts in Santa Cruz County

Summary: The Commission will conduct a public hearing and will consider approving a service review and confirming the current spheres of influence for the twelve fire protection districts in Santa Cruz County.

Recommendation: Conduct a public hearing and direct that resolutions be prepared for consideration at the next LAFCO meeting to accept the <u>2016 Review of Fire Districts</u> <u>Services and Spheres of Influence</u> and to maintain the twelve fire agencies' existing spheres of influence.

State law requires each LAFCO to periodically prepare a service review and a sphere of influence review for each agency subject to LAFCO's boundary regulation. Staff has prepared and released the attached public hearing draft of the 2016 Fire Agencies Service and Sphere Review. The draft is also accessible from the home page of LAFCO's website: www.santacruzlafco.org.

The agencies addressed in the review are:

- --Aptos/La Selva Fire Protection District,
- --Aromas Tri-County Fire Protection District,
- --Ben Lomond Fire Protection District,
- --Boulder Creek Fire Protection District,
- --Branciforte Fire Protection District,
- --Central Fire Protection District,
- --County Service Area 4 Pajaro Dunes,
- --County Service Area 48 County Fire,
- --Felton Fire Protection District,
- --Pajaro Valley Fire Protection District,
- --Scotts Valley Fire Protection District,
- --Zayante Fire Protection District.

The main conclusions of this service and sphere review are:

- The agencies are generally providing the same levels of service that they were providing when the last comprehensive service review was performed in 2005-2007.
- The principal organizational changes since 2005-2007 are:
 - County Service Area 48 County Fire has moved its Fall Creek Station from Felton to Bonny Doon and is staffing the station all year.
 - The Branciforte Fire Protection District has contracted with the Scotts Valley Fire Protection District to provide administrative services (chief, accounting, purchasing, incident command).
- The call types remain constant with emergency medical calls in 2014 comprising the largest share of calls (67%).
- Response times continue to be within standards for urban and rural companies.
- Most agencies costs have gone up faster than their revenues. Some agencies have structural deficits that threaten maintenance of the current service levels.
- County Service Area 48 County Fire was unsuccessful in 2007 in raising its fire suppression assessment, and it projects that its fund balance will be exhausted by the end of FY 2017-18.
- The Central Fire Protection District does not have sufficient revenue to maintain current staffing levels and pay for salaries, increasing pension costs, post-retirement health insurance liabilities, and other operating costs.
- The Aromas Tri-County Fire Protection District has reduced staffing from 3-person companies to 2-person companies in order to keep costs within available revenues.
- The Branciforte Fire Protection District has a small revenue base, a low fund balance, an existing loan that was used to purchase an engine, and insufficient funds in its capital reserve to purchase a new engine.
- The Boulder Creek Fire Protection District does not have sufficient reserves to pay for projected equipment costs, other capital needs, and a reserve for contingencies.

In the preparation of this study, the LAFCO staff has adapted a survey format utilized by some other LAFCOs. The survey covers the entire range of issues that LAFCOs consider during the preparation of service reviews and sphere of influence reviews. The surveys have started with a self-evaluation by each agency. LAFCO staff has edited each survey and prepared supplemental information, including summaries of recent audits and grand jury reports. The survey process is structured to highlight issues that warrant more thorough review, either now to complete the pending review, or in greater detail as part of a future study.

At the public hearing, the Commissioners and the public have a chance to either add their concurrence to the analysis in the public review draft, or to identify issues that may warrant further study either now or in the future. Also, since this is the first time Santa Cruz LAFCO has used this survey methodology, staff would welcome Commissioner and public comments regarding the method and the level of information presented.

These reviews qualify for an exemption from review under the California Environmental Quality Act. The exemption document is attached.

Finally, I thank the staffs of the fire agencies and the Santa Cruz County Auditor-Controller for assisting in the preparation of the reviews.

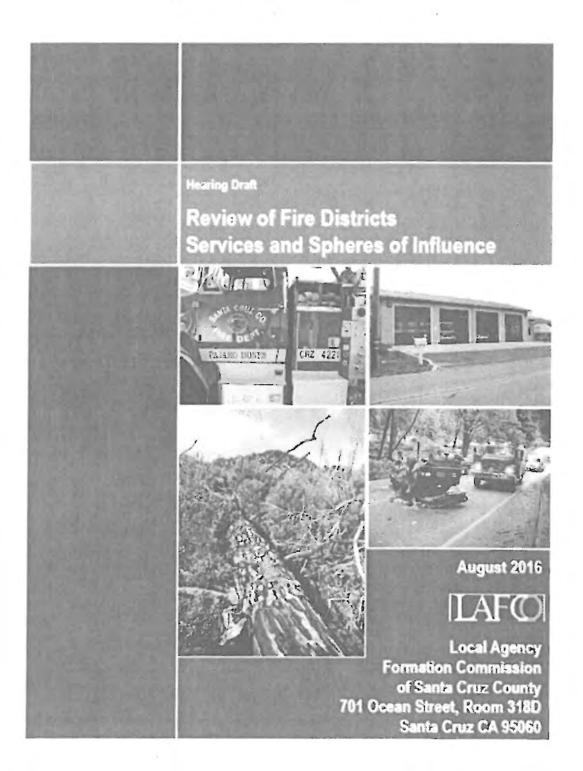
The staff recommends that the Commission:

- Receive an oral presentation from staff,
- · Conduct a public hearing to receive public comments,
- Discuss the review document and the new methodology, and
- Direct staff to return at the next meeting with resolutions accepting the service review and maintaining the current spheres of influence of the twelve fire protection agencies.
- cc: Chiefs and Board of Directors of each agency Katherine Archer Bowden, Pajaro Dunes Homeowners Association

Attachments

THE HEARING DRAFT OF THE 2016 REVIEW OF FIRE DISTRICTS SERVICES AND SPHERES OF INLFUENCE CAN BE OPENED FROM THE HOME PAGE OF LAFCO'S WEBSITE:

www.santacruzlafco.org



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California Environmental Quality Act Exemption

Project Title: 2016 Service Reviews and Sphere of Influence Reviews for Santa Cruz County Fire Agencies

Project Location: Assessor's Parcels No. 051-431-09 and 051-431-10, Pajaro Valley Rod and Gun Club, 557 ½ Lakeview Road, Watsonville, located adjacent to and north of north end of Cutter Drive, Santa Cruz County.

- Description of Nature, Purpose, and Beneficiaries of the Project: Review services and spheres of influence of twelve fire agencies in Santa Cruz County:
 - a. Aptos/La Selva Fire Protection District
 - b. Aromas Tri-County Fire Protection District
 - c. Ben Lomond Fire Protection District
 - d. Boulder Creek Fire Protection District
 - e. Branciforte Fire Protection District
 - f. Central Fire Protection District
 - g. County Service Area 4 Pajaro Dunes
 - h. County Service Area 48 County Fire
 - i. Felton Fire Protection District
 - j. Pajaro Valley Fire Protection District
 - k. Scotts Valley Fire Protection District
 - I. Zayante Fire Protection District.

Name of Public Agency Approving the Project: Santa Cruz Local Agency Formation Commission

Name of Person or Agency Carrying Out Project: Santa Cruz Local Agency Formation Commission

Exempt Status:

Type: No possible environmental effect Section Number: 15061(b)(3)

Reasons why project is exempt:

- Service Reviews study financing, interagency cooperation, and governance.
- No Sphere of Influence amendment is proposed for any of the agencies.

Dated: July 8, 2016

By: 1 CoRAT

Patrick M. McCormick, Executive Officer Santa Cruz Local Agency Formation Commission, 701 Ocean Street, Room 318-D, Santa Cruz, CA (831) 454-2055 pat@santacruzlafco.org

Debra Means

From: Sent: To: Cc: Subject: TJ WELCH [noworries4tj@me.com] Monday, August 01, 2016 2:50 PM deb@santacruzlafco.org pat@santacruzlafco.org Draft Fire district MSR

ITEM 3

Debra,

Thanks for taking my call this morning and providing me direction. I have a couple of items that I would like to address in the Wednesday-August 3, 2016 meeting. I am comfortable presenting this during the public comment period or having this written correspondence addressed during the public session. Whatever you feel is best. The area of concern is specific to Central Fire District and the Aptos-La Selva Fire districts and the need for consolidation as outlined in the 2015 Grand Jury Report.

RE: Draft Review of Fire Districts Services and Spheres of Influence

1- Page 4 (Main Conclusions of this Report) Number 4 states "Response times continue to be within standards for urban and rural companies". I take exception to this statement. While I understand that Santa Cruz County fire agencies have adopted standards, I would argue that they are not consistent with NFPA-(National Fire Protection Association) Standard 1710. Central and Aptos fire district of one engine in 5 minutes, 90% of the time with a second engine on scene with in 12 minutes is not comparable from a effective fire service delivery model as outlined in NFPA 1710. NFPA 1710 states that First alarm resources (14 personnel minimum) on scene within 9 minutes, 90% of the time to a structure fire. The need for a minimum of 14 personnel in 9 minutes is a significant standard based on specific tasks to be completed. Furthermore, fire behavior leading to flashover has changed significantly in the last couple decades which is all the more reason to look at new staffing models that actually meet the national standard. These findings are based on empirical data found in both NFPA standards and NIST (National Institute of Standards and Technology)-Residential fireground field experiments.

2- Page 16, Aptos/La Selva Number 1(Will not be Implemented) - I agree that 6 months is a limited timeframe that should be addressed and that "consolidation is a complex issue that requires political will, labor support and sound financial and contractual solutions". However, these are not reasons to avoid implementation of the consolidation component recommended by the Grand Jury Report.

3- Page 16, Central Number 1 (Will not be Implemented) - Admittedly I have not read or have seen the reports of Huges-Heiss or Ralph Anderson mentioned, the statement "In no era has consultant conclusions affected a governance determination suggesting the two districts can provide enhanced services or significant savings as the product of consolidation" is inconsistent at best. Aside from the 2015 Grand Jury Report, statements in the Sierra Report, and the very fact that the agencies are dependent on auto-aid and currently sharing ancillary services is a prime example of the need for consolidation. In addition, I would mention current studies that outline significant fire behavior changes since the Ralph Anderson and Hughes-Heiss reports mentioned were written.

The Statement "Page 11the bigger is not automatically better" is taken out of context from the Grand Jury Report. The statement found on page 11 of that report was made directly about San Lorenzo Valley Fire Districts and to the contrary found in favor of consolidation for Aptos/La Selva and Central Fire districts. It is evident by the response from Central Fire that their board does not currently have the political will as mentioned in the response from Aptos/La Selva above.

It is my concern that the findings and statements presented in the *draft Review of Fire Districts Services and* Sphere of Infuence can be misleading to the public as to the need for consolidation between the Aptos-La Selva and the Central Fire Districts. Today, Aptos-La Selva Fire District does not have the daily staffing to meet NFPA standards and Central has the bare minimum on-duty (14 personnel) for residential fire attack assuming all resources were available for a response.

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If you have any questions or concerns please feel free to contact me.

Respectfully, TJ Welch (831)332-1661

ITEM 4



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, August 3, 2016 10:00 a.m. Supervisors Chambers 701 Ocean Street, Room 525 Santa Cruz, California

The August 3, 2016 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Roger Anderson.

ROLL CALL

Present and Voting:	Commissioners J. Anderson, Leopold, LaHue, Bottorff, Friend and
	Chairperson R. Anderson
Absent:	Lind
Alternates Present:	Bobbe, Smith
Alternates Absent:	Coonerty
Staff:	Patrick M. McCormick, Executive Officer
	Brooke Miller, LAFCO Counsel
	Debra Means, Secretary-Clerk



MOTION AND ACTION

Motion: Leopold To approve May 4th, 2016 minutes with minor corrections to define what "CSAC" and "League" mean on page 10. Motion carries with a unanimous voice vote.

PUBLIC HEARINGS

FORMATION OF HUCKLEBERRY ISLAND COUNTY SERVICE AREA, LAFCO No. 957, TIME EXTENSION REQUEST

<u>Mr. McCormick</u> reports that the purpose of forming this Councy Service Area (CSA) is to replace a bridge. The only access to their homes is a bridge from Brookdale on the west side of the San Lorenzo River to their homes on the east side of the river. LAFCO approved the CSA formation, went through a protest process, and it was not protested.

The next step is for the property owners to provide information to Public Works who would begin a Proposition 218 process to determine if the property owners are willing to pay the cost for the bridge replacement. It is taking a long time to prepare the engineering plans applied cost estimates presented to Public Works.

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MOTION AND ACTION

Motion. Leopold	To revise the conditions of approval for LAFCO Resolution No. 952
Second: Friend	to delete the condition that the property owner pursue annexation
	of the site, and for Mr. McCormick to write a letter to the City
	Manager.
	Motion carries with a unanimous voice vote.

SERVICE AND SPHERE OF INFLUENCE REVIEWS FOR FIRE DISTRICTS

<u>Mr. McCormick</u> reports that there are 12 fire agencies in the County except for the cities of Watsonville and Santa Cruz. State law requires that LAFCO review each agency's sphere of influence every five years. This Commission is behind schedule and these reviews are overdue.

A sphere of influence is defined as a plan for the probable future boundaries of an agency. It consists of a resolution from this Commission, and it has a map showing the existing boundaries and its sphere of influence (SOI).

Sometimes the sphere of influence is the existing boundary of a district, such as Aromas Tri-County Fire Protection District. Sometimes the sphere of influence is bigger than the existing boundary, such as Boulder Creek Fire Protection District. Their central fire station is downtown, and their district goes partway up the mountain. Beyond that is a County response area, but Boulder Creek is the closest agency. They are now responding on mutual aid to County Fire calls. LAFCO has adopted a joint sphere of influence for the Scotts Valley Fire Protection District and the Branciforte FPD, which means this Commission thinks they should consolidate.

A service review has different features and they need to be done when the spheres are being updated. A service review looks at finances, operations, opportunities for reorganization, sharing services, purchasing, or maintenance. The State Legislature passed that law in 2000 as an experiment. They asked each LAFCO to start doing service reviews to see if it made sense to consolidate, share services, or contract for service. They wanted LAFCOs to push agencies into looking for efficiencies to provide better services to the public.

The last service and sphere of influence reviews were done approximately 10 to 12 years ago. Generally, the agencies are providing the same level of service now as they were back then. One organizational change concerning County Fire resulted from a major hearing by this Commission. The Fall Creek fire station was moved up the hill from Felton to Bonny Doon, and it is now staffed all year round.

Another major change in the last ten years concerns the Branciforte FPD, which has contracted with Scotts Valley FPD to provide administrative services involving the Chief and daily operations.

County Fire had a fire suppression assessment election fail, and they think their fund balance will be depleted at the end of FY 2017-18. They are considering whether to proceed with another election.

Central FPD notes that they do not have sufficient revenue to maintain both staffing levels and the benefit packages.

In the last ten years, Aromas Tri-County FPD went from a 3-person company to a 2-person company. This is not an ideal rural response. The response time is the same, but having one less person on the initial response limits how the incidents are handled.

Branciforte FPD continues to have a small fund balance. They do not have many options, but to get more money from the voters. They are at a minimal staffing level and there are not many good options.

Boulder Creek FPD is in better shape than Branciforte FPD, but they do not have enough money to pay for their upcoming capital costs. They would like to have a contingency reserve should any replacements be needed. They are also studying a fire suppression assessment option.

This Commission is trying a different approach to completing these reviews than they did ten years ago. It is a more accelerated program. Ten years ago, it was a thick report, and this time it is a much thinner report. The current approach is to do a quick review of all the agencies and decide which agencies will keep their current sphere of influence. During this process, the Commission may decide to look deeper into an agency with greater detail.

He asks if this approach is working for the Commission. If so, he will apply this quick format approach to the rest of the agencies. There is additional correspondence from Aptos/La Selva FPD, County Fire, and TJ Welsh.

Commissioner Leopold asks if Aptos/La Selva FPD filled out the survey.

<u>Mr. McCormick</u> replies yes. He edited some of their responses to equalize the quality. Some agencies self-graded themselves harder than others. He made modest adjustments and tried to maintain the thesis of each of the agencies' comments.

<u>Commissioner Leopold</u> wonders about their concern that this process is moving too quickly. Action will not be taken at this meeting, so he asks if they will still have a chance to agendize, provide information, and get it back to us.

Mr. McCormick answers yes.

<u>Commissioner Bottorff</u> says these reviews gauge the health and well-being of these agencies. He read that response times continue to be within standards for urban and rural companies. He knows that the National Fire Protection Association (NFPA) adopted new standards recently. When he looks at the graph for response times, the times are not consistent with NFPA standards. The report says Aptos/La Selva, Central, and Scotts Valley FPDs have all adopted response standards similar to NFPA standards. If the main conclusion that response times are within standards, but the local standards are not consistent with the standards nationwide, it may not be known that these standards are not meeting expectations. He is perplexed, but he realizes any board of these agencies has a right to adopt whatever standards they want. The standards they have adopted meet the criteria that they have established, but this criterion is not consistent with NFPA. He thinks this is a red flag that needs a closer look.

<u>Mr. McCormick</u> adds that he was using historic local standards. Response patterns and response times are approximately the same as they were ten years ago.

In the 2014-15 Grand Jury report, they cite the NFPA and note that the urban fire agencies (Scotts Valley, Santa Cruz, Central, Aptos/La Selva, and Watsonville) are meeting the standard for a confirmed fire by the first response getting to the incident within six minutes 90% of the time. He used this data as well as the two most recent years' response data from Regional 911 that led him to loosely conclude that the response times are at about what is locally expected to happen. If the agencies want to provide agency-specific information, he would welcome this additional information.

Jon Jones is the fire chief for Aptos/La Selva FPD and is speaking on behalf of the board and the district itself. They wrote a letter to the Commission saying that they respectfully request the Commission pull their agency's review from the accelerated review program and consider further sphere of influence and service reviews for any provider within Santa Cruz County. They think it is incumbent all the fire agencies be looked at as a complete unit, not just individually. The Aptos/La Selva FPD Board is disappointed in the current process as it is laid out and they believe it is time for a more considerate review of the Santa Cruz County Fire Service spheres of influence and services.

They received LAFCO's survey letter after their board's agenda was set so they were unable to consider it at that meeting. He did not feel comfortable responding as the fire chief even though he knows all of their concerns. He wanted his board to be able to weigh in on these issues. At their next meeting, the board was very concerned and disappointed in this process of an accelerated rapid review of such important issues in the community. A comprehensive review of fire services is critical to the citizens.

He is not comfortable with the response times at Aptos/La Selva. His district is in the process of developing a master plan to look at their standards of coverage since it was last developed in 2005. The individual fire agencies rely so much on each other to provide mutual aid and auto aid.

<u>Commissioner Friend</u> says that in response to the report from the Grand Jury about consolidation, Chief Jones' response was that it would not be implemented for several reasons. Consolidation has been studied since the 1970s and there have been many discussions with some efficiencies improved regarding prevention.

He believes the whole Commission supports a more extensive review of the fire agencies, but he wonders what such a review would accomplish. A significant amount of money and time would be needed to provide another document that will generally have the same content as the last three documents have had since the 1970s. These reviews all say that there should be a consolidation among fire districts throughout the County to improve efficiencies and the Grand Jury's report agrees.

This Commission is behind on these reviews. These accelerated reviews are not the ideal method, but it may work for some districts such as small park districts. He challenges the fire districts by asking what a more extensive review would provide. This Commission may be more willing to engage in a more extensive fire districts review if there was the probability of positive results.

<u>Chief Jones</u> replies that the citizens deserve a comprehensive review. He hopes that someday, political will will happen and some of the inconsistencies can be fixed. Aptos/La Selva FPD had been working with Central FPD to find efficiencies, share fire prevention services, and maybe share division and battalion chiefs; but due to political will, these efforts fell apart. These efficiencies are still there and maybe a more extensive review and assistance from the Board of Supervisors and LAFCO can help make these efforts come to fruition.

He hopes to bring the fire districts together, drop the boundaries, and take the political piece out of the equation. His board is looking at ways to add services to their district and outside of the sphere as well. There are complex issues with County Fire, and without a comprehensive look, they do not know what they can help with to provide a better service just outside their sphere of influence.

<u>Commissioner Friend</u> acknowledges the good relationship Aptos/La Selva and Central FPDs have. These relationships have become a model throughout the County from surf rescues to prevention. If political will is in the way, he does not think an expensive study will help figure issues out. He wants to know what else another review can accomplish. He is supportive of a more thorough review if a positive result occurs.

<u>Chief Jones</u> thinks the same issues his fire district has rings true with all the other districts in this county. The citizens deserve a better service level, and it could happen if political will was not in the way. He wonders how much it costs to complete a more thorough review.

<u>Mr. McCormick</u> replies that the last study included staff time that was not counted in the costs. He estimates that it cost about \$120,000 for all the agencies. If staff time was included, it was probably closer to \$160,000. Fire studies with other LAFCOs in the last ten years have ranged from \$50,000 to \$600,000 based upon size and complication.

Commissioner Friend thinks the community does not have an expectation of a more thorough review; they have an expectation that there are actions when recommendations are made. Since the mid 1970s, some recommendations have been implemented. There seems to be a cycle of expectations not being met. LAFCO has initiated extensive reviews. The Board of Supervisors has worked with Cal Fire on the failures of County Service Area 48 and the need for help on a near bankrupt fire organization.

Chief Jones thinks it is a shame that studies since the 1970s have shown changes need to be made.

Commissioner LaHue thinks more can be accomplished without spending a lot of money for a review. He would like the deficiencies better explained, how they can be fixed, and by when so a goal is set.

Commissioner Jim Anderson has been a LAFCO commissioner since 2006. He was on LAFCO when the South County Fire review was completed. The outcome from that review showed staffing levels, pay scales, and response times are different. There seems to be a fear of consolidation. LAFCO does not initiate consolidation. LAFCO can point out better efficiencies, but the actions have to come from within the boards of directors, and they do not always agree.

LAFCO tries not to spend any extra of the funding agencies' money.

Alternate Bobbe agrees with Commissioner Friend about what a more comprehensive review would accomplish. The problem is money. She wonders if a more elaborate review would show the public that new tax assessments are called for and maybe the report would help lend support from the community.

Chief Jones thinks some of the valley stations are not hurting for money. Aptos/La Selva FPD's funding is adequate. He hopes a future review can bring about more progress than before. This last review was not comprehensive enough, and it needs to look at everyone as a whole.

Commissioner Leopold adds that special districts often express that since they contribute funding to LAFCO, they would like to see what that money is spent on. Santa Cruz LAFCO does not have a large staff, and they have had a very modest budget for a long time. There have been times that LAFCO has returned money to the funding agencies.

LAFCOs are required by State law to have the special districts, cities, and the county to pay for LAFCOs' funding. This LAFCO includes special district members and there has been a fire district representative on this Commission for a long time. The funds are used as conservatively as possible and long term liabilities are taken care of.

He understands the funding agencies' concerns that some think they may be paying more than they receive from LAFCO in return. If more extensive reviews are done, the cost will come from charging LAFCO's funding agencies more money. It would be great to know these reviews would be put to good use. The conservative approach is to do an accelerated review

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for a portion of these agencies, and a more in-depth review for others that the Commission thinks needs it.

<u>Chief Jones</u> relays his board's concern that they pay into LAFCO annually and want to see results. He understands that the districts did not have to pay extra for the 2005 review.

<u>Mr. McCormick</u> confirms that the districts did not pay extra for the 2005 review. The Commission spent several years building up a reserve to pay for the study.

<u>Chairperson Roger Anderson</u> wonders what else should have been asked about in the reviews that are missing. The Commission decided to survey the fire districts first because they are active and organized.

There is the political element of working with multiple boards and how consolidation or mutual aid would work. He wonders what the Commission can do to help facilitate this and what can LAFCO provide in a report as ammunition for better support with these services. There have been workshops in the past where the Commission acted as an intermediary.

<u>Ryan Peters</u> is a fire captain for Aptos/La Selva FPD and the Local 3535 Union President. His group supports consolidation. They are clear what needs to happen and they are ready to work on it with a collective effort.

<u>Chairperson Roger Anderson</u> says Aromas Tri-County FPD is a unique fire district in this County because it encompasses three counties. Only a small part is within Santa Cruz County. He wonders if the review covers their whole district or just within Santa Cruz County.

<u>Mr. McCormick</u> replies that Aromas contracts with Cal Fire just like Pajaro Valley FPD. Their financing was set up different than the other fire agencies in the report. Monterey LAFCO is the lead for Aromas and they have done an updated review. Aromas sent in good information. A sphere of influence amendment potential for Aromas was not identified in this County, but there is in Monterey County.

<u>Daniel Grebil</u> is Fire Chief for Scotts Valley FPD and since October, he has been Fire Chief for Branciforte FPD under an administration agreement. As of January, that type of agreement would have required LAFCO approval. This agreement was executed by both boards based upon last year's Grand Jury recommendation since Branciforte FPD was hurting financially. Since then, they have been able to balance the mid-year budget. The goal from both of the boards is to maintain the independent boards as independent fire districts. Their answers to LAFCO's surveys reflected both of the boards' input.

<u>Commissioner Leopold</u> adds there is an upcoming tax measure on the ballot. He asks Chief Grebil how he sees that factor into these discussions.

<u>Chief Grebil</u> responds that they do not have the funds to replace the capital, such as engine replacement. They have a facility that is half built because there is no more funding for it. The board identified a need to increase their special tax based upon their district's parcel size and the parcel use. Most single family dwellings pay about \$100 per year and the

Page 11 of 20 August 3, 2016 Minutes proposed special tax would double that. It will be a mail-in ballot due August 30th called Measure T. There has not been a tax increase in 20 years. The community response looks good, but it is unknown what the ballot results will be. There needs to be a two-thirds majority requirement. The approval would bring in an additional \$80,000 per year which would help towards the emergency fleet and finishing the remodel of the Branciforte station.

<u>Commissioner Leopold</u> asks if there will be enough money for capital replacement. He wonders if the district will be able to be independent if they have the extra money.

<u>Chief Grebil</u> answers that if the money is available to finish those capital improvements, it would free some money up. He does not think it would help bring staffing levels up. Branciforte has a single person engine company that relies on volunteers. They have about 70% coverage for getting a second volunteer, and they would like to increase that to a two-person company. Last year, they had 130 calls for service, but 30 of those calls were responding outside their district to assist other agencies such as the City of Scotts Valley, the City of Santa Cruz, Central Fire, and County Fire areas. Branciforte only received assistance 6 times last year. They want to maintain Branciforte FPD and get the support they need from the community.

From Scotts Valley FPD's view, it would not be beneficial to consolidate as the sphere of influence indicates. He has never seen a common sphere of influence for two districts where it is planned for the districts to become one district. Currently, the two boards want to maintain their independence.

<u>Commissioner Leopold</u> notices on the Branciforte financial summary that the total revenue for the last column is missing.

Mr. McCormick says that is a mistake and can be fixed.

<u>Chairperson Roger Anderson</u> adds that the presented data shows that there are financial problems with a number of fire districts.

<u>Steven Hall</u> is the Assistant Fire Chief for Central FPD and he is fairly new to the County. He agrees with Chief Jones about the efficiencies of both of their agencies. They do a lot of activities together and they could do a lot more. Central FPD has gone out for a Request for Proposals for a Standards of Cover and a Management Analysis. The Request for Proposals is due mid-August so the report will probably be circulated within 60 to 90 days. The report will probably depict some of the efficiencies even more so than currently.

He is a proponent of National Fire Protection Association Standard1710. He believes their response times are in-line currently but they can always improve. The Standards of Cover will probably show ways to improve those times.

<u>Commissioner Leopold</u> says there have been many reports about consolidation. If the management review study pointed to consolidation as one of the efficiencies, he asks what the barriers are.

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<u>Assistant Chief Hall</u> answers that political will is a major barrier. There are efficiencies that involve improving the management of the agencies.

He was Fire Chief for Patterson for five years. They were huge proponents of JPAs, mergers, and consolidations. He has been through two of them. There are definite efficiencies to be had in Santa Cruz County, respectively to Aptos/La Selva and Central FPDs, but they will have to be fine-tuned.

<u>Anthony Cefaloni</u> is a Fire Captain for Central FPD and President of Local 3605, the Labor Union for Central Fire. They support a merger and are making efforts to let the community know. Central FPD was formed by combining Live Oak, Capitola, and Soquel and they believe this was a successful merger.

<u>Battalion Chief Greg Estrada</u> represents County Fire and Cal Fire. Ginny Petras, the County Fire Analyst amended some of the responses in the survey.

<u>Ginny Petras</u> points out that No. 6 says County Fire projects they would exhaust their fund balance by 2017-18, but that is not correct. They are projecting it extended to 2019-20 due to significant savings on the Cal Fire contract over the last couple of years. They think the fund balance will take them through 2017-18 and not be exhausted by then.

Chairperson Roger Anderson asks if this correction extends it two more years.

<u>Ms. Petras</u> answers yes. Cal Fire contract savings are dependent on the weather. With significant drought savings over the last couple of years, it has increased their reserves, and they have used that money for new much-needed equipment.

<u>Chairperson Roger Anderson</u> knows some of the fire agencies have sent support to help with fighting fires. He wonders if this is done as good will or whether there are any financial issues involved.

<u>Battalion Chief Estrada</u> answers that there were five engine companies dispatched to Monterey County through the State's master mutual aid program. Those agencies are fully reimbursed for their out-of-pocket expenses. Financially, there should not be a burden to that local agency. There is a dollar-for-dollar reimbursement for the vehicle and the employees plus an administrative fee attached to that. However, this area is down on resources because they have been deployed elsewhere.

CSA 4's reserve account was established approximately three years ago. Money was set aside annually for capital replacement and fleet replacement. There is a building replacement account that was part of the original construction of the facility but the project became under budget many years ago. That money was earmarked solely for maintenance to that structure and the grounds, and there is still money available in that account.

Commissioner Leopold asks if CSA 4 faces the same financial issues as CSA 48.

<u>Battalion Chief Estrada</u> replies no. CSA 4's monies are primarily generated through property tax and assessment fees from Pajaro Dunes proper.

Page 13 of 20 August 3, 2016 Minutes <u>Commissioner Jim Anderson</u> says that the Felton FPD board has no desire to make amendments or change the current boundaries.

<u>Commissioner LaHue</u> notices in the balance sheets where expenses do not match the revenue, including Felton. He wonders if that means they have good reserves.

<u>Chairperson Roger Anderson</u> adds that he and Commissioner Leopold are also concerned with this issue.

<u>Battalion Chief Estrada</u> says that Pajaro Valley FPD has a cooperative agreement with Cal Fire. It is an independent South County fire district and it was formed by consolidating Freedom and Salsipuedes fire districts. Through some financial challenges about 15 years ago, they chose to contract with Cal Fire to administer the fire district. The facilities and equipment are locally owned and Cal Fire employees staff and manage the fire district. They also have a contract with the City of Watsonville to provide services to those areas formerly served by the old Freedom FPD.

There is a minor error on page 80 regarding the reserves. It shows \$595,000 for capital when he thinks it should be \$695,000. \$500,000 of that is for apparatus replacement and \$100,000 is for facilities.

<u>Chief Grebil</u> felt comfortable doing Scotts Valley FPD's survey himself since he has worked with his board for 4.5 years. They are a well-funded fire district with adequate reserves and an apparatus replacement program. They have been buying fire engines for \$550,000 cash under their replacement schedule every five or six years. They have a slight structural deficit in their annual budget, but due to income from an annual one-time cooperative agreement, such as Cal Fire going out of county on strike teams and reducing expenditures, they have been able to balance that budget.

In Scotts Valley, there is a Zone A which was created prior to Proposition 13. It is south of the district including Pasatiempo and Rolling Woods. It was designed to improve the water infrastructure for the hydrants and water supply. It got absorbed within the tax increments so individuals do not see a Zone A tax on their bill. It is part of the 1% tax rate which is a separate fund. They continue to identify projects that benefit that zone.

<u>TJ Welch</u> has submitted correspondence and understands the purpose of the reviews. He is concerned about the response times. National Fire Protection Association Standard 1710 is not necessarily a gold standard; it is a standard. It is a standard that is difficult for many agencies to meet. The first engine is on the scene within six minutes and the second engine arrives within twelve minutes. The National Fire Protection Association's standard is all resources are on the scene after the first alarm within nine minutes. This is difficult for an agency like Central or Aptos/La Selva FPDs to do. Central FPD may have the 15 personnel, but Aptos is shorter staffed.

There is a need for consolidation. He is enthusiastic about the outcome because it shares a different view than what he read in the review. The review shows that there is some hesitation for consolidation, but he hears more support for consolidation from the districts and their boards. This gives the County an opportunity to look towards consolidation, even considering the labor group.

Mr. Welch started his career in Santa Cruz County. He served as President for the training officers in 1987 and that was about the time some of these consolidations took place. His profession career moved to the East Bay and he went through nine consolidations. He has experienced JPAs, functional consolidations, and a contract for services. The first step is not to see it written in reports; it is the hurdle of taking the leadership to make it happen. He is encouraged that both labor groups are interested in consolidation. He thinks the LAFCO, Supervisors, and Mayor Bottorff can serve in leadership roles to help start this process.

John Lucchesi has been a resident since 1973. He thanks Chief Grebil for helping out Branciforte FPD. He is a fire chief that now helps out two fire districts and he thinks that makes sense. He does not believe taxpayers want to pay more taxes for the same service.

Live Oak, Capitola, and Soquel FPDs merged in 1987 with four fire engines to cover that region. There are still four fire engines 30 years later. He does not think there has been any improvement in service since then. Aptos/La Selva, Santa Cruz City, and Branciforte FPDs should consolidate and bail out local agencies for the bigger incidents.

Duplicate service needs to be eliminated so that more is received for the same tax dollar. There are 14 fire chiefs. There will be a loss of administrators and board of directors. 14 chiefs are not needed for smaller districts throughout the County.

The City of Santa Cruz received a federal grant to buy a \$1,000,000 state-of-the-art fire truck, and it should be shared by the all the fire agencies in the County.

From Scotts Valley to Aptos, there could be a duty chief or middle manager. There could be four duty chiefs for the County and 12 people would be needed to fill those four positions and cover shifts. He thinks Cal Fire covers the entire County with two Battalion Chiefs.

* Commissioner LaHue leaves.

<u>Kay Archer Bowden</u> is a consultant who works with the Homeowners Association for Pajaro Dunes. They receive very good fire service, but they pay a high fee. They are willing to pay for good service. They used to have sleepers who would supplement staff. They were usually people who were studying to be firemen. Pajaro Dunes/CSA 4 has turned it into an internship program that provides training. They become available County wide for any fire district. When people recognize the importance of protecting their property and being able to get fire insurance, they are willing to pay a higher fee for good service. They have been really happy with Cal Fire.

<u>Commissioner Leopold</u> thinks they have only touched on the financial summaries. In some cases, the revenue is much less than the expenditures or appropriations; and it shows as a fund balance. It is confusing to see the fund balance go up at the same time there is a large deficit. He thinks there should be a better explanation for these discrepancies.

<u>Chairperson Roger Anderson</u> thinks it should be clear whether there is a capital reserve or a contingency. Having numbers which add up to revenues equal expenses and whether money is transferred from reserves does not matter. But, somehow it should be easily tracked where the money is coming from. In some cases, the numbers are not projected until the end of the fiscal year. There may be money from the next year in the present year. This should be straightened out.

<u>Commissioner Friend</u> says Chief Jones comments are valid about the desire to have a more thorough review. He is concerned that the review will not produce any results. He heard that the political will is getting in the way, but the boards are part of the political will. He has been meeting with the unions. The boards need to come together and take a leadership role. It is rare that line level comes together wanting consolidation, but the holdout is actually from the elected board members. If it is the political will that is in the way, then the chiefs should take a leadership role within their respective directors to get it accomplished.

Aptos/La Selva and Central would be a good place to start, and there are other fire agencies that should look into consolidation. There could be a domino effect across the County. The professionalism of those two departments is unparalleled. He does not know that he wants to encourage the expense or time for an additional review to the Commission unless he knows that it would be a useful document. He agrees with Mr. Welch that the review will just repeat what is already known and what the issues are.

<u>Commissioner Leopold</u> adds that the fire board members are elected. There will be four seats up for re-election on the Central Fire board. Consolidation should be a topic for the upcoming election. The voters should say that consolidation is what they are interested in. Elected officials respond to the voters. It is helpful to get people to weigh in on this. If the community wants to support consolidation, then they should be electing people who support their will and there is an opportunity for this every couple of years. He thinks Central FPD will have a contested board election. The boards who are elected by the people have a great deal of say.

<u>Commissioner Jim Anderson</u> asks if more time should be given to the fire districts to add information such as staffing levels to this review and then recirculate it among the departments so that there is a better overview. His fire board is familiar with what LAFCO does, and he is available to talk to other fire boards.

A comprehensive South County Fire Study was completed and LAFCO solicited input. There did not seem to be a desire to put the study to good use.

Commissioner Leopold wants to ask a more specific question from the boards. He wonders what they think the opportunities or challenges of consolidation are. He thinks the boards should weigh in on paper what the issues are and highlight what prevents them from doing what makes sense.

Commissioner Bottorff agrees with the other Commissioners. The City of Capitola is one of the affected communities. He supports consolidation, and he thinks the City would also support it. LAFCO cannot start this process and he encourages those that can start the process to go ahead. He thinks LAFCO should offer any help they can.

Response times can be improved. The chiefs want to provide the best service they can to their community. He does not think more extensive studies will help. If there is another issue that needs to be addressed to help show the way and why it is necessary, he thinks that this Commission will support it.

Commissioner Friend will commit to come to Chief Jones' board meeting. He thinks there should be additional time for additional feedback from the fire agencies. This input should provide the answers a more thorough review would provide. He asks if 30 or 60 days would be enough time to meet with the respective agencies and provide feedback from the Fire Chiefs Association.

Chief Jones cannot answer on behalf of Fire Chiefs Association. On behalf of his board, they would like to provide more input. Law dictates these reviews be done and a comprehensive review is due. He thinks there should be more information than the current brief 100-page document. He thinks the public deserves a better review. He is not sure, but he would think his board would appreciate some LAFCO representatives attending a board meeting. He thinks 60 days would be plenty of time.

Chairperson Roger Anderson thinks it would be relevant to add the national standards to the response times.

MOTION AND ACTION

Motion: Friend Second: Leopold	To continue the item until the November 2 nd to afford an opportunity for the fire districts to provide additional input into the reviews and spheres of influence document. A final determination can be made at the November meeting. Motion carries with a unanimous voice vote.
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* Commissioner Bottorff leaves and Alternate Smith becomes a voting Commissioner Smith

REQUEST FROM CITY OF SCOTTS VALLEY AND SCOTTS VALLEY WATER DISTRICT TO PERFORM SERVICE AND SPHERE REVIEWS.

Mr. McCormick reports that Scotts Valley City and Water District request to move their service and sphere of influence reviews up the priority list on LAFCO's work program. They have met staff's administrative needs to proceed.

ITEM 4

ITEM 5

LAFO

Santa Cruz Local Agency Formation Commission 701 Ocean Street, Room 318-D Santa Cruz, California 95060 Phone: (831) 454-2055

Email: info@santacruzlafco.org Website: www.santacruzlafco.org

August 25, 2016

Boards and Chiefs of Fire Agencies in Santa Cruz County

Subject: Continued LAFCO Hearing

Dear Fire Boards and Chiefs,

On August 3, 2016, the Local Agency Formation Commission (LAFCO) held a public hearing to consider service reviews and sphere of influence reviews for twelve fire agencies in Santa Cruz County. The two fire agencies not addressed were the Santa Cruz City Fire Department and the Watsonville City Fire Department. They will be addressed in the future as part of city reviews.

The August 3rd agenda materials are available at: <u>http://www.santacruzlafco.org/august-3-2016/</u>. At the hearing, the chiefs, the public, and the LAFCO commissioners had an interesting discussion of possible fire agency consolidations and other potential fire service efficiencies. A principal theme was whether LAFCO should expand its reviews to address major reorganization options, or whether the fire agencies should identify and study individual contracts, JPAs, and reorganizations that have promise to improve service levels or control costs. The draft minutes are attached.

LAFCO has continued the hearing to its November 2, 2016 meeting in order to give the fire agencies an opportunity to provide additional information and to respond to questions raised by the LAFCO commissioners. LAFCO commissioners and staff are available to attend your upcoming board meetings, if requested.

Very truly yours,

P_ ~ COR-EL-Patrick M. McCormick

Executive Officer

CC:

Aptos/La Selva Fire Protection District Aromas Tri-County Fire Protection District Ben Lomond Fire Protection District Boulder Creek Fire Protection District Branciforte Fire Protection District Central Fire Protection District County Service Area 4, Pajaro Dunes County Service Area 48, County Fire Felton Fire Protection District Pajaro Valley Fire Protection District Scotts Valley Fire Protection District Zayante Fire Protection District

City of Santa Cruz, Fire Chief City of Watsonville, Fire Chief Monterey LAFCO Executive Officer

LAFCO Commissioners

Attachment: Draft Minutes of August 3, 2016 LAFCO Meeting



Aptos/La Selva Fire Protection District 6934 Soquel Drive • Aptos, CA 95003 Phone # 831-685-6690 • Fax # 831-685-6699

September 1, 2016

Santa Cruz Local Agency Formation Commission Board of Commissioners and Patrick McCormick, Executive Officer 701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Re: Invitation to Aptos/La Selva Fire Protection District's September 8, 2016, Board Meeting.

Subject : To discuss the Local Agency Formation Commission Sphere of Influence as it relates to future planning for fire and emergency services.

Dear Mr. McCormick,

On behalf of the Board of Directors of ALSFPD, I invite you and any interested Commissioners to attend our Board meeting on September 8, 2016, at 7:00 p.m. in the Don Griffin meeting room at the District's Administration Office located at 6934 Soquel Drive, Aptos. The Board would like to discuss with you the LAFCO Draft Fire Districts Review of the sphere of influence of fire districts as it relates to future planning for fire and emergency services in our District and South Santa Cruz County. I have agendized the matter for approximately twenty minutes of discussion with no proposed action. Please feel free to invite anyone else who you think should attend.

We look forward to seeing you. Please give me a call at (831) 970-3268 if you cannot make it.

Best regards,

VINCENT P. HURLEY Board President



Aptos/La Selva Fire Protection District 6934 Soquel Drive • Aptos, CA 95003 Phone # 831-685-6690 • Fax # 831-685-6699

September 29, 2016

Santa Cruz Local Agency Formation Commission Patrick McCormick, Executive Officer 701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Re: Withdrawal of LAFCO Sphere of Influence Discussion from ALSFPD October 2016 Agenda

Dear Mr. McCormick,

On behalf of the Board of Directors of ALSFPD, this is to notify you and the Commissioners that we will not agendize the LAFCO Draft Review of Fire Districts Services and Spheres of Influence for discussion during our October meeting as previously planned. The commitment of chief officers over the past two months to fires outside the County, and the current fire emergency in and adjacent to the County make it impractical to commit administrative time to prepare discussions of long term planning on short term deadlines.

Best regards,

VINCENT P. HURLEY Board President

cc: Jon Jones, Fire Chief Michael Conrad, Division Chief ALSFPD Board



CENTRAL ITEM 8 FIRE PROTECTION DISTRICT of Santa Cruz County

930 17th Avenue, Santa Cruz, CA 95062-4125 phone (831) 479-6842 fax (831) 479-6848 www.centralfpd.com

October 10, 2016

To: Santa Cruz County Local Agency Formation Commission

From: Central Fire Protection District of Santa Cruz County

Re: Municipal Service Review and Sphere of Influence Study

Commissioners,

The Central Fire Protection District Board of Directors met at a special meeting on October 5, 2016 to discuss the Municipal Service Review survey tool and the comments provided from the August 3, 2016 public hearing held by the Local Agency Formation Commission.

The Central Fire Protection District Board has directed the Fire Chief to respond to the Commission with the following observations and comments in support of a more in-depth service review of County Wide Fire Services.

The Fire District recognizes past regional fire service studies have been conducted in 1973 with the Sierra Report, 1986 Hughes-Heiss Report, 1993 Ralph Anderson Report and a cyclical Service Review process conducted by the Local Agency Formation Commission. To date a vast majority of identified opportunities have been incorporated by local agencies in line with recommendations from these reports with the exception of implementing a joint governance model.

The Fire Agencies in Santa Cruz County do an exceptional job of providing emergency response services on limited budgets. Fire engines do not recognize boundaries when 911 is called by the public. During the August public hearing several speakers as well as several commissioners expressed interest in examining the benefits of future opportunities in the governance models.

First and Second District Supervisors expressed concern that public interest may fall on deft ears with existing Boards. The Central Fire Protection District encourages an in-depth study

Serving The Communities of Capitola, Live Oak, and Soquel

in County Wide Fire Services. It has been thirty years in passing without a thorough evaluation of County Wide Fire Services. New conditions in this era include multiple Fire Districts' posting tax levy increases on the 2016 ballot – not seen in decades, significant financial stressors on local government include underperforming CalPERS retirement investments, changes in retirement accounting methodologies and recognition of the need to fund post employment benefits. In addition to the financial stressors, for the first time in local memory, two organized labor groups representing the Central Fire District and Aptos LaSelva Fire District have now endorsed a further study, reversing past positions.

Fire Districts in Santa Cruz County suffer from the *Have and Have Not* syndrome. Historic fluctuations in the California economy have caused significant fluctuations in tax increment revenues. Changes in accounting standards by the General Accounting Standards Board have illustrated the overwhelming debt of post employment benefits. The days of power, politics and control have been replaced with public transparency, fiscal stewardship and good governance.

The Central Fire Protection District Board does not have simple solutions. It recognizes that without a study, information to make thoughtful decisions about our future is not available. To that end the District has commissioned Citygate and Associates to conduct a Standards of Coverage review and a Management/Administrative review of the Central Fire Protection District re-enforcing that validated information is necessary to make critical decisions. In addition the District has terminated the contract of the Fire Chief to further invest in the potential of future opportunities.

Please consider the actions of the Board in your support for an in-depth Fire Service Study. The Local Agency Formation Commission has many competing demands for limited service studies, but no other discipline has more alignment of opportunity than the Fire Service does today – more so I may add than at any other time in the past three decades.

Respectfully,

Steven Hall, Interim Fire Chief on behalf of the Board of Directors.

Wednesday Oct 12 2016 | 0 comments

19

Costly Placer fire study deeply flawed, won't be released By: Michael Mott, Reporter





Updated Wednesday at 9:30 a.m. with additional info from Placer County.

A costly fire study commissioned by Placer County is deeply flawed and won't be released to the public.

That was the word from Placer County Supervisor Jennifer Montgomery Tuesday during the weekly Meddlers session, which is sponsored by the Auburn Chamber of Commerce.

Kevin Hanley, chamber CEO, asked Montgomery for the status on the Placer County fire study.

The study, commissioned Sept. 15, 2015 to Citygate consultants of Folsom, was to collect data and provide recommendations on how best to provide fire and emergency medical services across the county with 19 separate fire districts, a number of which are undergoing long-term financial difficulty.

The report was expected to be finished six months from the September date, according to a county release. The now unfinished report cost taxpayers up to \$75,000.

Montgomery said county staff and fire chiefs found early drafts of the document "woefully insufficient" with bad data and agreed it would not be released.

County communications staff later said the county auditor, tax-collector and county executive's office were building on the initial data collection done by Citygate, in coordination with district fire chiefs. When that additional data is collected, a more detailed fiscal analyses will be presented to the board in hopes of stabilizing the fire districts.

ITEM 9

The timeframe for when that presentation will happen is unknown, said Scott Sandow, Placer County Public Information Assistant, but adding it would likely be "sooner than later".

Sandow said Citygate experienced delays in scheduling and data collection, as well as variables such as the recent increase of the state minimum wage to \$15/hour and massive tree die-off caused by the drought and bark beetles.

Hanley said he wished the study would be released anyway, so people could judge for themselves, but Montgomery said the report had fatal flaws.

Auburn crime stats

At Meddlers, Mayor Dr. Bill Kirby summarized a Public Safety presentation Monday at city council, where Director John Ruffcorn told council members that crime stats were generally down, though more homeless people are being observed and contacted.

In nearly every category, crime was done in Auburn from 2011-2015 and between 2014 and 2015. There was a slight rise in assaults and a slight uptick for being drunk in public, but overall, crime has lessened.

RECEIVED

ITEM 10

OCT 1 8 2016

Open letter to the Local Agency Formation Commission

Commissioners,

Santa Cruz LAFCO

Santa Cruz County has been the benefactor of local fire protection since the days of Civil Defense Teams. There have been a series of commissioned studies evaluating the Santa Cruz County Fire Service including the 1973 Sierra Report, 1986 Hughes, Heiss Report, 1993 Ralph Anderson Report and a variety of LAFCO MSR's and Grand Jury reports over the years contributing to a body of evidence that is irrefutable. To date these reports have consistently identified opportunities that by in large have been incorporated by Fire Agencies with the exception of implementing a joint governance model.

Commissioners at the August 3, 2016 public hearing expressed concern that the expense of a Municipal Service Review would be wasted on an archaic organizational model founded on local control. Local control has well served Santa Cruz County over the years as inadequate funding has secured its place in the governance model.

Commissioners and public speakers alike, even those with special interests voiced interest in a deeper look into opportunities within the local Fire Service. Commissioners expressed concern that local boards would not support such a study.

I suggest as LAFCO commissioners you have a duty to ask the question. The issues that differ today from the past and are relevant include the recognition of the following:

- Financial stressors on Districts as indicated by the number of tax levies on the November ballot. (Boulder Creek, Zayante, and Branciforte – just completed).
- Reports on the budget stress facing County Fire.
- Reports on the budget stress facing Branciforte Fire.
- Financial budgets burdened by changes in actuarial methodologies for pension and health benefits for Agencies in the CalPERS system.
- Uncharacteristic support from local firefighter labor groups.
- Opportunities for Administrative and Redundant efficiencies.

This is a short list of triggers indicative of a need to look further into the opportunities that may exist.

Commissioners' may want to ask themselves "if there were a solution given the right opportunity to resolve the financial stress and provide a sustainable model for County Fire and Branciforte Fire? " Would it be worth the look?

Santa Cruz County has always suffered a lack of parity in property tax revenue. Fire Agencies do not recognize boundaries when 911 is called but many services are limited due to scarce revenue. I have the honor of having worked as a Fire Chief with the smallest and largest budget in this County for the past 16 years. The days of power, politics, and control need to be replaced by good governance, sustainable solutions and public transparency.

A suggested look at revenues listed in the 2015-2016 Adopted Budgets for Autonomous Special Districts is a necessary task for Commissioners. (see attached) Similar data is available in the draft MSR distributed in August of 2016 by LAFCO but does not include "fund balance" data posted by the County. If you take a plausible solution such as combining County Fire, Central Fire, Aptos Fire, Branciforte Fire, Pajaro Valley and Pajaro Dunes you will see that not only is there adequate funding there is surplus funding to provide at least \$2.3 million per station with over \$8 million in reserves at a minimum. Commissioners – Ask the question! How much does it cost to staff a full time fire station?

There is additional opportunity to source funding by evaluating current expenditures for greater efficiencies, assume all currently "assigned" funds are either appropriate, overly conservative or duplicative – again another opportunity to identify revenue. The spreadsheet exercise also does not infer the revenue growth realized during the 2016-2017 fiscal year. Case in point – Each agency would have a staffed engine company or truck as is currently modeled with adequate Administrative and Support staff. This is better than we have now. The model is affordable, there are abundant opportunities to evaluate for greater expenditure efficiencies given a study and would arguably address the "Have Not" condition in our County that has been self propagated for decades.

Decisions are made through good governance and based on valid data. The Central and Aptos Fire Districts have recently commissioned standards of coverage studies and Central has also requested an Administrative-Management review to validate workflow processes. LAFCO could utilize similar methodology at a discount building on or collaborating with the ongoing studies.

Commissioners, please recognize the classic barriers of turf, power, politics and control can be exacerbated by personality, lack of trust, poor communications and lack of stakeholder involvement. We have seen this scenario far too often in local politics. This outcome can be challenged by your decision to support an in-depth fire service review. A public review addresses not only transparency; it engages stakeholder involvement and invests in better communication that may result in improved governmental efficiency and response. Consolidation as a solution as expressed at the August 3rd public hearing is not a starting point. It may be an end point but there are many options to be considered. The starting point is with good data and that suggests a comprehensive study. No other infrastructure discipline has such alignment of opportunity as the Fire Service is demonstrating today.

Thank you for your consideration,

Jeff Maxwell, Fire Chief - Retired

ITEM 10

	12-13' Revenues	15-16' Revenues	15' Fund balance	15' Assigned fund balance	15' Available Fund Balance	Stafffed Stations	Part time stations
Aptos LaSelva	9135996	10389202	3548814	1809113	1739501	з	
Ben Lomond	645931	765660	1525179	1432576	193503	1	
Boulder Creek	683875	823228	1605576	1336132	259344	1	1
Branciforte	656094	753550	82863	50379	32384	1	1
Central	13217030	14489107	9539271	8280112	1258859	4	
Felton	584490	673520	1266847	529190	1204813	1	
Pajaro Valley	1654000	1640347	967021	61838	966719	1	1
Scotts Valley	5399453	5927674	2167618	1275000	831645	2	
County Fire CSA48	3700000	3757388	3734765	0	3734765	4	B
Pajaro Dunes CSA4	840000	1051197	456579	0	456579	1	
Zayante	366349	453324	476621	51254	425367	1	2
Total Revenues	36883218	40724197	25472154	14825594	11113479	20	13

Bold = modeled agencies

Rev/20 stations 2036209.85

Rev/33 stations 1234066.576

Aptos/Central/B40/County/Dunes Fire/PJV model

Tota	Remaining rund balance		
Rev-CTL/APT/CFS/PA	32080791	2291485.071	8188807

References: Autonomous Special Districts Adopted 15-16 budgets schedule 13 fund balance schedule 14 obligated fund balance 2016 Lafco Service Review

Key values for discussion:

Revenues are improving since 2013 Resolve distressed Agency financials - establish sustainable solutions Excludes Cities and the Valley Create a Mid County Fire Authority? Include Central, Aptos, Pajaro Valley, County Fire, Branciforte and Pajaro Dunes Revenue supports Expenditure and Duplicative Service analysis Local 3605 and L\$353 voiced support for consolidation Revenue Supports 22.3 million per station with a \$8 million available fund balance after current commitments Re-Evaluate current fund balance obligations for efficiencies Re-Evaluate Revenues with current year Actuals

ITEM 11

Santa Cruz Local Agency Formation Commission 701 Ocean Street, Room 318-D Santa Cruz, California 95060 Phone: (831) 454-2055

LAFO

Email: Info@santacruzlafco.org Website: www.santacruzlafco.org

FIRE AGENCIES STUDY

Date: October 24, 2016 for November 2nd Agenda
 To: LAFCO Commissioners
 From: Patrick M. McCormick, Executive Officer →·····←
 Subject: Service Review and Sphere of Influence Reviews for the Twelve Fire Protection Districts in Santa Cruz County

Summary: The Commission will conduct a continued public hearing and will consider approving a service review and confirming the current spheres of influence for the twelve fire protection districts in Santa Cruz County.

Recommendation: Conduct a public hearing, accept the revised 2016 Review of Fire Districts Services, and approve the twelve resolutions maintaining the current Spheres of Influence of the twelve fire agencies.

State law requires each LAFCO to periodically prepare a service review and a sphere of influence review for each agency subject to LAFCO's boundary regulation. On August 3, 2016, the Commission held a public hearing concerning the service review and sphere of the following agencies:

- --Aptos/La Selva Fire Protection District,
- --Aromas Tri-County Fire Protection District,
- --Ben Lomond Fire Protection District,
- --Boulder Creek Fire Protection District,
- --Branciforte Fire Protection District,
- --Central Fire Protection District,
- --County Service Area 4 Pajaro Dunes,
- --County Service Area 48 County Fire,
- --Felton Fire Protection District,
- --Pajaro Valley Fire Protection District,
- --Scotts Valley Fire Protection District,
- --Zayante Fire Protection District.

At the August 3rd hearing, the Aptos/La Selva Fire Protection District, two firefighter unions, and several members of the public expressed concerns that the accelerated format for service and sphere reviews did not adequately address opportunities for further collaboration and possible consolidation of fire services in Santa Cruz County. The Commission continued the matter to its November 2nd meeting in order for the fire community and the public to react and provide additional information on this important matter.

The Commission has received several items of written correspondence since August 3, 2016 from:

- -- Aptos/La Selva Fire Protection District, a September 1 letter inviting LAFCO commissioners and staff members to an A/LSFPD Board meeting to discuss the draft LAFCO report;
- -- Aptos/La Selva Fire Protection District, a September 29 letter informing that the A/LSFPD Board would not be discussing this matter at their Board meeting because their chief officers were occupied with summer fire emergencies;
- -- Jeff Maxwell, an October 18 email supporting a comprehensive study of fire services and providing data;
- -- Central Fire Protection District, an October 10 letter supporting an indepth report of fire services throughout Santa Cruz County.

Based upon testimony at the August 3rd LAFCO hearing, the LAFCO staff has revised the draft "Review of Fire Districts Services and Sphere of Influence" and has posted it on the LAFCO website for public review. The revisions are:

- --corrections of minor clerical errors and omissions,
- --revisions as requested in writing from County Fire,
- --changed format of the financial summary tables.

Concerning the financial summary tables, LAFCO staff met with the County Auditor's staff to discuss improving the helpfulness of the tables. A "Fund Balance, Start of Year" row has been added at the top of the tables. For some of the agencies, this will clarify how to reconcile the budgets. Unfortunately, this change does not allow all agencies' budgets to be reconciled using just the information presented on the summary tables. To maintain a level of consistency and simplicity, transfers in and out of the general funds are not shown in the summary tables. Reserves and other non-general funds are explained in the notes below the financial tables. Yearly fund balance continues to be a good long-term metric to follow.

Alternatives

After the completion of the continued public hearing, the Commission has a range of alternatives for action. First, concerning the services and spheres review, the Commission may approve, disapprove, or continue that matter. The Commission acts by accepting the review by voice vote.

If the Commission approves the revised review document, it may then act on the twelve spheres of influence. The staff has prepared twelve draft resolutions, one for each fire agency, making service and sphere determinations and showing the confirmed sphere of each agency. The Commission may pass, not-pass, or continue any or all of the draft resolutions by voice vote.

Staff Recommendation

The mid-county fire agencies, their unions, and their residents are expressing a sincere interest in studying the organization of fire protection services throughout the County. In the past, major fire organizational reports have been sponsored in 1973, 1986, and 1993 by the County, by LAFCO, and by the affected agencies. The last study of this type was the South County Fire Service Study completed by LAFCO in 2007. Many fire agencies in the County are under budget stress, and it is refreshing for agencies to be open to outside analysis. If shared by other agencies and communities, this receptiveness could be a rare opportunity to do a comprehensive study that would look at consolidations, contracts, and other forms of sharing services that would benefit all or many of communities of the County.

On a parochial note, Santa Cruz LAFCO has endeavored to comply with the state mandates to conduct timely service reviews and sphere reviews while controlling the costs the county, the cities, and the special districts pay to support the LAFCO budget. The \$100,000 professional service reserve in the LAFCO budget has been built up slowly since the recession, and, if spent, cannot be restored given the current revenue levels. That reserve is designated for a wide range of professional assistance that may come up on applications, service reviews, sphere studies, and other tasks for which the staff either doesn't have the expertise or the time. As LAFCO proceeds though its Accelerated Service and Sphere Review Program, other services, such as water and sanitation, may also have good cases to prepare a comprehensive study with partial or complete funding from LAFCO.

I RECOMMEND that the Commission:

- 1. Accept the revised 2016 Review of Fire Districts Services and Spheres.
- Approve the twelve attached draft resolutions making determinations and confirming each fire agency's current Sphere of Influence.
- Direct staff to begin a dialogue with the Central Fire Protection District, the Aptos/La Selva Fire Protection District, and other fire agencies in the County to ascertain interest in preparing a major fire organization study, including the identification of the study area, the scope of work, and the funding sources for such a study.

This recommendation reinforces the careful and balanced decision the Commission made when choosing to proceed with the accelerated study approach, while ascertaining the level of interest and commitment to a major fire organization study in Santa Cruz County.

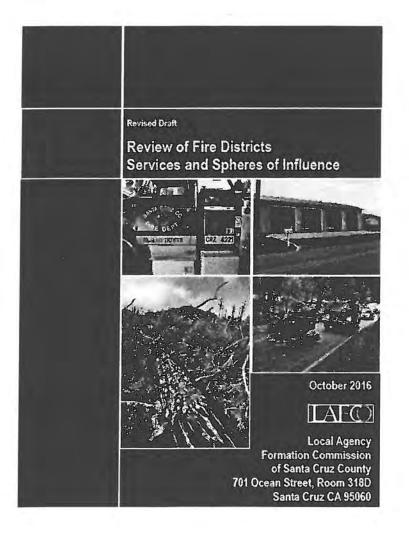
Respectfully submitted,

Patrick M. McCormick Executive Officer

cc: Chiefs and Board of Directors of each agency Attachments

The Revised Draft of the 2016 Review of Fire Districts Services and Spheres of Influence is available at:

www.santacruzlafco.org/meetings/november-2-2016



Donita Springmeyer 98 Summit Drive Santa Cruz, CA 95060-9696

October 31, 2016

Santa Cruz Local Agency Formation Commission 701 Ocean Street, Room 318D Santa Cruz. CA 95060

> Re: LAFCO Public Hearing Draft Revised October 2016 Review of Fire Districts Services and Spheres of Influence November 2, 2016 LAFCO Agenda Item 4}c

The subject revised Public Hearing Draft Review of Fire Districts Services and Spheres of Influence continued from the August 3, 2016 LAFCO meeting to LAFCO's November 2, 2016 agenda packet lacks adequate information for final consideration by LAFCO. Neither the questionnaires completed by the fire districts at LAFCO's request nor the section completed by LAFCO staff (pages 1 through 11) provide adequate information to comply with California State laws governing service reviews and sphere of influence reviews.

California Government Code 56425(g) requires that on or before July 1, 2008, and every five years thereafter, LAFCO's shall, as necessary, review and update each sphere of influence. California Government Code 56430(a) requires that in order to prepare and update a sphere of influence LAFCO's shall conduct a municipal service review. State law prohibits LAFCO approval of a Sphere of Influence review prior to completion and approval of an appropriate Service Review. LAFCO's footnote¹ on page 3 of the subject draft reports "The last service reviews of these fire agencies was prepared by LAFCO in 2005".

Fire and emergency medical services are crucial to the protection of life and property. Citizens deserve complete service reviews by LAFCO on a regular basis as required by law. The "yes", "no" or "maybe" responses in the questionnaires included in the subject draft document do not justify any conclusions. A fire district service review cannot support a conclusion regarding the adequacy or deficiency of services unless it includes information regarding the number of incidents, dispatch times, response times, lack of responses, necessity of mutual aid as first responder, adequacy of available firefighters and equipment to respond as needed. I urge the Commission to now begin the process of conducting the required comprehensive review of all the fire protection districts

I have been a resident and property owner in the Bonny Doon area of the County Fire service area since 1967. I served on the Board of Directors of the Bonny Doon Volunteer Fire non-

1

profit corporation for 23 years. I served on the County Fire Department Advisory Commission for several years.

This letter primarily concerns two sections of the subject Hearing Draft:

- the section prepared by LAFCO staff (pages 1 through 11); and
- the section for County Service Area 48 County Fire prepared by Cal Fire/County Fire Chief Larkin and edited by LAFCO staff (pages 63 through 70).

SECTION PREPARED BY LAFCO STAFF

Page 5. Executive Summary by LAFCO Staff

The 101-page report lacks any comparative data to support the three "main conclusions of this report" quoted below regarding "same level of service", "call types remain constant" and "response times continue to be within standards":

- "The agencies are generally providing the same levels of service that they were providing when the last comprehensive service review was performed in 2005-2007."
- "The call types remain constant with emergency medical calls in 2014 comprising the largest share of calls (67%)."
- 4) "Response times continue to be within standards for urban and rural companies."

Page 8. Fire Protection Service Levels

The source of the pie-chart titled "Santa Cruz County Fire District 911 Calls by Type (2014)" is from the 2014-15 Santa Cruz County Civil Grand Jury Report (page 165?) and is a report prepared by the Regional 911 Center. That 911 report excludes calls from 75% (333 square miles) of the 445 square miles of land in Santa Cruz County that are dispatched by the Cal Fire Dispatch Center in Felton:

County Fire Service Area 48 County Fire	286 sq. mi.
County Service Area 4 Pajaro Dunes	0.2 sq. mi.
Pajaro Valley Fire Protection District	47 sq. mi.
Total	333.2 sq. mi. (75% of 445 square miles)

Page 9.

The bar graph titled "2014 Fire User Times" and "2015 Fire User Times, Confirmed Structure Fires" provide critical information needed in a service review. However, the source of these graphs is also the 2015 County Grand Jury Report, the information provided is from the Regional 911 Agency and excludes incidents in the same 75% of the County as explained in the preceding paragraph of this letter. Excluding such a large percentage of the area the subject draft service review claims to include invalidates the entire section prepared by LAFCO staff.

Page 10.

The graph titled "2004 Urban Fire Agencies in Santa Cruz County Population Density v. Fire Protection Costs (on page 10) is described as data from the [2005] Service Review and based on only five of the 12 fire agencies in the County (Aptos/La Selva, Central, Santa Cruz, Scotts Valley,

and Watsonville). The exclusion of rural areas of the County invalidates the conclusion of per capita cost of fire protection services based on population density. Rural areas generate less property tax for fire protection because larger parcels and fewer homes result in low population density, but the cost of fire protection is typically reduced by the fact that fire districts serving rural areas typically depend heavily on volunteer fire companies for fire services. A graph based on the costs per capita of service areas of all fire agencies in the County would provide better information for a comprehensive 2016 service review.

SECTION FOR **COUNTY SERVICE AREA 48 COUNTY FIRE** PREPARED BY COUNTY FIRE (Pages 63 through 70)

Page 65.

CSA 48 County Fire

3. Capacity and Adequacy of Public Facilities and Services.

County Service Area 48 is divided into five volunteer fire company service areas; each of which probably responds to a larger area than any separate fire district in the County. Services in each volunteer company service area should be reviewed separately because each is unique and varies as to population, location, adequacy of volunteer company membership, and types of development and fire responses required in the community.

County Fire management has been unsuccessful at retention and recruitment of volunteer firefighters in recent years, although County Fire had a federal grant for that purpose for a few years. The number of volunteer firefighters in Bonny Doon Volunteer Fire Company 32 dropped from 20 in 2009-10 to 11 in 2014. In 2008 Bonny Doon Volunteer Company had 5 captains, 5 driver/operators, 7 firefighters and some trainees. They averaged 3.81 responders per incident. By 2014 the Bonny Doon Volunteer Company only had 1 captain and probably only 1 driver/operator. A LAFCO service review that ignores this reduction in the number of volunteer firefighters serving a 50 sq. mi. area is inconsistent with statements in the County Fire Master Plan which acknowledge that County Fire cannot provide an effective level of fire and emergency response without volunteer firefighters who allow a level of staffing and distributions of fire stations that could not otherwise be accomplished.⁽¹⁾

Page 67. CSA 48 County Fire 4. Financial Ability

The CSA 48 County Fire questionnaire in the subject draft review states under Discussion of question c) that:

c) "An ongoing structural budget deficit has resulted in position and service cuts ... "
 "The County is considering a special tax ... to increase County Fire's emergency response revenues. ,,,".

And contains the following statement:

a) County Fire response of "NO" to the question "Are there any other service delivery issues that the agency wants addressed in the service and sphere review process?" is questionable.

The subject LAFCO Hearing Draft fails to report that in September 2008 LAFCO produced an extensive review of fire service in the Bonny Doon area of County Service Area 48 County Fire in response to LAFCO Application 913 requesting formation of a Bonny Doon fire protection district. LAFCO denied district formation and recommended three alternatives. In 2012 an Appeals Court upheld LAFCO's denial concluding that *"existing agencies could feasibly provide needed services in a more efficient and accountable manner"*, but added:

"Of course a different result might obtain in the future if the proffered alternatives prove infeasible (see [Gov. Code] 56038.5 [definition of "feasible"] and the service needs of the Bonny Doon community are not be[ing] met within the existing governmental structures."

[Note: The Appeals Court opinion/decision was unpublished but is available at http://www.santacruzlafco.org/wp-content/uploads/2015/09/Bonny-Doon-2012-decision.pdf]

The Appeals Court obviously expected the required service reviews would be performed by LAFCO on schedule. All of the alternatives to district formation recommended by LAFCO in 2008 have proven to be infeasible as explained below:

- "The CAL FIRE company that is stationed in Felton during the fire season could be moved to one of the Bonny Doon stations. Note that the fire season costs for this company are paid by the State. There are virtually no County Fire or Bonny Doon resident costs for this redeployment. ..."
- 2. "The County could consider dividing County Fire Service Area 48 into zones that represent the service areas of the various stations. ..."
- 3. "The County could prepare another ballot proposal that proposes an across-the-board assessment of tax in all of County Service Area 48 to fund the basic services of County Fire, as well as any levies that the volunteer companies want to propose for enhancement of their individual areas."

LAFCO Alternative 1 above would have moved a seasonal Cal Fire engine and crew to Bonny Doon only during five-month Cal Fire "fire season", and that engine and crew's first priority would have been wildland fires anywhere in the State; not Bonny Doon. The County instead took an even less feasible action of increasing the cost of the County Fire Amador contract with Cal Fire beginning in May 2009 to pay for a fifth Cal Fire engine and crew seven months a year and provide quarters for them in Bonny Doon. This action cost \$766,079 the first three years (\$289,850 in 2009-10, \$235,275 in 2010-11, and \$240,954 in 2011-12)⁽⁶⁾ and continues in 2016.

LAFCO Alternative 2 above was not implemented because the County determined on March 24, 2009 that it would be financially infeasible ⁽⁷⁾.

5

<u>LAFCO Alternative 3 above</u> was not implemented because public opinion polls in 2010 and 2011 costing County Fire thousands of dollars failed to demonstrate a ballot would be successful.

In addition to the infeasibility of the three alternatives recommended by LAFCO, fire protection services in Bonny Doon have deteriorated since the 2008 LAFCO review because the total number of volunteer firefighters has decreased from 20 to 11, and the number of captains from 5 to 1. There are too few volunteer firefighters certified to drive fire engines or the water tender. The Cal Fire Amador contract fire engine and crew are not always in Bonny Doon.

Donita Springmeyer Email: <u>donitaspringmeyer@comcast.net</u> Phone: 831 426-7933

References

- (1) http://www.santacruzcountyfire.com/fdac/2012-15 master plan final.pdf
- (2) California Government Code 30052(b)(1)
- (3) California Government Code 900.4, 940.4, etc.
- (4) Attachment 1 to this letter, spreadsheet titled
- (5) Proposition 172 Revenue "Passed Through" County Fire Department Budgets 1998-2016
- (6) County Fire Department Budget 2016-17, Board of Supervisors June 20, 2016 Agenda Item 28, page 18-18
- (7) Attachment 2 to this letter, spreadsheet titled Additional Costs to County Fire Department of Adding Fall Creek Station in Bonny Doon
- (8) County General Services letter to Board of Supervisors March 24, 2009 Agenda Item 16

Proposition 172 Revenue "Passed Through" County Fire Department Budgets for Appropriation to County Fire Chiefs Association

Year	F Prop to C	unty Fire Budget REVENUE from osition 172 Funds ounty Fire Chiefs sociation (0495)	EXI	ounty Fire Budget PENDITURES Titled Contributions to Other Agencies (5191)	EXP	unty Fire Budget ENDITURES Titled ontributions to Other Agencies (5280)	EXP	unty Fire Budget ENDITURES Titled er Charges Other (5283)	
2016-17	\$	87,046.00	\$	110,690.00			\$	70,000.00	
2015-16	\$	79,786.00	\$	103,238.00			\$	69,000.00	
2014-15	\$	149,453.00	\$	181,549.00	\$	29,701.00	\$	68,109.00	
2013-14	\$	138,313.00	\$	171,113.00			\$	68,255.00	
2012-13	\$	÷	\$	22,084.00			\$	66,307.00	
2011-12	\$		\$	20,930.00			\$	61,467.00	1
2010-11	\$	÷	\$	30,146.00	\$	15,000.00	\$	62,798.00	
2009-10	\$	-	\$	44,748.00	\$	29,758.00	\$	51,000.00	
2008-09	\$		\$	153,961.00	\$	30,000.00	\$	52,780.00	
2007-08	\$	64,649.00	\$	140,259.00	\$	36,000.00	\$	46,430.00	
2006-07	\$	93,897.00	\$	109,602.00	\$	35,495.00	\$	34,560.00	
2005-06	\$	29,308.00	\$	53,059.00	\$	30,738.00	\$	34,560.00	
2004-05	\$	29,801.02	\$	62,527.22	\$	14,207.14	\$	34,560.00	
2003-04	1						-		
2002-03									
2001-02	1						-		
2000-01			1						
1999-2000									
1998-99	\$	105,501.00	\$	10,000.00	\$	16,857.00	+		
1997-98	\$	100,000.00			\$	15,476.71			
TOTALS	\$	877,754.02	\$	1,213,906.22	\$	253,232.85	\$	719,826.00	
	_						ATT	ACHMENT 1	

ITEM 12

Description		2009-10 Charge	1.10	2010-11 Charge		2011-12 Charge	Th	ree Yea Total
Firefighter 1 Salaries and Benefits	\$	132,731	\$	132,529	\$	135,327		~
Jnimployment Insurance	Ψ	102,101	Ψ.	102,020	÷	100,021	-	
1/5th of \$69,888	\$	13,978			-		-	
1/5th of \$73,567	• *	10,010	\$	14,713	-		-	
1/5th of \$75,822	1-			14,710	\$	15,164		
FLSA	1	a			Ψ	10,104		
1/5th of \$178,166	\$	35,633					1	
1/5th of \$189,213	Ψ	00,000	\$	37,843			-	
1/5th of \$187,635	1		Ψ	07,040	\$	37,527	1	
Firefighter I Leave Credit			-		Ψ	51,521	-	
1/5th of \$43,000	\$	8,600					-	
1/5th of \$43,000	φ	8,000	¢	8,600	-			
1/5th of \$43,000			\$	0,000	\$	8,600	5.5	
					φ	0,000	-	
Firefighter Uniform Allowance	\$	2 405					<u> </u>	
1/5th of \$12,027	Þ	2,405	\$	2 454	-		1	
1/5th of \$12,272			Þ	2,454	0	0 504		
1/5th of \$12,620	*	402 247	•	400 420	\$	2,524		
Total Salaries & Benefits	\$	193,347	\$	196,139	\$	199,142		
Fall Creek Telephone (12 months)	\$	1,200	\$	1,200	\$	1,200		
Fall Creek Electricity (5 months June-Oct) ?	\$	1,000	\$	1,000	\$	1,000	-	
Fall Creek Propane	1		101	The second second	\$	475	1	
Fotal Utilities	\$	2,200	\$	2,200	\$	2,675		
TOTAL ABOVE	\$	195,547	\$	198,339	\$	201,817	\$	595,703
Cal Fire Admin Charge on Above 11.00%	\$	21,510	_		-		1	
Cal Fire Admin Charge on Above 11.06%			\$	21,936	-		1	
Cal Fire Admin Charge on Above 11.96%	-		1	and the second	\$	24,137	1	
Total Cal Fire Admin Charge on Above	\$	21,510	\$	21,936	\$	24,137	\$	67,583
TOTAL ALL ABOVE (1)	\$	217,057	\$	220,275	\$	225,954	\$	663,286
Fall Creek Station/Residence Repairs (2)	1		-		-		-	
Schedue A Charges	\$	7,842						-
Schedule C Charges	\$	49,951	-		1		1	
Total Charged to Fall Creek Station Repairs	\$	57,793					\$	57,793
Loss of Rent from Residence	\$	15,000	\$	15,000	\$	15,000	\$	45,000
TOTAL FALL CK. ADDITIONAL COSTS	\$	289,850	\$	235,275	\$	240,954	ļ	766,079

ITEM 13



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, November 2, 2016 10:00 a.m.

Scotts Valley City Hall 1 Civic Center Drive Scotts Valley, California

The November 2, 2016 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Vice-Chairperson Tom LaHue.

ROLL CALL

Present and Voting:	Commissioners J. Anderson, Leopold, Bobbe, Coonerty, and Vice-				
	Chairperson LaHue				
Absent:	R. Anderson, * Bottorff, Friend, * Lind				
Alternates Present:	Smith				
Alternates Absent:	None				
Staff:	Patrick M. McCormick, Executive Officer				
	Brooke Miller, LAFCO Counsel				
	Debra Means, Secretary-Clerk				



MOTION AND ACTION

Motion: Leopold To approve August 3rd, 2016 minutes with two minor corrections. Second: J. Anderson Motion carries with Commissioner Coonerty abstaining.

ORAL COMMUNICATIONS

<u>Debra Loewen</u>, a Lompico resident, says the Lompico / San Lorenzo Valley Water District (SLVWD) merger was successful and became effective on June 1st. The merger agreement planned for a worse-case scenario where Lompico would operate as an independent system for five years and much has changed since the agreement was made. Lompico is now a zone of SLVWD and the costs have been greatly reduced.

Unfortunately, there is some animosity. The water board and the manager are new and not familiar with the merger agreement and its history. They are interpreting it differently than she thinks they should.

She thanks LAFCO for their hard work on the merger. The agreement seems to be unenfor eable and she questions whether the SLVWD board will honor it.

Commissioner Lind arrives.

It is typical not to have too many financial details at this stage in the process. A sphere of influence is a line on a map saying where LAFCO considers eligibility for annexation in the future. It informs the property owners, the City, and the water district what areas they should study in greater detail if they want to pursue an annexation.

Mr. Bender & concerned about the two separate areas being considered together

<u>Vice-Chairperson LaHue</u> thinks that the two areas would be considered separately for annexation.

<u>Mr. McCormick</u> adds that if it were a single proposal, the two areas would be considered together. If they were separate proposals, they would be heard and counted separately. If both were proposed together, owners from the Glen Canyon area could appear at the LAFCO hearing, ask to separate the two areas, and LAFCO would decide. There is a lot of process available to be heard and understand how it could work. There could be two different pools for protest.

<u>Commissioner Leopold</u> thinks the Commission understands that these are two different areas. These have been combined for simplicity and cost. Monte Fiore is already receiving the service, they just cannot participate fully. He lives in a similar situation with his water district, where he does not have the option to vote for the water district's board directors. He pays more for water than people inside the district.

If some neighbors' septics failed, there would be a process with the neighborhood about what the options are. Being included in the sphere just means they are eligible, not obligated.

MOTION AND ACTION

Motion: Leopold	To accept the service and sphere of influence reviews for the City
Second: LaHue	of Scotts Valley and the Scotts Valley Water District, and direct
	staff to return to the next meeting with resolutions revisiting the
	two sphere of influence maps, as requested by the City and the
	Water District.
	Motion carries with a unanimous voice vote.

<u>Commissioner Leopold</u> adds that if Glen Canyon residents express that they still want to be excluded at the next meeting, it can be considered then.

CONTINUED PUBLIC HEARING FOR SERVICE AND SPHERE OF INFLUENCE REVIEWS FOR FIRE DISTRICTS

<u>Mr. McCormick</u> reports that at the last hearing, there were comments from Mid-County fire agencies and unions, namely Aptos/LaSelva and Central, about LAFCO doing a major fire reorganization study on a large scale within the County. This is a recent shift from the outlook of previous fire studies. The Commission continued the matter for three months hoping the fire community would discuss this among themselves to identify the interest and refine the concept.

Page 7 of 15 November 2, 2016 Minutes There is a revised draft review document posted on the LAFCO website as well as an errata sheet for additional corrections after it was published. Private parties, including the former Central Fire Chief, have provided additional comments about doing a bigger fire study.

He recommends continuing the hearing, approving the status quo spheres of influence, and accepting the service review in its current form, which is consistent with the Commission's work program. He suggests that staff engage the fire community to identify a major study, and find out what the scope of work and funding would be. He would provide status reports to the Commission on the progress. The service review meets the statutes and the mandates this Commission has to follow for reviewing service and spheres of influence reviews. The recommendation also engages those interested in the fire community to do a big study about options to reorganize fire protection in most of Santa Cruz County.

<u>Commissioner Jim Anderson</u> says that the last fire study for South County is available on LAFCO's website under Reports and it could be a good baseline for the next fire study.

<u>Steve Hall</u> is interim fire chief for Central Fire Protection District (CFPD). He submitted a letter to the Commission. The CFPD board of directors met for a special meeting on October 5, 2016 to discuss the service review survey tool and the comments provided from LAFCO's August 3rd meeting. The board directed him to respond to LAFCO in support of a more indepth service review of countywide fire services. The fire district recognizes past regional fire service studies from the 1973 Sierra Report, the 1986 Hughes Highs Report, the 1993 Ralph Anderson Report, and a cyclical service review process conducted by LAFCO.

To date, a vast majority of identified opportunities have been incorporated by local agencies in line with recommendations from these reports with the exception of implementing a joint governance model. The fire agencies in this county do an exceptional job of providing emergency response services on limited budgets. Fire engines do not recognize boundaries when 911 is called by the public.

During LAFCO's August public hearing, several speakers and Commissioners expressed interest in examining the benefits of future opportunities in the governance models. First and Second District Supervisors expressed concerns that the public interest may fall on deaf ears with existing boards. CFPD encourages an in-depth study of countywide fire services. It has been 30 years in passing without a thorough evaluation of countywide fire services. New conditions in this era include multiple fire districts proposing tax levy increases on the 2016 ballot, and this has not been seen in decades. Significant financial stress on local governments include underperforming Cal PERS retirement investments, changes in retirement accounting methodologies, and recognition of the need to fund post employment benefits.

In addition to financial stress, for the first time in local memory, two organized labor groups representing Central and Aptos / La Selva Fire Districts have now endorsed a further study reversing past positions. Fire districts in Santa Cruz County suffer from a "have and have not syndrome." Historic fluctuations in California's economy have caused significant fluctuations in tax increment revenues. Changes in accounting standards by the General Accounting Standards Board have illustrated the overwhelming depth of post employment benefits. The

days of power politics, and control have been replaced with public transparency, fiscal stewardship, and good governance.

The CFPD does not have simple solutions. It recognizes that without a study, information made into thoughtful decisions about the future is not available. The district has commissioned Citygate & Associates to conduct a Standards of Cover Review and a Management Administrative Review for CFPD reinforcing that validated information is necessary to make critical decisions. CFPD has also terminated the fire chief's contract to further invest in the potential of future opportunities.

He hopes the LAFCO Commission considers the action of the board in support of an in depth fire service study. LAFCO has many competing demands for studies, but no other discipline has more alignment of opportunity than the fire service does today, even more than it has in the last three decades.

<u>Charlie Howard</u> is Chairman of Central Fire's board. He read the minutes from LAFCO's last meeting. He has been involved with fire service for 48 years, 11 years of those were as a firefighter engineer, and 17 years were as a fire captain. He worked for Capitola Fire and Central Fire. He got elected to the Central Fire board and has been on the board for about 20 years.

When he was in the fire service, Capitola, Soquel, and Live Oak Fire Districts merged into Central Fire. He was totally against the merger at first. It took him two weeks to change his mind and realize it was for the better. There was a major fire on 41st Avenue and, as fire captain, he was the first engine to respond. He was pleasantly surprised to have so many additional engines to help with the fire. Capitola Fire by itself could never have accomplished what the consolidation of Central Fire did.

About 15 years ago, when Central's fire chief and assistant fire chief retired, there was an opportunity to talk with Aptos/La Selva FPD about merging with a JPA. They went to Oregon where three or four fire departments merged together to see how a similar agreement could work. Three of the directors on the Central Fire board were in support of going forward, but four directors voted against the merger.

The decision to share fire marshal services with Aptos/La Selva FPD became effective about 1.5 years ago. He volunteered for the ad hoc committee and they spent more than a year trying to come up with a workable program, but it failed by a 6-1 vote. Central Fire's board members continue to try and come up with a solution between Aptos/La Selva FPD and Central FPD.

<u>Donita Springmeyer</u> is a Bonny Doon resident and has lived within County Service Area 48's (CSA 48) jurisdiction for 49 years. She is disappointed with the abbreviated service review based upon the questionnaires.

ITEM 13

The Bonny Doon area encompasses about 50 square miles. Pajaro Valley Fire District encompasses about 47 square miles. In the staff report, there were charts, such as types of calls and response times primarily to structure fires. Neither of those charts included the fire services dispatched by Cal Fire in Felton. Those reports were from 911 regional dispatches. 75% of the County was missing in those charts which came from a Grand Jury Report. There was another graph about the cost of rural fire protection versus urban fire protection, based upon per capita, but it did not include County Fire either.

She would like to see a more thorough review of CSA 48. In 2009, Bonny Doon had 20 volunteer firefighters, and by 2014, there were only 11. If there is a structure fire within a 50 square mile rural area, there needs to be enough driver operators to get two engines and a water tender to respond. They have dropped from five volunteer captains to one, and she does not think there are more than two driver operators.

Response times are important because distance matters. If someone has a heart attack or a serious medical emergency, four or five minutes can make a difference. She would like to see a review give County Fire's dispatch times, response times, and whether there are an adequate number of firefighters. County Fire's Master Plan specifies that they cannot provide the service without volunteers. Since they have lost almost half of the volunteers, she is concerned about County Fire providing the services needed.

She served on Bonny Doon's Volunteer Fire non-profit corporation for 23 years. She has experience about what goes on and is concerned about the Davenport area, which encompasses another 57 square miles. After the cement plant closed, their volunteers decreased. She knows Santa Cruz City Fire responds to the Davenport a lot more now.

In her letter, she urges the Commission not to approve either review for County Fire. She wants to see more details about Bonny Doon and Davenport. She thinks the service review has to happen before the sphere of influence review does. Santa Cruz City Fire is spending more time going up the coast.

<u>Commissioner Leopold</u> says that at the last meeting, the Aptos/La Selva fire chief expressed concerns and wanted to discuss them with his board. He wonders if those meetings ever happened.

<u>Jon Jones</u> is the Aptos / La Selva Fire Chief. His previous comments from the last meeting stand. He understands the Commission has already made a decision. His board sent a letter written by the President, Vince Hurley. Commissioner Friend had offered to meet with the board, but the fire board thought it would not be fruitful.

He came from Orange County Fire Authority, consisting of 24 contract cities and the unincorporated areas of Orange County. He has experienced several consolidations, mergers, and even hybrid organizations, such as Brea and Fullerton management services combining with the fire departments being separate. There are many models out there that make fire service more productive.

Fire agencies in Santa Cruz County have worked well together through auto and mutual aid. Just because they work well, it does not mean that there are not other areas for improvement in management or through economies of scale.

He does not think these reviews suffice more than just fulfilling a mandate. He hopes to engage Mr. McCormick in more productive dialogue.

<u>Commissioner Leopold</u> thought he heard at the last meeting that his board wanted a more detailed analysis. He heard his colleagues say that they are open to a more detailed analysis if the affected agencies are willing to look at the issues brought up in the analysis. The issues of consolidation have been discussed. There are some who spoke in favor of a consolidation, such as Central FPD. If Aptos/La Selva FPD is also interested, it could be fruitful for LAFCO to pursue a more comprehensive study.

LAFCO has not made a decision yet. Given past experience of doing in-depth reports and not having any actions taken as a result, the Commission decided to do the reviews a different way this time, save some money, and focus work where people were interested.

Staff's recommendation is to approve these sphere reviews and have meetings to discuss a larger in depth study. He wants to confirm whether Aptos/La Selva FPD is interested in a more in depth study.

<u>Chief Jones</u> replies that Aptos/La Selva FPD is constantly seeking to improve fire service for their community. He is not a complete advocate for consolidation with Central FPD, but he thinks it is worth entertaining. The Day Valley area and CSA 48 jurisdiction towards Corralitos could be better served if Aptos/La Selva FPD entered into a partnership with Cal Fire. They could look into co-located stations, merged resources, and other areas that could better serve their constituents.

He disagrees slightly that previous studies have not been fruitful. Aptos/La Selva FPD annexed the Spring Tank area, they increased their services, and they continue to look for other areas to increase services. He thinks it is worth looking southward, not northward, because it is more urban. He is looking to serve the underserved and improve response times.

65% of the responses are medical in nature. Brain death occurs in six minutes. If it takes 12 minutes to respond to a life-threatening medical situation down Freedom Boulevard towards Corralitos, it is beyond useful by then. His ability to save those people is severely compromised.

Fire service leaders want to do a complete study to see where fire service response times can be increased in a methodical way. He thought this idea was missed at the last meeting.

<u>Commissioner Leopold</u> appreciates Chief Jones' comments. The Commission is trying to be sensitive about how to spend LAFCO's funding agencies' dollars. He now hears feedback that it is worth looking at the bigger issues. This helps encourage the Commission to spend the money for further studies.

Page 11 of 15 November 2, 2016 Minutes <u>Commissioner Bottorff</u> has fire service background, and he thinks this County needs to move forward. The Commission felt otherwise from previous feedback, but now he hears differently. There seems to be an openness to move forward now, and what is holding progress back is an expanded document. He has no problem spending the money if he perceives a willingness to look at the shortcomings of fire service that can be improved. He is in favor of whatever provides the citizens of this County the best possible service.

He supports LAFCO taking a bigger role since this is a priority. He thinks there are other agencies, such as sewer and water agencies, that will benefit from studying the consolidation of districts for better efficiency.

<u>Commissioner Jim Anderson</u> asks if districts are satisfied with their spheres, can the Commission approve them and hold off on approving the districts that want more investigation.

<u>Mr. McCormick</u> answers yes. In the agenda packet, the fire agencies each have separate resolutions that can be approved or further investigated.

<u>Alternate Bobbe</u> thinks there may be some miscommunication. She does not think the Commission would deny an agency more attention to detail and better ways to improve.

<u>Vice-Chairperson LaHue</u> asks if there are any advantages to proceed with getting a more detailed study done, and hold off any sphere approvals before the study is done.

<u>Mr. McCormick</u> answers that the advantages of going forward with adopting resolutions confirming all of the existing spheres at this hearing are that the Commission has a large work program with many other agencies still to do, such as cities and water districts. There is an advantage to get through them quickly to identify if there are other large scale studies worth considering before spending a limited amount of money on a major study.

There are different ways a countywide study could be organized, and which areas of the county to focus on. Central and Aptos/La Selva FPDs are proceeding with internal studies using a consultant. It may be useful to see what those studies produce to see if another study could build on it.

When this accelerated program started, it was acknowledged that more detail may be needed. If there are some agencies that the Commission wants to proceed with and not others, additional information can be gathered before taking an action.

<u>Commissioner Leopold</u> agrees mostly. There is a fire chief vacancy at Central FPD and their board is interested in further studies. Considering the amount of work LAFCO still has to do, it could be a year before completion. He wonders if this opportunity would be missed if the Commission waited too long.

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Mr. McCormick answers that if directed, he will engage all of the fire agencies to decide what is worth pursuing in a bigger study, and how much LAFCO and the fire agencies will participate in the control and financing of the study. If all of the spheres are adopted now and he is directed to engage the agencies, he will do that. If Aptos/La Selva and Central FPDs identify a study they want to proceed with, LAFCO can help them proceed. The fewer agencies involved, the easier it is to proceed. If there are more agencies involved, the more comprehensive the study will be.

Commissioner Leopold heard that there may be some interest from Central FPD to look at better efficiencies. Aptos/La Selva FPD is interested in looking south instead of north. It needs to be discussed further what the study would look like.

MOTION

Motion: Bottorff	To approve the fire service reviews for all agencies excluding
Second:	Aptos/La Selva and Central FPDs. To direct staff to re-engage with those two fire districts to evaluate their ongoing proposals or to see what opportunity LAFCO could participate in.

Vice-Chairperson LaHue wonders if CSA 48 should be also be excluded from approval because there is a question about adequate information.

MOTION AND ACTION

Motion: Bottorff Second: LaHue	To approve the fire service reviews for all agencies excluding Aptos/La Selva FPD, Central FPD, and County Service Area 48. To
	direct staff to re-engage with those fire districts to evaluate their ongoing proposals, and see what opportunities LAFCO could participate in. Motion carries with a unanimous voice vote.

MOTION AND ACTION

Motion: Leopold	To direct Mr. McCormick to meet with local fire agencies to
Second: Bottorff	determine the context and scope of a fire study.
a second s	Motion carries with a unanimous voice vote.

STATUS OF PROPOSALS

Mr. McCormick reports that an application regarding a water district annexation in Zavante was withdrawn.

OFFICE LEASE

Mr. McCormick says that LAFCO leases its office from the County. The County has offered to extend the lease for another two years without raising the rate.

ITEM 13

C.C.C.

Fire districts to explore merger opportunities

ALL FOR ONE

LAFCO to begin preliminary discussions with all 12 fire districts

By Ryan Masters

rmasters@santacruzsentinel.com @ryanmasters831 on Twitter

SCOTTS VALLEY >> The Santa Cruz Local Agency Formation Commission, or LAFCO, unanimously voted to take preliminary steps toward conducting a comprehensive study of Santa Cruz County's 12 fire protection districts at its meeting Wednesday.

The major fire organization study, which would be the first of its kind since 1993, could identify areas of consolidation,

contracts and other forms of shared services beneficial to all or many communities in the county, according to LAFCO executive officer Patrick McCormick.

"The commissioners have directed me to reach out to each of the fire districts in order to gauge the context and scope of a potential study," said McCormick.

McCormick said the cost of such a study would depend on how many districts were involved. A problem, according to McCormick, is that LAFCO has only \$100,000 at its disposal for such studies and may need to fund separate studies related to water and sewer districts as well.

To this point, only Aptos- La Selva Fire and Central Fire were actively involved in the process, Mc-Cormick said. The two fire districts have discussed potential shared services models since nearly merging in 2000. In 2014, they launched a brief, but successful cost-saving pilot program that combined resources and was overseen by a shared fire marshal, Carol Wallace.

In August, Aptos-La Selva Fire initiated the call for a comprehensive, countywide study, according to McCormick.

"Aptos-La Selva decided they didn't want to confine the study to their district and Central. They wanted to look at all 12 districts in the county. As a result, they came to LAFCO and we got involved," McCormick said.

Interim Central Fire Chief Steven Hall read a letter on behalf of the Central Fire board of directors, declaring support for an in-depth fire study and describing the state of Santa Cruz County fire districts has one of "haves and have nots."

"Without a study, information to make thoughtful decisions about our future is not available," Hall said.

Aptos-La Selva Fire Chief Jon Jones said he had experienced a wide assortment of consolidation, merger and shared services models successfully improve fire services as a firefighter in Orange County.

"The current Review (of Fire Districts Services and Spheres of Influence) meets the state mandate, but is not comprehensive," Jones said. "We need a more detailed analysis."

After the meeting, Watsonville Fire Chief Pablo Barreto also expressed interest in pursuing potential opportunities, saying his department was always open to partnerships that would provide the best service and had partnered with Pajaro Valley and Pajaro Dunes, as well as North County agencies, in the past.

In addition to greenlighting preliminary research into a comprehensive study, the commission also approved resolutions to maintain the current spheres of influence for nine of the 12 fire protection districts in Santa Cruz County.

Based on concerns from fire personnel and the public, the commission decided to further investigate Aptos-La Selva Fire, Central Fire and County Service Area 48.

County Service Area 48, which covers 286 square miles of rural area in the county, was earmarked for further study after former Bonny Doon Volunteer Fire board member Donita Springmeyer said the commission did not have adequate information to make a final consideration.



A comprehensive study of all 12 fire districts in Santa Cruz County was among the agenda items discussed at Wednesday's LAFCO meeting in Scotts Valley City Hall.

SHMUEL THALER - SANTA CRUZ SENTINEL

Thursday, 11/03/2016 Pag.A01 Copyright Terms and Terms of Use. Please review new arbitration language here



Board of Directors Agency Address City

Subject: Sphere of Influence Action and Potential Fire Services Study

Dear Board Members:

On November 2, 2016, the Local Agency Formation Commission of Santa Cruz County (LAFCO) accepted the 2016 Service Review for your agency and maintained your agency's sphere of influence with no amendments. A copy of LAFCO's resolution is attached for your records.

I thank your staff for their assistance in providing information and attending the public hearings on these reviews.

In a related matter of significant importance, two fire agency boards and some members of the public who are interested in fire and emergency response issues have asked LAFCO to consider preparing or participating in a major study of fire and emergency services in Santa Cruz County. The geographic scope has not been determined. It could be as large as the entire county, or it could be a smaller area. The topical scope has not been determined. It could be limited to district consolidations, or it could include staffing models, funding, shared services, contracting, JPAs, and other alternatives.

The fact that LAFCO has just confirmed your agency's sphere of influence does not mean that your agency will be exempted from a major fire study if LAFCO determines to prepare or participate in the study. The proponents of a major study believe that a major study would be timely because a comprehensive regional study has not been done in the last 30 years, and because many agencies are experiencing financial stresses. They assert that a major fire study would evaluate options for providing these critical services using a different organizational structure. A comprehensive study would provide the critical data for use by the fire boards, the staffs, and the public. The Board of each fire agency would then decide if any of the potential organizational or operational changes is worth pursuing.

I encourage your Board and your staff to discuss within your community and with other interested parties throughout the County whether it is timely to consider preparing such a study, and what should be included in the scope of work. LAFCO commissioners and staff are available to explore this matter both in informal discussions and formal meetings.

Very truly yours,

Patrick M. McCormick Executive Officer

Attachment: 2016 Service and Sphere Review Resolution

ITEM 16

Sonto Cruz Local I grindy Formal on Commission 7 C I Stort, Roch 313-2 Son a C I Cruz Sologo (2010) Social

WORK PROGRAM AND POTENTIAL FIRE STUDY

Finall: info Teantacruziefco.org Website: www.santacruziefco.org

Date: November 29, 2016 for December 7th Agenda To: LAFCO Commissioners $\xrightarrow{}{\sim} \xrightarrow{}{\sim} C_{e} \xrightarrow{}{\sim}$ From: Patrick M. McCormick, Executive Officer Subject: Work Program and Potential Fire Study

Summary: The Commission will set priorities and give guidance on the work program for the next six months.

Recommendation: Receive briefing from staff, set short-term priorities, affirm continuation of accelerated service and sphere methodology, assign high priority to scoping a potential comprehensive fire study, direct staff to initiate the service and sphere review for the Soquel Creek Water District, and assign second priority to other service and sphere reviews on the work program.

Fire Study

LAFO

At the November 2, 2016 meeting, the Commission accepted the 2016 Service and Sphere of Influence Reviews for nine fire agencies:

- --Aromas Tri-County Fire Protection District
- --Ben Lomond Fire Protection District
- --Boulder Creek Fire Protection District
- --Branciforte Fire Protection District
- --County Service Area 4 Pajaro Dunes
- --Felton Fire Protection District
- --Pajaro Valley Fire Protection District
- --Scotts Valley Fire Protection District
- --Zayante Fire Protection District.

A sample transmittal letter sent out to these agencies is attached as Attachment A.

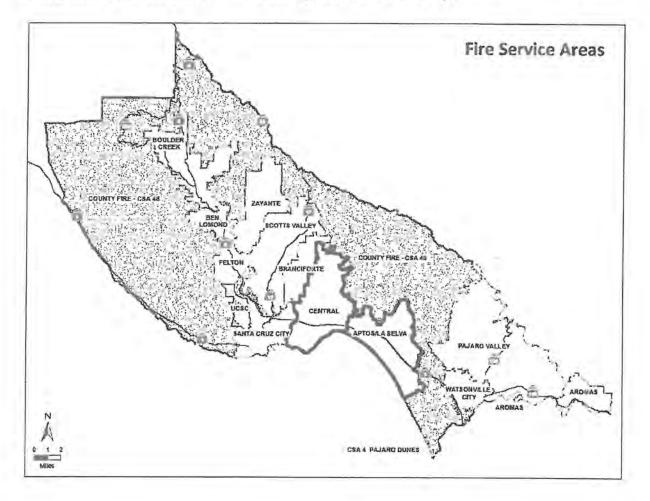
On the record of LAFCO's hearing, the Board of Directors of the Aptos/La Selva Fire Protection District, the Board of Directors of the Central Fire Protection District, two firefighter unions, and several members of the public expressed concerns that the accelerated format for service and sphere reviews did not adequately address opportunities for further collaboration and possible consolidation of fire services in Santa Cruz County. They noted that it has been more than thirty years since such a comprehensive study has been done. The Commission was sympathetic to those concerns and deferred accepting the 2016 Service and Sphere of Influence Reviews for three fire agencies: --Aptos/La Selva Fire Protection District

--Central Fire Protection District

-County Service Area 48, County Fire.

The purpose of the deferral is to consider preparation of a comprehensive fire and emergency services study. The geographic scope of that study has not been determined. It could involve only those three agencies; or, given the extent of interaction of those three agencies with the other districts and the two city departments, it could involve a study area as large as the whole county.

Aptos/La Selva, Central, and County Fire contain 77% of the county's land area and 37% of the county's population. The following map shows the geographic relationship of these three agencies with the other fire agencies in the County.



In order to provide a framework for discussion of the scope of a potential study, this memo will give an overview of the fire agency reorganization studies prepared over the last 45 years in Santa Cruz County, and some samples of recent fire reorganization studies from around the state. Attachment B lists eleven fire agency reorganization studies prepared in Santa Cruz County since 1971. The seminal report that drove a series of organizational and operational improvements was Study #3, the 1975 re-write of the "Sierra Group Report." Four of the recommended consolidations have occurred. Operational recommendations included autoaid, a 911 communications system, water system interties, and tougher fire codes.

Attachment C contains a snapshot of nine recent studies concerning fire services in California communities. Many of the studies are regional fire agency service reviews conducted by LAFCOs. Of note, the 2015 Placer County fire suppression and emergency response service study was budgeted at \$75,000 and has recently been terminated without release of draft information.

In order to avoid consequences from a study that is not be completed, to get the most out of a study, and to control study costs, a study should be carefully scoped prior to seeking requests for proposals (RFP) from consulting firms. A typical scope includes:

- a) Geographic area and agencies under study
- b) Purpose and goals
- c) Interrelationship with other studies
- d) Process and timeline
- e) Issues
- f) Data to use and analyze
- g) Range and number of organizations and operational alternatives to be addressed
- h) Presentation.

LAFCO has a professional services reserve of \$100,000 that it has accumulated over a period of years. Once spent, it will not be restored under the current level of annual payments made to the LAFCO budgets by county, cities, and districts. Other possible uses of the reserve are:

--Water Agency Comprehensive MSR/Reorganization Study

- --Sanitation Agency Comprehensive MSR/Reorganization Study
- --Specialists to assist in reviewing service and sphere reviews (such as a hydrologist)
- --Completing the current round of service and sphere reviews using a consultant.

If, in 2017 LAFCO chooses to proceed with fire study before the current round of service and sphere reviews is completed, the Commission may want to secure funding from other sources (such as the interested fire agencies) in order to maintain the reserve for use in other projects.

WORK PROGRAM

The status list of service and sphere reviews shown on Attachment D.

The current work program is for staff to perform simple service and sphere reviews by starting with a survey that is completed to by the staff of the subject agency. The agencies are asked if they have any sphere amendment that they want addressed in the report. For agencies that utilize the County Auditor for their budget and claims, LAFCO staff accesses the budget information directly from the in-house County accounting system. For agencies that maintain their own budgeting and claiming, the agency staff has to provide budget and audit information via weblink, email, or paper. LAFCO staff then prepares a disadvantaged community analysis, conducts environmental review, and adds other relevant information regarding governance, service challenges, and reorganization options. The draft report is set for a LAFCO Commission hearing. Based upon the testimony at the hearing and the Commission's evaluation of the draft report, the Commission can either accept the report and act on the spheres of influence, or the Commission can defer action for minor or major revisions. Sample service and sphere reports that use the accelerated methodology are listed below, and are available on LAFCO's website at: http://www.santacruzlafco.org/reports/

Fire Districts City of Scotts Valley Scotts Valley Water District

At the recent hearings concerning the fire district service and sphere reviews, several parties felt that the accelerated review methodology did not provide a thorough enough review to understand the agencies conditions and their operational and reorganizational options. Before staff begins reviews for another series of agencies, I want to check in with the Commission regarding the methodology.

Is there enough information to continue with the current round of reviews?

If not, what additional information would be helpful?

The original reports are available in color on the internet; but, the compressed files of the agenda packet are in black and white. Is this a problem to review the review documents?

Are there any other revisions to the accelerated methodology that would improve the reports in the future?

Is it OK to continue with the accelerated reviews in order to go through the current round and get as many done as possible by staff in the current fiscal year?

RECOMMENDATION

The staff is aware of one imminent application involving a minor sphere amendment and annexation to the Soquel Creek Water District. The district's service review and sphere have not been updated in the last five years. State law requires annexations to be consistent with spheres, for spheres to be reviewed at least every five years, and for services to be reviewed before or concurrently with any sphere amendment. It would be ideal for the Soquel Creek Water District service and sphere review to be conducted along with the other water agencies. However, in the past the Commission has often moved individual agencies' reviews to the top of the work program in order to allow for a timely hearing on the proposed annexation. The Commission could act in the short term on the service review, the minor sphere amendment, and the minor annexation. If a comprehensive regional water study were done at a later date, the Soquel Creek Water District could be included in such a study.

Staff recommends that the Commission:

- Assign scoping a potential comprehensive fire study as top priority in the work program to.
- Direct staff to initiate the Soquel Creek Water District service and sphere review, and place a draft on the agenda as soon as possible.
- Continue utilizing the accelerated service and sphere methodology for the remaining agencies.
- cc: Chiefs and Board of Directors of each fire agency Soquel Creek Water District, General Manager

Attachments:

- A Sample Letter to Fire Districts
- B Summary of Fire Service Reorganization Studies in Santa Cruz County
- C Fire Service Reviews and Reorganization Studies in California
- D Status of Sphere of Influence Studies and Municipal Service Reviews

ATTACHMENT B

Summary of Fire Service Reorganization Studies in Santa Cruz County, 1971 - 2016

(1) 1971

Mid-County Local Government Study Committee

Prepared by: A Citizens' Committee appointed by City of Santa Cruz, City of Capitola, and Board of Supervisors

Study Area: Western city limits of City of Santa Cruz to La Selva Beach Recommendation:

"A strong majority of committee recommended the consolidation of all mid-county fire protection districts (La Selva Beach, Aptos, Soquel, Capitola, and Live Oak) while a minority favored the exclusion of La Selva Beach from immediate consolidation."

(2) 1973

A Fire Protection Improvement Program and Long Range Plan for Santa Cruz County, California

Prepared by: The Sierra Group, a consulting firm under contract to the County of Santa Cruz

Study Area: All of Santa Cruz County

The initial report was rejected, and a revised report was issued in 1975.

(3) 1975

<u>A Fire Protection Improvement Program and Long-Range Plan for Santa Cruz County</u> (major re-draft)

Prepared by: The Sierra Group, a consulting firm under contract to the County of Santa Cruz

Study Area: All of Santa Cruz County

Major Recommendations:

Consolidate Ben Lomond, Boulder Creek, Felton, and Zayante.

Consolidate Davenport and County Fire.

Consolidate Scotts Valley and Branciforte.

Consolidate Freedom and Salsipuedes, annex Corralitos.

Consolidate Aptos and La Selva (short term).

Consolidate Capitola, Live Oak, and Soquel (short term).

Consolidate Aptos, La Selva, Capitola, Soquel, and Live Oak (long term).

Maintain City of Santa Cruz Fire, City of Watsonville Fire, and County Fire.

Establish a County Service Area to increase funding for County Fire.

Hire County Fire Marshall for code adoption and enforcement.

Revise codes to require built-in protection (sprinklers).

Construct interties between water systems.

Enact auto aid agreements so that the closest station responds to all calls. Implement consolidated communications using the "911 concept". 4) 1983

South Santa Cruz County Fire Protection Plan

Prepared by a committee of South County Fire Chiefs

Study Area: Aromas, Watsonville, Salsipuedes, Freedom, Aptos, La Selva, portion of County Fire from Pleasant Valley to Pajaro River

Finding: None of the six South County agencies is adequately funded. Recommendation:

"Ultimately, all non-wildland fire suppression in the South County (except Aromas) should be integrated into one district."

5) 1986

Analysis of Organization Alternatives and Sphere of Influence issues for the Capitola and Central Fire Protection Districts

Prepared by Hughes, Heiss & Associates for Santa Cruz County LAFCO Study Area: Capitola and Central (Live Oak and Soquel) Recommendations:

"Consolidation is the only alternative which has the potential to improve fire service delivery system region-wide."

"If the Capitola Fire Protection District was dissolved and a municipal department was created, the City would have to make up for the substantial loss of special district augmentation funds."

6) 1992

The Mid County Consolidation Feasibility Study

Prepared by the Chief Officers of the Aptos/La Selva, Branciforte, Central, and Scotts Valley Fire Protection Districts

Study Area: Scotts Valley, Branciforte, Live Oak, Soquel, Capitola, Aptos, La Selva Recommendations:

This report did not make a recommendation, rather it developed an operational plan to demonstrate how they would recommend that a "Mega District" be operated utilizing all the combined resources of the four districts.

7) 1993

Final Report, Fire District Consolidation Study

Prepared by Ralph Andersen & Associates for four districts

Study Area: Aptos/La Selva, Branciforte, Central, and Scotts Valley Recommendations:

"It is recommended that all four districts pursue a consolidation effort." The four-district merger would save \$600,000 and reduce staffing by 11 positions.

"If the Aptos/La Selva Fire Protection District chooses not to pursue consolidation at this time, it is recommended that the Central Fire Protection District, Scotts Valley Fire Protection District, and the Branciforte Fire Protection District pursue consolidation. The Aptos/La Selva Fire Protection District should periodically review the opportunities for consolidation with the other three agencies." "Should the Districts choose not to pursue consolidation at this time, the Districts should review the development of joint training and vehicle maintenance facilities and fire prevention services with each other."

"The consolidated districts should utilize three-person paramedic engine companies with the exception of the Branciforte Station (two-person engine companies."

8) 1994

Scotts Valley and Branciforte Fire Protection Districts Consolidation Action Plan Prepared by staff of both districts.

Study area: Scotts Valley and Branciforte

Recommendation:

Given that Central and Aptos/La Selva were not interested in consolidating, proceed with this action plan to consolidate the Branciforte and Scotts Valley Fire Protection Districts.

9) 1994

Sphere of Influence Study, Northern Santa Cruz County Fire Protection Districts Prepared by: LAFCO staff

Study area: Boulder Creek, Ben Lomond, Felton, Zayante, Scotts Valley, Branciforte), and adjacent area of County Service Area 48 (County Fire)

Recommendations:

Give Branciforte and Scotts Valley a single consolidated sphere of influence. Adopt a single consolidated sphere of influence for the Boulder Creek, Ben Lomond, Felton, and Zayante Fire Protection Districts.

10) 2000

Phase I - Fact Finding Report

Prepared by Oversight Committee—Central/Aptos Joint Venture Study Area: Aptos, La Selva, Soquel, Capitola, Live Oak Recommendations:

Approve interim operating agreement.

Proceed to conduct a Phase II Feasibility Analysis of consolidating the two districts.

11) 2007

South County Fire Service Study

Prepared by Dudek Engineering + Environmental for Santa Cruz LAFCO. Study Area: Watsonville, Freedom, Salsipuedes, Pajaro Dunes, and Corralitos Conclusions:

Given current costs of \$8.3 M and the same set of service level goals, the report estimated the total cost for four different organizational models:

- a) One independent district, CAL FIRE contract \$9.9 M.
- b) One independent district, City of Watsonville contract \$12.3 M.
- c) One independent district in unincorporated area, and one subsidiary district in city - \$12.6 M.
- d) Status quo with additional funding to meet service level goals \$9.6 M.

ATTACHMENT C

FIRE SERVICE REVIEWS AND REORGANIZATION STUDIES IN CALIFORNIA COMMUNITIES 2005-2016

Year	Lead	Cost	Subject
2005-7	San Diego LAFCO	Several hundred thousand	Macro and micro studies of reorganizing 21 special districts including 12 CSAs and uncovered area following the 2003 Cedar Fire.
2006	Napa LAFCO	\$62,000	Comprehensive study of protection services, municipal service review 3 city departments and 2 districts
2009	Contra Costa LAFCO	\$45,000	Municipal service review: fire and emergency medical fire and emergency medical service providers, 3 city departments and 9 districts
2014	Yolo LAFCO	\$80,000	Municipal service review 4 city departments, 4 fire districts, plus a few small districts)
2015	Contra Costa LAFCO	\$80,000	Fire and emergency medical services municipal service review/sphere of influence updates, 3 city departments and 8 districts
2015	Placer County	\$75,000	Study of fire suppression services and emergency response services for 19 districts on the western slope of Placer County
2016	Placer LAFCO	\$82,500	Municipal service review for fire and emergency services, west county area 3 city departments and 11 districts
2016-17	Central Fire Protection District	\$67,000	Standards of cover and management- administrative assessment
2016-17	Santa Cruz County, Health Services Agency	\$56,000	Design and conduct a competitive selection process for ambulance transport requests for proposals

ATTACHMENT D SPHERE OF INFLUENCE STUDIES and MUNICIPAL SERVICE REVIEWS Status as of November 29, 2016

Agency	Date of First Sphere	Last Sphere Review Completed	Sphere Schedule	Last MSR Completed
CITIES				
Capitola	1975	2008		2007
Santa Cruz	1983	2008		2011
Scotts Valley	1985	2016		2016
Watsonville	1977	2008		2007
FIRE AGENCIES				
Aptos/La Selva	1977	2008	Comprehensive	2007
Aromas	1989	2016		2016
Ben Lomond	1994	2016		2016
Boulder Creek	1994	2016		2016
Branciforte	1987	2016		2016
Central	1987	2008	Comprehensive	2007
County Service Area 4-Pajaro Dunes	1989	2016		2016
County Service Area 48-County Fire	1985	2008	Comprehensive	2007
Felton	1994	2016		2016
Pajaro Valley	1989	2016		2016
Scotts Valley	1976	2016		2016
Zayante	1994	2016		2016

Agency	Date of First Sphere	Last Sphere Review Completed	Schedule	Last MSR Completed	
WATER AGENCIES					
Central	1986	1993		2007	
Lompico	1985	2014		2014	
Pajaro Valley Water Management				2007	
San Lorenzo Valley	1985	2014		2014	
Scotts Valley	1985	2016		2016	
Soquel Creek	1986	2010	Recommended	2007	
CSA 54 Summit West	1996	2008		2007	
RECREATION AND PA	ARK DISTRI	стз			
Alba Recreation and Park District	1988	2016		2016	
Boulder Creek Recreation and Park District	1988	2016		2016	
La Selva Recreation and Park District	1990	2016		2016	
Opal Cliffs Rec. and Park District	1988	2016		2016	

Agency	Date of First Sphere	Last Sphere Review Completed	Schedule	Last MSR Completed
SANITATION AGENC	ES			
Davenport	1984	2008		2007
Freedom	1975	2011		2007
Salsipuedes	1987	2015		2015
Santa Cruz Co. Sanitation District	1983	2011		2007
2 Place de Mer	1988	2008		2007
5 Sand Dollar	1988	2008		2007
7 Boulder Creek Country Club	1985	2008		2007
10 Rolling Woods	1984	2013		2013
12 Septic Maintenance	1988	1992	District studying an amendment	2007
20 Trestle Beach	1988	2008		2007
57 Graham Hill	2001	2013		2013
MISCELLANEOUS INI	DEPENDENT	DISTRICTS		
Mid-Pen. Regional Open Space	1985	2008		2007
Pajaro Valley Cemetery	1988	2015		2015
Reclamation District 2049	1988	2008		2007
Resource Conservation District	1983	2015		2015
Santa Cruz Port District	1991	1991		2007

Agency	Date of First Sphere	Last Review Completed	Schedule	Last MSR Completed
COUNTY SERVICE AI	REAS			
2 (under sanitation)				
3 Aptos Seascape	1983	2008		2007
4 (under fire)				
5 (under sanitation)				
7 (under sanitation)				
9 County Public Works	1985	2015		2015
10 (under sanitation)				
11 County Parks	1985	2008		2007
12 (under sanitation)				
13 Hutchinson Road	1988	2005		2007
15 Huckleberry Woods	1988	2014		2014
16 Robak Road	1988	2008		2007
17 Empire Acres	1988	2008		2007
20 (under sanitation)				
21 Westdale	1988	2008		2007

Agency	Date of First Sphere	Last Review Completed	Schedule	Last MSR Completed
22 Kelly Hill	1988	2008		2007
23 Old Ranch Road	1988	2008		2007
24 Pine Ridge	1988	2008		2007
25 Viewpoint Road	1988	2008		2007
26 Hidden Valley	1988	2008		2007
28 Lomond Terrace	1988	2008		2007
30 Glenwood Acres	1988	2008		2007
32 View Circle	1983	2008		2007
33 Redwood Drive	1983	2008		2007
34 Larsen Road	1983	2008		2007
35 Country Estates	1983	2008		2007
36 Forest Glen	1983	2008		2007
37 Roberts Rd.	1983	2008		2007
38 Extended Police (Sheriff)	1985	2008		2007
39 Reed Street	1983	2008		2007
40 Ralston Way	1983	2008		2007
41 Loma Prieta Drive	1983	2008		2007
42 Sunlit Lane	1983	2008		2007
43 Bonita Encino	1983	2008		2007
44 Sunbeam Woods	1983	2008		2007
46 Pinecrest Dr.	1983			2007
47 Braemoor	1985	2008		2007
48 (under fire agencies)			_	
50 The Vineyard	1987	2008		2007

Agency	Date of First Sphere Adoption	Last Review Completed	Schedule	Last MSR Completed
51 Hopkins Gulch	1989	2008		2007
52 Pleasant Valley	1990	2008		2007
53 Mosquito Abatement	1992	2008		2007
54 (under water agencies)				
55 Riverdale Park	1996	2008		2007
56 Felton Grove	1997	2008		2007
57 (under sanitation)				
58 Ridge Road	2001	2008		2007
59 McGaffigan Mill Road	2002	2008		2007
60 Huckleberry Island	2015	2015		2015



FELTON FIRE PROTECTION DISTRICT 131 Kirby Street, Felton CA 95018 831 335-4422

RECEIVED

December 6, 2016

DEC -7 2016

Santa Cruz Local Agency Formation Commission Patrick McCormick, Executive Officer 701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Santa Cruz LAFCÒ

LAFCO Board Members and Patrick McCormick,

The Felton Fire Protection District Board of Directors discussed the letter from LAFCO dated Nov. 28, 2016 regarding Sphere of Influence Action and Potential Fire Services Study at their meeting on December 5, 2016. I was given direction by the Felton Fire Board to write this letter on their behalf.

Felton Fire Protection District is fine with a county-wide fire service study so long as the study does not cost the Felton Fire Protection District anything.

Sincerely,

Ron Rickabaugh, Fire Chief



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, December 7, 2016 10:00 a.m.

Supervisors Chambers 701 Ocean Street, Room 525 Santa Cruz, California

The December 7, 2016 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Roger Anderson.

ROLL CALL

Present and Voting:	Commissioners J. Anderson, Leopold, LaHue, Bottorff, Lind, Friend and Chairperson R. Anderson
Absent:	None
Alternates Present:	None
Alternates Absent:	Bobbe, Coonerty, Smith
Staff:	Patrick M. McCormick, Executive Officer
	Brooke Miller, LAFCO Counsel
	Debra Means, Secretary-Clerk

MINUTES

MOTION AND ACTION

Motion: Leopold	To approve November 2, 2016 minutes with one minor correction.
Second: LaHue	Motion carries with Commissioners R. Anderson and Friend abstaining.

ORAL COMMUNICATIONS

<u>Brian Aluffi</u> is a longtime Santa Cruz resident and the president of Local 3605 from Central FPD. He believes there is a generational opportunity here to merge fire services within Santa Cruz County. He has worked for the fire service for more than 20 years. He has only heard positive feedback about merging fire districts in this County, except from some fire chiefs and fire boards who could stand to lose the most. Labor unions are in agreement throughout the different agencies.

He intends to pursue this opportunity by meeting with affected parties. He does not think another 20 years should go before a merger comes to fruition.

<u>Commissioner LaHue</u> adds that there is a scoping meeting today for the Environmental Impact Report regarding the potential Pure Water Soquel groundwater replenishment project. It will be held at Twin Lakes Church. There is one meeting at 2:00 p.m. and another at 6:00 p.m.

RESOLUTIONS FOR APPROVING SERVICE AND SPHERE OF INFLUENCE REVIEWS FOR THE CITY OF SCOTTS VALLEY AND THE SCOTTS VALLEY WATER DISTRICT

<u>Mr. McCormick</u> says that the reports were prepared in advance of the November public hearing. After significant participation, the Commission directed staff to prepare resolutions accepting both agencies' reports and both agencies' spheres of influence with the noticed amendments. After the hearing, some of the citizens talked to staff representatives from the City and Water District and were able to get more questions answered.

He is requesting a revision to a resolution which as shown on page 21 of the agenda packet. They are the findings for the City of Scotts Valley. Chairperson Roger Anderson noticed that the findings had an extremely low growth rate .08% for Scotts Valley. He verified that those are AMBAG's adopted numbers for the City even though they are low. Staff recommends that two sentences be added to note that the population report is cyclical and the next cycle has already started. There will be an update in 2018 and the base population for Scotts Valley has already been readjusted. The update will have a higher growth rate.

<u>Commissioner Leopold</u> says that he offered to meet with any of the affected individuals and he did not hear from anyone. They must have done a good job of answering questions.

<u>Commissioner Lind</u> thinks one of the misunderstandings was that this action would immediately cause an effect. Once they understood, they felt much better about the information they received.

MOTION AND ACTION

Motion: Leopold	To adopt Resolutions No. 2016-13 and 2016-14 and include the
Second: J. Anderson	amendments for the City of Scotts Valley's report.
	Motion carries with a unanimous voice vote.

REVIEW OF THE WORK PROGRAM

<u>Mr. McCormick</u> continues to welcome feedback about the work program for the next six months. The Commission is interested in scoping a major fire study. The geographic extent could be as large as the whole County or a limited area. It could include one or more fire district consolidations, or it could include other cooperative services such as contracts for service or joint powers agreements.

He is beginning to make the rounds and talk to the fire agencies, the public, and the unions to see how much interest there is. To help the public and the Commission, he enclosed in the agenda packet a summary of 45 years of fire studies in Santa Cruz County going back to 1971. Included in the summary is a study that directed major improvements in fire Page 2 of 6

December 7, 2016 Minutes

protection in Santa Cruz County called the "Sierra Group Report." It took two drafts over a three year period; it included many recommendations, and most of them were implemented. The Sierra Group report suggested implementing a "911 concept". In 1975, if there was a fire, one had to dial a 7-digit number of the local fire department from a rotary phone. Each agency had their own dispatch procedure.

He wants to find out from the Commission what their priorities are over the next six months. The Commission has just gone through the first round of an accelerated service review methodology. He wants to know if the methodology needs improvements, whether it should be scrapped, or if it should be used for future reviews. This type of review is scaled down. The Commission decided not to use the scaled down version for three fire agencies: County Fire, Aptos La Selva, and Central. These fire agencies will get a more detailed study. When it is time for the water and sanitation agencies to be reviewed, a similar situation could happen where some agencies might need a more detailed review.

In the past, the Commission has adjusted its work program based upon applications being submitted. There is an inquiry from a property owner who owns one parcel adjacent to the Soquel Creek Water District (SCWD). It would need a sphere amendment. SCWD's review is more than five years old, so a service review will need to be done. SCWD has huge issues, but they also have a lot of information available. This inquiry has the potential water demand of a new house. He recommends putting SCWD as a top priority so he can start work on a service and sphere review as soon as possible. He contacted SCWD staff and they are available to supply any information needed to help with the reviews.

He wants to continue communicating with the fire agencies to see what they would want in a detailed report if they express interest.

Commissioner LaHue concurs that his water district is available to help.

He remembers hearing that some of the agencies felt they did not have enough time to respond to the review's questionnaire. They needed more time for their boards to discuss their review.

<u>Commissioner Leopold</u> is comfortable with the abbreviated format. He agrees with Commissioner LaHue's comments about giving the agencies enough time to meet with their boards. It is important to identify the agencies that want or need to look closer. He is concerned that the reviews are not done yet, and that puts the Commission at some risk. Moving forward to get the reviews done should be a top priority.

<u>Commissioner Bottorff</u> agrees with Commissioner Leopold and wonders if just the area of Central Fire and south should be concentrated on and not the City of Santa Cruz.

<u>Commissioner Friend</u> thinks that after speaking to the three unions from the City of Santa Cruz, Central, and Aptos La Selva fire districts, that they want all three agencies involved. They are interested in talking to their boards and the City's Council about a cost share with LAFCO. From a County Fire perspective, it would be great for LAFCO to be involved since they are insolvent. At a minimum, there is a unique opportunity for the largest fire districts in the County to be interested in a merger sooner than later. They have new boards, there is

Page 3 of 6 December 7, 2016 Minutes no fire chief at one of the fire agencies, and there is a potential for cost share. He wonders when the last time was that the head of a fire union came to LAFCO offering to participate in a merger.

He thinks because the unions are requesting it, that Central, Aptos / La Selva, and the City of Santa Cruz, should be involved. If there is a cost share, it will be easier to extend the scope. County Fire should be included because he is getting asked about this from his constituents. He understands from the unions that the coastal departments should merge first, and that will make it easier for Scotts Valley and other agencies. He thinks an extended study should definitely include Central and Aptos / La Selva. The debate would be whether to include the City of Santa Cruz and County Fire, but he would like to have them both included.

<u>Commissioner Jim Anderson</u> says there is much concern with the San Lorenzo Valley fire agencies about what will happen. The common thread he hears is that they are fine with a study as long as it does not cost them more money. It is more complicated to combine paid employees with volunteer organizations. The conversion from all volunteer to paid staff would be very time consuming.

He has tried to quell the idea that a fire study means mass consolidations. Studies are looking for efficiencies. His board is interested in participating, and he asked them to submit a letter to LAFCO with their intent.

<u>Chairperson Roger Anderson</u> adds that LAFCO has a limited amount of money and he wants to be sure that there will be value from any fire, water, or any other studies.

There have been 11 studies done over the last 40 to 45 years and some of the recommendations have been adopted. He is interested in knowing which types of recommendations have been adopted, and whether any political or economic facets in the present situation might make similar recommendations possible today. He would also like to know who paid for these studies. Some of the studies were done before Proposition 13 passed.

He wants a study to work, and he is not opposed to working with others about funding it or providing a significant contribution. He just wants to be sure that doing another study will be fruitful.

He wonders what other studies, such as water or some other types of consolidations, might make sense with the current issues agencies have. Water planning is a big issue currently and he wonders what LAFCO's role should be. He wants to make a good investment and provide a study that will be useful and solve some problems within this County.

<u>Commissioner LaHue</u> wants to confirm whether the Commission is going ahead with developing a scope after conferring with the districts about details such as cost sharing.

Commissioner Friend answers yes.

<u>Commissioner Leopold</u> understands the Chair's concerns. Since the Commission decided to do accelerated reviews, they heard from Aptos / La Selva that they wanted more. The labor representatives expressed that they were also interested in more. The Central FPD board majority has changed in the last election and they also express interest.

He believes Central FPD will be able to contribute financially towards a more extensive study. This is a great opportunity to have a majority of a board and a labor union interested in having these discussions. They currently do not have a permanent chief. If they are willing to contribute and it is affordable, he thinks they should take the opportunity.

At the last meeting, Aptos / La Selva's chief seemed hesitant after the Commission agreed to do what he wanted. It appears they have changed their minds. A new possibility has been potentially identified about Santa Cruz.

He agrees with his colleagues about having CSA 48 included because a problem needs to be fixed. Consolidation could be one of the ways to fix it.

<u>Commissioner Friend</u> says part of a motion should be to work with the districts to get contributions. Even if the Aptos / La Selva chief is uncommitted, there is a board majority and labor interests willing to look into a study.

<u>Commissioner Lind</u> thinks there is more interest and people willing to work together to explore this further. Both union and management seem willing to put the time in to look at options.

MOTION AND ACTION

Motion: Friend	To move the recommended actions.	
Second: Leopold	Motion carries with a unanimous voice vote.	

MEETING SCHEDULE FOR 2017

<u>Mr. McCormet</u> recommends the schedule should be the same for 2017 with meetings the first Wednesday or each month except for July.

MOTION AND ACTION

Motion: LaHue	To approve the 2017 calendar.	
Second: Leopold	Motion carries with a unanimous voice vote.	

RESOLUTION OF APPRECIATION

MOTION AND ACTION

Motion: Leopold	To adopt a Resolution of Appreciation for Art Smith.	
Second: J. Anderson	Motion carries with a unanimous voice vote.	



Ben Lomond Fire Protection District Post Office Box 27, Ben Lomond, California 95005 Telephone: 831-336-5495 Fax: 831-336-0300

December 13, 2016

RECEIVED

Santa Cruz Local Agency Formation Commission

Patrick McCormick, Executive Officer

701 Ocean Street, Room 318-D

DEC 21 2016

Santa Cruz LAFCO

LAFCO Board Members and Patrick McCormick,

The Ben Lomond Fire Protection District Board of Directors discussed the letter from LAFCO at our November 16, 2016 meeting. At this time Ben Lomond Fire Protection District is not interested in financially participating in the Santa Cruz County Sphere of Influence Action and the potential Fire Service Study. We feel that a study when it is time should be done with only the volunteer fire agencies and not lumped into the paid departments.

Sincerely,

Sourcles

Stacie Brownlee, Fire Chief



ZAYANTE FIRE PROTECTION DISTRICT

7700 East Zayante Road Felton, CA 95018 Ph: 831-335-5100 Fx: 831-335-5199

Santa Cruz LAFCO

December 15,2016

THOS & I NAL

Santa Cruz Local Agency Formation Commission 701 Ocean Street room 318-D Santa Cruz, Ca 95060

RECEIVED

Pat McCormick and LAFCO Board Members,

At the last regular Board meeting the Directors of the Zayante Fire Protection District read and discussed the letter regarding sphere of influence and fire service study. It seems this request for a more comprehensive study was driven by two firefighter unions in the mid-county area. The Grand Jury report from 2015-2016 Recommended no changes for the four San Lorenzo Valley Fire Districts. The Zayante Fire District would support a study of the two Districts requesting the study as well as CSA 48 if needed as long as our District does not incur any additional costs.

Regards,

John Stipes, Fire Chief

RECEIVED JAN 0 4 2017

12/27/2016

Aptos/La Selva Firefighters IAFF Local 3535 and the Professional Firefighters of Santa Cruz County IAFF Local 3605

Aptos-La Selva Fire Board of Directors 6934 Soquel Drive Aptos, Ca, 95003

Subject: Joint Labor Group position statement on LAFCO led merger study

For decades the possible benefits of mergers and consolidations between Fire Districts and Departments in Santa Cruz County have been discussed, debated and speculated upon. Opportunities have come and gone many times. An unprecedented generational opportunity has once again materialized. The field of emergency services of Santa Cruz County once again finds itself in the position where it must collectively look at the situation as it is and explore the benefits of charting a new course forward seeking answers to questions that have often been asked but never truly answered. The beginning of a search for answers is with the first ever true LAFCO led merger study of the Aptos-La Selva and Central Fire Districts

Multiple studies executed by various investigative and legislative bodies including LAFCO and the Santa Cruz County Grand Jury have concluded that the provision of emergency services in Santa Cruz County would be improved in terms of efficiency and efficacy; both economically and operationally through consolidated resources and decreased overhead costs. The last time this issue was broached it was determined that the administrative staffing levels of Central Fire and Aptos - La Selva combined were greater than that of Santa Clara County Fire Department.

The possible reductions in overhead administrative spending would allow for increased operational capabilities, a greater capacity to execute the primary mission of the fire service and greatly enhanced end user service delivery. One simple example: Central Fire is in possession of breaching equipment. Aptos - La Selva Fire has an in house shoring capability. In our present form we are fragmented and non coordinated. Together we have the beginnings of an in county USAR capability; an operational capability definitively needed for a geographically isolated county like Santa Cruz. The merging of Surf Rescue teams with the associated coverage area affords an even higher and enhanced level of response than what currently exists. Increased engine company staffing levels are possible for Fire/EMS and all other manner of incident. The list of operational benefits to

3.2.10

4ptos - La Selva and Central Fire - Firefighters Unions 3535 and 3605

the end user and the enhancement to the prosecution of the primary mission goes on and on.

To date, there have been numerous overview studies suggesting the benefits. However, to date there has yet to be a true merger study done between Aptos - La Selva and Central Fire. We find ourselves in a unique position on all fronts. Each agency is a special district in good financial standing. Perhaps even more significantly for the first time in decades we have two labor groups standing in solidarity, committed to answering the questions that have for so long gone unanswered. In the name of good governance and responsible stewardship of the public investment made in each of us we feel it is incumbent upon all of us to take this first exploratory step to uncover answers, direct us in how we can best serve our communities, and best prosecute the mission. We are only 3 Aptos - La Selva votes away from taking the first necessary step in this crucial discovery process.

We the combined constituencies of IAFF local 3535, and local 3605 pledge our full support in the funding of and logistical support work that would produce a comprehensive study of the merged and consolidated provision of emergency services to the tax paying public of both the Central and the Aptos - La Selva Fire Districts

Respectfully submitted,

Ryan Peters

President, IAFF Local 3535

Brian Aluffi President, IAFF Local 3605

3.2.11

CENTRAL FIRE PROTECTION DISTRICT BOARD OF DIRECTORS AGENDA

Tuesday, January 10, 2017 - 7:00 P.M.

Administration Office – 930 17th Avenue, Santa Cruz, CA Complete Board Meeting packets are available on request for review at the Administration Office, Fire Stations, and on Central's website. Call (831) 479-6842 or visit: www.centralfpd.com.

CALL TO ORDER

1.1 Pledge of Allegiance

1.2 Swearing in of New Board Members

Call Meeting to Order - Roll Call of Directors

2.0 CONSENT AGENDA

Matters listed under the Consent Agenda will be acted upon by one motion affirming the action recommended. There will be no separate discussion on items unless members of the Board or staff request removal of item for separate action.

Public Comment on Consent Agenda: This is the time for members of the public to address the Board on items that are on the Consent Agenda. Oral presentations should ordinarily not exceed 3 minutes per person.

- 2.1 Approve Minutes of Regular Board Meeting on December 13, 2016
- 2.2 Approve Expenditures for the Month of December in the amount of \$276,428.02
- 2.3 Approve Payroll for the Month of December in the amount of \$530.146.54
- 2.4 Approve Budgeted Transfer from FX 2016/2017 General Operating Budget to Fleet Services Budget in the amount of \$505,813.00
- 2.5 Approve Budgeted Transfer of Funds from General Operating Funds to Vehicle Replacement (76-495-100) in the amount of \$435,000.00
- 2.6 Approve Budgeted Transfer of Funds from General Operating Funds to Capital Outlay (76-510-001) in the amount of \$150,000.00
- 2.7 Approve Budgeted Transfer of Funds from General Operating Funds to Capital Equipment (76-505-001) in the amount of \$112,300.00
- 2.8 Review of Quarterly EZ One Financial Report
- 2.9 Review of Incident Response Types by Agency, 4th Quarter 2016
- 240 Review of 2016 Incident Response Annual Summary

Motion to Approve Consent Agenda

3.0 ORAL COMMUNICATIONS

Public Oral Communications upon matters not on the Agenda: Oral presentations should ordinarily be limited to 3 minutes per person. There can be no deliberation or action on items not on the agenda. The Board may refer a matter to staff or schedule discussion for a future meeting. The public should address the Board on items on the agenda during the Board's consideration of the item.

- 3.1 Staff Oral Communications
- 3.2 Board of Directors Oral Communications

4.0 CORRESPONDENCE

- 4.1 CalPERS to Lower Discount Rate to Seven Percent over the Next Three Years
- 4.2 2017 Election of Special District Member and Special District Alternate on LAFCO
- 4.3 Letter From Attorney Heather Gibson Dated January 3, 2017
- 4.4 Letter From Rvan Peters and Brian Aluffi Dated December 27. 2016
- 4.5 Letter From Brian Aluffi Dated January 4, 2017

5.0 COMMITTEE REPORTS

Standing committees are subject to Brown Act requirements. A written agenda is prepared and posted at least 72 hours prior to the committee meeting. An opportunity is provided for public input at committee meetings.

- 5.1 Board of Appeals: Committee Chair Report- Director Pederson
- 5.2 Facilities Committee: Committee Chair Report- Director Pederson
- 5.3 Finance Committee: Committee Chair Report
- 5.4 Oversight Committee: Director Cupples
- 5.5 Personnel Committee: Committee Chair Report- Director Pederson
- 5.6 Strategic Planning Committee: Acting Board Chair
- 6.0 STAFF REPORTS
 - 6.1 <u>FY 2016-17 Budgeted Fund Transfers Business Services Manager</u> Nancy Damhauser

7.0 CHIEF'S REPORT

7.1 Highlights-Interim Fire Chief Hall

8.0 NEW BUSINESS

- 8.1 <u>Selection of Board Chair and Vice Chair for 2017</u> Discussion/Action
- 8.2 <u>Selection of Committee Chairs and Committee Rosters for 2017</u> Discussion/Action
- 8.3 <u>Review and Approve Resolution 2017-01 Authorizing Change in Plan</u> <u>Coordinators and Primary Contacts for 457 Deferred Compensation Plans</u> Discussion/Action
- >
- 8.4 <u>Participation in the LAFCO Fire District Merger Study- Interim Fire Chief</u> <u>Steven Hall</u> Discussion

9.0 ADJOURNMENT

100

Note: The Board President requests that if you have any questions or wish clarification or additional information about any item on the agenda or contained in the attached materials, to please call the Fire Chief at (831) 479-6842 before the meeting. Information regarding items on the agenda may be reviewed at our business office located at 930 17th Avenue, Santa Cruz, California 95062, or you may view the agenda on our website at <u>www.centralfpd.com</u>



Aptos/La Selva Fire Protection District 6934 Soquel Drive • Aptos, CA 95003 Phone # 831-685-6690 • Fax # 831-685-6699

A-G-E-N-D-A

Aptos/La Selva Fire Protection District

Regular Board Meeting

Thursday, January 12, 2017 - 7:00 PM

Administration Office 6934 Soquel Drive Aptos, California 95003

Welcome to the Aptos/ La Selva Fire Protection District Board meeting. The President of the Board of Directors will invite your comments regarding any item listed on our open session agenda. The President may request that comments be limited to three (3) minutes for any item NOT listed on the agenda. The Brown Act prohibits the Fire Board from taking any action not listed on the agenda Agenda material including late additions to the agenda is available on the District's website www.aptosfire.com and at the District's Administrative Office during business hours.

0 ROLL CALL ABENDSCHAN, FOSTER, HURLEY, LUCCHESI, SPISAK

1.1 INTRODUCTIONS:

FIRE CHIEF JON JONES BOARD SECRETARY TRACY NEW

- 2.0 PLEDGE OF ALLEGIANCE
- 2.1 FIRE CHIEF JONES WILL PRESENT THE CAPTAIN BADGE TO RECENTLY PROMOTED CAPTAIN NIGEL MILLER (Recommended by Fire Chief Jones).
- 2.2 FIRE CHIEF JONES WILL PRESENT THE CAPTAIN BADGE TO RECENTLY PROMOTED CAPTAIN AARON HERSHEY (Recommended by Fire Chief Jones).

3.0 COMMUNICATIONS FROM/TO BOARD MEMBERS & PUBLIC

3.1 ORAL COMMUNICATIONS:

This time is set-aside for members of the public to address the board on any item NOT on the agenda, which is within the subject matter jurisdiction of the board. No action or discussion shall be taken on any item presented except that any board member may respond to statements made or

questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to the board will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any board member may place matters brought up under oral communications on a future agenda.

3.2 WRITTEN COMMUNICATIONS

4.0 CONSENT AGENDA

- 4.1 MOTION TO A CEPT AND FILE THE MINUTES OF THE REGULAR MEETING OF DECEMBER 8, 2010 (Recommended by Board Secretary New).
- 4.2 MOTION TO APPROVE SLAIMS DISBURSEMENTS OF DECEMBER 1, 2016 THROUGH DECEMBER 31, 2016 (Reconsended by Director of Business Services New).
- 4.3 MOTION TO ACCEPT AND FILE THE EZ ONE GENERAL LEDGER REPORTS FOR THE PRIOR MONTH-END (Recommended as Director of Business Services New).
- 4.4 MOTION TO APPROVE RESOLUTION 1-7 "WEED ABATEMENT" (Recommended by Division Chief Dirksen).
- 4.5 MOTION TO APPROVE RESOLUTION 2-17 "2016-17 APPROPRIATION LIMIT" (Recommended by Director of Business Services New).
- 4.6 MOTION TO APPROVE DISBURSEMENT TO SANTA CRUZ REGIONAL 9-1-1 IN THE AMOUNT OF \$41,551.50 FOR THE SECOND HALF 2016-17 SERVICE FEE (Recommended by Fire Chief Jongs).
- 4.7 MOTION TO DECLARE HURST HYDRAULIC TOOLS, PORTABLE & DIOS, 2001 DODGE DAKOTA TRUCK, AND 2009 CARRY-ON-CARGO TRAILER AS SURPLUS PROPERTY
- 4.8 PL BLIC COMMENT ON CONSENT AGENDA ITEMS?

ITEMS REMOVED FROM CONSENT AGENDA

- 6.0 UNFINISHED BUSINESS
- 6.1 DISCUSSION AND APPROVAL TO PROVIDE WRITTEN RESPONSE TO LAFCO COMMISSIONERS REGARDING LAFCO FIRE SERVICE SPHERE OF INFLUENCE REVIEW (Recommended by Fire Chief Jones).

UNFINISHED BUSINESS - AGENDA ITEM # 6.1 BOARD OF DIRECTORS MEETING January 12, 2017

TO: Board of Directors, Aptos/La Selva Fire Protection District

FROM: Jon Jones, Fire Chief

SUBJECT: LAFCO - Fire Service/Sphere of Influence Review

Summary:

This item is submitted for discussion and action on the LAFCO Fire Service Review process.

Recommended Action:

Provide a written response to the LAFCO commissioners outlining the context and scope of a proposed fire service review.

Background:

On June 6th, 2016 the Aptos/La Selva Fire Protection District received a letter from LAFCO requesting that we complete a checklist, which would suffice as an accelerated Fire Service and Sphere Review. President Hurley provided a written response to the LAFCO Board indicating our District's desire to have the Aptos/La Selva Fire and Sphere review pulled, recommending a more considered review Santa Cruz County fire service spheres of influence.

I attended LAFCO Board Meetings on August 3rd, and November 2nd to convey the Aptos/La Selva Board's recommendation to LAFCO. At the November meeting, the LAFCO Board voted to approve pulling the fire service review for Aptos/La Selva, Central Fire, and CSA 48/County Fire.

On December 12th, 2016, Director Abendschan and I met with LAFCO Executive Officer Pat McCormack and LAFCO Board Member Jim Anderson. The purpose of the meeting was to identify what the Aptos/La Selva Fire District perceived as the context and scope of a fire service review now that the LAFCO Board had agreed to pull the fire service/sphere review for Aptos, Central, and CSA48.

Mr. McCormack and Mr. Anderson also provided insight into the LAFCO funding mechanism, appropriation of LAFCO revenues, a historical perspective on past service reviews, competing interests within the process, and services provided by the LAFCO office.

LAFCO has asked that we provide the LAFCO Board with the direction of the scope and context of a Fire Service review and a method for funding such an endeavor.



LAFCO A	PPLICATIONS
None	

DATE STATUS

LAFCO HEARINGS None

DATE STATUS

LAFCO HEARINGS COMPLETE	DATE	STATUS
PASATIEMPO GOLF COURSE	11/2/16	Approved
REORGANIZATION		
LAFCO No. 960		
FORMATION of HUCKLEBERRY ISLAND	8/3/16	Extension approved
COUNTY SERVICE AREA #60		
LAFCO No. 957		



Santa Cruz Local Agency Formation Commission 701 Ocean Street, Room 318-D Santa Cruz, California 95060 Phone: (831) 454-2055

Email: info@santacruzlafco.org Website: www.santacruzlafco.org

SALARIES OF EXECUTIVE OFFICER AND SECRETARY-CLERK

Date: January 25, 2017 for February 1st Agenda To: LAFCO Commissioners From: Patrick M. McCormick, Executive Officer ?... Subject: Staff Salaries

Summary: The Commission will consider a resolution adjusting the staff salaries.

The Commission's Personnel Policy requires an annual review of the Executive Officer's performance as well as the compensation levels for all staff. The Commission received the 2016 Personnel Committee's report at its December meeting. In open session at its December meeting, the Commission directed its legal counsel to prepare a resolution granting both employees 8% raises.

The attached draft resolution would implement the salary adjustments.

Attachment: Draft Resolution No. 2017-1

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION RESOLUTION NO. 2017-01

On the motion of Commissioner duly seconded by Commissioner the following resolution is adopted:

ADJUSTING SALARIES AND BENEFITS

WHEREAS, on June 7, 2000, this Commission adopted a Personnel Policy to review annually the salaries and benefits it provides to its employees, and to make any appropriate adjustments each year; and

WHEREAS, pursuant to this Personnel Policy, the Personnel Committee has conducted a review and presented its 2016 report to the entire Commission; and

WHEREAS, this Commission has received the Personnel Committee's report and has determined to adjust salaries and benefits provided to its employees;

NOW, THEREFORE, BE IT RESOLVED that:

Secretary-Clerk Salary

 Effective January 1, 2017, the Secretary-Clerk is granted a 8.00% increase in salary.

Executive Officer Salary

- Effective January 1, 2017, the Executive Officer is granted a 5.00% increase in salary.
- In addition, effective <u>January 1, 2017</u>, the Executive Officer is also granted a 3.00% longevity bonus in recognition of his years of service.

The Auditor-Controller is requested to make the appropriate changes.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 1st day of February 2017.

AYES:

NOES:

ABSENT:

Roger W. Anderson, Chairperson Santa Cruz Local Agency Formation Commission

Attest:

Patrick M. McCormick, Executive Officer

Approved as to form:

T. Brooke Miller, LAFCO Counsel



Date: January 26, 2017 for February 1st Agenda
To: LAFCO Commissioners
From: Patrick M. McCormick, Executive Officer R. C.
Subject: Election of Chairperson and Vice-Chairperson for 2017

Summary: At the first meeting of each calendar year, the Commission elects its Chairperson and Vice-Chairperson.

Recommendation: Elect Chairperson and Vice-Chairperson.

The Commission's rules state that the Commission elects its Chairperson and Vice-Chairperson at the first meeting of each calendar year. The new Chairperson would preside at the March 1st LAFCO meeting.

The officers for the last seven years are listed below. There is no rule of succession or rotation.

	Chair	Vice Chair
2010	Leopold—County	J. Anderson—District
2011	R. Anderson-Public	J. Anderson—District
2012	N. Coonerty-County	Dodge—City
2013	Dodge—City	J. AndersonDistrict
2014	J. Anderson-District	Friend—County
2015	Friend—County	R. AndersonPublic
2016	R. Anderson-Public	LaHueDistrict

It is RECOMMENDED that the Commission elect a Chairperson and Vice-Chairperson for 2017.



Santa Cruz Local Agency Formation Commission 701 Ocean Street, Room 318-D Santa Cruz, California 95060 Phone: (831) 454-2055

Email: info@santacruzlafco.org Website: www.santacruzlafco.org

December 20, 2016 Certified Mail

Chair Alba Recreation & Park District 12085 Alba Rd. Ben Lomond CA 95005

SUBJECT: 2017 ELECTION OF SPECIAL DISTRICT MEMBER AND SPECIAL DISTRICT ALTERNATE ON LAFCO

Dear Board Chairperson:

- 1

The independent special districts in Santa Cruz County have three positions on the LAFCO board. Tom LaHue (Soquel Creek Water District) is in the middle of a four-year term as a regular LAFCO member. Jim Anderson (Felton Fire Protection District) is nearing the end of his four-year term as a regular LAFCO member. Art Smith (Scotts Valley Fire Protection District), the Special District Alternate did not get re-elected to another term on the fire protection district board. As a result, his position on LAFCO is now vacant. The purpose of this letter is to solicit nominations for the regular member position and for the alternate member position.

The term of the regular position begins on May 1, 2017 and ends on May 3, 2021. Under the selection rules, the two regular members cannot be from the same type of district (fire, water, recreation, miscellaneous). Since the regular member currently in the middle of a term is from a water district, the regular position being filled cannot be from a water district. The pool of people eligible to apply for the regular member term is anyone who is on the board of an independent special district in Santa Cruz County, except for water district and water management agency board members.

The alternate term is currently vacant and ends on May 3, 2021. The pool of people eligible to apply is anyone who is on the board of any independent special district in Santa Cruz County. There are no restrictions regarding the type of district.

I have attached a form by which a board member may apply for either or both positions. An electronic format of the form can be accessed at:

http://www.santacruzlafco.org/wp-content/uploads/2016/12/Special-District-Regular-Alternate-Nomination-Fillable-FAlba Recreation & Park Districtorm-2017.pdf

(OVER)

Please share this memo with other members of your board. <u>The deadline for returning completed</u> <u>nominations is 5:00 p.m. on February 17, 2017</u>.

Also, if you have any preferences whether to conduct the election by mail or by a meeting in person, please let me know no later than February 17, 2017.

The selection process rules are posted at: <u>http://www.santacruzlafco.org/Library/Selection%20Committee%20rules.pdf</u>

LAFCO staff is available to answer any questions about the selection process. After February 17, 2017, each district's presiding officer will be sent the nominations, along with an explanation of the voting process.

Very truly yours,

Patrick M. McCormick Executive Officer

Enclosure: Nomination Form

Neighbors question water issue

Soquel Creek Water District about to launch EIR to study impact

INPUT SOUGHT

By Jessica A. York

jyork@santacruzsentinel.com @ReporterJess on Twitter

APTOS>> Soquel Creek Water District customers were drawn out on a drizzly Wednesday to hear about the future of their water supply.

For many of the more than 100 attendees at two separate sessions held at Twin Lakes Church, however, water security fell lower on the priority list than how a potential new water treatment plant would impact their neighborhoods.

The water district is in the earliest stages of launching a full environmental impact study on its Pure Water Soquel project that would cleanse wastewater otherwise pumped out into the ocean and inject the recycled water back underground into the drinking water table. Prior to conducting the study, however, Soquel Creek Water District officials are asking for the public's specific questions and areas of concern to integrate into the process, through Dec. 21.

Separately, the district is keeping open lines of communication with a Moss Landing private desalination plant effort, DeepWater Desal, and working on buying excess water from neighbor Santa Cruz Water Department.



Soquel Creek Water District Associate Manager Melanie Mow Schumacher speaks to about 25people at Twin Lakes Church on Wednesday night about an upcoming environmental water recycling project study.

JESSICA A. YORK - SANTA CRUZ SENTINEL

During Tuesday's second and more sparsely attended evening session, three attendees surrounded district Chief Engineer Taj Dufour, peppering him with questions about the proposed projects. The three said they live close to the water district headquarters and its adjacent land at Soquel Drive and Capitola Avenue, where a new treatment plant is envisioned. Separately, the three voiced concerns about smell and noise, plus construction work's vibration and traffic impacts.

"I'm worried about my home values with putting a sewer treatment plant down the road from my house. I'm not too thrilled about that," said Matt Mettalia.

Under the still wide-open parameters of the potential project, the treated water facility would either utilize pretreated water piped in from Santa Cruz's wastewater treatment plant at Neary Lagoon, or untreated raw sewage from the Santa Cruz County Sanitation District collection system. General Manager Ron Duncan said the pre-treated city water would smell similar to pond water and still need to be run through microfiltration,

Page 107 of 112 http://santacruzsentinel.ca.newsmemory.com/ee/_nmum/_default_bb_include_inframe.php?token=... 12/8/2016 reverse osmosis and ultraviolet and advanced oxidation treatments, then sit for two months before being injected into wells leading to the underground aquifer.

Resident James Berg asked if the district is leaning toward a preferred wastewater source, to which Dufour said piping in the pre-treated water would be the more affordable option, due to the high cost of building a new full water treatment facility that spreads to fill much of the 2-acre site and includes a large membrane bioreactor.

"We don't want it to smell," Dufour said. "We visited some other sites, and that was one of their main concerns."

In response to other questions, Dufour said that several other sites, including ones on Bay Street in Capitola, near the church on Cabrillo College Drive, and even at the city of Santa Cruz's water treatment facility had been explored but were nixed.

Thursday, 12/08/2016 Pag.A02

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News from the Board of Directors

CALAFCO Board and Staff Meet in Biennial Strategic Planning Retreat

On January 11, 2017, the CALAFCO Board held their biennial strategic planning retreat in San Jose. During the day-long retreat they reviewed Association accomplishments for 2016, completing the annual dashboard review in the process, reaffirmed CALAFCO's mission as an educational 501(c)3 non-profit Association, and worked extensively in the review of the current strategic plan priority areas.

The group comprehensively discussed the idea of transitioning to a lobbying organization and after carefully and thoroughly reviewing all options and their pros and cons, the Board unanimously reaffirmed the educational mission of the organization.

An in-depth discussion regarding roles and responsibilities of the Board. Staff and the organization's Committees yielded several policy changes including a change in the name and scope of work for the Board's Nomination Committee (now called the Election Committee). effective immediately, and a change in the membership structure of the Legislative Committee, effective 2018. The Legislative Committee will be comprised of five (5) total voting and five (5) total alternate Board members (one less than current), and two (2) voting members from each region with one (1) alternate per region. There will also now be an Advisory Committee which will be a resource to the Legislative Committee to work on specific bills or legislative projects.

A great deal of time was spent considering how CALAFCO can expend its limited resources in the area of member development.

All of the work done during the retreat will be presented back to the Board in the form of a 2-year strategic plan for consideration and adoption at their May 5 meeting.

Additional CALAFCO Board Actions

Following their strategic planning retreat, the Board met in a regular Board meeting on January 12. During the meeting the Board addressed several administrative issues including: The quarterly financial reports



- were reviewed. The budget is on track for the year with no changes anticipated.
- The Board considered the 2017-18 dues. CALAFCO Bylaws call for the dues to automatically increase annually by the state CPI, unless the Board takes action otherwise. Given the decision two years ago to raise LAFCo member dues by seven (7) percent each year for two years, the Board took action to not increase the dues by the CPI and reaffirmed the 7% increase. This is the second and final year of that

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approved increase. All Executive Officers received the approved dues for FY 2017-18.

- The Legislative Policies for 2017 were adopted.
- The 2017-2018 Primary Strategic Areas were adopted as follows:
 - Educational resource for internal and external stakeholders
 - Member development and communication
 - Act as a resource

The Board narrowed the scope of the Strategic Plan to be better equipped at using existing resources in a way that brings greater value to the Association, its members and stakeholders. The Board will adopt a full two-year Strategic Plan at their May 5 meeting. That Plan will detail objectives for the three strategy areas.

Conferences and Workshops Update

2017 STAFF WORKSHOP

The 2017 Staff Workshop is set for *April* 5-7 at the Doubletree by Hilton in downtown Fresno. Our host for this workshop is *Fresno LAFCo*. The Program Planning Committee is busy planning a great program. There is a long list of interesting topics being considered by the program team and a draft program will be made available by mid-February. Look for registration to open at that time as well. Registration rates for the Workshop will remain at the 2016 rates.

2017 ANNUAL CONFERENCE

Mark your calendars for the 2017 Annual Conference on *October 25-27*. We will be in Mission Bay, San Diego at the Bahia Hotel. Watch for preliminary program announcements in the spring. This is the first year for a *CALAFCO* hosted Conference and we are looking at lots of new and interesting ideas, so you will not want to miss out on this exciting and valuable educational and networking event!

CALAFCO White Papers and Other Publications

We are pleased to start the year with the release of the White Paper on the Sustainable Groundwater Management Act



(SGMA) and LAFCos. The purpose of this paper is to summarize how SGMA will impact LAFCos across the state. You can find this paper on the CALAFCO website.

In partnership with the American Farmland Trust (AFT), we are currently working on a White Paper on *Ag Policies*. Work on this project is anticipated to be completed this July.

News from the Board of Directors

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CALAFCO is undertaking a White Paper and mapping project on *Disadvantaged Unincorporated Communities* throughout the state. This is one of our main projects for 2017 and work will begin very shortly on this project.

CALAFCO Website

We are pleased to report the migration to the new and improved website was conducted seamlessly the last week of December. If you have not already checked it out, take a visit at www.calafco.org and see for yourself. Remember that in order to access the Members Only section you must request a new user name and password, unless you were previously using your own unique user name and password. To make that request, from the homepage select the orange Login button at the top right. Select Create New Account, enter your desired user name and your email address, and then click on the Create New Account button. CALAFCO staff will be notified of your request and upon verification of your affiliation with a LAFCo or Associate Member, your request will be approved. No requests will be approved unless the person is directly associated as staff or commissioner of a LAFCo or directly affiliated with the Associate Member's business (an employee).

CALAFCO Administration Update

2016 CKH Guide Update Now Available

The 2016 CKH Guide Update is now available. You can download the new Guide from the CALAFCO website, or place your order with CALAFCO for printed versions. The order form is also located on the CALAFCO website.



2017 Calendar of Events Published

The 2017 Calendar of Events is available online at the CALAFCO website and has also been distributed to the membership via the list serves.

2017-2018 Membership Directories

Watch for the new printed directories coming this spring. They will be distributed at the Staff Workshop and will also be available online.

CALAFCO Legislative Update

This is the first year of the new twoyear legislative cycle. Not surprisingly, it's a slow start for bill introductions with only 396 bills introduced so far in both houses. The deadline to submit bill language to Leg Counsel was January 20, and the last day for bill introductions is February 17. It is expected that over the next several weeks the blitz of bill introductions will occur. This year, the Assembly has the



authority to introduce ten additional bills per Legislator per year than before, bringing the total to 50 for each Assembly Member. This could mean as many as 800 more bills introduced this year than in previous years.

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The Senate has made their Committee appointments and the Senate Governance & Finance Committee (SGFC) has a new Chair – Senator Mike McGuire. Former Chair Senator Hertzberg is now a member of the Committee. Other than Senator McGuire, there are no new members on this committee. The long-time staff consultant to the committee (Brian Weinberger) was replaced with Jimmy MacDonald, former legislative advocate for CSDA.

The Assembly has made their Committee Chair appointments, and just recently made their membership appointments. The Assembly Local Government Committee (ALGC) has a new Chair - Assm. Cecilia Aguiar-Curry. She is a former Mayor and Yolo LAFCo Commissioner. In total, 8 of the 9 committee members are new to the committee.

CALAFCO is working to secure an author for our sponsored bill amending GCS 56653, as previously approved by the Board. In addition, we are working with CSDA as they take the lead to secure an author for our co-sponsored bill to streamline the addition of special districts on LAFCo.



CALAFCO Associate Members' Corner

This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

E Mulberg & Associates

E Mulberg & Associates has been a Silver Associate Member since March 2011. Services offered include Municipal Service Reviews, Sphere of Influence updates, changes in organization, staff reports, CEQA analysis, and assistance with applications to LAFCO. For more information, contact **Elliot Mulberg** at <u>elliot@emulberg.com</u> or visit their website at www.emulberg.com.

Goleta West Sanitary District

A Silver Assocaite Member since August 2011, Goleta West Sanitary District provides wastewater collection and



treatment as well as street sweeping services. Formed in 1954, the district serves over 35,000 people. For more information, visit their website at

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www.goletawest.com, or email their *General Manager Mark Nation*, at info@goletawest.com.

LACO Associates

LACO Associates has been a Silver Associate Member since February 2012. LACO provides integrated solutions for development, infrastructure and geoenvironmental projects. Their services include planning, design, engineering and geoenvironmental as well as CEQA compliance, GIS, MSRs and economic studies. For more information visit their website at <u>www.lacoassociates.com</u>, or email their **President Mike Nelson** at <u>nelsonm@lacoassociates.com</u>.

Griffith & Masuda

Griffith & Masuda has been a Silver Associate Member since March 2012. Founded in 1920, they specialize in water, energy, environmental and public law matters. They focus on serving public agencies and serve as general counsel or special water counsel to various agencies in the Central Valley. For more information, visit their website at <u>www.calwaterlaw.com</u> or email **David Hobbs** at <u>dhobbs@calwaterlaw.com</u>.

HdL Coren & Cone

Hole Companies Cone has been a Silver Associate Member since July 2013. They provide property tax services to cities, counties and special districts. They are very familiar with county property allocation systems and redevelopment (and its dissolution). They have property tax data in 40 California counties going back as far as 25 years. For more information, visit them at www.hdlcompanies.com, or email Paula Cone at pcone@hdlccpropertytax.com.

Planwest Partners, Inc. Planwest Partners Inc. has

been a Silver Associate Member since August

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2014. They provide contract LAFCo staffing services to multiple LAFCos. This includes preparing and conducting MSRs and SOI updates, public noticing, environmental documents, GIS, fiscal and economic studies, website management, application processing, facilitation and training. For more information, visit them at www.planwestpartners.com, or email *George Williamson* at georgew@planwestpartners.com.



Mark Your Calendars For These Upcoming CALAFCO Events

- CALAFCO Legislative Committee meeting, January 27, Sacramento
- CALAFCO Legislative Committee meeting, February 24, Irvine
- CALAFCO Legislative Committee meeting, March 24, Sacramento
- CALAFCO Staff Workshop, April 5-7, Fresno
- CALAFCO Board of Directors meeting, May 5, Sacramento

Upcoming CALAFCO Conferences and Workshops

2017 STAFF WORKSHOP April 5 – 7 DoubleTree by Hilton Fresno Convention Center Fresno, CA Hosted by Fresno LAFCo

> 2017 ANNUAL CONFERENCE October 25 – 27 Bahia Mission Bay San Diego, CA Hosted by CALAFCO

2018 STAFF WORKSHOP

April 11 - 13 Four Points Sheraton San Rafael, CA Hosted by Marin LAFCo

2018 ANNUAL CONFERENCE

October 3-5 Tenaya Lodge Yosemite, CA Hosted by CALAFCO

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FedEx shows off new facility

Modified: Friday, Jan 13th, 2017 Register-Pajaronian BY: TODD GUILD and ERIK CHALHOUB

WATSONVILLE - Nearly 100 people gathered in the new FedEx facility Thursday to celebrate the company's vast 194,000square-foot facility, a project more than 10 years in the making.

The ribbon-cutting ceremony drew city and county officials, along with business people and county residents.

The ground shipment facility is a warren of overhead conveyor belts and chutes, all tied into a series of loading docks. FedEx officials say the facility processes as many as 18,000 packages every day.

"This is a happy day," said George Ow of Ow Commercial, which owns and developed the property. "It took a lot of people, a lot of time, a lot of energy and a lot of expertise for this to happen."

The company began operations on Sept. 9, nearly a year after construction began. The completion of the facility, which sits on the Manabe-Ow property, marked the end of a Watsonville saga.

The Manabe-Ow Business Park is a 95-acre site located just east of Highway 1 near Ohlone Parkway.

Ow Commercial purchased the land in 2005 from William Bergstrom, who had been trying for nearly two decades to annex it from Santa Cruz County. The property was annexed in 2006.

The Watsonville City Council unanimously approved the Manabe-Ow Specific Plan in October 2010, which lists out rules for traffic, building height, roads and environmental concerns, among other things.

The plan among other things prohibited "big-box" stores and automobile sales.

FedEx officials said the site was chosen for its ease of access to major highways, proximity to customers' distribution centers and a local workforce.

Watsonville Mayor Oscar Rios said he was excited about the jobs that have been, and will be, created.

FedEx spokeswoman Nikki Mendicino said that 90 people currently work at the facility.

"This is great," Rios said. "It took a lot to make this happen."

The giant building, readily visible from Highway 1, replaced the company's former location at 165 Technology Drive.

The new location is part of FedEx's nationwide expansion. Since 2005, the company has opened 12 new hubs and expanded or relocated more than 500 local facilities.

Ow Commercial is also currently developing the 27.5-acre parcel adjacent to the FedEx building.

"That to my knowledge is the largest readily developable piece of land in the region, and certainly in the county," said developer Benjamin Ow.

Ow said his company has seen interest from some prospective clients for the parcel, which is zoned for industrial, warehouse and manufacturing, and can offer as much as 400,000 square feet.

Ow said some retail development is also possible on Ohlone Parkway.

City Manager Charles Montoya said the completion of the project was the result of many people working together over the years.

"This project is a vision from well over a decade ago," he said. "We appreciate the foresight to get us to this point."