

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *AGENDA OF AUGUST 28, 2019*

### *REGULAR MEETING*

**TO:** Shiva Frentzen, Chair, and  
Members of the El Dorado County Local Agency Formation  
Commission

**FROM:** José C. Henríquez, Executive Officer

**AGENDA ITEM #7:** **CONSIDER AND PROVIDE DIRECTION TO STAFF ON  
LAFCO INITIATING THE CONSOLIDATION OF GARDEN  
VALLEY, GEORGETOWN AND MOSQUITO FIRE  
PROTECTION DISTRICTS**

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#### **RECOMMENDATION**

Staff recommends that the Commission consider the information contained in this report and provide direction to staff on whether LAFCO should initiate the consolidation of Garden Valley, Georgetown and Mosquito Fire Protection Districts. LAFCO has the authority to do so under Government Code Section 56375(a)2(A).

#### **REASON FOR RECOMMENDED ACTION**

This item was placed on the Agenda at the request of Chair Frentzen and Vice Chair Veerkamp. The issue of the long-term viability of fire districts in El Dorado County – poor rural districts in particular – has been studied extensively by LAFCO and by other entities, including the County of El Dorado, the Grand Jury and the fire districts themselves.

As it relates to the three districts in question, the Garden Valley and Mosquito FPDs were actively studying the effort to consolidate, with Georgetown FPD at one point joining the group before withdrawing. Over the summer, at a community meeting in Mosquito, board members of the Garden Valley and Mosquito FPDs were discussing moving forward in the Fall of 2019. During the week of August 12, 2019, Mosquito FPD notified Garden Valley of postponing action until February 2020 at the earliest.

#### **BACKGROUND**

There are currently 13 fire suppression agencies in El Dorado County, four of which provide service to the Georgetown Divide. The issue of consolidation among the fire

agencies, either in various combinations amongst each other or into a single provider, has waxed and waned for 20 years. Numerous discussions and meetings have been had in the past 13 years alone, with several entities studying the issue in various formats. The Grand Jury has conducted at least 4 reports in the past 7 years. In 2010, LAFCO administered the Citygate Report on behalf of the County and the fire districts and since September of last year held two study sessions on the subject (refer to Attachments A and B).

It is a known fact that half of the fire districts in El Dorado County have been struggling financially since the Aid to Fire Program and its successor program (“The Patch”) ended between 2009 and 2012. Since 2008 LAFCO staff has actively participated and provided input on various consolidation proposals contemplated by different stakeholders. The districts themselves have independently implemented their own initiatives, either through voluntary efforts (“Commission of Collaborative Boards”) or some formal arrangements like contracting for services.

#### *How Did We Get To This Point?*

Despite all of these efforts, in the last 10 years no further efficiencies in the system have been gained with exception of the former Latrobe FPD’s annexation into El Dorado Hills County Water District (EDH Fire). The contract for services model has not evolved into a more collaborative effort despite the attempts by Georgetown (GEO) and Garden Valley (GRV) FPDs and Meeks Bay and North Tahoe FPDs. What makes consolidation so difficult is the interplay of three factors: finances, staff resources and political will.

On the Divide, various false starts have occurred. In the early part of this decade, GEO and GRV had a shared services agreement – with a stated eye towards eventual consolidation – that faltered a few years later over a contract dispute. In 2017 GRV and Mosquito FPD (MQT) entered into a shared services agreement and in late 2018/early 2019 actively studied consolidation. GEO joined this effort for a few months before withdrawing again. In mid-August 2019, the MQT Board of Directors asked GRV to pause this process.

#### *The Givens*

While the financial numbers of the Citygate Report are outdated, the dynamics relating to fire and emergency services remain the same. Specific to Garden Valley, Georgetown and Mosquito Fire Protection Districts, the following are known knowns:

- GRV, GEO and MQT have severely strained finances and must rely on non-recurring revenues – in the form of grants and strike team funds – to get by, each to a varying degree.
- While all three districts have some paid personnel, the majority of their corps is composed of volunteers, some of whom receive some compensation via a stipend. Unless they are employed in the Divide or are within a relatively short distance to the firehouse, volunteers are not available to deploy in an emergency.
- The pool of available people to volunteer shrinks because of the NFPA and OSHA requirements for volunteers to have the same level of training and equipment as paid personnel. Few people have the time to devote towards keeping their

certification on top of a full-time job, a commute and other personal commitments. Changing these requirements is a non-starter because it is beyond the authority of any local entity and merits no further discussion.

- The pool of volunteers is relatively shallow as the average age of the population on the Divide increases and young people leave the area for other financial opportunities. This trend has accelerated in the recent past.
- There is only one ambulance stationed in the Divide, staffed by GEO personnel. This ambulance is oftentimes redeployed to cover areas where another ambulance has been dispatched to respond to an emergency.
- For a while now, GRV has used grant funding to staff its engines at an Advanced Life Support (ALS) level in order to provide more robust emergency medical services to the Divide, especially during the times in which the GEO ambulance has been redeployed. Maintaining ALS personnel has been difficult because of funding but also because there is an insufficient number of calls within GRV to maintain certification.
- GRV provides the lion's share of coverage in the Lotus-Coloma area due to the closure of nearby fire stations by El Dorado County FPD.
- Unless the MQT station is staffed, the response times from outside Mosquito FPD can be at least 40 minutes out.
- GEO continues to have significant capital needs that go unmet, including a seismically deficient firehouse and aging equipment.
- While all three fire departments currently have good response times, meaning they have sufficient numbers in their corps to respond to emergencies effectively, their ability to do so in the long term is highly questionable. It is not just a question of volunteers but also finances.
- Response times is only one side of the equation. The ability of any one district to have an effective weight of attack can vary on the emergency.
- Because all three districts rely heavily on volunteers (not just frontline firefighters but also administrative) and because of the command structure of firefighting, the amount of money that can be captured through the elimination of administrative redundancies is low. Firefighting is one of those services that is labor intensive. The number of fire stations that need to be staffed have to remain the same in order to keep response times reasonable and within the General Plan guidelines. The number of firefighters and shifts are unlikely to change for the same reason. Whatever cost savings that can be achieved will be by eliminating redundancies through a unified command structure.
- The failure to consolidate usually falls under one of the following four categories:
  - o The expectation that additional funds will be provided by someone (usually the County) from somewhere;
  - o Directors do not want to consolidate;
  - o Staff (be it the chief, firefighters or both) does not want to consolidate;

- A district's constituency does not want their district to consolidate because of a long-standing sense of community identity; although this tendency is somewhat waning as resident turnover continues in the county in general and the Divide specifically.

### *Statutory Authority and Process*

LAFCO has the authority to initiate its own petitions under Government Code Section 56375(a)2 (refer to Attachment A-1). LAFCO-initiated petitions go through a similar process as other projects with some notable differences (refer to Attachments C and D):

- GC Section 56375(a)3 requires that the action be consistent with a recommendation or conclusion of a study. This study could be either a municipal service review (MSR) or a special study. Because no already-conducted study has looked at the consolidation of GRV, GEO and MQT specifically, a new study will have to be commissioned. At the very least, this will be necessary to resolve the question of whether a sufficient amount of cost savings through consolidation can be realized to make a combined Divide FPD viable in the long term or whether additional funds will be necessary.
- Once the Commission adopts a resolution to initiate the consolidation, the subject agencies have 60 days to adopt a proposal that is substantially similar to the petition adopted by the Commission. If that happens, LAFCO's proposal is set aside and LAFCO staff processes the subject agencies' project.
- At the Conducting Authority hearing, a protest threshold of only 10% of registered voters in any of the subject agencies is needed to throw the question into an election. Ten percent of all landowners owning 10% of the assessed value in any of the subject agencies will also trigger an election.

Please note that other parts of the LAFCO process are still required, most notably noticing requirements, the creation of a service plan, the property tax negotiation (AB-8) process and a determination consistent with the California Environmental Quality Act.

### *Issues*

It is accurate to state that several vested parties, including the staffs and board members of the districts themselves, have expressed their frustration that there has been so little movement when it comes to fire district consolidation.<sup>1</sup> The issue is admittedly complex with many moving parts and the real question as to whether consolidation will lead to cost savings or make matters worse.

Staff has identified the following issues for the Commission's consideration:

- Who Will Pay: If LAFCO initiates the action, LAFCO will have to absorb not just the cost of processing the petition, but also the cost of the special study. While there was an \$8,000 savings in the cost of outsourcing the EID MSR, that will not be sufficient to pay for this report. The Commission will have to adjust its budget expenditures to accommodate this cost.

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<sup>1</sup> The Latrobe FPD/EI Dorado Hills CWD reorganization being the sole exception until the week of August 12, 2019. The Rescue FPD and EI Dorado Hills CWD boards voted to hold discussions that will lead to the annexation of the former into the latter's service area.

- How Will This Action Be Perceived: Should the Commission decide to proceed with the consolidation, the move will be unpopular with at least some of the directors, if not the entirety of a board. It may be seen as a hostile action by an “outsider” agency and the districts may register their displeasure by formal action.
- A Low Bar: The protest threshold that would trigger an election is extremely low. If the LAFCO action proves unpopular with the directors (or an entire board), they can generate a lot of opposition in their communities relatively quickly. With such a low threshold, getting 10% of voters to submit their protest will not be difficult in any one of the three districts. LAFCO staff expects that 10% of protests will be achieved.
- A Time of Discontent: Because the special study will take time to prepare, that is additional time the opponents will have to generate hostility of the action in the community.
- The Cost of Democracy is High: Elections are expensive and the time it will take to conduct the study means that it will be too late to pose the consolidation question in the 2020 primary or general election. As a result, your Commission will not be able to take advantage of cost sharing. You will need to raise agency contributions in the 2020-21 budget to absorb this cost.
- The Cost of Everything Will Be High: Your Commission will be heading into uncharted and untested territory. Recent LAFCO-initiated actions have been relatively uncontested (the dissolution of inactive districts in Yolo County) or have the full force of the Legislature behind it (the dissolution of the Sativa Water District in Los Angeles County). Expect expenses to increase, not just for staff but also for legal expenses since a close coordination with Counsel will be necessary to ensure all of the requirements under the Cortese-Knox-Hertzberg Act are met at every step of the way.
- Brother Can You Spare Some Data: If this action is viewed as hostile, there is a high likelihood that the agencies (staff, directors or both) will withhold their cooperation or be recalcitrant to provide information to LAFCO staff or its consultant. Legally they must comply with any LAFCO request for information, but they could prolong the process or make it needlessly difficult.
- Who Will Be the Advocate: As a public entity, LAFCO (or any other agency, for that matter) is relegated to providing non-partisan information during a campaign. It cannot advocate on its behalf in the election. An individual or a private party will have to take the lead and at this point it is not readily clear who that would be. The opponents have the time to organize and fundraise their effort.
- Will a Patch Matter: When seconds matter, people are more concerned that first responders get to the site of the emergency as quickly as possible than what patch is being worn on the sleeves of those who respond. In addition, as new residents move into the county, will they be more upset that their local fire department no longer exists or that their local fire department is not solvent enough to respond to their emergency in a timely manner?
- It Could Cause More Harm Than Good or Be a Necessary Shock to the System: The fire and emergency system in El Dorado County is highly integrated. It is a

reasonable question to wonder how the LAFCO action will be received outside of the three districts in question. Will it be viewed as a hostile action (LAFCO is pitting agencies against each other), as an ominous sign (LAFCO will come for us next), or will it be a welcomed surprise (finally someone is breaking through the logjam)?

- Answer Unclear: It is very possible that after spending a lot of financial and political capital on this endeavor, there may be nothing to show for it at the end. There is a possibility that this endeavor may fail at the Conducting Authority Hearing (50%+1 protest) or at an election. If either of these two possibilities happen, then the three districts will continue to exist.

### *Alternative Options*

Other parties can choose an alternative path:

- Any of the three existing districts can apply to consolidate with the other two;
- Any other agency, for example the County of El Dorado or Union Mine School District, can apply to LAFCO requesting this consolidation; or
- The County can pursue the fire authority proposal discussed in January (refer to Attachment B), whereby the Board of Supervisors requests the activation of County Service Area 7's fire protection services and assumes fire protection in select areas.

Any of the three options outlined above would raise the protest threshold to 25%. While the threshold raise per se would not guarantee success, it would carry a higher probability of making it through the process with a positive outcome other than the status quo.

- Non-LAFCO-instigated (or involved) action: The Commission can also give the three districts a finite amount of time for them to enter into a contract for services agreement or joint powers agreement that would allow for a greater amount of operational, financial and political integration. GEO has not appointed a permanent fire chief and the MQT fire chief has indicated he plans to retire within the next two years. By pooling their resources together, it is possible that there would be a sufficient number of volunteers to staff all stations while the three districts work towards a joint financial plan that ensures the long-term viability of this arrangement.

### Attachments

- Attachment A: LAFCO Study Session I Staff Memo plus attachments (Agenda of September 26, 2018)
- Attachment B: LAFCO Study Session II Staff Memo (Agenda of January 23, 2019)
- Attachment C: Flowchart - LAFCO-Initiated Change of Organization/Reorganization
- Attachment D: Flowchart – District Consolidation – Registered Voter District (not initiated by LAFCO)