

Santa Cruz Local Agency Formation Commission

Date:	October 13, 2021
To:	LAFCO Commissioners
From:	Joe Serrano, Executive Officer
Subject:	Countywide Service and Sphere Review for Fire Protection Services

SUMMARY OF RECOMMENDATION

LAFCO periodically performs municipal service reviews and sphere of influence updates for each agency subject to LAFCO's boundary regulations. As part of the Commission's Multi-Year Work Program, LAFCO staff has drafted a service and sphere review for the 13 local agencies that provide fire protection services, and scheduled a public hearing.

It is recommended that the Commission take the following actions:

- Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
- 2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for the 13 affected agencies, and review and update, as necessary;
- 3. Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
- 4. Adopt a Resolution (LAFCO No. 2021-17) approving the 2021 Countywide Fire Protection Service and Sphere Review with the following terms and conditions:
 - a. Reaffirm the existing spheres of influence with no conditions for Aromas TCFPD, Central FD, City of Santa Cruz, and City of Watsonville;
 - b. Reaffirm the existing spheres of influence for Ben Lomond FPD, Boulder Creek FPD, Branciforte FPD, Felton FPD, Pajaro Valley FPD, Scotts Valley FPD, and Zayante FPD with the following condition: the fire protection districts shall coordinate with LAFCO to determine the affected district's future service area. These discussions should occur by August 2022. LAFCO will consider amending the sphere boundaries based on these discussions no later than December 2022;
 - c. Adopt a zero sphere of influence for County Service Area 4 as a precursor to dissolution;

- d. Adopt an amended sphere of influence for County Service Area 48 to eliminate the overlapping of spheres from other surrounding fire agencies; and
- e. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the 13 fire agencies, Monterey LAFCO, San Benito LAFCO, and any other interested or affected parties, including but not limited to the Civil Grand Jury of Santa Cruz County, County of Santa Cruz (Office of Emergency Services), Fire Department Advisory Commission of Santa Cruz County, Fire Safe Councils of Bonny Doon, Santa Cruz County, and South Skyline, and UC Santa Cruz (Office of Emergency Services).

EXECUTIVE OFFICER'S REPORT:

State law requires LAFCO to periodically review and update the services and spheres of all cities and special districts. In accordance with the Commission's adopted Multi-Year Work Program, LAFCO staff has prepared a countywide service and sphere review (refer to **Attachment 1**) for the 13 local agencies that provide fire protection services, as shown below:

Table A: List of Subject Agencies						
Aromas Tri-County	Felton					
Fire Protection District	Fire Protection District					
Ben Lomond	Pajaro Valley					
Fire Protection District	Fire Protection District					
Boulder Creek	Santa Cruz					
Fire Protection District	City Fire Department					
Branciforte	Scotts Valley					
Fire Protection District	Fire Protection District					
Central Fire District	Watsonville					
of Santa Cruz County	City fire Department					
County Service Area 4	Zayante					
(Pajaro Dunes)	Fire Protection District					
County Service Area 48 (County Fire)	Total: 13 Fire Agencies					

Table	A:	List o	of	Subje	ect A	Agenci	es
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Key findings and recommendations are presented in the *Executive Summary* of the attached countywide fire report. The countywide report also includes *District Profile Chapters* which contain individual evaluations for each of the 13 local agencies - highlighting specific characteristics, ongoing operations, current fiscal health, existing governance structure, ability to provide services, and its importance within its jurisdictional area. The profiles conclude with statutory determinations required for all service and sphere of influence reviews pursuant to the Cortese-Knox-Hertzberg Act.. This staff report summarizes the service and sphere review's findings.

Purpose & Key Findings

The goal of this analysis is to accomplish the Commission's direction to complete a service and sphere review for the District under the Multi-Year Work Program and fulfill the service and sphere determinations under the Cortese-Knox-Hertzberg Act. The following are the main conclusions of the report:

Aromas Tri-County Fire Protection District

1. The District provides services in three different counties.

Aromas Tri-County FPD has been providing fire protection services to three different counties through a contract with the California Department of Forestry and Fire Protection (Cal FIRE) for the past 28 years. Monterey LAFCO is, and continues to be, the "Principal LAFCO," which has direct purview of the District. This designation is based on assessed value. At present, approximately 7 square miles are located in Santa Cruz County out of the District's 40 square mile service area.

2. The District provides services from one fire station.

The station, which was built in 1979, is located in Monterey County (392 Carpenteria Road, Aromas CA). The station is staffed with a daily minimum of a 3-person company consisting of 1 battalion chief, 1 fire captain, and 1 apparatus engineer. Based on staff's analysis, the District meets the state standards regarding firefighters on duty but it does not meet the national standards.

3. The District is financially sound.

Aromas Tri-County FPD has ended with an annual surplus in the last five years. As of June 30, 2019, the District is operating with a net position of approximately \$2 million. LAFCO staff believes that this positive trend may continue going forward under the current strategic partnership with Cal FIRE.

4. The District has a multi-county sphere.

Monterey LAFCO, as the principal LAFCO, has adopted a multi-county sphere of influence for the District. The District's multi-county sphere of influence is generally coterminous with its jurisdictional boundary. In addition to this multi-county sphere, Santa Cruz LAFCO also adopted a sphere of influence for ATCFPD within Santa Cruz County originally in March 1989. The sphere boundary within Santa Cruz County is coterminous with the District's service area and has remained unchanged. LAFCO staff recommends reaffirming the existing sphere boundary.

Ben Lomond Fire Protection District

1. The District provides services to a small community.

Ben Lomond FPD currently provides fire protection services to the unincorporated community of Ben Lomond through one fire station. It currently operates with one full-time employee, one part-time employee, and 30 volunteer firefighters. As of August 2021, the District has one staff member on duty from Monday to Friday from 8:00am to 4:00pm. Based on staff's analysis, the District does not meet the state or national standards regarding firefighters on duty.

2. The District is financially stable.

Ben Lomond FPD has ended with an annual surplus in the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$2.3 million. LAFCO believes that this positive trend may continue going forward under the current management practices.

3. The District has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted BLFPD's original sphere of influence on September 1, 1976, which included areas beyond the District's jurisdictional boundary. In January 2008 and subsequently in November 2016, the Commission reaffirmed this sphere boundary. Staff

is recommending that the current sphere of influence be reaffirmed as part of this report. However, LAFCO encourages the District to coordinate with CSA 48 and LAFCO to determine BLFPD's future service area. Based on these discussions, LAFCO may consider amending the sphere boundary by December 2022.

Boulder Creek Fire Protection District

1. The District provides services to a small community.

Boulder Creek FPD currently provides fire protection services to the unincorporated community of Boulder Creek through one fire station. It currently operates with one full-time employee, one part-time employee, and 43 volunteer firefighters. As of August 2021, the District has one staff member on duty at all times (365 days a year/24 hours a day). Based on staff's analysis, the District does not meet the state or national standards regarding firefighters on duty.

2. The District is financially stable.

Boulder Creek FPD has ended with an annual surplus in four of the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$1.5 million. LAFCO believes that this positive trend may continue going forward under the current management practices.

3. The District has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted BCFPD's original sphere of influence on March 10, 1994, which included areas beyond the District's jurisdictional boundary. In January 2008 and subsequently in November 2016, the Commission reaffirmed this sphere boundary. Staff is recommending that the current sphere of influence be reaffirmed as part of this report. However, LAFCO encourages the District to coordinate with CSA 48 and LAFCO to determine BCFPD's future service area. Based on these discussions, LAFCO may consider amending the sphere boundary by December 2022.

Branciforte Fire Protection District

1. The District provides services to a small community.

Branciforte FPD currently provides fire protection services to the unincorporated community of Branciforte through one fire station. It currently operates with three full-time employees and 13 volunteer firefighters. The station is staffed with one captain 24 hours a day. Based on staff's analysis, the District does not meet the state or national standards regarding firefighters on duty.

2. The District does not have an official fire chief or administrative staff.

Branciforte FPD currently provides fire protection services to the unincorporated community of Branciforte. It currently operates with three full-time employees and 13 volunteer firefighters. However, the District does not have any administrative staff, including no Fire Chief. Since September 2015, Branciforte FPD has relied heavily on Scotts Valley FPD to provide all administrative and command services under an existing contract. Under this agreement, the Scotts Valley FPD Fire Chief also functions as the Fire Chief for BFPD. This contract expired on September 30, 2021. The Board recently hired a retired CalFire employee on September 16 as a part-time Fire Chief. LAFCO staff is significantly concerned that the part-time employee will not have the time and resources to complete all the administrative services fulfilled by SVFPD. At present, the District has no other admin staff or a strategic plan on how to address all daily, monthly, annual and statutory responsibilities previously fulfilled by SVFPD.

3. The District is financially stable.

Branciforte FPD has ended with an annual surplus in the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$948,000. LAFCO believes that this positive trend was the direct result of existing contract between BFPD and Scotts Valley FPD. Under this agreement, Scotts Valley FPD has been managing all internal operations, including the budgetary practices on behalf of BFPD. This positive trend may discontinue following the contract's September 2021 sunset date.

4. The District has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted BFPD's combined sphere of influence on March 10, 1994, which included areas beyond the District's jurisdictional boundary. This sphere determination indicated that BFPD and Scotts Valley FPD should be merged or consolidated in the foreseeable future. LAFCO staff believes that the merger concept should be considered by BFPD and its residents to ensure the level of service remains the same or improve as a result of the proposed reorganization. LAFCO staff recommends reaffirming the existing sphere boundary.

Central Fire District

1. The District is a result of a recent consolidation.

CFD is a result of a multi-year effort to consolidate two fire agencies: Aptos/La Selva and Central Fire Protection Districts. This consolidation was able to preserve the current levels of service, maintain local demand expectations, and continue the existing funding sources while maximizing economies of scale, combining best practices, and ultimately lead to cost-savings. Today, CFD encompasses 55 square miles of territory and includes the City of Capitola and the unincorporated communities of Live Oak, Soquel, Aptos, Rio Del Mar, and La Selva Beach.

2. The District provides services to various communities.

CFD currently provides fire protection services to a large portion of the county through 7 fire stations. It currently operates with 101 full-time employees, 1-part time employee, 3 seasonal personnel, and 10 volunteer firefighters. All stations are staffed with a minimum of a 3-person crew. Based on staff's analysis, the District meets the state or national standards regarding firefighters on duty.

3. The District is expected to be financially sound.

CFD is expected to have an annual surplus each year starting in FY 2022-23. As of June 30, 2020, the District is operating with a net position of approximately \$29 million. LAFCO believes that the anticipated positive trend may continue going forward under the current management practices.

4. The District has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted CFD's sphere of influence on November 4, 2020 as a result of the consolidation involving Aptos/La Selva and Central FPDs. The sphere goes beyond the District's existing jurisdictional boundary indicating that those areas should be annexed into the District in the foreseeable future. LAFCO staff recommends reaffirming the existing sphere boundary.

County Service Area 4 (Pajaro Dunes)

1. The District is a dependent special district of Santa Cruz County.

CSA 4 is a dependent special district governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Section 25210 et seq.). Santa Cruz County currently contracts with Cal FIRE for the administration of CSA 4 including operational oversight and supervision of all career and volunteer firefighters.

2. The District provides services from one fire station.

The station is located at 2661 Beach Road in Watsonville. The station's staffing varies with a 3-person company consisting of 1 battalion chief, 1 fire captain, and 1 apparatus engineer 24 hours a day, 7 days a week to all volunteer firefighters. Based on staff's analysis, the District meets the state standards regarding firefighters on duty but it does not meet the national standards.

3. The District is financially stable.

CSA 4 has ended with an annual surplus in the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$944,000. LAFCO believes that this positive trend may continue going forward under the current strategic partnership with CAL FIRE.

4. The District has a coterminous sphere.

LAFCO originally adopted a coterminous sphere of influence for the District on March 1, 1989. A coterminous sphere is identical to the agency's jurisdictional boundary. For the past 32 years, the sphere boundary has remained unchanged. LAFCO staff is recommending a zero sphere designation. A "zero" sphere of influence indicates that the district should be dissolved, and fire responsibilities should be transferred to another local agency. LAFCO believes that CSA 4 should be dissolved and concurrently annexed into CSA 48. The County may create a zone of benefit to ensure that the collected funds remain within the Pajaro Dunes community.

County Service Area 48 (County Fire)

1. The District is a dependent special district of Santa Cruz County.

CSA 48 is a dependent special district governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Section 25210 et seq.). Santa Cruz County currently contracts with Cal FIRE for the administration of CSA 48 including operational oversight and supervision of all career and volunteer firefighters.

2. The District provides services to all areas outside a fire agency.

Approximately 43% of the entire county is unincorporated lands outside a fire district or city that provides fire protection. That is why the County formed CSA 48 to protect those residents. CSA 48 currently operates 15 fire stations. Staffing within each station varies with a 3-person company consisting of 1 battalion chief, 1 fire captain, and 1 apparatus engineer 24 hours a day, 7 days a week to all volunteer firefighters. Based on staff's analysis, the District meets the state standards regarding firefighters on duty but it does not meet the national standards.

3. The District has financial constraints.

CSA 48 has ended with an annual surplus in five of the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$6.2 million. LAFCO believes that this positive trend may continue going forward under the current strategic partnership with CAL FIRE.

4. The District has a multi-county sphere.

LAFCO originally adopted a sphere of influence for the District on October 16, 1985 as part of its formation. The original sphere included areas beyond CSA 48's jurisdictional boundary. The 1985 resolution included language that stated, "Annexations to fire districts and cities with municipal fire departments shall be accompanied by detachments from this county service area." For the past 36 years, areas have been detached from CSA 48 and annexed into the other fire agencies. Additionally, CSA 48's existing sphere of influence overlaps with other fire agencies – causing confusion on which entity is the most logical service provider. Therefore, staff is recommending that CSA 48's sphere be modified to remove all overlapping areas.

Felton Fire Protection District

1. The District provides services to a small community.

Felton FPD currently provides fire protection services to the Felton community through one fire station. It currently operates with 1 full-time employee, 1 part-time employee, and 28 volunteer firefighters. The station is staffed with 1 firefighter during regular business hours (Monday to Friday). Based on staff's analysis, the District does not meet the state or national standards regarding firefighters on duty.

2. The District is financially stable.

Felton FPD has ended with an annual surplus in five of the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$2 million. LAFCO believes that this positive trend may continue going forward under the current management practices.

3. The District has a sphere expanding beyond its service area.

Santa Cruz LAFCO originally adopted a sphere of influence for FFPD on March 10, 1994. The sphere goes beyond FFPD's current jurisdictional boundary, indicating that these areas should be annexed into the District in the foreseeable future. LAFCO staff recommends reaffirming the existing sphere boundary.

Pajaro Valley Fire Protection District

1. The District provides services to various communities.

Pajaro Valley FPD has been providing fire protection services to a populated area in the southern portion of the county through a contract with the California Department of Forestry and Fire Protection (Cal FIRE) for the past 24 years. The station is staffed with a daily minimum of a 3-person company consisting of 1 battalion chief, 1 fire captain, and 1 apparatus engineer (24 hours a day). Based on staff's analysis, the District meets the state standards regarding firefighters on duty but it does not meet the national standards.

2. The District is financially stable.

Pajaro Valley FPD has ended with an annual surplus in five of the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$1.5 million.

LAFCO believes that the overall positive trend may continue going forward under the current strategic partnership with Cal FIRE.

3. The District has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted PVFPD's sphere of influence on June 7, 1995 as a result of the consolidation involving Freedom and Salsipuedes FPDs. The sphere goes beyond the District's existing jurisdictional boundary indicating that those areas should be annexed into the District in the foreseeable future. LAFCO staff recommends reaffirming the existing sphere boundary.

Santa Cruz City Fire Department

1. The City has its own fire department.

The City of Santa Cruz was incorporated in 1866 and now operates as a charter city. Santa Cruz provides a variety of municipal services, including fire protection under the City's Fire Department (SCCFD). The City currently operates four fire stations. The stations are staffed with a minimum of 3-person company. Based on staff's analysis, the District meets the state standards regarding firefighters on duty but it does not meet the national standards.

2. The Department has financial constraints.

SCCFD has ended with an annual deficit during the last six years. As of June 30, 2020, the City is operating with a net position of approximately \$54 million. LAFCO believes that this negative trend will continue unless total revenue is increased in order to cover annual costs.

3. The City has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted the City's original sphere of influence on August 3, 1983. In January 2019, the Commission amended the City's sphere to include 3 nautical miles offshore to reflect the city's legal limits. The sphere goes beyond the City's current jurisdictional boundary, indicating that these areas should be annexed in the foreseeable future. LAFCO staff recommends reaffirming the existing sphere boundary.

Scotts Valley Fire Protection District

1. The District provides services to various communities.

Scotts Valley FPD currently provides fire protection services to the City of Scotts Valley and its surrounding areas including the Branciforte community. It currently operates with 22 full-time firefighters, 3 full-time Battalion Chiefs, 1 full-time Fire Chief, 2 full-time and 1-part time administrative personnel, with 15 volunteer firefighters. In addition to their internal operations, Scotts Valley FPD has been providing administrative and command services to BFPD under an existing contract since 2015. The District currently operates two fire stations. Station 1 is staffed with 4.5 administrative personnel during regular business hours and 5 firefighters 24 hours a day. Based on staff's analysis, the District meets the state standards regarding firefighters on duty but it does not meet the national standards.

2. The District is financially stable.

Scotts Valley FPD has ended with an annual surplus in five of the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$3 million. LAFCO believes that this positive trend may continue going forward under the current management practices.

3. The District has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted SVFPD's combined sphere of influence on March 10, 1994, which included areas beyond the District's jurisdictional boundary. This sphere determination indicated that BFPD and Scotts Valley FPD should be merged or consolidated in the foreseeable future. LAFCO staff believes that the merger concept should be considered by Scotts Valley FPD. LAFCO staff recommends reaffirming the existing sphere boundary.

Watsonville City Fire Department

1. The City has its own fire department.

The City of Watsonville was incorporated in 1868 and now operates as a charter city. Watsonville provides a variety of municipal services, including fire protection under the City's Fire Department (WCFD). The City currently operates two fire stations. Station 1 is staffed by a minimum of 6 fire suppression personnel and one battalion chief. Station 2 is staffed by a minimum of 3 fire suppression personnel. Both stations are staffed 24 hours a day, 7 days a week. Based on staff's analysis, the District meets the state and national standards regarding firefighters on duty.

2. The Department is financially stable.

WCFD has ended with an annual surplus in five of the last six years. As of June 30, 2020, the City is operating with a net position of approximately \$39 million. LAFCO believes that this positive trend may continue going forward under the current management practices.

3. The City has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted the City's original sphere of influence on January 12, 1983. The sphere has been amended to reflect the approved annexations that have occurred throughout the years. The sphere goes beyond the City's current jurisdictional boundary, indicating that these areas should be annexed in the foreseeable future. LAFCO staff recommends reaffirming the existing sphere boundary.

Zayante Fire Protection District

1. The District provides services to a small community.

Zayante FPD currently provides fire protection services to the Zayante community through three fire stations. It currently operates with 3 full-time firefighters, 2 part-time employees, and 22 volunteer firefighters. Station 1 is staffed with a 3-person crew at minimum during regular business hours (Monday to Friday from 8:00am to 5:00pm). Based on staff's analysis, the District meets the state standards regarding firefighters on duty but it does not meet the national standards.

2. The District is financially stable.

Zayante FPD has ended with an annual surplus in five of the last six years. As of June 30, 2020, the District is operating with a net position of approximately \$671,000. LAFCO believes that this positive trend may continue going forward under the current management practices.

3. The District has a sphere expanding beyond its service area.

Santa Cruz LAFCO adopted ZFPD's original sphere of influence on March 10, 1994, which included areas beyond the District's jurisdictional boundary. The sphere also indicates that certain areas should be detached and annexed into surrounding agencies. It may be beneficial for ZFPD and LAFCO to discuss the current sphere and determine how to address these areas. LAFCO staff recommends reaffirming the existing sphere boundary.

Environmental Review

LAFCO staff has conducted an environmental review for the draft service and sphere review in accordance with the California Environmental Quality Act (CEQA). Staff has determined that the service and sphere review is exempt because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and the activity is not subject to CEQA (Section 15061[b][3]). A Notice of Exemption, as shown in **Attachment 2**, was recorded on September 13, 2021.

Coordination Step

LAFCO encourages transparency and strategic partnerships among local agencies. That is why staff reached out to various affected and interested agencies regarding the countywide fire report at the beginning of the year. A survey was sent to the 13 agencies as well as other fire entities in order to receive necessary data and feedback to conduct staff's analysis. The other fire entities included (a) Fire Safe Councils of Bonny Doon, Santa Cruz County, (b) Office of Emergency Services of Santa Cruz County and UC Santa Cruz, (c) Fire Department Advisory Commission of Santa Cruz County, (d) Resource Conservation District of Santa Cruz County, and (e) Santa Cruz County Civil Grand Jury. Those interested in receiving regular updates from LAFCO were kept up-todate on LAFCO's progress. Staff would like to thank the interested agencies for their time and effort in assisting LAFCO in completing this state mandate.

Agency Review and Public Notice

A hearing notice for this draft service and sphere review was published in the September 8th issue of the Santa Cruz Sentinel (Attachment 3). An administrative draft of the report was also shared with the Districts' fire chiefs. This allowed all 13 local agencies an opportunity to review LAFCO staff's findings and provide feedback a month before the report was finalized. Edits received were implemented in the report to ensure accuracy in staff's evaluation. Staff would like to thank each fire chief and their staff for their time and effort in helping fulfill this state mandate. Based on the analysis shown in the countywide fire report (refer to Attachment 1), coupled with the fact that all 13 local agencies had an opportunity to review the report's findings, staff is recommending that the Commission adopt the attached resolution (refer to Attachment 4) approving the countywide service and sphere review.

Respectfully Submitted,

Joe A. Serrano Executive Officer

Attachments:

- 1. Service and Sphere Review Administrative Draft
- 2. Environmental Determination Categorical Exemption
- 3. Public Hearing Notice
- 4. Draft Resolution No. 2021-17

cc: <u>Affected Agencies</u> Aromas Tri-County Fire District Ben Lomond Fire Protection District Boulder Creek Fire Protection District Branciforte Fire Protection District Central Fire District City of Santa Cruz City of Watsonville County Service Area 4 County Service Area 48 Felton Fire Protection District Pajaro Valley Fire Protection District Scotts Valley Fire Protection District Zayante Fire Protection District

Interested Agencies

Fire Safe Councils (Bonny Doon, Santa Cruz County, South Skyline) Fire Department Advisory Commission of Santa Cruz County Office of Emergency Services (Santa Cruz County and UCSC) Santa Cruz County Civil Grand Jury