

SONOMA LOCAL AGENCY FORMATION COMMISSION

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Staff Report

Meeting Date: April 5, 2023

Agenda No. Item 4.3

Agenda Item Title: Gold Ridge Fire Protection District Reorganization No. 2023-02 (CSA 40 Territories)

LAFCO File No. 2023-02

Applicant: Gold Ridge Fire Protection District

Proposal: Request for a reorganization of territory consisting of detachment of territories of County Service Area 40 (Fire Services) and annexation of those territories to the Gold Ridge Fire Protection District.

Location: The affected territories include areas served by the Lakeville, San Antonio, Willmar, Two Rock, Bloomfield, Valley Ford, Bodega, Camp Meeker and Ft. Ross Volunteer Fire Companies, and Incident Response Plan area 81.

Environmental Determination: Exempt pursuant to Sections 15320 and 15061(b)(3) of the State CEQA Guidelines

Staff Contact: Mark Bramfitt

Analysis

Background

The Gold Ridge Fire Protection District (“District”) provides fire and emergency services to the unincorporated Twin Hills and Hessel areas south and west of the City of Sebastopol in Sonoma County.

County Service Area 40 - Fire Services (“CSA 40”) is a dependent district of the County of Sonoma. The Service Area encompasses territories that are served by Volunteer Fire Companies and Incident Response Areas (“IRPs”) that are served under contract arrangements with neighboring agencies. The majority of CSA 40 territory is part of the proposal, absent several remainder IRP areas.

An illustrative map of the district territory and the CSA 40 territories that are the subject of the reorganization proposal is attached (Attachment 1).

The District and the County of Sonoma applied by concurrent resolution in January 2022 for a reorganization consisting of detachment of the subject territories from CSA 40 and subsequent annexation of those territories to Gold Ridge Fire Protection District. The two agencies also entered into a tax exchange agreement that covers property tax allocations and supplemental ongoing county funding should the reorganization be approved.

The Commission adopted a Municipal Service Review for West County Fire and Emergency Service Agencies in 2019, which examined the balance of the CSA territory affected by the proposal.

The Commission adopted a Municipal Service Review for Southern Territories of County Service Area 40 in February 2023.

The Commission considered adoption of a Sphere of Influence Study for the affected CSA 40 territories immediately prior to consideration of this item.

The Commission’s determinations on the Sphere of Influence Study will determine whether the affected territory, or portions of the affected territory will be assigned to the Gold Ridge Fire Protection District. Territory that is added to the District’s sphere is eligible for annexation as part of a reorganization proposal.

Reason for Request; History; and Agency Actions

Gold Ridge Fire Protection District is seeking a reorganization that includes the detachment of the majority of County Service Area 40 territory from the CSA, and subsequent annexation of that territory to the District.

In 2019 the County of Sonoma eliminated the Fire and Emergency Services Department that had provided support to the Volunteer Fire Companies through CSA 40, retaining only fire inspection services (run through the Permit Resources Management Department) and residual administrative activities out of the County Administrator's Office.

The County executed a contract for service with North Bay Fire, Inc., an entity consisting of representatives from the remaining operational Volunteer Fire Companies. North Bay Fire, Inc. in turn entered into a contract with Gold Ridge FPD to provide management, administrative and other support services.

In 2021, the County and District entered into discussions regarding reorganizing the majority of CSA 40, annexing the territory into the Gold Ridge FPD.

The Board Of Directors of the Gold Ridge Fire Protection District and the Board of Supervisors of the County of Sonoma initiated proceedings with LAFCO, by resolution, for reorganization of the County Service Area 40 territories in January 2022. The resolution is included as part of the Plan for Service submitted by the District (Attachment 2).

The District and the County have also agreed to a property tax allocation and revenue sharing agreement for the proposed reorganization. This document is also included in the Plan for Service submitted by the District.

Prior Commission Action

For territory to be eligible for annexation to a district, it must be within the agency's sphere of influence. The Cortese-Knox-Hertzberg Act requires that the Commission adopt a Municipal Services Review for agencies seeking sphere of influence amendment. A Municipal Services Review evaluates districts against eight subject areas (the eighth category is very broad, in that the Commission can consider any items it deems pertinent).

Additionally, to support a proposed Sphere of Influence amendment or amendments, the Commission must adopt a Sphere of Influence study that evaluates proposed amendments against five criteria.

Staff completed a Municipal Services Review for West County Fire and Emergency Service Agencies, which the Commission adopted in June 2019. This study included the Gold Ridge Fire Protection District, and portions of CSA 40 territory served by the Bloomfield (inactive), Valley Ford, Bodega, Camp Meeker, and Ft. Ross Volunteer Fire Companies, as well as other agencies.

The Commission adopted a Municipal Service Review of Southern Territories of County Service Area 40 – Fire Services, including territory served by Lakeville, San Antonio (inactive), Willmar, and Two Rock Volunteer Fire Companies, and Incident Response Plan area 81, in at its meeting on March 1, 2023.

The Commission is considering the adoption of a Sphere of Influence Study for the majority of CSA 40 immediately prior to consideration of this item. The Commission may amend the sphere of influence of CSA 40 as a result of that report in a myriad of permutations.

The options in this item depend upon the actions in the prior item. If the Commission does not grant a sphere of influence assigning any of the subject CSA 40 territory to the Gold Ridge Fire Protection District, then the proposed reorganization cannot be approved. If only a portion of the CSA territory is assigned to the sphere of Gold Ridge, then the Commission could consider approving the reorganization but only with regard to that portion of territory. If the sphere has been amended to include the full proposal, then the proposal may be approved without modification.

District Plan for Service

At staff's request, Gold Ridge FPD prepared a draft Plan for Service document to support the Commission's evaluation of a sphere of influence amendment or amendments to CSA 40, and for the evaluation of the reorganization (a requirement for a reorganization proposal).

The District's Plan for Service is included as Attachment 2.

The Commission held a Study session in late 2022 to discuss the Plan for Service with representatives of the District and the County.

District representatives also met with an Ad Hoc Committee of Commissioners to discuss the Plan for Service in early 2023, and the District subsequently filed a letter to the Committee (Attachment 3) and revised financial projections (Attachment 4).

Evaluation of Plan for Service

The Cortese-Knox-Hertzberg Act sets no specific requirements for a Plan for Services, so the Commission has broad authority to seek information and analysis from the agency filing a reorganization proposal as it sees fit and necessary.

At the study session in 2022 staff provided an analysis of the draft Plan for Service that noted lack of information or an appropriate level of analysis in several areas, including:

- Disposition of vehicles and equipment owned by Volunteer Fire Companies. The Commission can order the transfer of assets and liabilities of a public agency through a reorganization, but not those of a private entity, which is how Volunteer Companies are constituted.

In staff's view, the Plan for Service and subsequent submittal does not adequately address this topic. For example, there is not an inventory of vehicle assets and their ownership for the volunteer fire company fleets, an indication of

how or whether these assets will be transferred to the District subsequent to reorganization and if that equipment will be necessary for the District to serve that area.

- Disposition of the facilities owned by Volunteer Fire Companies. The District indicates that it does not require all of the facilities owned or leased by the Volunteer Fire Companies, but that eight fire stations are required to provide service coverage.

Although the Plan for Service does provide an inventory of facilities and some indication of their ownership status, the Plan and subsequent transmittal remains opaque as to the status of negotiations for transfer of these required assets to the District subsequent to reorganization.

- Financial sustainability. The District indicates annual financial surpluses for the foreseeable future based on projected revenues and expenses. Initially the District indicated there would be an annual surplus of approximately \$1 million. The latest financial projections, contained in the submittal addressed to the Ad Hoc Committee, show a decrease in those surpluses to approximately \$500,000 annually.

Staff remains unable to provide a qualified assessment of these projections given the lack of specificity in expense and capital cost allocation. While the revenue projections can be reasonably accurately determined based on the expected property taxes, district special taxes (parcel taxes), and supplemental funding from the County, no capital or expense funding program is included in the plan.

- Staffing Plan. The District acknowledges that there may be a need to increase volunteer stipend payments or to move to a paid staffing program at some future date, but does not appear to project costs for these types of staffing adjustments.
- Advanced Life Support/Ambulance coverage. The District does not plan to transfer any funding to neighboring Independent Special Districts and the City of Petaluma to support the provision of advanced life support (paramedic) and ambulance services to the affected territories. While staff believes that reliance on neighboring agencies without appropriate funding support is inappropriate, two of the three service providers have indicated their lack of concern over this matter.

Environmental Review

The proposed reorganization is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to Section 15320 of the State CEQA Guidelines because the proposed action does not change the geographical area in which previously existing powers are exercised.

The proposal is also exempt from CEQA under State CEQA Guidelines Section 15061 (b)(3), the “general rule” exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The change in fire and emergency services provider will not cause a significant effect on the environment.

Individual Factors for Consideration

California Government Code sections 56668 and 56669.3 describe seventeen factors to be considered in the Commission’s review of an annexation proposal of this type. The review must include, but is not limited to, consideration of these factors. The factors are outlined and addressed in Attachment 6.

Need for Public Hearings: Merits

As indicated earlier in this report, the County and Gold Ridge FPD initiated the proceedings with the Commission by resolution. In a situation in which it is clear that not all owners of property within the affected territory or all registered voters residing within the annexation boundary have given their written consent to the proposal, state law requires the Commission to conduct a public hearing on the merits of the proposal.

Notice of this public hearing was issued on January 31, 2022. Because of the total number of registered voters and landowners within the affected territory, pursuant to Section 56157(h) of the California Government Code, notice was provided through a large notice placement in the *Press Democrat*.

Protest Proceeding

Should the Commission approve the reorganization proposal, conditionally approve the proposal, or approve the proposal with modifications, then the Commission will conduct a protest proceeding which must be noticed for a period of not less than 21 days nor longer than 60 days. Staff recommends that a protest proceeding be scheduled commencing on April 12, 2023, and concluding at the Commission’s June 7, 2023, meeting. The protest period would then consist of 56 days.

To provide public notice for the protest proceeding, staff will publish notices in the same fashion as for this hearing, and additionally will mail notices to all landowners within the affected territories. The Cortese-Knox-Hertzberg Act requires that notices be mailed to landowners when they will be subject to special taxes as a result of a reorganization. In this case, Gold Ridge FPD has two voter-authorized special taxes (parcel taxes) that will be applied to the affected territories upon annexation.

At the time of writing, the District has not submitted a list of the names and mailing addresses of all landowners within the affected territory from the County Assessor’s Office and a list of all registered voters residing within the affected territory from the County Registrar of Voters. If these lists are not provided by the conclusion of the hearing, the Commission may direct the District to secure these lists to match the proposed boundary or amended boundary, if any, of the affected territory, continue

consideration of this item to a future date or direct staff to obtain these lists at the District's cost.

Any delay in securing the necessary lists will delay the start date of a protest proceeding. Staff requires a window of time to prepare documents and arrange for publication and mailing of notices and petitions, and if necessary, to obtain the lists of the landowners within the affected territories. State law calls for protest proceedings to be not being less than 21 days or longer than 60 days.

Recommendation

Staff requests that the Commission conduct a public hearing on the Gold Ridge Fire Protection District's proposal to detach territory from County Service Area 40 (Fire Services), and to subsequently annex that territory to the District.

The Commission may deny the reorganization proposal, accept it as presented, or approve it with modifications, including imposing conditions and/or modifying the boundaries of the reorganization. Note that Commission determinations with regard to the sphere of influence of the CSA 40 territories may preclude detachment and annexation of some or all of the subject territories.

If the Commission approves, conditionally approves, or approves with modifications, staff recommends doing so pursuant to the following findings and determinations:

- a. The affected territory is within the Gold Ridge Fire Protection District's sphere of influence, making it eligible for annexation.
- b. The reason for the reorganization is to allow residents of the affected territory to directly receive the full range of services provided by the District.
- c. The Municipal Services Review adopted for West County Fire and Emergency Services Agencies, the Municipal Services Review adopted for Southern Territories of County Service Area 40 – Fire Services, and the Sphere of Influence Study for the Southern Territories of County Service Area 40, reflects the district's ability to serve the affected territory.
- d. The District has executed a financial agreement with the County of Sonoma that in addition to property tax revenue and revenue from imposition of the District's voter-approved special taxes will provide sufficient funding for the District to serve the affected territory.

If the Commission approves, conditionally approves, or approves with modifications, the proposal, staff recommends doing so pursuant to the State CEQA Guidelines, finding that the proposal is categorically exempt to CEQA, under Section 15320, or, if the proposal could be considered to be a project, find it exempt pursuant to Section 15061(b)(3) the State CEQA Guidelines.

If the Commission approves, conditionally approves, or approves with modifications, the proposal, staff recommends setting a protest period beginning on April 12, 2023, and

ending at the conclusion of a protest proceeding at the Commission's regularly scheduled meeting on June 7, 2023. This protest period would be conditioned upon the District providing to staff the necessary list of landowners within the affected territory in time to allow for the processing of the required mailing of the notice to the landowners on or before April 12, 2023. If the District does not provide the necessary list in a timely manner, the opening date of the protest period may be later than April 12 thereby shortening the length of the protest proceeding accordingly.

Staff has prepared a draft resolution for the Commission's review and consideration (Attachment 6).

The resolution can be amended to denote territories included in the reorganization as amended by the Commission, or with any other conditions that the Commission would like to impose. Staff recommends that the Commission hold a recess in proceedings, allowing staff to prepare, print, and distribute copies of the resolution to Commissioners, reflecting the territories that are approved for reorganization and any other amendments, including the schedule for the protest proceeding, to ensure clarity and transparency of the Commission's actions.

Attachments

1. Illustrative map of proposed reorganization
2. Plan for Service
3. Letter to LAFCO Ad Hoc Committee
4. Updated Financial Projections
5. Factors for Consideration
6. Draft Resolution