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Pamela Morgan
City Member
Stan Neutze
City Member Alternate
Mark Mezzano
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Larry Russell
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Fred Ryness
Special District Alternate

Katherine Ann Campbell
Public Member Alternate
George Williamson
Executive Officer
James M. Underwood
General Counsel
Kathy Bull
Office Manager

Agenda Item: 7d

Meeting Date: April 1 2021

From: George Williamson AICP, Executive Officer

Subject: Proposed Consolidated Fire Protection District Annexation and Detachment
The Commission will continue consideration of a proposal, submitted by resolution of application from McArthur and Fall River Mills Fire Protection District Boards of Trustees (consolidated by Commission December 3 2020 with Fall River Valley Fire Protection District as successor agency), for annexation of territory in three counties (Shasta, Lassen and Modoc) and detachment of territory from County Service Area #1 - Shasta County Fire Department (Shasta County only).

LAFCOs are responsible, under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) § 56375. LAFCOs have broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

BACKGROUND

On December 3 2020, the Commission considered Fall River Mills and McArthur Fire Protection District's (FPDs) two-part proposal, to consolidate Districts and annex territory. The consolidation was approved, with conditions and the annexation to the consolidated District (with detachment from County Service Area #1) continued to the April 1 2021 Commission meeting.

Territory proposed to be annexed covers approximately 23,478.3 acres (North and South areas in table below. Public notice of the proposed actions was published in newspapers of general circulation for each County: the Record Searchlight for Shasta County, the Modoc County Record for Modoc County and Lassen County Times for Lassen County, on or before November 12 2020.

The following table lists acreages for the existing district boundaries, and proposed annexation areas

Area	Acreage	Parcels	Notes
Fall River Valley Fire Protection District	54,505.1	1,770	Shasta County & Lassen Counties
Proposed North Annexation Area	18,192.7	282	Shasta & Modoc Counties
Proposed South Annexation Area	5,285.6	60	Shasta & Lassen Counties
Coordinated SOI (2018 Intermountain MSR)	222,072	> 2,500	Shasta, Modoc & Lassen Counties

These areas are shown on EXHIBIT A –Annexation-SOI Map Figure

The consolidated FPD has three fire stations: the Main Station located in Hwy 299 and the Day Road and Pittville Road Stations all in the Fall River Valley. The District provides fire protection, rescue and Emergency Medical Services (EMS).

The consolidated Districts were included in the Intermountain Fire Districts Municipal Services Review (MSR) and Sphere of Influence (SOI) update completed in 2018. Emergency medical response is provided by an ambulance service associated with Mayers Memorial Hospital District.

Portions of County Service Area #1 (CSA #1), also recognized as Shasta County Fire Department (SCFD), if annexed as proposed, would be detached from that service area. CSA #1/SCFD provides fire protection services to unincorporated Shasta County areas through a contract with CAL FIRE. The contract integrates the two organizations and provides a cohesive approach to providing fire protection services. CAL FIRE also provides dispatch services. CAL FIRE Shasta Trinity Unit Battalion 1 provides fire and EMS services to the Intermountain Area communities of Big Bend, Cassel, Hat Creek, Old Station, Pondosa, Dana, and Soldier Mountain as well as Lake Britton and Burney Falls State Park.

The northerly annexation area is 18,192.7 acres in size and a small portion extends into Modoc County. It includes the McArthur FPD Day Road Fire Station. There are inhabited properties along Day Road, Pittville-Totten Road and a portion of McArthur Road west of the Fire Protection District boundary. The southerly annexation area is 5,285.6 acres in size and a small portion extends into Lassen County. A portion of this area is bordered on three sides by the consolidated district.

Provision of Public Services

The consolidated District is responsible for providing the same fire and emergency response services as they currently provide, upon consolidation. A plan for services is on file.

Reasons for Proposal

The reasons for the annexation as set forth in the proposal to LAFCO are as follows:

Land Use Designations

Land uses within the proposed annexation area are subject to the Shasta County General Plan and Zoning Regulations. The Shasta County General Plan identifies the communities of McArthur and Fall River Mills, as Town Centers, which are defined as a communities wherein most urban services are provided. Zoning in the Fall River Valley outside the Town Centers is primarily Exclusive Agricultural (EA), Agricultural Preserve (AP), and Rural Residential (R-R). Other zoning designations within the district are Commercial-Light District (C-M), One-Family Residential (R-1), and Public Facilities (PF). General Plan land-use is primarily Agriculture, Timber, Residential, Mixed Use and Unclassified.

ANALYSIS

The proposal analysis is organized into two sections. The first section considers the proposal relative to the factors mandated for review by the Legislature anytime LAFCOs review boundary changes. The second section considers issues required by other applicable State statutes in processing boundary changes, such as environmental compliance with the California Environmental Quality Act.

Required Factors for Review

G.C. § 56668 requires the Commission to consider 16 specific factors anytime it reviews proposals for a change of organization. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

1) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

The proposed annexation would cover approximately 23,478.3 acres. The consolidated district is expected to experience low growth, approximately 1 percent, over the next 10 years and may accommodate a population of less than 2,000 persons by the year 2030.

2) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

Pursuant to Government Code § 56653, a Plan for Services was prepared to evaluate consolidated District and annexation territory needs. The need for expanded community services within the affected territory includes fire and emergency response services. An analysis of the availability and adequacy of these services relative to projected needs of the proposal follows. The consolidated District has also provided an Initial Work Plan with multi-year projected budgets showing expenses and revenues for their services.

Fire Protection & Emergency Response

According to the Plan for Services, the consolidated District will have reduced response times, due to station location, available volunteers, as well as dispatch streamlining, ensuring that the closest resource is always dispatched.

Law Enforcement

The proposed annexation territory is currently served by the Shasta County Sheriff's Office. Increase in demand for law enforcement is not expected due to annexation.

Water and Wastewater

The Fall River Valley Community Services District provides potable water and wastewater services within their boundary.

Road Maintenance

No additional requirements for road capacity are anticipated as a result of annexation.

Medical Services

Medical and ambulance services are provided by Mayers Memorial Hospital.

3) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

The annexation as proposed by the consolidated District would extend into Lassen and Modoc Counties.

4) The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.

The statutory goals of the LAFCO include the promotion of orderly growth and development by determining logical local boundaries [§56001], the preservation of open space by encouraging development of vacant land within cities before annexation of vacant land adjacent to cities [§56377(b)], and the preservation of prime agricultural land by guiding development away from presently undeveloped prime agricultural lands [§56377(a)]. The proposed uses in annexation territory comply with statutory goals discussed above.

5) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.

It is expected that some of the agricultural lands in the annexation territory are subject to a Williamson Act Contract. The annexation is not expected to have an adverse impact on agricultural lands.

6) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

A map and geographic description, which follows existing boundaries, will be required prior to filing a certificate of completion for the consolidated District and annexation of territory.

7) A regional transportation plan adopted pursuant to G.C. Section 65080.

The Shasta County Regional Transportation Plan (RTP) was updated in 2018 by the Shasta Regional Transportation Agency (SRTA) and is a long-range transportation planning document for Shasta County. As part of the RTP, SRTA developed a Sustainable Communities Strategy (SCS) as required under California Senate Bill 375, the Sustainable Communities and Climate Protection Act of 2008 (SB 375) - addressing how the RTP will meet the region's greenhouse gas (GHG) emissions reduction targets.

8) Consistency with city or county general and specific plans.

Land uses in the consolidated District and annexation territory include a mix of commercial, residential, industrial and Town Center designations for McArthur and Fall River Mills communities, in the Shasta County General Plan. Zoning in the Fall River Valley outside the Town Centers is primarily Agricultural: EA and AP, and Rural Residential. Other zoning designations include Commercial-Light, One-Family Residential, and Public Facilities. General Plan land-use in the valley is primarily Agriculture, Timber, Residential, Mixed Use and Unclassified. The annexation does not require general plan or zoning amendments and land use is expected to remain consistent with county plans.

9) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

The annexation territory is located within the consolidated District Sphere of Influence (SOI), which was updated by the Commission in the Intermountain District Municipal Services Review and SOI Update approved in 2018. The SOI is not proposed to change due to this proposal.

10) The comments of any affected local agency or other public agency.

The Districts provided notice to interested and subject agencies of its intent to adopt resolutions of application, pursuant to GC § 56654(c). Shasta LAFCO provided a notice of application filing to affected agencies and received no comments. Shasta LAFCO also prepared and released a Certificate of Filing to local agencies, setting the December 3 2020 Commission hearing date. A hearing notice was published in the Record Searchlight, Lassen County Times and Modoc County Record, with postings on the LAFCO and FRM & McArthur Districts websites. On December 3 2020, the Commission continued the proposed annexation and detachment to the date of April 1 2021, which does not require re-noticing.

11) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

The Consolidated District has filed an Initial Work Plan with Shasta LAFCo, attached to this staff report and to fulfill a condition of approval. The multi-year budget shows operating costs for the consolidated District with shared administration and accounting costs.

Property tax revenues will be allocated to the consolidated District per the Shasta County Board of Supervisors Tax Revenue Sharing Agreement, passed by Resolution 20-078 on July 28, 2020. There was no revenue sharing approved for the annexed territory.

12) Timely availability of water supplies adequate for projected needs as specified in G.C. § 65352.5.

Water supplies are provided by the Fall River Valley Community Services District. No capacity limitations have been identified and the need to increase system capacity as a result of the proposed annexation is not anticipated.

13) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with § 65580) of Chapter 3 of Division 1 of Title 7.

The proposed annexation would not impact any local agencies in accommodating their regional housing needs. The County of Shasta General Plan Housing Element addresses how regional housing needs allocations will be met. There are currently no increased residential designations or development plans for the proposed annexation territory.

14) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

Notice was published in newspapers of general circulation, for Shasta, Modoc and Lassen Counties, and posted on the Shasta LAFCO and District websites, One comment letter has been received, That letter addressed to the Fall River Mills and McArthur FPDs with copy to Shasta LAFCO is attached. Responses from Shasta LAFCO are also attached.

15) Any information relating to existing land use designations.

See discussion in Section 8.

16) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the local of public facilities and the provision of public services.

The proposal will not result in inconsistencies with environmental justice safeguards. The annexation would result in continued public services for residents.

Other Considerations

Environmental Review

The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA) Guidelines found in Public Resources Code § 210000 et seq. It has been determined that this project is statutorily exempt from CEQA pursuant to § 15262 – Feasibilities & Planning Studies and categorically exempt pursuant to § 15306 – Information Collection. The Commission has prepared a Notice of Exemption as provided under CEQA Guidelines for the FRM and McArthur Districts for this change of organization including consolidation of districts and annexation and makes a specific determination that this environmental determination adequately addresses proposed changes.

Municipal Service Review and Sphere of Influence Update

The Intermountain Fire Protection District MSR and Sphere of Influence Update, approved by the Commission in 2018 reflects the District's ability to serve the affected territory, and confirming of the Sphere of Influence that covers the consolidated District, and annexed territory.

Tax Revenue Sharing Agreement

California Revenue & Taxation Code 99(b)(5) provides:

In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the County board of supervisors shall, on behalf of the district or districts, negotiate any property tax revenue exchange. Prior to entering into negotiation on behalf of a district for a property tax revenue exchange, the board shall consult with the affected district. The consultation shall include, at a minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

The meetings and consultations are documented in the Shasta LAFCO December 3 2020 staff report. As a result of those meetings and communications, the County stated that it has met its obligation by consulting with the Districts, explained the County's position, considered the position of the Districts, and then adopted a resolution establishing the property tax exchange. The property tax exchange was lawfully adopted via resolution in accordance with Revenue & Taxation Code section 99. The Shasta County Board of Supervisors passed a Tax Revenue Sharing Agreement by Resolution 20-078 on July 28 2020 (attached to the December 3 2020 staff report) . The agreement does not convey property tax from the proposed annexation area, that would be detached from CSA #1, to the consolidated District.

Conducting Authority Proceedings

All Commission approved boundary changes are subject to conducting authority proceedings (i.e., protest hearing) unless waived in accordance with criteria outlined under G.C. § 56663.

Progress Since December 2020

Since the December 3 2020 Commission hearing, LAFCO staff has been communicating with District staff. Progress is being made towards fulfilling conditions of approval for the consolidated District. This includes transfer of assets preparations. As stated in the Initial Work Plan, attached to this staff report: board policies, emergency response preparedness procedures, budget, organization chart, personnel cross training program, facilities maintenance and Improvement plans are in progress. The District recognizes that additional revenues are necessary to extend services to the annexed territory, and also demonstrate that charges for service are equitable to all District property owners and customers.

For revenue options, the following condition has been included in the attached resolution:

The District shall prepare and submit, and implement a financial proposal to generate revenues for the annexed territory which may include, but not be limited to: an Annexation Development Plan per R&T Code §99.3, a special parcel assessment, and /or fee for services agreement.

Many Fire Protection Districts are successful in getting these types of revenue measures approved. The District will have one year to satisfy this and other conditions listed in Resolution 2021-05, unless a time extension is granted

B. RECOMMENDATION

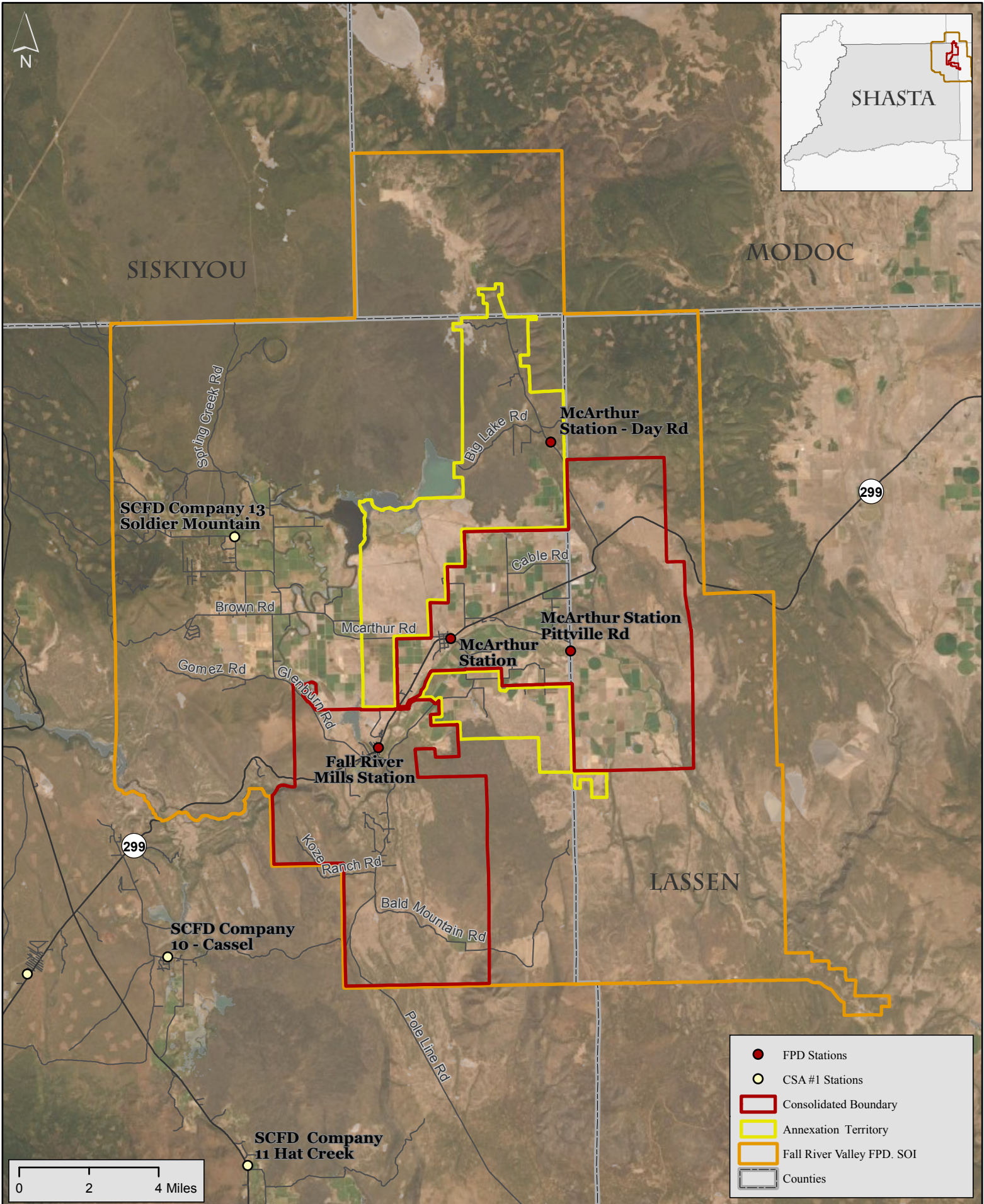
Staff Recommends that the Commission conduct the continued public hearing on the proposed annexation of territory by:

- Receiving a staff report;
- Re-opening the Public Hearing continued from December 3 2020 and receiving testimony;
- Closing the hearing and discussing the proposal;
- Approve the annexation to the consolidated District and detachment from CSA #1, with conditions;
- Take these actions, pursuant to the findings and determinations contained in this staff report, by adopting Resolution 2021-05 with conditions:

Alternatives

Deny the annexation to the Consolidated District and detachment from CSA #1, due to insufficient revenues to serve the annexed territory.

- Attachments:**
- Exhibit A: Boundary Map
 - Initial Work Plan
 - Community Comments (without FPD attachments) and Shasta LAFCO Responses
 - Shasta LAFCO Resolution 2021-05



Consolidated Fall River Valley FPD with Annexation Territory

Figure

Date: 10/2/2019



Sources: Boundaries, Roads, Parcels: Shasta County GIS.

Fall River Valley Fire Protection District – Initial Work Plan

Introduction

The consolidated McArthur and Fall River Mills District is developing board policies, emergency response preparedness procedures, a FY Budget, an Organization Chart, personnel cross training program, facilities maintenance and Improvement plans.

The mission of the Fall River Valley Fire Protection District is to protect the lives and property of our citizens. The district covers over 86 square miles in the heart of the Fall River Valley, including the towns of McArthur and Fall River Mills, and an estimated 2,000 residents. It operates two primary fire stations in the town of McArthur and Fall River Mills, and two satellite fire stations in Pittville and on Day Road.

Board Policies,

The Fall River Mills FPD Board’s By-Laws will be adopted with the updated district name. The board shall be comprised of two former members of McArthur (Joseph Bruce, and Mike Pasternak), and three former members of Fall River Mills (Scott Gallion, Jay Egy, Gary Fazio). Meetings are scheduled for the second Thursday of each month.

Emergency Response Preparedness Procedures,

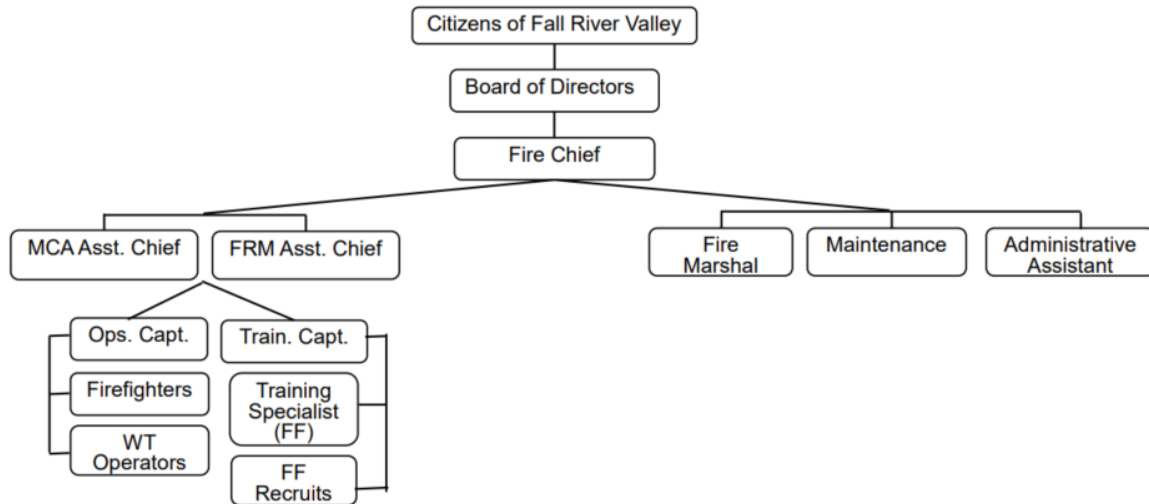
The district will work to limit the size of any emergency, and mitigate its impact through the proper deployment of district resources. The district’s Fire Chief will work with neighboring agencies to coordinate large-scale responses, and will request additional resources as needed to protect our citizens, either through local mutual aid agreements, or through a statewide mutual aid request. Incidents which cover multiple jurisdictions will generally enter a unified command with those affected agencies.

Budget

	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
Revenue				
Consolidated District				
Secured Property Tax	\$93,000	\$94,000	\$95,000	\$96,000
Unsecured Property Tax	\$4,500	\$4,600	\$4,600	\$4,700
Other Revenue	\$31,000	\$31,500	\$32,000	\$32,500
Total	\$128,500	\$130,100	\$131,600	\$133,200
Expenses				
Consolidated District				
Payroll	\$40,500	\$41,000	\$41,500	\$42,000
Other Expenses	\$81,000	\$82,000	\$83,000	\$84,000
Total	\$121,500	\$123,000	\$124,500	\$126,000
Combined Surplus (Deficit)	\$7,000	\$7,100	\$7,100	\$7,200

Organization Chart

Fall River Valley Fire District



Personnel Cross Training Program

Firefighters will undergo monthly hands-on training, planned for the second Wednesday from 7pm-9pm, as well as a business meeting where policies, procedures, and some classroom training will occur on the first Wednesday of the month from 7pm-8pm. Additionally, two annual weekend trainings (Friday evening, Saturday, and Sunday) will occur, encompassing approximately 20 hours each. These trainings are done by a certified instructor, and will cover needed topics such as Hazardous Material, Confined Space Training, Wildland Refresher, etc. Volunteers will also be encouraged to take any additional training available from local community colleges, EMS agencies, or the Shield Training Center. The goal of all trainings is to meet state and federal guidelines for firefighter training.

Facilities Maintenance and Improvement Plan

The districts have a call-when-needed professional diesel mechanic who provides onsite repairs; the mechanic also handles the 90-day inspections on all fire engines and water tenders. A single paid maintenance technician shall be hired, and responsible for basic maintenance of all pickup truck sized vehicles, apparatus equipment, and basic facility repairs.

The fire chief shall ensure grants continue to be applied for to upgrade equipment whenever feasible; an equipment replacement plan and equipment consolidation plan shall also be developed to plan for reductions in future fleet size, as well as to budget for replacement costs.

A facilities maintenance and replacement plan will also be developed, which should, at a minimum, identify major repairs needed to facilities, and which will also identify facilities which need to be replaced.

SHASTA LAFCO ATTACHMENT A

Responses to Concerned Community Members of Fall River Mills Comment Letter (no date):

The following are Shasta LAFCO responses to the Letter. Those directed to the consolidated districts are noted. The District has responded separately to this letter.

- 1) Annexation of new land;

RESPONSE: Shasta LAFCO approved consolidation of the Fall River Mills (FRM) and McArthur Fire Protection Districts (FPDs) on December 3, 2020 and continued consideration of proposed annexation outside District boundaries, until their April 1st, 2021 meeting. The Shasta County Board of Supervisors approved a Property Tax Revenue Sharing Agreement for the Fall River Mills and McArthur Fire Protection Districts Consolidation & Annexation, without additional property tax income.

- 2) Why is this land being annexed;

RESPONSE: Lands proposed for annexation are within the FPD's Sphere of Influence (SOI). Districts may propose annexation within their SOI. Due to lack of revenue, Shasta LAFCO continued consideration for the proposed annexation of lands until their April 1st, 2021 meeting. Analysis of this proposal is in the staff report on our website: <http://www.shastalafco.org/>.

- 3) How this annexation is fiscally responsible for FRMFDP/ ability to bill district for resources;

RESPONSE: The proposed annexation was continued to allow the District's time to pursue revenues for serving new territory. The Districts report that: local mutual aid, and automatic aid agreements are in place, as well as the statewide master mutual aid agreement to ensure the necessary assistance is provided when needed, and generally without charge.

- 4) Different tax rate between current Fall River Mills and McArthur FPDs;

RESPONSE: A portion of the Shasta County 1% property tax allocation is distributed to both districts; however, allocation proportions are different. Lassen County properties in McArthur FPD also pay a separate parcel assessment.

- 5) Ensure FRM FPD residents are not subsidizing fire protection in current McArthur FPD;

RESPONSE: Shasta LAFCO required a Plan for Services and Budget, included and analyzed in staff report to consider the consolidation. The District's report that volunteer firefighters from both departments have unanimously voted in favor of consolidation, as it is anticipated to reduce fixed costs, while streamlining and improving service.

- 6) Can one district have different tax appropriation percentages legally;

RESPONSE: This question is best directed to the Shasta County Auditor's office.

- 7) Specific benefits to having one fire district;

RESPONSE: Consolidation benefits include a potential fixed costs reduction & streamlined and standardized service in the Fall River Mills and McArthur communities. The Shasta LAFCO consolidation approval only covers territory within McArthur & Fall River Mills FPDs.

- 8) How is FRM FPD board prepared to take over McArthur FPD assets, liability, responsibility;

RESPONSE: No service interruption expected to occur, nor will fire protection be jeopardized. The current FRM FPD policies and procedures will be utilized for the consolidated district, with a single merged board (comprised of members of both former boards) ensuring a smooth transition. -

- 9) Provide a copy of the policies that will be in place on day 1

RESPONSE: The District's Initial Work Plan states that the: The Fall River Mills FPD Board's By-Laws will be adopted with the updated district name.

- 10) What's changed or will change in McArthur finances;

RESPONSE: The consolidated FPDs have submitted an Initial Work Plan, attached to Shasta LAFCO April 1 annexation staff report, which shows current and proposed budgets; and outlines a Facilities Maintenance and Improvement Plan. According to both the McArthur and Fall River Mills FPDs: balanced budgets maintained during most years, and both also maintain a modest reserve account for years when expenditures exceed revenues. The consolidated district will continue to strive for a balanced budget and a healthy reserve account.

- 11) What will be the organizational structure of the new FPD;

RESPONSE: Organizational chart included in District's Initial Work Plan. The consolidated FPD board comprised of two former McArthur & three former Fall River Mills members.

- 12) Will there be a full time or part time chief and what will the salary be;

RESPONSE: According to consolidated FPD representatives, No changes to current Chief position have been discussed or approved, except that there will be a single Chief.

- 13) What will be the required qualifications for the Chief position;

RESPONSE: Shasta LAFCO does not review qualifications for Special District staff.

- 14) If there's not a qualified applicant for Chief position, what's timeframe and required training

RESPONSE: See response to Item #13.

- 15) When does the FRM (consolidated) FPD anticipate the start of (Chief) recruitment?

Shasta LAFCO does not review qualifications or hiring practices for Special District staff.

- 16) Requesting copies of studies performed and narrative as to other options considered;

RESPONSE: Shasta LAFCO staff evaluated the proposed consolidation and annexation, and recommended to the Commission the consolidation be approved, see Shasta LAFCO December 3 2020 Agenda Packet on website: <http://www.shastalafco.org/>. The proposed annexation was continued to the April 1 Commission meeting.

- 17) Being that there's a disparity between FRM & McArthur FPD budgets, request current & proposed consolidated district budgets;

RESPONSE: The District attached their approved budget to their response letter. Multi-year budgets are included in District's Initial Work Plan, attached to April 1 annex staff report.

- 18) Provide narrative as to percent of reduced service to Fall River Mills community members because of this consolidation \dissolution\annexation

RESPONSE: The consolidated District reports in their response that: no reduction in services is anticipated; to the contrary, they anticipate the merger will not only ensure the current level of service is maintained, but also likely improved going forward. While the consolidation was approved by the Commission in December 2020, the proposed annexation and detachment was continued to allow the districts to pursue additional revenues.

To: Fall River Mills Fire Protection District
McArthur Fire Protection District

CC: Shasta LAFCo
CC: Shasta County Board of Supervisors
CC: Shasta County CEO Matt Pontus
CC: Shasta County Fire Chief

From: Concerned Community Members of Fall River Mills
P.O. Box 153
Fall River Mills Ca 96028

It has been brought to our attention that Shasta LAFCO will be holding a meeting April 1st 2021 at which time they may finalize the Consolidation\ Dissolution and Annexation of the Fall River Mills Fire Protection District and McArthur Fire District. We understand the Annexation portion will be granting land currently under county fire protection to the Fall River Mills Fire Protection District as the surviving entity with no added tax income for the district.

After reviewing the limited information submitted by the Fire Districts available on the Shasta LAFCo website it is apparent to us that this consolidation\dissolution\annexation has not been carefully and studiously considered by the respective Boards. Or if it has, the Boards have failed to do their duty and inform the community by sharing this information. We are submitting these questions to the respective Boards and LAFCO for immediate clarification:

in your response please include the original question and your response not just a number and response.

1. Is it true the Annexation of new land from Shasta County comes with no added tax income?
2. If question one is true why is this land being annexed? Please provide a detailed narrative as to the rationale as to why and also include a bullet list of all the benefits to the community.
3. We want to understand the thought process on how this annexation is fiscally responsible for FRMFPD when it has the potential to bankrupt the District? If there were a major incident on this proposed annexation of land, does Cal-Fire or any other agency have the ability to bill the district for resources used on the incident? In this time of devastating fire incidents to local towns in California and the extremely high costs Cal-Fire and other agencies must incur, this scenario is not out of the question and would quickly bankrupt the district.
4. Is it true that there is a different tax rate between the current FRMFPD and MFD? If so, what are the respective tax rates?
5. Please give a detailed narrative on how you plan to ensure residents in the current FRMFPD are not subsidizing fire protection in the current MFD and in new land annexed from the county? Especially, given the fact MFD has been unable to balance their budget for some time and they have previously operated in the red. If in fact it is true the annexed land comes with no added tax benefit. Please also explain in detail how this entire scenario is not jeopardizing the safety and lives of the FRM community.

6. Can one district have different tax appropriation percentages legally?

7. Please provide a detailed narrative as to the **specific** benefits to having one fire district in the fall river valley? It appears as if you are doing a trial run with Jeff Oldsen as Chief of both departments, please include the run sheets for the last year with only sensitive information redacted in your response to this request. Information requested is time of call, nature of the call, time of response, number of responders, position responders hold within the fire department.

8. Upon completion of the consolidation, how is the FRMFPD board prepared to take over the assets, liability and responsibility of the current MFD and county land? Please provide a copy of the policies and procedures this Board has in place for day 1 to accomplish this responsibility without jeopardizing the fire protection of the Fall River Mills District and the entire valley.

9. In light of the fact that the McArthur Fire District has not been able to balance their budget for in the past, please provide a copy of the policies that will be in place on day 1 which will ensure the addition of a potentially upside-down district will not drain the resources of FRMFPD?

10. In regards to #8 above, what has changed or will change in the finances of McArthur to change the status quo? ie: McArthur's operation in the red. Please provide exact examples. Where the money is coming from and dollar amounts of these changes.

11. What will be the organizational structure of the new FPD look like? Please provide an organizational chart starting with the board.

12. Will there be a full time or part time chief and what will the salary for this Chief be?

13. What will be the required qualifications for the position of Chief?

14. If there is not a qualified applicant for the position of Chief what will be the timeframe and required training be for a less than qualified Chief to ensure that a qualified Chief is leading the Department?

15. When does the FRMFPD anticipate the start of recruitment of this position or if this has started, where specifically is the recruitment taking place? Please provide a copy of the advertisement for the Chief position.

In the application to LAFCO for this consolidation\dissolution\annexation the FRMFPD and MFD attest they have studied the different ways to better serve the community and came to the conclusion this was the best option.

16. We am formally requesting copies of the studies performed and a narrative as to what the other options considered were.

17. Being that there is a disparity in the budget between FRMFPD and MFD We are also requesting a copy of the current budgets including all moneys in reserve from both districts along with a proposed budget for the consolidated district on day one, year one and year five of it being the sole fire protection district in the fall river valley.

As property owners in the current FRMFPD it is troubling that we will be paying more for the same level of fire protection than property owners in the current MFD and the property owners in the proposed annexation of county land will be paying nothing to the district yet receiving the same level of protection.

18. Please provide a narrative as to the percent of reduced service to the members of the Fall River Mills community because of this consolidation \dissolution\annexation.

As you can see there are many unanswered questions and public knowledge of this consolidation is nonexistent in this valley. The majority of the population believes Cal Fire is the fire department in the valley. The answers to these questions will provide not only myself but the members of the Fall River Mills community a transparency to this consolidation \dissolution\annexation which has been seriously lacking in this entire process. Up until today, any information or discussion has taken place in illegal closed sessions during board meetings and other back room discussions omitting the public from opinion or discussion. The community demands and deserves to have all the information requested above. We are the ones who pay for the fire protection in this community. We are the property owners, business owners and community members who will be affected by this decision and we are the ones that must live with the ramifications.

LAFCo, even though you work for the fire boards in their request, you have a due diligence to the people of this community to not rush any decision until all information is gathered and questions are answered and policies and procedures are in place. As we stated earlier, due to the devastating fire seasons California has experienced in the last few years, we cannot afford to be haphazard in any decisions made for our community. The very lives and livelihoods of family, neighbors and business owners are at stake.

Attached please find 5 pieces of correspondence from a community member who regularly attends the board meetings. It took this community member over 35 days to receive a vague response to the letter dated January 6th. It is the community's belief that the most significant demonstration of the FRMVFD's lack of regard for the laws that govern them happened on December 10, 2020. During a meeting held that day the FRMFPD passed a resolution which was not included on the agenda violating the Brown Act to pull the budget money (+\ 80,000 taxes) and their reserve (+\ 250,000) from the controllers office in Redding and turn it over to their part time secretary to manage. In their brief, vague response it clearly states that they are still working on the policies and\or procedures for managing this money.

This in the eyes of the community is a clear demonstration of this Board taking action before processes are in place and jeopardizing precious resources, in this case about \$330,000 dollars of taxpayer money. This is just one of the many examples that could be presented in which there is a dereliction of duty to the community members of Fall River Mills by this Board. The lack of transparency throughout this process and the willful withholding of access to public information is another example of this board acting unilaterally and without public input. The requests made for public access to public documents as required by law has been ignored by both boards for the past 21 days. The last request was made on February 17, 2001

Per the California Public Records Act you have 10 days to respond to this letter with all the requested information, policies, budgets, etc. As provided to you by this law, we will pay the normal amount for copies of this information.

Sincerely

concerned community members.

C/O Kathy Baddeley

Recoverable Signature

x Kathy Baddeley

Signed by: e3a196c6-f682-4fe4-a5ef-a365311c1902

LAFCO RESOLUTION 2021-05

RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND APPROVING, WITH CONDITIONS, ANNEXATION TO THE CONSOLIDATED FALL RIVER VALLEY FIRE PROTECTION DISTRICT AND DETACHMENT FROM THE COUNTY SERVICE AREA # 1.

WHEREAS, Concurrent Resolutions of Applications from the Fall River Mills and McArthur Fire Protection Districts (consolidated into the Fall River Valley Fire Protection District, as successor agency), have been filed with the Shasta Local Agency Formation Commission (LAFCO) Executive Officer and said application complied with Commission requirements; and,

WHEREAS, The territories that are subject of the proposal are located in the eastern portion of unincorporated Shasta County ("Affected Territories"). As part of the Application, the Applicants included a plan for providing services within the Affected Territories ("Plan for Services").

WHEREAS, The consolidated Fall River Valley McArthur Fire Protection District will be formed under authority defined in the California Health and Safety Code, Fire Protection District Law of 1987 [Sections 13800 - 13970]; and

WHEREAS, The individual Districts circulated notices to agencies and interested parties including LAFCO and adopted resolutions initiating LAFCO proceedings and conducted public meetings based on their notification, and have received and considered comments presented at the public hearings; and

WHEREAS, District consolidation proceedings are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 as amended, Government Code Section 56000 et seq.; and

WHEREAS, The Fall River Mills and McArthur Fire Protection District territory was consolidated, subject to conditions, into the Fall River Valley Fire Protection District, as successor agency; and

WHEREAS, The proposal included annexation of territory, covering approximately 23,478.3 acres in County Service Area #1 (CSA #1) – Shasta County Fire Department, to the consolidated District, requiring detachment from CSA #1; and

WHEREAS, the proposed annexation and consolidation are subject to a Tax Revenue Sharing Agreement meeting California Revenue & Taxation Code Section 99 requirements; and

WHEREAS, The Shasta County Board of Supervisor's adopted Resolution 20-078 on July 28 2020, that formally documents that Fall River Mills and McArthur Fire Protection Districts property taxes allocations, with no revenue allocations for annexed parcels, to be transferred to the Fall River Valley Fire Protection District (consolidated District), to meet California Revenue & Taxation Code Section 99 requirements.

WHEREAS, Due to the proposed annexation not receiving property tax revenue allocations for annexed parcels currently allocated to County Service Area #1, the Executive Officer recommended the Commission continue the annexation portion of the proposal, to allow more time for revenue options to be explored; and

WHEREAS, At the time and in the manner provided by law, the Executive Officer issued a certificate of filing and posted a notice of the Commission's December 3 2020 hearing, which gave notice of the date, time, and place of a public hearing by the Commission upon said application; and

WHEREAS, the Shasta LAFCO has adopted a Sphere of Influence for the consolidated District, as shown in the 2018 Intermountain Fire Protection Districts Municipal Services Review approved by the Commission; and

WHEREAS, at a hearing on December 3 2020, the Commission considered the proposal and the report of the Executive Officer; the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code § 56668, and all other relevant evidence and information presented at said hearing, including the comments of all interested parties desiring to be heard; and

WHEREAS, On December 3 2020, the Commission approved the consolidation, with conditions, and continued the hearing on annexation and detachment portions of the proposal, to a date certain, April 1 2021, to allow for revenue options to be explored; and

WHEREAS, The Executive Officer furnished the staff report for the continued item, to the Districts, the Commission, other persons required by law to receive it and included it in the April 1 2021 Commission agenda packet posted to the Shasta LAFCO website; and.

WHEREAS, State CEQA Guidelines § 15320 exempts from CEQA changes in the organization or reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised. In that the District will provide fire and emergency medical services to the Affected Territories that are comparable or superior to those provided currently, and will continue to provide such services to the Affected Territories upon consolidation, there is no change in the geographic area to which services have been provided as a result of consolidation. As a result, the Proposal is exempt pursuant to State CEQA Guidelines § 15320.

WHEREAS, LAFCO, on behalf of the consolidated Districts, as the Lead Agency, prepared a Notice of Exemption for the affected territory pursuant to the requirements of the California Environmental Quality Act (Public Resources Code § 21000 et seq.).

WHEREAS, The Affected Territories are inhabited, in that more than twelve registered voters reside within. Therefore, the Commission will establish a Protest proceeding for the consolidation and annexation, if approved, beginning on April 15, 2021 and concluding at the Commission's regular meeting on June 3, 2021.

WHEREAS, Based on the foregoing findings and determinations and the record of these proceedings, the Commission finds and determines that the annexation and detachment of territory is consistent with the intent of the Cortese-Knox-Hertzberg Act and the purposes of the Commission, as expressed in Government Code § 56001 and § 56301. The Commission further finds, therefore, that approval of the consolidation of the two existing districts is appropriate.

NOW, THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED as follows:

The foregoing recitals are true and correct.

1. The territory to be annexed comprises approximately 23,478.3 more or less and is inhabited.

2. The change of organization is assigned the following distinctive short-term designation:

Fall River Valley Fire Protection District Annexation.

3. The Commission has reviewed and considered the information contained in the Notice of Exemption prepared for this change of organization and makes a specific determination that

this environmental determination adequately addresses this change of organization. The Commission hereby affirms and incorporates by reference the decision as part of the findings for this resolution.

4. The Commission adopts and affirms the Notice of Exemption prepared by Shasta LAFCO and directs the Executive Officer to file a Notice of Exemption as provided under the California Environmental Quality Act. Applicant shall be responsible for payment of any documentary handling fees required by the Shasta County Clerk or filing office.
5. The consolidated Fall River Valley Fire Protection District, would include the proposed annexation.
6. The proposed annexation of 23,479 acres (including territory in Lassen and Modoc Counties totaling less than 400 acres, or 2%) and detachment from CSA #1 for all Shasta County territory, would not receive any of the Shasta County portion of property tax revenue, per Board of Supervisors Resolution 20-078, approved July 28 2020.
7. The proposed annexation was continued on December 3 2020, so that the consolidated district could address the lack of revenues from the annexed territory that would create inconsistencies compared to revenue received from properties in the consolidated District and limit the Districts ability to extend services.
8. The Commission adopts the determinations regarding consistency with LAFCO policies contained in the staff report for this project and incorporates them by reference herein.
9. The Fall River Valley Fire Protection District will be formed pursuant to California Health and Safety Code, Fire Protection District Law of 1987 [§ 13800 – 13970].
10. This change of organization includes all the territory shown in Exhibit "A" Consolidated Fall River Mills and McArthur Fire Protection Districts. The district boundaries and Sphere of Influence, as set forth in the proposal, are hereby approved as shown in Exhibit "A" attached hereto and by this reference incorporated herein.
11. The effective date of formation shall be upon the Certificate of Completion recordation and after the completion of all proceedings.
12. The Fall River Valley Fire Protection District shall be the successor agency to all rights, responsibilities, properties, contracts, assets, liabilities, and functions of Fall River Mills and McArthur Fire Protection Districts. Any professional service agreements, individual employments contracts and pension liabilities will be evaluated consistent with the following:

Any full- or part-time Fall River Mills and McArthur Fire Protection District employees shall become full-time or part-time employees of the successor agency. Contract employees and professional service agreements will be evaluated, at the sole and exclusive discretion of the governing body of the consolidated District, to determine whether they are essential to the ongoing District operation.

This consolidation is subject to the following conditions:

1. The successor agency shall function under and carry out all authorized duties and responsibilities as outlined in Fire District Law and other applicable laws.
2. As applicable, all income from taxes, assessments or any other source, which has been a continuing right to tax distribution, or historical distribution or allocation of funds, shall continue to be distributed to the Fall River Valley Fire Protection District.
3. The provisional appropriation limits of the Fall River Mills and McArthur Fire Protection

Districts shall be set in the first full fiscal year. This amount is to be set from the proceeds of taxes currently received by the Fall River Mills and McArthur Fire Protection Districts.

4. All Assets, unrestricted, restricted or fiduciary, held by the Fall River Mills and McArthur Fire Protection Districts, shall be transferred to and become assets of the Fall River Valley Fire Protection District. The consolidated District shall be the successor agency. The assets include, but are not limited to vehicles, infrastructure, structures, land, office equipment, maintenance equipment and cash assets.
5. Any previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected by each district, including improvement or assessment districts thereof, shall continue to be levied and collected by successor District.
6. All District liabilities shall be transferred to and become liabilities of the consolidated District.
7. The existing rights of lands in the annexed territory continue post annexation.
8. The District shall extend the range of services authorized by Fire District Law to the annexed territory. The consolidated District Board of Trustees shall include services to annexed territory in an annual work plan for services.
9. The Sphere of Influence hereby adopted by Shasta LAFCO (Resolution 2020-08) on December 3, 2020 shall guide the consolidated District and any Sphere of Influence Updates shall meet requirements of Government Code § 56425 (g).
10. LAFCO is the conducting authority for this annexation. In accordance with provisions of Government Code § 56000 et. seq. and Shasta LAFCO Policies, a protest-hearing, pursuant to Government Code § 57000 et seq. shall be conducted. If written protests are received at the public hearing, the proposal shall be subject to protest proceeding thresholds in Government Code § 57077.2. As necessary the Commission hereby directs the Executive Officer to schedule a protest hearing for this matter after the expiration of the reconsideration period specified by § 56895; to conduct the hearing for this reorganization; and, upon completion of the hearing, to take action as appropriate in accordance with LAFCO Policies and the requirements.
11. Approval of this annexation is conditioned upon the applicant's obligation to defend, indemnify, and hold harmless the Shasta Local Agency Formation Commission and its agents, officers and employees from any claim, action or proceeding against the Commission or its agents, officers, and employees; including all costs, attorney's fees, expenses and liabilities incurred in the defense of such claim, action, or proceeding to attack, set aside, or void the approval or determinations of this Commission concerning this annexation. Shasta LAFCO shall promptly notify the applicant of any such claim, action, or proceeding and be entitled to representation by counsel of its choosing.
12. Unless otherwise waived, all LAFCO, Shasta County and State of California fees must be paid in full prior to Certificate of Completion filing. LAFCO will forward invoices and (or) a list of estimated required fees or deposits prior to Certificate of Completion filing.
13. The District shall prepare and submit, and implement a financial proposal to generate revenues for the annexed territory which may include, but not be limited to: an Annexation Development Plan per R&T Code §99.3, a special parcel assessment, and /or fee for services agreement.
14. The Executive Officer is hereby directed to transmit a certified copy of this resolution to each affected agency, as provided in G.C. § 56882.

15. The Completion of the 30-day reconsideration period provided under G.C. § 56895.
16. Submittal of a final map and geographic description of the affected territory conforming to applicable State Board of Equalization requirements prior to the recordation of the Certificate of Completion.
17. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings.
18. Completion of proceedings shall be concluded within one year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated unless an extension is approved.

Adopted on April 1 2021 by the following Vote:

For:

Against:

Abstain:

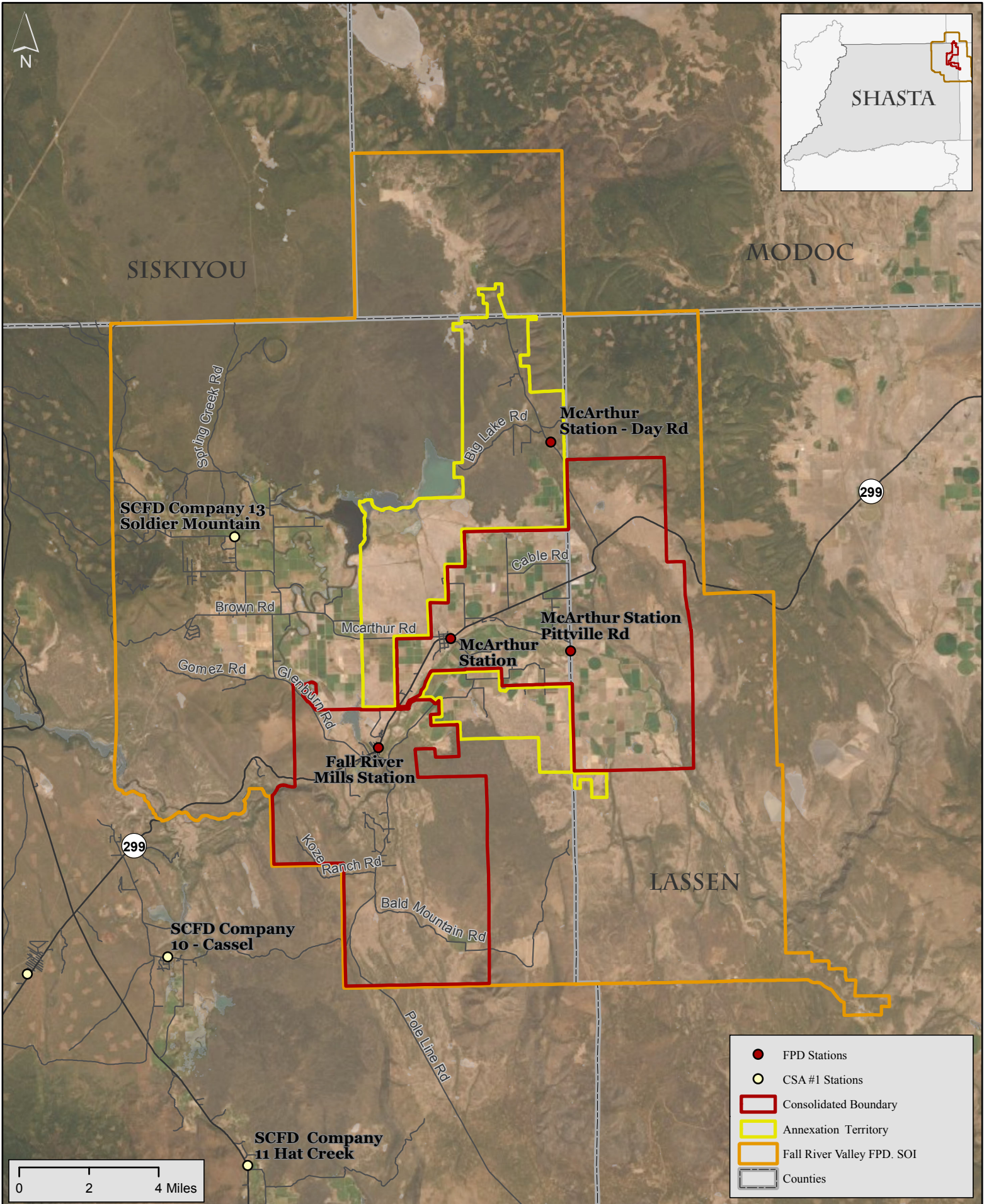
Absent:

Irwin Fust, Chair Shasta LAFCO

Attest:

George Williamson Executive Director

Attachments Exhibit A- Boundary & SOI Map



Consolidated Fall River Valley FPD with Annexation Territory

Figure

Date: 10/2/2019

Sources: Boundaries, Roads, Parcels: Shasta County GIS.

