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SAN DIEGO, CALIFORNIA - MONDAY, MAY 7, 2007

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CHAIRMAN VANDERLAAN: Good morning. Can you hear me out there? Can you hear me now? Oh, thank you. Good morning. It is just about straight up nine o'clock. I'd like to welcome you all to our regular LAFCO meeting for May 7th. It's nice to see so many people here for a short agenda. Thank you for that. So with that, I will gavel us in to open our meeting. Roll call, please.

COMMISSION SECRETARY: Commissioner Vanderlaan.
CHAIRMAN VANDERLAAN: Present.
COMMISSION SECRETARY: Commissioner Horn.
COMMISSIONER HORN: Here.
COMMISSION SECRETARY: Commissioner Pocklington is absent. Commissioner Jacob.
COMMISSIONER JACOB: Here.
COMMISSION SECRETARY: Commissioner Atkins is absent. Commissioner Morrison is absent. Commissioner Rexford.
COMMISSIONER REXFORD: Here.
COMMISSION SECRETARY: Commissioner Menshek.
COMMISSIONER MENSHEK: Here.
COMMISSION SECRETARY: Alternate Commissioner Mathis is absent.
COMMISSION SECRETARY: Alternate Commissioner
ALTERATE COMMISSIONER INGALLS: Here.

COMMISSION SECRETARY: Alternate Commissioner Lewis.

ALTERATE COMMISSIONER LEWIS: Here.

COMMISSION SECRETARY: Alternate Commissioner John Ingalls will vote in place of Commissioner Bud Pocklington who is absent. Alternate Commissioner Lewis will vote in place of Commissioner Morrison who is absent. There is a quorum.

CHAIRMAN VANDERLAAN: Thank you.

Number two on our agenda is approval of the minutes of the meeting held on April the second, 2007.

COMMISSIONER HORN: Move approval.

COMMISSIONER MENSHEK: Second.

CHAIRMAN VANDERLAAN: Motion and a second. Any discussion? Hearing or seeing none, those in favor, signify by "aye."

(Multiple responses.)

CHAIRMAN VANDERLAAN: Opposed?

(No audible responses.)

CHAIRMAN VANDERLAAN: Motion carries.

Item three, executive officer's recommended agenda revisions. Mr. Ott.

EXECUTIVE OFFICER OTT: Yes, good morning,
Mr. Chairman and members of the Commission. I have several revisions. I would like to ask the Commission to consider waiving the staff presentations on items six, seven, eight and ten. Ten is a public hearing, you do need to open and close that, but we could waive the hearing presentation on that item. There will be a brief presentation on item nine, the legislative report. That concludes the revisions this morning.

CHAIRMAN VANDERLAAN: Okay, thank you. Are there any objections to Mr. Ott's proposal?

COMMISSIONER REXFORD: No. So moved.

CHAIRMAN VANDERLAAN: So moved, okay.

COMMISSIONER HORN: Second.

CHAIRMAN VANDERLAAN: Second.

MALE VOICE: Do you need a motion?

COMMISSIONER REXFORD: Need a second? I think we do.

CHAIRMAN VANDERLAAN: Okay. There's --

COMMISSIONER REXFORD: Do we need a motion?

CHAIRMAN VANDERLAAN: Do we need a motion? Well, we're accepting the consent items, correct?

EXECUTIVE OFFICER OTT: You need to have a motion to accept and approve the consent items, which also have some ratification elements. There will be a need to open the hearing on item ten, however.
CHAIRMAN VANDERLAAN: So, we have a motion for the consent items and a second. Any discussion?

(No audible responses.)

CHAIRMAN VANDERLAAN: Hearing or seeing none, those in favor, signify by "aye".

(Multiple responses.)

CHAIRMAN VANDERLAAN: Opposed?

(No audible responses.)

CHAIRMAN VANDERLAAN: Motion carries.

Item four, Commissioner, Executive Officer announcements. Are there any announcements for us this morning?

(No audible responses.)

CHAIRMAN VANDERLAAN: Seeing none.

Item number five, opportunity for public comment for members of the audience to speak on items that are not on our Commission Agenda for today. Is there anyone who would like to speak to the Commission?

(No audible responses.)

CHAIRMAN VANDERLAAN: No? Seeing no one approaching, we'll move on to -- we've already covered consent items six, seven and eight. You said on nine we had a brief report?

EXECUTIVE OFFICER OTT: That is correct. Mr. Chairman, that is the legislative report. Our
legislative director, Harry Ehrlich, will provide some brief remarks about Senate Bill 806 plus some other activities. Harry?

MR. EHRLICH: Thank you. Mr. Chairman, members of the Commission. I wanted to just update you that I attended the CALAFCo Legislative Committee Meeting on Friday, at which a variety of bills were discussed that are pending with some amendments. They're not final; those will be considered by the CALAFCo board the end of this week.

On one bill, though, to update you on relative to today's meeting, SB-806, by Senator Hollingsworth, which is a bill that's supported by this Commission, that bill was continued by the author on April 9th for consideration, and, based on pending action by San Diego LAFCO to observe and understand, you know, what potential action this Commission may take on the issue of consolidation and establishment of a fire agency, as you will recall, and the members of the audience would recall, that bill would basically reallocate one percent of the property tax within San Diego County to the state back to a regional agency if it's formed for the consolidation of fire services. SB 806 would not remove funding from schools. Just to make sure that's clear.

On other bills, again, there's a variety of them that will be starting to go through the hearing process, and
we'll be tracking those and if you have any questions, we'd
be more than prepared to answer those. Thank you.

CHAIRMAN VANDERLAAN: Thank you, Harry. Are there
any questions for Harry on the Legislative Report?

(No audible responses.)

CHAIRMAN VANDERLAAN: Any comments?

(No audible responses.)

CHAIRMAN VANDERLAAN: No. Hearing or seeing none.

Thank you, Harry.

We will now open the public hearing for items 10A
and 10B. Do we have any speaker slips, Mr. Ott?

EXECUTIVE OFFICER OTT: We have no speaker slips,
Mr. Chairman.

CHAIRMAN VANDERLAAN: Okay. Discussion by
Commissioners, comments?

Anyone in the audience like to speak on item 10A
or 10B?

(No audible responses.)

CHAIRMAN VANDERLAAN: Okay. Seeing none. We'll
open and close the public hearing, then.

COMMISSIONER HORN: Move approval.

COMMISSIONER JACOB: Second.

CHAIRMAN VANDERLAAN: Motion for approval and a
second. Any discussion by the Commission?

(No audible responses.)
CHAIRMAN VANDERLAAN: Seeing none, those in favor, signify by "aye".

(Multiple responses.)

CHAIRMAN VANDERLAAN: Okay. It's a unanimous vote. We'll now open the public hearing on items 11A and 11B. Mr. Ott, do we have a staff report?

EXECUTIVE OFFICER OTT: We do, Mr. Chairman, and there will be a PowerPoint on this item as well. Before we proceed with that, however, I would like to make a few initial remarks before I turn things over to our staff. I'd like to just cut to the bottom line on this particular item and to explain the recommendation and a few observations about the process that we've undertaken for the past several years.

Again, this item 11A and 11B is involving a sphere of influence review as well as action on a reorganization of the structural fire protection agencies in the unincorporated area of the county. It's been our conclusion -- the staff's conclusion -- that a reorganization of these agencies is necessary; however, what we need to obtain from the Commission today is guidance and direction in terms of how that reorganization would be structured.

Number one, go or no go, should this be approved, either today or at a subsequent meeting?

Number two, what kind of boundaries would we be
discussing and establishing for a regionalized fire agency?

And then number three, governance. What type of organization should be the body decision-making for a regional fire agency?

This topic has been discussed for about ten years by the Commission and today represents a convergence of two distinct LAFCO processes. The first process we initiated ten years ago involved education and research. And today that path is intersecting with one of action, and we're recommending to the Commission that action be taken today. However, as I mentioned, there are really three special types of decisions to be made today. It really is not that complicated in terms of the actions that are before the Commission.

There are a lot of technical and legal and administrative processes which would ensue after the Commission makes the important decisions on governance, boundaries, and whether in fact this reorganization should be approved. And I'm asking the Commission to delegate those responsibilities to the Executive Officer to handle ministerially. Those activities are spelled out in the report that is before you.

I'm also asking that your Commission establish a working group or a subcommittee of commissioners to help with the policy-oriented implementation tasks. We've
concluded that if action is not taken some time soon, that
events can very well overtake us in terms of natural or man-
made events -- man-made being legislative. The legislature
in Sacramento is watching us very closely. It's conceivable
that if we do not take action, that the state legislature at
some point in the future could do that on our behalf. And
that is something that I think would be cause for alarm in
terms of local control and local input. So that's something
to consider as we are going through this action-oriented
path today.

Before I turn things over to our staff, a few
acknowledgements. We've provided an opportunity for the
public, through our outreach efforts. We had three
extensive workshops in the community: in Ramona, Pine
Valley, and then downtown San Diego. Over nine hours of
testimony has been captured from those workshops, and that
testimony is before the Commission in the very large bound
document that you have before you, word-for-word. And we
don't ordinarily go to those lengths in terms of capturing
testimony; however, realizing that not all commissioners
would be able to make it to these outreach workshop
proceedings, we hired a court reporter to take down the
notes from those meetings so that your Commission going into
this hearing would know exactly what the public and the
affected agencies have been saying with respect to
reorganization. So that's before you today, as well as it
is posted on our website for the public to be able to
review.

We would like to thank all of the individuals in
the back country that we met with, either one-on-one or
collectively. Their voices have been heard, and they've
made their points very clear in terms of the importance that
the volunteer activities that are handled by the residents
in the back country are providing in terms of community
interests, and cumis of public safety as well.

I'd also like to acknowledge the San Diego County
Fire Chiefs' and the special districts component, the Fire
Districts' Associations, who have been actively involved in
this process, beyond the two-year mark that this has been
initiated, but they have been players and at the table with
the Commission and the staff.

And then lastly, our staff, Shirley Anderson, John
Traylor and John Goss, who all collectively played
instrumental roles with this reorganization project.

That concludes my initial remarks. After the
staff makes their presentation, I'll make a few comments
about the recommendations and then we will turn it over to
public testimony. Shirley Anderson will be providing a
PowerPoint presentation and we will be beginning with that
momentarily here. Shirley?
MS. ANDERSON: Good morning, Mr. Chairman and members of the Commission. Jackie, are we ready to go then? Okay. The reorganization that you're here to review this morning has actually been many years in the making. Even though the reorganization was initiated in '05, in 1996 it has its roots in a survey that was put together by a Fire Chiefs Special District Subcommittee of LAFCO's Special District Committee. That was, what, 11 years ago? As I recall, it was quite a comprehensive survey, and the outcome of it was that it was universally felt that the funding mechanisms for fire districts was somewhat complicated, not clearly understood, and very weak in the way that it funded fire districts.

So we put together the initial report from LAFCO, the funding fire districts. The outcome of that report was the development of LAFCO's Task Force on Structural Fire Protection and Emergency Medical Services. The original charter for the Task Force was indeed to look at efficiencies, ways to gain efficiencies for the special districts, including consolidation and that's where consolidation first became the focus of LAFCO research.

The reorganization that we're looking at today actually started in February of '05 with a complementary action by the Board of Supervisors, who initiated a formation of a Regional Fire Protection District and the
actions of this Commission, which initiated a dissolution of literally every special district in the unincorporated area that provided structural fire protection or emergency medical services, or the removal of that service from multi-power districts. That, as I say, was initiated in February.

In August of '05, something called the SSP -- the substantially similar proposal -- was put forward, according to LAFCO procedures, by the San Diego Fire Chiefs’ and District Fire Chiefs’ Associations. The SSP basically split reorganization of structural fire protection agencies into two phases: Phase I, which is the reorganization that's before you today -- selected agencies that were in most critical need and put them forward.

In December of 2005, the Macro Report was released and approved by the Commission. TheMacro Report delivered seven different service levels in a broad evaluation -- seven different models. The Commission selected three of those models, asked the staff to put together what's called the Micro Report, which is before you. The Micro Report was released in January for a 60-day public review period. We held multiple workshops in the unincorporated area to gather public comment. Deadline for that comment was in April and we're here today at the hearing.

Phase I involved -- the original proposal involved 17 agencies. Today we'll go over three components of the
reorganization of Phase I, that would be governance --
excuse me -- that would be boundaries, which is basically
the composition of Phase I, what agencies would be included
in reorganization. The second issue that we'll cover is
funding, the revenues -- projected revenues and projected
costs for funding a regional fire protection agency and
process.

So the agencies that were originally proposed --
this came forward as a document in the formation of the
Regional Fire Protection District. We have seven Fire
Protection Districts: Borrego Springs, Deer Springs, East
County, Julian-Cuyamaca, Pine Valley, San Diego Rural and
Valley Center. In addition, there are six county service
areas: 107 (Elfin Forest), 109 (Mount Laguna), 110 (Palomar
Mountain), 111 (Boulevard), 112 (Campo), and 113 (San
Pasqual). Those agencies were to be dissolved and their
powers transferred to a regional agency.

In addition, four municipal water districts, which
are districts with multiple powers, not only do they have
what's termed the latent power for water -- portable water
service -- they do fire protection, and Ramona also does
waste water services. The original proposal requested that
the latent power for structural fire protection be removed
from these agencies. During the Micro Report research
period, it was determined that state law does not give the
authority to LAFCO to remove a latent power. So these four agencies are not a subject of consideration today -- and the Commission, as one of its first actions, should formally amend the proposal to remove the municipal water districts from the reorganization process.

As part of ongoing research -- ongoing process in Phase II, the municipal water districts are voluntarily able to come forward, and the Commission should note that any of the municipal water districts that want to participate in this Phase I certainly should do so on a voluntary basis.

In addition to the municipal water districts being excluded from the original proposal, certain fire protection districts have asked to either be excluded or to be delayed until Phase II. Those are the Borrego Springs Fire Protection District, Deer Springs, Julian and Valley Center. Certain CSAs have also asked to be placed in Phase II of the reorganization; that would be 107 (Elfin Forest), 110 (Palomar Mountain), and 113 (San Pasqual). So, it reduces the number of agencies are actively being -- actively participating willingly in the reorganization to six.

A criteria that the Commission should consider in determining whether or not the agencies that have asked to be excluded or deferred into Phase II is displayed on your screen. All of the agencies that are asking exclusion or
deferment have strong community support that's demonstrated by voter-approved assessments. We'll see when we get to funding that these particular agencies have strong voter-approved benefit assessment revenue. Borrego, Julian-Cuyamaca and CSA 107 are geographically isolated from the rest of the Phase I agency, and we'll show you a map in a moment.

CSA 107 is actively pursuing -- has been actively pursuing alternative reorganization. They are, as I've said, geographically isolated, and they're working with surrounding geographically close agencies to pursue a different form of organization.

All of the agencies meet the minimum service level that was put forward in the SSP, and several of them have advanced life support, which is the maximum level of service that the Micro Report analyzes. The little half circle there under Elfin Forest is not a mistake. That's because there's the service area of half of the district receives advanced life support.

Here's a map of Phase I. All of the yellow area is Phase I. The dark area, the darker brighter yellow represents special districts. The lighter yellow is approximately 950,000 acres that's also included in Phase I. There are six strictly volunteer agencies within that unserved area. We term it "unserved" even though there are
very active fire protection volunteers in that area. They are not public agencies, so the unfortunate term that gets applied to them is that it's "unserved."

The 950,000 acres is predominately Forest Service land, BLM, state forest, U.S. Wild- -- Game & Wildlife and State Game & Wildlife. However, there's a lot of recreation. There are many private land holdings within that public land, and there is no dedicated structural fire protection, or probably, more important, emergency medical service for recreational uses.

Here are the special districts that are within Phase I. Here's an illustration of the districts that are requesting either to be excluded or deferred, so you can see how they're arranged around the Phase I. The ones that are geographically isolated, Borrego Springs, Julian-Cuyamaca, and CSA 107, are -- the geographic isolation is for different reasons. CSA 107 obviously is removed from the rest of Phase I. Borrego Springs is in the far reaches of the county. And Julian-Cuyamaca is isolated by access. It's because this is not a topo map, it's hard to realize that a lot of this is mountainous areas and the geographic isolation is augmented by that.

There is one other issue, and that is tribal reservation lands. We've received several letters from different tribes requesting that their reservation land,
which is currently inside of special districts -- special fire protection districts -- be removed from the process. Also, if the complete boundary of Phase I, as proposed, is approved, it would incorporate many additional tribal reservation lands. Most of the reservations have their own tribal fire departments. Some of them contract with outside vendors. They're not able or -- excuse me -- if they were included within a Phase I fire protection district, the tribal lands are not taxable, they would not contribute income to a fire protection district, although they do participate in mutual aid and that would continue if they were excluded from the boundaries of the district.

The second issue that we'll look at is funding options. It involves both costs and revenues. The revenues for the proposed fire protection district as displayed in the Micro Report work for all 17 agencies. The property tax revenue and the voter-approved assessment would be the column underneath Phase I. As you can see, the voter-approved assessment at 8.22 million far exceeds the property tax revenue. Whereas if you go to the adjusted Phase I, which represents numbers with -- for the smaller amount of agencies that would be involved if all the agencies that are requesting exclusion are approved, you see that the voter-approved assessment and the property tax revenue are approximately equal. That's because, as I previously
stated, the agencies with the really strong voter-approved assessment are the ones asking exclusion.

Also included in the estimate of resources, and this is for '05/'06, which is the last fiscal year in which complete records are available to us, or were available to us at the point that the Micro Report was being put together, the Fire County Enhancement Fund of approximately $8.5 million is added to the amount of resources that were available in '05/'06. The County Fire Enhancement Program is a county-funded program that has provided grants, bought equipment, and probably most importantly, subsidized Amador contracts and Schedule A contracts within Phase I. The money -- the revenue is county discretionary revenue. It is not what the Micro Report terms sustainable revenue as far as a regional agency is concerned, but because it was a resource in the community in '05/'06, it is added to the resources that are available within Phase I.

So the total Phase I figure as presented in the Micro Report was 22.6 million. The adjusted Phase I cost, which again, is an adjusted set of numbers that excludes all the agencies that are requesting exclusion, is reduced to about 11 million. There are any number of variations between these two numbers. These represent the two extremes: one including all agencies, one excluding all agencies that are requesting exclusion.
The estimate of costs again is divided into what was presented in the Micro Report, Phase I -- that's a lot of numbers on your screen, and if you want to look in your transmittal report on page 7, the same thing is represented there -- and the adjusted Phase I, which is the bottom rows of numbers. When the Micro Report was authorized, the Commission asked us to look at three levels of services: the three on-duty, basic life support; three on-duty at advanced life support; and four on-duty at advanced support.

The first row across there, where it says "local career," represent numbers that it would take to deliver these different levels of services by local resources, local districts, on a fully paid staffing level. The second row, "local career volunteer," are numbers for providing these services through local districts with a combination career/volunteer staff. The third row is delivering these levels of services by contract with CAL FIRE using totally career forces. And the last row is CAL FIRE delivery -- delivered service with a combination of career/volunteer.

Subsequent to the Micro Report being released, there was an MOU signed with CAL FIRE that would add approximately two and a half million to the cost of the career/volunteer numbers.

The rows across the bottom represent the same service level, same delivery categories as the Phase I, only
again, they're adjusted downwards. You'll see the highest in blue, the lowest in red, of costs for delivering these different models. And, again, same service models come out as the lowest and the highest. The lowest is local career/volunteer delivery. And the highest is a CAL FIRE all career.

COMMISSIONER JACOB: Mr. Chairman, before we leave that chart, if I could ask a question. On the local career/volunteer, does that mean one paid and one -- and two volunteers per station?

MS. ANDERSON: John?

MR. TRAYLOR: That would be correct.

COMMISSIONER JACOB: And are reserves considered at all as a part of this equation?

MR. TRAYLOR: The projections are based on using the volunteers or reserves that are currently deployed in those volunteer agencies, so if they were reserves, that counted for those personnel. If they were volunteers, it counted for those personnel.

COMMISSIONER JACOB: But the bottom line is under local career-volunteer, it's one full pay -- full-time paid personnel plus either a combination of two reserves or a reserve and volunteer -- two volunteers, is that what I'm hearing?

MR. TRAYLOR: That is correct.
COMMISSIONER JACOB: Thank you.

MS. ANDERSON: In trying to project the amount of additional revenue that would be needed to fund a truly regional system, as an illustration, we're taking -- excuse me -- Model 5a, which, I'll go back, is the 44.89 million, the local career-volunteer, that's Model 5a, it's the lowest minimum cost level. In Phase I and adjusted Phase I, we've done it both ways here, the fiscal year '05/'06 cost, minus the resources that were available and the resources available in those years, included the Fire Enhancement Program Funds, so additional funding at the Model 5a level, which is three on-duty, basic life support, career-volunteer, for the adjusted Phase I, is 17.3 million. That varies across the service levels, depending upon which service level would be selected. This is merely an illustration of the minimum service level.

So the next category would be governance options. There were four levels -- four different options for governance that were reviewed. A regional fire protection district is the district -- is the form of governance that was proposed in the resolution from the Board of Supervisors; next, the county of San Diego as successor to the dissolved agencies; CSA number 135, also successor to the dissolved agencies, as a form of latent power, would be within a specific zone of CSA 135; and, of course, the
status quo system.

A -- regional fire protection district -- would require an automatic election. This is not optional. It does not require a certain amount of protest. It is absolutely mandatory. If a regional fire protection district were approved by the Commission, it would require an election.

A fire protection district could have an 11-member board of directors. This is as put forward in the original resolution of application by the Board of Supervisors. The 11-member board could be elected, could be appointed, because the resolution became -- came from the Board of Supervisors, the Board of Supervisors could appoint themselves.

All service issues of the regional fire protection district would be determined by the directors of the new district. Volunteer agencies would be autonomous organizations within the regional fire protection district, and that is because the authority that LAFCO has to dissolve or consolidate or otherwise affect or reorganization within special districts does not extend to volunteer districts, which are private entities. Volunteers would work autonomously within a system just as they do now.

Formation of a regional fire protection district would not create new revenue. No revenue would be
forthcoming for the mere fact that a regional fire protection district was formed. Property tax and special assessment revenue would be inherited from the former districts within Phase I. Use of voter-approved assessment revenue would be restricted to zones where it is collected. This is a requirement of 288 -- 218, excuse me -- Prop 218 and other statutes and state law. It's a common practice. We could look, for instance, to the Rural Fire Protection District, which has many zones where special assessments are collected and that money must be expended only for services within those zones.

Additional revenue is required within a regional fire protection district to implement the minimum Micro Report service level 5a, and that was the one that you reviewed a couple screens back.

Characteristics of a county program would require all districts to be dissolved, just as in a regional fire protection district and the county would be named successor for providing fire protection to the dissolved -- to the territory of the dissolved districts and 950,000 acres of unserved area. An election, when naming the county's successor would not be required. However, it's very possible that an election would be held because constituents -- registered voters within the dissolved agencies have protest rights. And we'll go over that at the end of -- the
end of the presentation on process.

Service issues under this circumstance would be decided by the County Board of Supervisors. Again, volunteers, because they are private agencies, would be autonomous. Transfer of responsibility to the county in and of itself would not create new revenue. Property tax and assessment revenue from the dissolved districts would transfer to the county. Generally speaking, property tax would be held in the county general fund, but like a regional fire protection district, voter-approved special assessment tax would be required to be held in special zones where it was collected and expended for services only within those zones. Again, more money would have to be found. It requires additional funding to deliver even the minimum -- that 5a -- across this entire regional system.

CSA 135 is a county service area that delivers -- is the regional communication CSA. It covers most of the county, even the cities. It has a cooperative agreement with Imperial County. It would be possible to -- for LAFCO -- to authorize CSA 135 to provide structural fire protection and emergency medical services within a special zone of 135. The zone would have a boundary that replicates the boundary of Phase I as it is approved by the Commission. So if Phase I is diminished from its proposed 17 agencies to include fewer than 17 agencies, the boundary
of the latent power zone would replicate whatever boundary
the Commission approved for Phase I.

Services within CSA 135, in this latent power
zone, again, would be decided by the supervisors. The CSA
135 and the county successor are very similar. Property --
the one outstanding difference is that property tax and
special assessment revenue would be retained in CSA
accounts. Property tax would not be deposited in the county
general fund, but separate accounting would have to be
maintained for property tax that would be transferred from
dissolved agencies to CSA 135. Again, authorizing CSA 135
to provide structural fire protection and emergency medical
services would not in and of itself create new revenue.
However, the CSA 135 and county successor agency, both being
county agencies, the responsibility for funding both of
these agencies would be by the Board of Supervisors.

Here's a map of what CSA 135 looks like. It's all
this tomato color -- I don't know what else to call it --
the tomato color, okay? It's CSA 135. The yellow lines
illustrate where the latent power zone in this mapping is
excluding all the agencies that have asked to be excluded.
Borrego, you can see, is -- doesn't have a yellow line over
it. The other ones are a little more difficult to identify
without names.

The characteristics of the status quo, it would
continue the current system of multiple agencies, unequally funded agencies. There is a de facto consolidation that has been introduced by the County Fire Enhancement Program. The County Fire Enhancement Program has placed several agencies under CAL FIRE contract so that consolidation in -- is basically taking place as more and more agencies come under the central administration of CAL FIRE. Again, to implement increased service levels universally across Phase I area and to include services within that 950,000 acres, additional revenues would have to be dedicated to a status quo system.

That brings us to process. One of the things that happen during the LAFCO process is the transfer of revenues. This is required by Revenue and Tax Code 99 and Government Code. The transfer of revenues is guided by the thought that transfer of revenue should be balanced with a transfer of service responsibility. This is easiest to see, probably, in the incorporation effort. When property tax revenues are transferred from the county to a newly formed city, all property taxes do not go to the new city because the county maintains services even after incorporation. So the property tax that is transferred to a new city is balanced by the cost of the services that the county is giving up and the new city would assume.

So this philosophy of a balance transfer would transfer all the revenue from the dissolved Phase I agencies
to a new structural fire protection and emergency medical service provider and the same transfer should guide the transfer of the County Fire Enhancement Program funds because the Fire Enhancement Programs are providing services -- fire services in this area which would be assumed by the new agency.

Reorganization could be conditionally approved even through there is no funding -- sustainable funding -- additional sustainable funding available today. Reorganization could be conditionally approved and conditioned upon county concurrence of either option of the county as successor agency or the CSA 135 as a latent power delivery system for emergency medical and structural fire protection systems and also the completion of discretionary administerial requirements of reorganization. There are a lot of things that have to happen that require some decisions first, such as a metes and bounds legal description has to be prepared for Phase I. The Commission would need to make a decision first on what the boundary is before a metes and bounds legal description could be prepared. The tax negotiation has to go forward. All of this sort of goes around in a circle. The Commission must make decisions first. It would come back as ministerial actions at the conclusion of the Commission's conditional approval.
So we go back to our original little chart here of how we're moving through the process. We're here today at the May 7th hearing. If a regional fire protection district were approved by the Commission, there is an automatic election. If either of the other two options were approved, the county as successor agency, or CSA 135 as successor agency, there is a possible election based on the protest rights of registered voters or land owners within the districts that would be dissolved. Either voters or land owners, because this was a LAFCO-initiated reorganization to dissolve the districts, ten percent of protest from voters or land owners within any district would mandate an election that would be held across all of the districts.

If the ten percent came from a district that has fewer than 300 registered voters -- and you have a list of the registered voters there in your transmittal report -- there are districts with fewer than 300 registered voters, it rises to 25 percent. Practically speaking, in some cases, this means that you need 25 signatures. It's very possible that a protest election would be held.

So that concludes the presentation on process, funding, and governance. Consultant John Traylor will tell you about the outreach program that we conducted, and then consultant John Goss will tell you about the importance of
volunteers that the Micro Report has concluded.

MR. TRAYLOR: Thank you, Shirley. Good morning commissioners. I just wanted to follow up on some direction that this Commission gave the study team when they first directed us to do the Micro Report and that was to engage the agencies that were directly involved in reorganization -- namely the Phase I reorganizations.

So prior to the release of the Micro Report, the LAFCO staff dedicated a lot of time and effort -- quality time -- to meet with each of the agencies that were identified as Phase I organizations. We developed good dialogue, and I'll have to say that, based on those interactions with those specific communities, the chief and in a lot of cases, the board of directors from those organizations, we developed some strategies of how to commingle, if you will, the volunteer organizations with paid personnel.

And I want to specifically thank three individual fire chiefs who helped shape the concept of 5a, that's the career-volunteer organizations. And that is, I'd like to thank Chief Dennis Sherman, Chief Kevin Dublar, and Chief Lucia from Mount Palomar. These are organizations and chief officers who have a very viable volunteer program and it was emphasized that the value of the volunteers should not be overlooked and that we should retain at all cost the
contribution of those volunteer organizations in those areas that have viable volunteer programs.

So, prior to the release of the Micro Report, on the screen, you'll see the organizations and communities that the LAFCO staff engaged in tremendous dialogue with. As Mike and Shirley both spoke about, the staff did have outreach in the form of public hearings. We met in Pine Valley, Ramona, and the downtown County Administration Center here in March of this year. In addition to that, my colleague here, John Goss, met with the City/County Managers Association and did some outreach there as far as the reorganization is concerned. And then following our public workshops for those communities that didn't feel like they had a chance to engage the LAFCO staff, we did some additional presentations. We went back out to Borrego Springs, to engage with the fire chief and their commissioners; Julian-Cuyamaca, San Dieguito Planning District. And in each of the cases along the way, we invited public testimony, written comments, and you have before you in your packet, those submitted comments and written letters to the Commission. And I will say this is - that was a very humbling experience for the staff here to go out and see the tremendous effort that the volunteer programs are doing out there. We certainly want to enhance that operation and sustain it as a good day-to-day
operation.

You will see on the previous screen here -- I can't go back I guess -- one of the problems with the volunteer organizations in the "unserved area" is that in some cases, they're not long-term sustainable. Warner Springs is a good example of that. When we had our meeting scheduled with Warner Springs, within two days of that meeting, they dissolved. So, as we went forward here, we did present issues and options for the Commission in the Micro Report to sustain those volunteer programs. And I'll turn it over to my colleague, John Goss.

MR. GOSS: Thank you. Mr. Chairman, members of the Commission. Mine is going to be a low-tech presentation. It's not a PowerPoint presentation. I'm just going to talk at you. I was asked to talk about the role and the value of the volunteers, which obviously has been a recurring theme throughout all the hearings that we've had.

John and I visited, except for Warner Springs, we visited and talked to all the representatives of every proposed Phase I agency, and it was clear everywhere we went that volunteers were the lifeblood of these agencies. The current level of fire service provided in the rural areas of the county would be virtually nonexistent without volunteer firefighters. And it was stated in the report, LAFCO believes that a regional agency should be oriented towards

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helping volunteers in their efforts to provide better service, rather than demanding volunteer operations to narrowly support the regional agency's goals.

So who are the volunteers? I was mentioning, Andy, before the meeting, there's probably at least 600 that I can identify between volunteer firefighters, those that volunteer in other fashion and those policy makers, either elected or volunteers on the 501(c)(3)s. There are volunteer firefighters that live in the community being served. There are also volunteers or cadet firefighters that come long distances to support some of the volunteer companies and the CSAs. There are community people who volunteer as mechanics, as trainers of the firefighters, as PIOs, as ham radio operators, as policy board members, as fundraisers.

The departments that rely most heavily on volunteers typically have four or five volunteer firefighters who live in the community who are then supplemented by reserves. The reserves are particularly important since many of the local volunteers leave the community for their jobs during the workweek.

Now there are some departments like Julian and Sunshine Summit, which is a volunteer agency, that use only community volunteers. However, many of the other volunteer departments and CSAs would be unable to provide the service
they now provide without the reserves.

Now, what is the value of the volunteers? In one sense, their value can't be properly stated since there would be no fire or emergency medical service throughout wide swaths of the county without them. In the extent of a proposed regional agency, looking at the least expensive option, number five, with combined career/volunteer fire companies, it is estimated the value of the volunteers is, according to the report, is $14 million. So maintaining a robust, viable volunteer program is absolutely critical to any of the service and governance options that you are considering today.

Now, what are the challenges or issues in maintaining a viable volunteer program in a new regional entity? There's always going to be some major challenges and issues whenever you make a change, even if that change is for the better. One is training. Probably the greatest attraction to being a volunteer that we heard over and over again was the ability to obtain training. One of the problems for the mostly volunteer departments, however, is that their volunteer resource must leave the community to obtain the training. Sometimes that is done on the volunteer's own time. Other times it's during duty time. By having at least one qualified career firefighter at those volunteer stations, much of the basic training can be
accomplished at the station, keeping the volunteer resource in the community. And by the way, it's unfortunate that the CAL FIRE contract with its union was changed during the course of the study to preclude the use of only one career firefighter per shift, which is the basis for part of the program presented to you.

Another issue is training standards. While there is an effort by the rural departments to train volunteers, and while the county pays for two CAL FIRE captains to provide training to some of the agencies, there is not a consistent standard for training in the rural areas. The problem can be addressed by a coordinated training program through a regional agency. Also, the regional agency can coordinate with the local community colleges to ensure that there is a useful coordinated curriculum for the reserves who serve as volunteers.

Another issue, screening and outreach. Critical to any volunteer program is screening and outreach, the quality and effectiveness of which varies among the volunteer agencies. The Micro Report recommends creation of a volunteer coordinator in the regional agency, which will have the capability of providing a -- I believe -- a consistent screening and outreach program.

Another issue is that of expense of being a volunteer firefighter. In many rural agencies, the volun-
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teer must pay for the uniforms, turnout gear, station dues, training, and on top of that, the reserves also must buy gas to drive to and from the station, which in some cases is long distances. To help remove the economic barrier to being a volunteer, consideration should be given to pay them a stipend, as is the case in actually three of the Phase I agencies already. And it is also noted that in the proposed expansion, the California -- excuse me -- the County's Fire Enhancement Program, that there is funding for volunteer stipends.

Another challenge is that many of the volunteers must travel significant distances to serve as volunteers. While the stipend proposal would help relieve some of the financial impact of this travel, the regional agency can also better coordinate station assignments and this would, I think, help lessen the impact of some of the travel expense.

Turnover among volunteers is a current problem and will feature a problem for the regional agency as well, I think. However, coordinated programs for screening, outreach, placement, training, plus stipends, could help better control turnover if a regional agency is created.

One of the themes that we heard in a lot of our public hearings is whether or not volunteers will leave if their role is diminished. Will they leave if it's diminished? Probably. However, it is not as likely that their role will
be diminished and that they will leave where there is only one firefighter per shift, as proposed in some of the stations, since there will obviously be seats to fill and initial response. For reserves this is not as much of an issue since they are volunteering for the training and experience regardless of the number of career firefighters. But once you get two, and especially three career firefighters per shift, there may be an issue of diminished volunteer role.

So, in summary, the report proposes to encourage volunteers. It's included in a longer report that I have in the attachment 2 to the overall report, but the report proposes to encourage volunteers as part of a regional agency through having a volunteer coordinator and other staff that provides centralized screening and outreach training, uniform training standards, placement to mitigate some travel expense, expense reimbursement or stipends.

Secondly, the volunteer committees at each station should be created to help support the volunteer program, especially fundraising, which will still continue to be a need, creation of a volunteer manual like the one in Riverside to provide guidelines and rules for coordinating volunteer activities. And finally, having four to five volunteer advisory committees to work with staff and also devise the policymaking body. So, while LAFCO cannot
mandate some of these proposals, like the volunteer manual, some of these proposals can serve as a road map for a successful volunteer program. And with that, I'd like to turn it over to Mike.

EXECUTIVE OFFICER OTT: Thank you, John. Thank you, Shirley and consultant Traylor. We have a number of speaker slips before us, Mr. Chairman. The amount of time that we've given to the speakers are as follows: for groups, seven minutes; and for individuals, three minutes. And we will strictly adhere to those time estimates. If there are any questions from the commissioners before we proceed with public testimony, now would be the time to ask the question(s).

CHAIRMAN VANDERLAAN: Yes, Commissioner Rexford first.

COMMISSIONER REXFORD: Yeah, I noticed some of these fire departments do not want to be in the Phase I. Could you tell me the plus and minus of being in Phase I as opposed to Phase II?

EXECUTIVE OFFICER OTT: Well, the difference between Phase I and Phase II, initially at least, was that the Phase II agencies are the better funded agencies that would not profit as much, or at all, from being included in this reorganization. The Phase I agencies that have requested exclusion feel that they share more commonality
with those types of characteristics, that they have special assessments in some cases that outweigh the property tax base of the district. Also, they may be geographically isolated from the proposed centralized regional agency that would manage the system. And there were a host of other factors that we portrayed on that affinity index that Shirley had on the PowerPoint.

The fiscal ramifications we've also gone over. While there would be less revenue available for a regional agency, there would also be lower costs. I think we estimated the original cost gap to be $22 million with all of the Phase I agencies included in the reorganization. That would drop down to about $17 million. We think reorganization is still doable, obviously, more the better in terms of including agencies. There would be still about a million and a half acres of territory that would be included in a reorganized system of fire delivery and EMS, even with the exclusion of seven agencies. We're talking about a considerable amount of territory.

CHAIRMAN VANDERLAAN: Does that answer your question?

COMMISSIONER REXFORD: Yeah, I have a follow up question. All this is based on us getting some money from the state or getting that bill to pass, correct? Because right now, as we're looking at this, we don't have the funds
to do this.

EXECUTIVE OFFICER OTT: Well, not really. We have what is probably a creative or unusual recommendation in the report that's before you. As we were writing the Report, we were also having dialogue with the Senate Local Government Committee and Senator Hollingsworth's office and Supervisor Jacob, who helped sponsor the bill that you're referring to, and the legislature was considering all those variables as we were writing this report. So there was a moving target here. We shifted the orientation of the recommendation to a great degree, pointing towards the County of San Diego, which in our opinion, if this legislative solution for bringing more money into the arena were not to move this year, or even next year, that we feel that the best chance to reorganize agencies would be with a county-managed or indirectly managed entity that would have access -- not obligation, but access -- to county general fund monies.

And one of the recommendations -- and the recommendations are on pages 20 to, I believe, 23, of your transmittal report that's dated May 7th -- one of the recommendations would be to direct me to work with our commissioners, particularly Supervisors Jacob and Horn, as well as a working group of commissioners, to gain access to County money that would be able to be transferred to a reorganized system. So, that's -- the long answer to your
question is what we are the opportunities to still reorganize by using county monies to help with this regional system.

COMMISSIONER REXFORD: Okay. If I may, one more follow-up.

CHAIRMAN VANDERLAAN: Okay. Go ahead, Commissioner Rexford.

COMMISSIONER REXFORD: Is that -- I heard a report this morning is that it would go under the county planning. I don't know if that would be a good place to have it. It should go under something to do with county fire, but, I mean, that's the details to iron out later. But I'm not sure that the firefighters would want to go under the county planning. I think they'd want to be under something to do with fire. That's all.

EXECUTIVE OFFICER OTT: I'm sure that we'll hear from them. Commissioner Menshek?

COMMISSIONER MENSHEK: Yeah, just a logistical request. If we could take a quick five-minute break prior to public testimony. We've got our entire cadre of fire service leaders here. I'm sure there's a phone call or two that needs to be returned in the middle of fire season.

CHAIRMAN VANDERLAAN: I see. Okay. Are there any other comments or -- by the Commission before we take a five-minute break and entertain public testimony?
COMMISSIONER HORN: If I just make one comment. Reference was made to the volunteer departments in Warner Springs. I have five of the seven volunteer departments in my district. Sunshine Summit incorporated Warner Springs, that's reopened to the CDF stations year-round, so it's -- those volunteers were not lost, they're covered by Sunshine Summit. I know it's a long ways away from here, but there are two CDF stations: one at Warner Springs and one on the other side. So I just wanted to point that out.

CHAIRMAN VANDERLAAN: We do -- when we come back, we have 16 speaker slips. I don't know whether how many of those are group presentations, but if they were the three-minute type, that would be almost an hour of testimony. So we certainly want to hear from everyone. We encourage you as you go to the break to take care of whatever business needs to be done, but also to think about concise and clear presentations. We'll be back in five minutes. We stand adjourned. Thank you.

(Recess from 10:10 a.m., until 10:15 a.m.)

CHAIRMAN VANDERLAAN: Okay. We'll reconvene the meeting. We're now at the point where we'll be receiving public testimony. We have, as I said, at the break, we had 16 slips. I think we have more than that now, so please be concise with your presentation. We do want to hear everyone. And if someone that precedes you has said what
you were going to say, if you can just kind of go, ditto, and not redo all that, that would be very helpful. So, with that said, are there any other comments, Mr. Ott, before we begin?

EXECUTIVE OFFICER OTT: No, Mr. Chairman.

CHAIRMAN VANDERLAAN: Okay. And right up front, I'll let you know if I mess up your name, I apologize. You can help me with that. So our first speaker will be David Ott. Dennis Sherman will be next. If you could kind of get in the queue over there. Please identify yourself, name and address please.

DAVID OTT: Yes, thank you, Mr. Chairman. Thank you, Commission. My name is David Ott, President of the San Diego County Fire Chiefs Association, here to speak before you today. Throughout the public hearing today you will hear many different views on this item before you.

It is important to realize why we are here today. We are here because the fragmented, inconsistent, uncoordinated fire service delivery system that serves, or in some instances does not serve, areas within the unincorporated area of San Diego County. We are here because there are areas within the unincorporated area that receive substandard fire services. We are here because citizens who live in or travel through these areas are at risk. We are here because these areas that receive the
substandard fire services put the whole San Diego County region at risk. We are here today to hopefully take the next step in improving fire service delivery in these underserved and unserved areas of San Diego County and to make the San Diego County region a safer place for our citizens and for our communities than it was during the wildfires of 2003, and a safer place than it is today.

As President of the San Diego County Fire Chiefs Association, I have been authorized to inform you on the position of the Association today. The San Diego County Fire Chiefs Association and the San Diego County Fire Districts Associations authored what has been called the substantially similar proposal, also known as the SSP. The LAFCO Micro Report before you today is based on this SSP. The San Diego County Fire Chiefs Association strongly supports the LAFCO Micro Report before you today, and specifically supports Model a -- 6a -- excuse me, of the Micro Report, with a fire protection district governance model. The Association urges the Board to adopt the ten recommendations made by LAFCO and, of course, all this is contingent on an adequate and sustainable funding source. Thank you.

CHAIRMAN VANDERLAAN: Thank you, Chief Ott. Dennis Sherman, and the next would be Kevin Dublar.

MR. SHERMAN: Good morning. My name is Dennis
Sherman and I represent the Zone 8 Fire Chiefs in the East County. And because this needs to be a very short presentation, you have some additional information before you there with -- the one with the map on the front -- there's some more information there for you. Okay. We passed it. Can you back up one? I'm sorry. These are the departments that have come forward to be part of this program, the program that we proposed. They're not required to, they're all part of Zone 8. They're not required to do that, but they've come forward because they want to do the right thing.

There are three departments in Zone 8 that are not at this time participating, and I'll hit those very quickly.

The first one is at Borrego, and Borrego is because they're a fully paid department and they're not really needing any enhancement at this time. The second one that's not participating that I would really like to see participate is Pine Valley. And because they're going through some internal struggles at this moment, I think we're just going to have to wait and let the dust clear before we go any further with that one. And last but not least is Sunshine Summit. Sunshine Summit -- they've elected to kind of hold back and see what happens with this because, if it goes, you know, they would like to be part of it. And they're more than welcome to join us, you know, when the time comes. We
want this to be a voluntary thing, not something that they're forced to do, something where they can step up and do what's right.

The departments who are participating, as you see up there, we have Boulevard, Campo, Intermountain, Julian-Cuyamaca, Mount Laguna, Montezuma Valley, Ocotillo Wells, Palomar Mountain, San Pasqual, and Shelter Valley. Now, that's ten departments that represent a lot of area, really a lot of area. So, boy, need to look at that.

Back in 1975, the fire service was discontinued in the East County, and these are the departments that stepped up to provide service, and to the best of their ability, with little or no support, have been providing service to their communities for the past 30 years. Thirty years, that's a long time. Of course, then, here comes the Cedar Fire. And I know that everybody's been working on this for a long time, but the Cedar Fire was kind of a kick in the tush, and that did prompt the need for fire service enhancement in the East County. And the County stepped up with an eight and a half million dollar enhancement program. Thank you so much, County. I mean, really, really, thank you. We needed that. And this program was administered by DPLU.

Now, funding is exactly what the East County agencies need; however, after following the DPLU program for
about two years, the Zone 8 fire chiefs have decided that we feel that this program is going down the wrong path. Zone 8 is together and willing to stay together as an entity to develop a solution to meet the service goals expressed in the LAFCO Micro Report. We can do that. Our solution will encompass governance, training, equipment, staffing and support issues. Right now, we're in the process of evaluating whether a JPA or a CSA is the best thing for us and, quite honestly, we're going to need the help of LAFCO and the County to help us in areas like that. But we do want to come forward as an entity.

And as far as training, we're proposing an ongoing fire academy -- an ongoing fire academy that will provide uniform training across the whole zone, as well as in-house training to bring all personnel up to standards. Now, equipment maintenance and acquisition will still be coordinated by the County of San Diego, just as it is now, but most importantly, most importantly, our proposal is to provide 7/24 staffing by developing a reserve program supported by stipends.

You know, it's real interesting. We had -- Julian was offered a contract with the CDF, and CDF offered to put three people to staff one engine seven days a week, 24 hours a day. The cost of that program was going to be $1,014,000 per year. Whoa, we said. Then I got to figuring, you know,
if we had even a generous stipend, we could -- we could staff every one of our 11 stations with three people for about $1.2 million. Wow, that's exciting, at least we think it is.

CHAIRMAN VANDERLAAN: Chief, if you can bring your presentation to a conclusion, please.

MR. SHERMAN: I'm sorry?

CHAIRMAN VANDERLAAN: If you can bring your presentation to a conclusion, please.

MR. SHERMAN: Yes, we're there now.

CHAIRMAN VANDERLAAN: Thank you.

MR. SHERMAN: Support shall be derived through the county enhancement funds and managed through county OES, through John Rejourk (ph) and Herman Reddick -- I'm sorry, I was told I had seven minutes.

CHAIRMAN VANDERLAAN: Did we give seven minutes or was it only three?

MR. SHERMAN: Yes, because I'm representing the County Fire Chiefs.

CHAIRMAN VANDERLAAN: Okay.

MR. SHERMAN: Okay?

CHAIRMAN VANDERLAAN: Thank you, I stand corrected.

MR. SHERMAN: I'm sorry.

CHAIRMAN VANDERLAAN: Reset the timer, please.
MR. SHERMAN: Anyway, support shall be derived through county enhancement funds and managed through county OES, that's John Rejourk and Herman Reddick, hopefully. We had a long relationship with Herman Reddick through OES, and he just did a fantastic job. We truly enjoyed working with him. He was cooperative. He helped us in any way that he could. He supported us a hundred percent. And we'd like to see him in that box.

We've had a break in trust with DPLU, and that management team and through them, we don't feel that we can continue to develop this program. The Zone 8 chiefs feel that now is the time to change direction. Now is the time for the County, for LAFCO and Zone 8 to come together, to develop a nucleus to build upon. And no matter what the future brings, this program will in fact -- will enhance the East County fire service. It will do it. So we ask LAFCO and the County to embrace this program, to do what's best for the County, for the participating departments, and most importantly, for the citizens of our communities. Thank you for listening. Now we'd like you to consider the possibilities. Any questions?

CHAIRMAN VANDERLAAN: Thank you, Chief. Yes, I'm sure there'll be questions.

COMMISSIONER MENSHEK: Mr. Chair?

CHAIRMAN VANDERLAAN: Commissioner?
COMMISSIONER MENSHEK: Just real quick. Point of clarification. Chief Sherman, you just stated you're representing County Fire Chiefs?

MR. SHERMAN: Yes, Zone 8 Fire Chiefs.

CHAIRMAN VANDERLAAN: Zone 8 Fire Chiefs.

COMMISSIONER MENSHEK: Okay, clarification. Thank you.

CHAIRMAN VANDERLAAN: Are there any other questions from Commissioners?

COMMISSIONER REXFORD: Yes.

CHAIRMAN VANDERLAAN: Commissioner Rexford?

COMMISSIONER REXFORD: You were saying that we should take this into consideration. Are you supporting the report or no?

MR. SHERMAN: I'm not supporting nor opposing. What I'm supporting -- what we need to do is -- thank you John Traylor and John Goss for saying what they said about the volunteers. This is so incredibly important that we do utilize the volunteers. Possibly our program is maybe a touch upside-down, because what we're going to need to do going in this direction is possibly have some paid people that support the volunteer departments, rather than have the volunteers support the paid departments. This can be done through a CSA or a fire protection district, or any of those -- any of those would work. This is, I think, an
alternative.

COMMISSIONER REXFORD: Okay.

CHAIRMAN VANDERLAAN: Thank you. Any other questions for -- thank you, Chief Sherman.

MR. SHERMAN: Thank you.

CHAIRMAN VANDERLAAN: All right. Kevin Dublar, and the next will be -- speaker will be Frank Twohy.

MR. DUBLAR: Yes, my name is Kevin Dublar, 2026 Whispering Pines in Julian. First I'd like to thank the staff of LAFCO: Shirley, John and John. They actually came out to our department and actually looked at things, actually asked questions. They were very well prepared, and, Mr. Ott, you've got a real good team there. So I did want to thank them.

I think we have a problem here today because we have identified no sustainable income. And this Commission has said throughout this process that the Commission's consistent assertion that it would be inappropriate to create a regional fire protection agency for multiple under-funded agencies and extensive under-funded territory without securing additional ongoing revenue. We don't have that yet. I think we would be premature in taking any action today that would consolidate organizations in the East County that are working. And they are working. They may not be working as well as they could be, but they are doing
We in Julian-Cuyamaca would like to be out of the Phase I because I feel we have a district that does work and we have funding that's sufficient to fund for the operations that we do. We run an ALS ambulance with paid personnel, so we do have two people on duty all day. We wish to continue in that vein rather than being sucked into the vortex of some unknown entity here and finding out that it's not going to work, or it's not going to work as it was planned to work. And then there we sit with nothing once again, like we were in the mid 70s when the County got out of the fire agency. We've worked very hard over 30 years to get the equipment that we've got, to get the stations, and to get the volunteers.

Seventy-five percent of the firefighters in this country are volunteers. A hundred percent of our firefighters are volunteers and a hundred percent of them live in our district. And that's very important to us. We may have to change that and go to reserves in order to fill all the seats, but for right now, we've got a very community-oriented fire department.

The impetus for this whole thing was the Cedar Fire. There isn't a district here, there isn't a chief here whose district got hit harder than Julian-Cuyamaca. We had 650 to 700 homes destroyed. That's one out of four. The
reason I don't know the exact number, they did it by planning groups rather than fire districts. But that was one out of four existing homes in Julian was destroyed by the Cedar Fire. You would think our community would be up in arms and revolting about the poor fire service. But instead, they're passing new benefit fees in order to finance a new station for the district. And it passed with almost 74 percent.

So we still have the support of the community. They saw what we did during the Cedar Fire. They saw that we put 25 people out on the Cedar Fire. And I think we would have trouble doing that if we had three paid people and relied on volunteers to back them up, because the volunteers are very quick to leave when they don't have a chance to participate in the emergency operations of a fire department. So we are asking either to leave us out of this Phase I and let's see how things work, and we'd jump in gladly into Phase II if things are working. But we want to protect the fire service that we have for our community and that our community has worked hard for and funded over the past 30 years. And we would like to remain as a separate entity. Thank you.

CHAIRMAN VANDERLAAN: Thank you. Are there any questions for Chief Dublar? Thank you very much. Frank Twohy. The next speaker would be Gilbert -- I'm sorry --
MR. TWOHY: My name is Frank Twohy. I'm -- I reside in Elfin Forest at 20018 Fortuna del Este. As you know, our community is actively involved in the public outreach process and have come down by the busload. I elected today to allow you not to have that pleasure, and so there are only a few of us here. So my remarks will be somewhat brief.

As a resident of the Elfin Forest/Harmony Grove community, and Chief of the Elfin Forest/Harmony Grove Fire Department, I encourage the Commission to vote in favor of moving CSA 107 Elfin Forest into Phase II of the reorganization of structural fire protection and emergency medical services in the unincorporated San Diego County. I was one of the fire chiefs on the subcommittee that helped developed the SSP, and as early as two years ago, the SSP subcommittee recognized that CSA 107 Elfin Forest is an island surrounded by cities and paid fire districts. It is also the only combination department west of Interstate 15 located entirely west of Interstate 15.

Our community is growing rapidly. The County has recently approved two new residential projects in the CSA which will add 900 new homes. If the proposed University Heights project is approved, it could add as many as several hundred additional homes. Our department trains to the
adopted North Zone Training Manual, adheres to zone operational policies, and participates in zone projects, such as the North Zone Mapping, the Televideo Conferencing System, and is dispatched by the North Zone JPA Dispatch Center located in Rancho Santa Fe.

If the Elfin Forest/Harmony Grove Fire Department is moved into Phase II, the department can continue to investigate the cooperative resources sharings, the Rancho Santa Fe, Solana Beach and Del Mar. These discussions have been ongoing for over the last year. Now, the discussions have centered on equalizing service levels between agencies and the CSA 107. And again, the key is funding.

It is critical that any funding secured for Phase I be also provided to the CSA 107 so that we can match this level of service. The sad fact is that no funding or underfunding is a major contributor to the fire and ES problem we are facing today. I applaud the County's funding help through the Fire Enhancement Program and support LAFCO staff's recommendation. The contracts for structural fire protection and emergency medical services should be awarded through a process that allows local agencies and volunteer companies to submit competitive bids for providing enhanced services and increased coverage with local resources.

Lastly, I feel that the County's Fire Enhancement Plan, as laudable and as well-meaning as it is, should be
transferred from DPLU to another existing County agency as it has a very public perception of conflict of interest. Thank you.

CHAIRMAN VANDERLAAN: Thank you. Gil Turrentine.

The next speaker will be Laurel Nicholson.

MR. TURRENTINE: Good after, Mr. Chairman and the Board. My name is Gil Turrentine, Chief of San Pasqual Volunteer Fire Department. We also request to be removed from Phase I. Our reasons are, we're at the far west end of the back country. We're bordered by Ramona, San Diego City. We have ALS service available from San Diego; ALS are available from Ramona. We also have a BSL -- BLS contract with Pacific Ambulance. We run automatic aid with those agencies around us. It would not benefit us at all to go to a paid fire department, the way you're proposing with three CDF.

We've had several examples here in the last month where Borrego had a large trash fire, for lack of a better terminology, but it was quite large, and the volunteers sent 24 people to that fire and numerous pieces of equipment. We were down there for three days. Didn't cost the County a dime. We just had a fire yesterday with San Diego City. We have an automatic aid with them. We sent two pieces of equipment, seven people and a chief to that fire, and still kept our station manned. You can't do that with an Amador
program or a schedule-A program. You only have three people in the station; if they leave, who covers the station while they're gone? It won't work. Thank you very much.

CHAIRMAN VANDERLAAN: Thank you, Chief Turrentine. Laurel Nicholson. The next speaker will be Peter Orner.

DR. ORNER: Can we go in the reverse order?

CHAIRMAN VANDERLAAN: Well, certainly.

DR. ORNER: I only have a little to say.

CHAIRMAN VANDERLAAN: Yeah, please. Just identify yourself.

DR. ORNER: I [unintelligible] for an organization.

CHAIRMAN VANDERLAAN: Okay.

DR. ORNER: Dr. Peter Orner. I'm the President of the Board of Directors of the Deer Springs Fire Protection District. We have ALS 24/7. Deer Springs Fire Protection District is far above Level 5a standards. We have about 7,000 registered voters, as opposed to 300 in the back country, let's say. We are 100 percent career firefighters. We respectfully wish to be removed from Phase I. I have no more to say. I'm going to yield the remainder of our time to Director Laurel Nicholson, who will present the official Deer Springs Fire Protection District Board of Directors stance.

CHAIRMAN VANDERLAAN: Thank you, doctor.
MS. NICHOLSON: Hi. I'm Laurel Nicholson, again, Board of Directors, Deer Springs Fire District. And we cannot stress how strongly enough that we wish to be removed from Phase I, for three important reasons. And these reasons are going to mirror the letter that we sent to you, but the first one is that we believe the continuous improvement will be eliminated or slow under the reorganization. We have worked very hard to continually improve our district. We are proud of our level of staffing. As Peter said, on any given day, 24/7 our district has three firefighters at each of our two stations: one who is ALS and two who are EMT, defib, Combi-Tube qualified. And at our Amador-Miller Station, we have three firefighters: one who is EMT, defib, Combi-Tube qualified.

We have one of the few districts in San Diego County who has an active fire safe council and also a CERT, the Community Emergency Response Team. We think that the Phase I reorganization will have significant disadvantages to us. We have serious doubts that additional funds will be given to our district to improve our district once the organization -- reorganization would take place. And our concern is that other districts, with lesser resources, would be required to improve their operation until they are at the same level as the Deer Springs Fire District, which means that that would have to happen before any more money
would be allocated to our district.

The second important point is the loss of local control. We are concerned that the responsibility -- that the Board's responsibility to its residents and property owners would be diluted or seriously diminished if it is dissolved. And by eliminating our local fire protection district, the communities no longer have local representation to address the particular needs of our district.

Also, that we're already under contract with CALFIRE, which provides central control for all of North County in the event of a wildfire. And we already have various mutual aid agreements that work to our advantage should there be a large fire. And once again, let me stress that, based on all of this, that being part of Phase I presents, we believe, a significant step backward.

The third area is funding. While most requests for tax increases in 2005 were defeated by voters, our district overwhelmingly passed a $1.4 million special tax assessment. We also feel that if we were part of Phase I, that money could not be used for the other areas, so it wouldn't be of any advantage to them. We also think it would be an accounting and operations nightmare to keep track of each district's special assessment and how that money would be allocated back to each assessment area. And
there are many voters in our area who have a healthy skepticism that that tax assessment would remain a permanent part of the County's revenues instead of being allocated back to the Deer Springs Fire Protection District.

We greatly appreciate, though, that the County, through its Fire Enhancement Program did contribute money for staffing, and we hope that that will continue its support. However, at the same time, we also firmly believe that we have the income or can generate the income to operate independently.

In summary, when we first heard about the consolidation, I think a lot of people said, yeah, that's a good idea because we heard about the cost savings and the efficiencies. But when we first heard about it, nobody really mentioned the significant income shortfall. So when we looked at it more closely, we don't really feel that the reorganization has lived up to the potential for our district that it could afford us. Therefore, we want to be removed from Phase I. So thank you very much.

CHAIRMAN VANDERLAAN: Thank you. Next speaker, Paula de Sousa, and then followed by Alan Black.

COMMISSIONER MENSHEK: Just a quick comment, Mr. Chair.

CHAIRMAN VANDERLAAN: Yes.

COMMISSIONER MENSHEK: Sorry. This Commission has
been on record from the inception of this program that any consolidation would not result in an increased savings. It's going to cost more money no matter what we do. Thank you.

MS. DE SOUSA: Good morning. My name's Paula de Sousa. I'm a partner with Best Best & Krieger and I'm here on behalf of the Deer Springs Fire Protection District. My comments are aimed at explaining why their request for removal from Phase I is justified and actually mandated by the Cortese-Knox-Hertzberg Act of 2000.

When the legislature adopted the Act in 2000, it codified a shift in the legislature's attitude and policy regarding limited and single-purpose districts, and it recognized that such agencies serve a vital role in the provision of services in rural, urban and suburban areas and communities within the State of California. The legislature further codified its policy that, regardless of the type of entity, either large or small, whether single purpose, limited purpose or multi-purpose, the entity that can best provide the services should have the responsibility of providing those services. And for the reasons stated in the previous presentation, and as stated in the District's letter of April 11th, the Deer Springs Fire Protection District respectfully believes that it is the entity that can best provide these services in its territory.
Additionally, when the formation of a new governmental agency is proposed, the 2000 Act requires that the Commission make a determination as to whether existing agencies can feasibly provide the needed services in a more -- more efficient and accountable matter. Given that there are questions regarding the financing issues and funding for the new proposed regional entity, there's little evidence that the proposed regional agency can provide -- feasibly provide fire protection and EMS services in a more efficient and accountable manner than Deer Springs can currently provide. And as stated in a previous presentation, Deer Springs is already meeting and exceeding standards and is actively working to provide even better services.

And so for those reasons, the Deer Springs Fire Protection District respectfully requests to be removed from Phase I.

CHAIRMAN VANDERLAAN: Thank you. Alan Black. Next speaker will be Tom Gardner.

MR. BLACK: Good morning. My name is Alan Black. I'm with CAL FIRE. I am the local Administrative Division Chief in the unit, and there were some points on the report that we just wanted to clarify as it related to CAL FIRE.

One of the points in the Report stated that CAL FIRE, whenever we absorb a new contract, displace employees from that contract. We wanted to go on record to let you
know that any professional firefighters or any qualified firefighters that work for the department are offered jobs with us, and it's not a matter of we tried, but in fact, we do absorb those individuals into our organization. And that is by policy.

It was mentioned problems with the three-year contract. We were pretty insistent that we wanted a minimum of a three-year contract because we were blanketing in employees from these various departments. And doing that, we didn't want to be in a situation of bringing an employee on, have that employee work for us for, say, one year, and then if that contract went away, we're in a position, we absorbed that employee and have to put that displaced employee somewhere in our state system that could be significantly outside of San Diego County. By having a three-year contract, that puts stability for the employees, CDF, and for the local community.

Cost comparisons. Some of the cost comparisons have been brought forward, we feel are not fully reflective of the information that we brought forward. The numbers that we carried forward when requested was contract numbers that we had with existing departments. Those contract numbers reflected a top dollar amount that we would charge if we were to enter into one of those specific contracts on that date. It's not a median number, it's a top dollar with
the employee, the benefits, the cover behind, full-service contract, top. It's not a matter of coming into it and then getting a higher number. That's the top amount we can contract -- we can charge under the contract when bringing it forward.

Another comment was made about CDF working with volunteers could be problematic. It's my opinion that -- in our opinion that anytime there's change, it's going to be problematic, whoever is involved in that, whether we're there, another entity from the county's there, or even in the consolidations that were talked about here today. Those have issues as they go forward. I would like to mention that CDF currently, state-wide, works with 213 volunteer fire companies and 240 Schedule A operations. We think we're well-versed in that.

Lastly, we would like to bring to your attention and remind you of the infrastructure we have in the back country that we think is already existing, already available, and is easily integrated into a County system that would facilitate, I think, a faster ramp-up if you choose to do that. Thank you very much.

CHAIRMAN VANDERLAAN: Thank you. Tom Gardner, then Jeff Carle.

COMMISSIONER REXFORD: I have --

CHAIRMAN VANDERLAAN: I'm sorry, did you have a
question? Excuse me.

COMMISSIONER REXFORD: I have a question on that. Is he supporting it or not? I didn't quite --

CHAIRMAN VANDERLAAN: Chief, do you have a response to that?

MR. BLACK: I apologize. We are in support.

COMMISSIONER REXFORD: You are supporting it.

MR. GARDNER: Good morning, my name is Tom Gardner, past president of CDF firefighters, speak again before members of Board of Supervisors, chair and members LAFCO. Many of the fire chiefs here, we've had this comment, and you have a decision that I'm glad I don't have to make.

This is an ongoing problem; it's been here well before the Cedar Fire. For many, many years, we've had problems with fire protection in rural areas. San Diego County is changing. The rural areas are getting more populated and there is a need for a greater level of service. Areas like Mount Laguna, Julian, Elfin Forest, that have true hundred percent staff, they are to be commended. It takes a lot, I mean, to get up in the middle of the morning, three or four nights in a row, then get up and do your regular job. That is a lot to do that.

The comments are some concerns about when CDF comes in or a paid department comes in and the volunteer
departments disappear, well that's generally true. When you're going to a paid staff, it means your call volume, your needs, your responses, your need for fire protection has increased and you need additional staff for insurance and ISO ratings. If you were to put an Albertson's and an AMC 16 theater in Julian, to build the facility and get the tax base, they were going to have to have -- they would have to have a water supply and a large paid fire department to provide the protection.

So many times, as the communities are growing, they do require a more professional and paid staff. And I apologize for the remark "professional", because volunteers are the same. They do require a paid staff to be there 24/7 so that they can count for the ISO rating. And it does come to a fact that at 3:00 in the morning, for GI bleed (sic), the volunteer will roll over and say, the paid staff can handle that. But when they do get the car over the side on the Rincon Grade and there's people trapped, we do need the volunteers to go. We do need the volunteers to be part of this whole picture.

What came out of Blue Ribbon and what came out of the Cedar Fire was a command of control, a lot of issues with the County over who's in charge, who's doing what. That does have to be there, and all departments are going to have to accept that there really needs to be one boss, and

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it needs to be an organizational structure, and that's the hard part. That's where the rub is with a lot of departments. I do believe that we do need to move forward on this. LAFCO needs to move forward on it. I do believe that the DPLU, although DPLU is part of the County and it is -- they're working for the -- under the direction of the County -- it can be moved under OES, that's for the Board of Supervisors. It could be moved under any part of the County. But they have put a proposal for some additional funding for some additional protection that puts us a long way towards getting there.

I don't know if the LAFCO can take part of that and move forward. And this may be a three or a five-year project before we try and fund out and go a hundred percent and allow the volunteer community that has come up here and offered to provide continuing protection, to allow them to continue to do so, also to try and give them some additional funding because they do it out there in the rural areas.

We do support it. A majority of the paid firefighters in those departments are represented by CDF firefighters, and we are here to support the citizens. Thank you.

CHAIRMAN VANDERLAAN: Thank you.

MR. GARDNER: Questions?

CHAIRMAN VANDERLAAN: Any questions? Jeff Carle
and then Mary Schoepfer, something like that. Sorry, Mary.

MR. CARLE: Chairman and the commissioners. Thank you very much for this opportunity. My name is Jeff Carle. I'm a Deputy Chief of Operations for the San Diego Fire Department, and on behalf of Fire Chief Tracy Jarmon (ph) and the City of San Diego, I'm here to speak in favor of the LAFCO Report.

We support this report as long as there is adequate and sustainable funding, because it's the only way to move past the concerns you've heard reported today about the loss of volunteers or incorporating their unimaginable efforts in taking care of their communities. We need to do that. We're also substantially concerned about the governance issue and I really encourage you to create a fire protection district that takes care of fire issues, that keeps this from becoming a recurrent football and concern.

The issue of funding is one that faces all of us, without doubt. But in my 28 years with the San Diego Fire Department, my five years with the Encinitas Fire Department, and my five years as a volunteer and part-paid firefighters in the City of Poway now, I can tell you that this has been a subject of discussion for all of that period of time. It's time for the County to step up and move forward, and we would support you in this report.

Thank you.
CHAIRMAN VANDERLAAN: Thank you. Eric Anderson will be our speaker after Mary.

MS. SCHOEPFER: Good morning. I'm Mary Schoepfer. I'm from Boulevard Fire -- no, I'm not from Boulevard Fire anymore, I'm retired from Boulevard Fire. I am now a resident -- stop laughing Diane. I spent seven years learning fire, and I learned it the hard way in the school of hard knocks. I learned a lot from these guys back here. I learned what it takes to be a small, under-funded fire department that is scrounging to get volunteers out there, to get reserves out there, to get equipment.

The plan is good. It needs a little tweaking. CSA 135 will probably work, and probably with the help of Dennis and Kevin, work for you all, it will work to help everybody. My department is the kind of department that really needs the help because when you get somebody like me that goes in and was green, what do you do? It's a big question. We need the help. One thirty-five, CSA 135, probably will work. When our CSA 111 has worked for us. So try it. Let's see if it will work. Thank you.

CHAIRMAN VANDERLAAN: Thank you. Eric Anderson and then Darrell Jobes.

MR. ANDERSON: Good morning, Chairman Vanderlaan. Eric Anderson, Elfin Forest, 20245 Elfin Forest Road. First, I would like to compliment Executive Director Ott and
his staff for doing and taking on a big project and doing a
great job of hearing us out. Elfin Forest responded and
came out and gave them an earful or two.

So the first thing is remove Elfin Forest from
Phase I, and I think that's in the recommendation 4b. LAFCO
has the ability to give direction to the Board of
Supervisors and folks here to remove those special
districts, to protect those special districts, the ones that
are doing a good job, the ones that do have a plan, the ones
that are funded and supported by the community. Our -- as
you've read, our community voted over 80 percent to support
the funding.

The second part is I want to send a message loud
and clear to the supervisors that DPLU is the inappropriate
planning agency. While DPLU should have an incorporated
fire planning in their approval of projects and things like
that, DPLU has no business running the fire agencies, as
you've heard from the professionals.

And, finally, I want to remind the other
commissioners who might not remember, CSA 135 was formed to
fund a communications system. And I'm sure Supervisor Jacob
will agree with me, that the tens of millions of dollars
that the County did spend on that CSA 135 were spectacularly
as shown by '03, the 2003, and opposed by many of the
previous predecessors of the CDF here, 'cause I was here at
that hearing for some other reason -- I think it was Ag 20 or something -- that they couldn't communicate with the 800 MHz system.

So think about what you're doing and do it carefully. In our community, the dissolution of our fire department is the dissolution of our community. Elfin Forest is really one of the truly great communities in San Diego County, and part of the strength of our fire department is this -- is our community. Dissolving those boundaries, which are our community boundaries, will dissolve us as a community. And I would hate to think that 58 citizens of Elfin Forest would hold up, in the interest of preserving their community, this process, because it does need to go forward. And those million acres out there need protection. What starts out, unfortunately, in the East County, does not stay there, as we have found out. And under the right conditions, it will burn to the coast, as they found out in Malibu and other places. Thank you.

CHAIRMAN VANDERLAAN: Thank you. Darrell Jobes.

EXECUTIVE OFFICER OTT: Excuse me, Mr. Chairman. Darrell, I know that you wanted to speak last. Did you want to speak at the end of the supporters, which we are now at, or at the end of the opposition slips? We have six opposition slips, and then that'll complete the testimony.

MR. JOBES: Whatever your pleasure would be, I
just wanted to basically bat up.

EXECUTIVE OFFICER OTT: Since you're up here, why don't you --

CHAIRMAN VANDERLAAN: Step right up, Darrell.

MR. JOBES: Okay. All right. Thank you. My name is Darrell Jobes. I'm President of the San Diego County Fire Districts Association. I want to thank you for the opportunity to speak to your Commission today. It's a subject that's extremely important to me, both as a resident and as a member of the fire service in San Diego County.

The Fire Districts Association met in March and we voted, and we came up with two topics that we could support unanimously -- I'm sorry, by majority. One is, we support the LAFCO Report. Second, we recommend the formation of an independent regional fire protection governance model. Today you have ten recommendations before you. I ask that you support staff's recommendations.

I would like to expand a little bit on recommendation 4. We do concur with staff recommendation 4a. We do believe that as it relates to 4b, the Commission has to consider each request to be removed from Phase I on the merit of that request. We concur with staff recommendation 4c, and we're not taking a position on 4d because it includes too many different options.

In closing, you've heard many different and
independent comments today, which all exemplify the need for a regional fire and emergency medical service delivery system that has to have ongoing, appropriate, sustainable funding. And that's the key. We have to have the ongoing sustainable funding. The fire service in this county has done an excellent job. We've been leaders nationwide in auto and mutual aid programs. We've done that because we know that none of us can stand alone. We all need the support of each other, and that's what we want to do is improve the fire service and the EMS service for the citizens of this county. Thank you.

CHAIRMAN VANDERLAAN: Thank you. We do have one additional speaker in support. That would be Randy Scales.

MR. SCALES: Hi. My name is Randy Scales. I represent CDF Firefighters Local 2881 in support of the recommendation. First of all, we look at the recommendation and, as a person that lives in the back country, you want to look at what's in the best interest of your community. We look at things like response times, consistency of personnel, efficiency. Most of the volunteers that are out there respond from home or from work, or from someplace in their community, which delays the response time. By providing career staff personnel along with volunteers, seven days a week, 24 hours a day, you improve those
response times, improve fire suppression, and also improve patient care.

We also look at what level of experience career personnel bring to the fire service. By having at least one or two career personnel on duty every day adds to the experience of the volunteers and the reserves that you might hire. It makes the command decisions that are out there easier for the personnel to deal with, the volunteers that may not have the experience to make those decisions aren't required to make those decisions.

By providing the experienced leaders, provides better training and it provides a better experience overall for the reserves and volunteers that may not be willing to leave after a short period of time because they're getting a better experience than what they were getting before. Most volunteers and reserves come into the fire service, especially the younger ones, as a stepping stone. They're looking for the experience to put on a resume, to make their career as a firefighter and need something to enhance a resume and provide experience to another department that they may serve.

The other issue that's come up is local control. It's been brought up that, do we really want supervisors downtown making the decisions for the back country communities? That doesn't happen. It doesn't happen
because we provide battalion chiefs in zones or battalions out there that listen to the communities, listen to the needs of the firefighters on the floor every day. What are they experiencing? What are they lacking? What do they need in funding? What is the next piece of equipment that would best serve them? Then they make that recommendation to whoever the unit chief or the County service provider would be, who then makes the recommendations to the Board for that type of funding for those areas.

We talked about this being a knee-jerk reaction from the Cedar Fire. It actually wasn't. This started out in 1996, where the county fire chief said, hey, we need to provide a county fire service, that it's not in very good cohesion; it's not working. It was the Cedar Fire that finally got the ball rolling. It took a reaction from the Cedar Fire, the devastation, the homes that were lost, the lives that were impacted, to make the ball move in this case. It wasn't moving before, it was stuck at the top of that knoll and wouldn't go over either side. But nobody would move forward until the Cedar Fire came through and devastated all the lives of the people of this community.

Secondly, and in closing, as a resident of the back country, again, what is in the best interests of your community? To have a full-time professional fire service supplemented by reserves and volunteers without a tax
increase? I think that's something I'd want. Thank you.

CHAIRMAN VANDERLAAN: Thank you. We have no other speaker slips in support. We now go to the opposition speakers. The first speaker will be Diane Brehm. Is Diane here?

MS. BREHM: Yes, sir. It's my fingers, I apologize. Yes. Diane Brehm, resident of Crest, which is East County Fire Protection District. One of my main concerns is ISO ratings. As a property owner in Crest, currently East County Fire Protection District, which is now covering Harbison Canyon, as well as Crest, our ISO rating in Crest is four. We've been told -- I've been told by my insurance company, and we've been told by a number of insurance companies, the ISO rating will drop to nine if we're annexed as a part of this consolidation plan; no offense to LAFCO. But that's the way it'll be. The only option would be state insurance, which would be 4,000 a year for a 1200 foot, only cover the initial dwelling, will not cover garage, personal property, pool, anything else other than the primary dwelling.

Potential effect on mutual aid, not just the automatic aid that was mentioned earlier. Mutual aid's been in effect since 1954 and also concerns about sustainable ongoing income that was mentioned previously. No offense at all to Mr. Ott and LAFCO and the hard work that's been done
by everybody and the [sneeze] -- excuse me -- that's been
going on for all these years. So I'm just sharing my
concerns. As homeowners, that makes a tremendous
difference, 4,000 a year. So, that's all I had to say. I
yield my remaining time. Thank you members of the
Commission, and Mr. Ott and your department.

CHAIRMAN VANDERLAAN: Thank you. Rosalind Orner
just wanted her name in the record, not to speak. Is that
still the case?

(No audible response.)

So, Rosalind does not want to speak?

(No audible response.)

Next speaker would Weaver Simonsen, followed by
Jack Shelver.

MR. SIMONSEN: Mr. Ott, distinguished
Commissioners. I appreciate the opportunity to talk to
you. My name is Weaver Simonsen. I live at 19075 Paradise
Mountain Road. I'm the Vice President of the Valley Center
Fire Protect District, and also I serve as a de facto member
on the Treasurers Committee.

I'm here to address you on -- I don't know whether
it's oppose or whatever, but I'd like you to take some
action today, and I'll explain the reason why that action.
And that is to remove us from consideration in Phase I. I'm
going to take advantage, Mr. Ott, of your offer, and say
ditto for Deer Springs. Everything they said, same with Valley Center, with the exception that we're running four people on our engines. We have found that the young people out there at night on the side of the road in traffic accidents, to have more bodies, creates greater safety with them. So we took the county funds and augmented our staff on the engines instead of supplemented in case it goes away, so we can continue to maintain.

But we've been looking at our funding, and we are a post-Prop 13, and as a post-Prop 13 district, we struggle with funding. The funding does not keep up with the requirements. We're set at a fixed rate, three percent, yet our growth continues. So we're constantly running behind, just as Deer Springs raised their funding, went to the taxpayers, we intended to do that. We've projected our revenues and expenses out for the next six to seven years. We know in two to three years we're going to be running negative. We have been trying and worked -- we've even hired a consultant to assist us to go out and establish a new benefit fee. The consultant has come back and said, place it on hold; with all this on the fire, it'll be too confusing to the voters. So, for the last year we've done nothing, and yet, we've lost another year. So we're now one more year closer to going into a negative. And as you, as commissioners, and your various bodies, you know, your
responsibility is to ensure that you have the resources to provide the services. Well, what's happening, this action has delayed our ability to do that. So we would ask, in Valley Center, for you to take this action today and remove us, to get this out so we can move on with our benefit fee process and increase our benefit fee so we can at least go another five to six years. Because that's the nature of benefit fees for those people in post-Prop 13 districts. And if there's anything you could do, it would be go to the legislature and change that concept in funding for fire departments so we post-Prop 13 are not in that vicious cycle of going out every five to six years for another benefit fee to fund us. Any questions you have I'd be more than happy to answer.

CHAIRMAN VANDERLAAN: Thank you very much.

MR. SIMONSEN: Thank you very much.

CHAIRMAN VANDERLAAN: Jack Shelver and then Marty Orenyak.

MR. SHELVER: Thank you, Mr. Chairman, members of the Commission. First off, I'll apologize for the color slip I submitted. We're not in opposition. My name is Jack Shelver. I live at 3232 Para Alta Drive in Julian. I'm the Chairman of the Julian Community Planning Group. Our Group took action at their April 9 meeting to support the position of Julian-Cuyamaca Fire District to ask to be excluded from
Phase I. We did not take action to support or oppose the report. Personally, I've read the report and I think it's thorough, well done and very timely. But the position of our group was at the Julian Community -- Cuyamaca Fire Protection District has a strong and viable volunteer component, and our concerns about the continued viability of that component are the basis of our position. We appreciate the analysis by my former colleague, John Goss, regarding the relationships in a hypered-staffing pattern, that is, volunteer and fully paid staff. That really is the basis of the concern that our group had, and we think that excluding Julian-Cuyamaca Fire Protection District from the initial phase, not necessarily from the whole report, but from the initial phase, would help to address that concern that we have. Thank you very much.

CHAIRMAN VANDERLAAN: Thank you. Marty Orenyak.

MR. ORENYAK: Chairman, members of the Board. My name is Marty Orenyak. I'm the Chairman of the Board of Directors for the Borrego Fire District. I was confused by the pink and red slips, too, because a lot of what we've -- your staff has proposed, we agree with. We just don't want to be included, you know, in the first phase.

(Laughter).

So I'd particularly like to thank Ms. Anderson and Mr. Traylor, who came to the far reaches of Borrego to spend
four or five hours with us, it seemed like. They answered all of our board's questions. They got beat up a little bit, but they're grown up and they could handle it very well.

I'm not going to reiterate or regurgitate a lot of the things that have been said here today. The position that our community has and the board has is clearly articulated in our letter to your Executive Director, Mr. Ott. We have nothing new to add. Nothing much has happened since all this started. We're totally -- so there's not misunderstanding, we're totally in support of a regional plan. We just believe, as many others have said here today, that we need to have a funding strategy in place. We can't go down the line and come back a year from now and find out that, hey, it really didn't work, now what are we going to do? So, when and if you have a funding strategy, we're a hundred percent behind you and we'll do everything that we can do to ensure a smooth transition into a regional fire protection district.

Our current level of service, like many others have stated here today, currently exceeds that of the best model proposed in Phase I. Like a great philosopher once said, if it ain't broke, don't fix it. Borrego Springs Fire District, and apparently some other ones, are not broken, either literally or figuratively. So come back to us when
you can make this thing work the way it's been intended to work. I lost my home in the Cedar Fire, so I am totally supportive of a regional solution that would, hopefully, prevent that from happening, although I don't think there was enough firemen in the State of California that could have put that thing out. So, anyhow, thank you for your consideration. And I hope you'll take our recommendation to heart and exclude us from Phase I. Thank you very much.

CHAIRMAN VANDERLAAN: Thank you very much. I appreciate your sense of humor from Borrego Springs. That's the last official slip we have. Is there anyone else who would like to speak to the Commission this morning regarding item 11A, 11B? Seeing none, we will close the public hearing.

I know that my colleagues here have a lot to say, but just a couple of general statements before we do that and that is, I, too, commend our staff. They did an excellent job, not only putting together the report, both the Micro and the Macro Report, but also in the outreach program. It's been mentioned a couple of times about the public comments, it's a document that looks like this. So I think it was kind of an aerobic program for the staff that sent to the commissioners to go through that process. But, seriously, an excellent job. We've heard comments by those that are affected; the quality of our staff in coming out
and meeting and talking to them, perhaps the first time that's occurred. So, I commend our staff, Mike Ott, our Executive Director. And thanks also to -- the -- your Commission here has been quite involved in this process, not only in the hearings, but in other things as well. Both of the supervisors, within their districts, other folks up here who have a connection in one way or the other to the fire services have also participated in that. And DPLU's been -- kind of been put on the burner. Today I'd like to thank them. They participated in the process. Like any agency, when you step out and do something, there are people who love you and people who don't care so much about you. But they participated well and they're doing an excellent job.

I think before us, the Commission, we have maybe a watershed moment. I came to this county in 1976; thought we should have a regional fire agency at that point, and here we are, what, 31 years later and we're having the discussion that certainly takes catastrophic events, sadly, like Cedar Fire, and other things, to get us to the point where we are today. I don't know where our Commission will go with this other than to say I thank all of you that came to participate today, both the fire chiefs and the fire district associations that participated in the SSP, that was done -- turned around in a phenomenally short period of time. The quality of that is what's taken what was
originally the Commission's idea in terms of the phases, and
turned that upside-down. And I think that that's the basis
for our discussion today. So with that said, Mr. Ott, is
there anything you'd add before we open up the Commission
comments?

EXECUTIVE OFFICER OTT: I think all of it has been
said already, Mr. Chairman. The recommendations, again, are
starting on page 20 of your report, and at the appropriate
time, if your Commission needs any background or discussion
of what those recommendations entail, we can provide it.

CHAIRMAN VANDERLAAN: Okay, thank you.

Commissioner Horn.

COMMISSIONER HORN: Thank you, Mr. Chairman. This
has been a long process, and we've mentioned a number of
fires. I recall the Gavilan Fire that almost burned up
Fallbrook, and it was my commitment at that time that we
would have helicopters. Unfortunately, we only have two,
and I think we need to have at least five in the county
before we go to a mutual aid situation.

I think this is a good report, and I want to thank
the staff for actually visiting the departments. I always
know when the information's getting out there 'cause I start
getting e-mails and phone calls and everybody panics. So
I'm sure it was communicated. I've been invited more -- to
more pancake breakfasts at fire departments in the last
month, just to discuss this topic, than I have in 12 years. I think this is a good report, and I think it's a good study. I do appreciate the maps and the departments laid out there. Unfortunately, most of the departments that want to be left out are in my district, and so I think, and I will say this to whoever makes the motion -- 4b which is in our consideration on page 21 -- I think those departments, Borrego Springs, Valley Center, Deer Springs, Julian-Cuyamaca, Elfin Forest, Palomar Mountain and San Pasqual -- I think we have to honor their request, because I think the goal here is to bring the County together, and not separate it. As far -- there was a couple of things mentioned as far as the funding goes. At this point, I don't really see the State sending a truck down here with some money in it, so I think the County is going to have to make the next step or help put this Phase I into operation, and I think we have -- we can't wait any longer. Like I mentioned, I'd like three more helicopters available for the County. They have done a tremendous job.

CAL FIRE was here. I think one of the best things we did as a county was to put the Amador contracts in place and open the stations 12 months out of the year. A lot was mentioned about the volunteers. I have five of the seven volunteer departments in the county in my district. They do a tremendous job. I don't think you can replace the fire --
the volunteers. We need to augment them. They have been there -- and you might remember the -- when we had the Cedar Fire, we had a second punch, which was the Paradise Fire. If it hadn't been for the volunteers in the Paradise Fire area, we would have lost far more, because it was about two days before anybody else showed up to help us. So I can't say enough for the volunteers. And the money that is being provided to them now, and we should continue that to help augment their departments. I just would say to whoever is going to make the motion, 'cause I don't want to jump in here, 'cause Dianne's been doing this for years, make sure that we have 4b in there and allow these departments to stand aside and see it work and then if they want to come in on -- later, let them do that.

CHAIRMAN VANDERLAAN: Commissioner Jacob.

COMMISSIONER JACOB: Thank you, Mr. Chairman. Mr. Horn, I certainly agree with you on 4b. I would like to ask a couple of questions, and then I have some comments, and then I would like to put a motion on this floor.

My first question, Mr. Ott, on the seven agencies, just to make it absolutely clear, would there be any negative impact to a reorganization by leaving those seven agencies out at this time?

EXECUTIVE OFFICER OTT: There wouldn't be a negative impact. Obviously, as I mentioned earlier, the
more, the better. But we have worked up a service plan that is an alternative to what we started out with a couple of years ago by modeling out the seven agencies, and John Traylor is responsible for doing that. It's not just a matter of costing out a revised staffing schedule or a revised boundary, John went through the entire region to determine where stations should be located, where they are located, what the capital facilities are like. And John, do you want to talk any more about that in terms of the impacts? Because he looked at that quite exhaustively.

MR. TRAYLOR: Well, we did, and short of knowing exactly what this Commission's direction would be on those that requested out, it's a little difficult to determine, I guess, if you will, the operational areas or the battalions without knowing who all's involved. But the original concept was developed, five battalions, with anywhere from seven to ten fire stations, including paid, paid volunteer and strictly volunteer stations. So there was an extensive look at using existing facilities, namely the volunteer facilities. There are some capital improvement costs to increase those facilities to accommodate on-duty staffing. But there was an extensive look and, you know, the numbers were provided you on estimates based on what was known at that time.

COMMISSIONER JACOB: John, could you refresh my
memory? How many stations in the entire Phase I? And then if we exclude those seven agencies that have requested being excluded, how many stations then would we have in the area that would be left?

MR. TRAYLOR: We started off in Phase I with 42 stations. One of the stations, Harbison Canyon station, was lost during the Cedar Fire, so 41 stations exist, where 42 really should be. If you subtract out those seven agencies or organizations that are requested to be moved to Phase II or removed from the reorganization, we're going to eliminate about 12 stations. So, that would bring us down to about 30 stations remaining.

COMMISSIONER JACOB: That's a lot.

MR. TRAYLOR: Yes.

COMMISSIONER JACOB: Thank you. My second question, Mr. Ott, does LAFCO have the authority to include tribal lands in a reorganization? It doesn't seem to me like they would, but I don't know the answer.

EXECUTIVE OFFICER OTT: Well, we do have the authority to draw the boundaries of a local agency around tribal authorities, around federal, state, military lands, but in terms of the sovereignty of those entities, even if we were to draw a county service area boundary or a regional fire district boundary around a tribal authority, there would be no interference, for example, that the county could...
have over the tribal firefighting efforts. So, while we have the authority to draw the boundaries, there would be no corporate responsibility that the new fire entity would have over those tribal lands.

COMMISSIONER JACOB: And I notice that Campo has requested removal. Again, it wouldn't make much sense to me to include them if we have no authority to integrate them. But perhaps they'd be a partner with a reorganization, and hopefully, the tribal nations would work with any reorganization effort.

EXECUTIVE OFFICER OTT: Let me tell you why they originally were included. When we started this process, we started at, if you can imagine, a funnel, with the largest number of agencies on top, the largest land area on top. And as we get to the process today, the funnel is narrowing, and it's an opportunity to make modifications. At the time we included the tribal interests in this proposal, we did it purely for technical reasons, so that those entities would be within one master legal description that would have to be drawn for a fire entity. As far as anything beyond that, there really are no service ramifications by excluding them per some of the requests that have been made from the tribal entities.

COMMISSIONER JACOB: So, in your recommendation, I don't see a recommendation on this, it would be 4c. But in
your opinion, would it be best for the Commission to exclude them?

EXECUTIVE OFFICER OTT: It would be best to exclude them based upon the testimony and comments that we've received from some of the agencies. And, again, there would be no negative impact on a successor agency.

COMMISSIONER JACOB: Okay. I have another question of you, Mr. Ott. The East County Fire Protection District -- we've talked about that at our past LAFCO meetings, and it is included in the Phase I consolidation, and East County has had some really serious financial difficulties that they have been dealing with lately. But the testimony that we received had to do with the ISO rating. Would including the East County Fire Protection District within the Phase I reorganization, does that have any effect at all on the ISO rating?

EXECUTIVE OFFICER OTT: I wasn't following the argument that the individual made regarding the degradation of the ISO rating. If anything, the ISO rating would improve through regionalizing service functions, especially if additional monies were available for a reorganized system of fire protection. I don't know who your affected citizens’ insurance provider is or what information they were sharing with you in making that comment, but something doesn't add up in terms of what was relayed to you regarding
that. So I would take disagreement with the comment that
was received, respectively; and not only would I hope, but I
would think that the ISO rating would improve with more
money, more resources, more centralization of command and
control.

COMMISSIONER JACOB: Because East County would not
-- the East County Fire Protection District, as I understand
the report, would not lose their property tax base, they
would not lose their special assessments that they have
already voted in. Is that correct?

EXECUTIVE OFFICER OTT: That would be correct for
any agency that would be included in this proposal. One of
the steps that we would take after, assuming the Commission
would approve a reorganization, would be to establish the
zones that would segregate the revenue that is generated
within those communities and how it would be spent, so that
would be the answer to your question.

COMMISSIONER JACOB: Thank you. I have a question
for Ivan Holler. Ivan's in the audience, and Ivan has been
the point person in charge of the County Fire Enhancement
Program, which some folks have liked, some don't like, but
they like the money. I think everybody agrees, everybody
likes the money, but there may have been some problems along
the way. But, Ivan, what I wanted to ask you, because there
has been some concerns that are brought up at this hearing,
is if right now the County is contracting with CDF for what's called the Amador contracts, which is, for all intents and purposes, from what I've seen, is really a good fiscal deal because the CDF stations are already out there, all we're doing is paying for having them be there for the three months, so they're there year-round, not just for wild land fire, but structural fire protection, emergency medical services. With that being said, then there's the Amador contract with some of the other stations, those are the newer contracts. From a County perspective, and these are details that the LAFCO Commission is not going to be getting into today, but they are details to be worked out later, depending on how the Commission votes on this -- on this whole reorganization issue today, but, is the County -- and since you're the head person involved in the County's program, are you wed to CDF providing the services in the area that we're forming, or would you be open to competitive bidding to see who else might be out there to -- if there's a more cost-effective, same level of service, or better level of service approach? Do you follow what I'm asking?

MR. HOLLER: I do. Mr. Chairman, Commissioner Jacob. One of the things that we had considered and actually discussed when we originally made the County proposal was to evaluate service providers and, certainly, if there was a service provider that could provide a similar
level of service for less money, we would absolutely be open
to considering that.

COMMISSIONER JACOB: All right. And did -- it
seemed to me when the Board of Supervisors voted on the
County's Enhancement Program that it was an interim program,
it was something to try to do something immediately, to try
to improve fire and emergency medical services, and that
once the LAFCO decision is made, then that all could
change. Would that be correct?

MR. HOLLER: I think that we did view it as --
when we originally made the proposal to the Board of
Supervisors, that we did view it as an immediate action in
response to past events. And it certainly could change
depending upon action of this Commission and subsequent
actions by the Board.

COMMISSIONER JACOB: Thank you, Ivan. Thanks for
the good work that you've done. I think it achieved that
goal, maybe ruffled a few feathers along the way, but,
looking at the numbers -- and I think eventually whatever
unfolds, which will be a lot of the actions, as I understand
the subcommittee will deal with, I certainly am interested
in the most cost-effective approach. Obviously our goal is
to improve and enhance, not just fire protection services,
but the emergency medical because about 80 percent of what a
fire department does is emergency medical services. But
also to look at what is the most cost effective way that we can get the job done. And I'm glad to hear Ivan open to looking at other options that might achieve the goal. The revised numbers we have, it certainly is clear that CDF is a more expensive option, and that was the only point I wanted to make.

My comments. It has been a long time; it's been ten years, and for some a lot longer than that, in getting to this point today. But this is a day for a very, very major decision in one of the most important public safety issues in this region. And even though we're focusing on the back country areas, let there be no mistake that what -- depending on how strong our back country areas are in terms of providing fire and emergency medical services, so goes the region. It's -- and the stronger that the back country can be, the stronger the cities can be and the entire region in the event of another major disaster. And we know that it's not a matter of when -- or if; it's a matter of when we will have another major fire event.

I think it's also rather ironic as we sit here today on the heels of one of the most important public safety decisions that could be made for the San Diego region, that we're under the highest fire threat that we have ever had in our region. Certainly the Cedar Fire, we should never forget what happened during that fire, and all
of us sitting here made sure that nobody does forget that by our actions today. And this was one of the most important efforts, albeit the most difficult, the one that's taken the longest amount of time because of all the analysis to be done to get here. But it is a command and control issue. It is about more efficiencies and coordinations. And it is an important decision that we give a green light to today.

I'm really impressed with the work that Mr. Ott has done and our -- Mr. Goss and Mr. Traylor and Shirley Anderson and all of the LAFCO staff. All the documents over the years that have been produced, albeit rather lengthy, lot of detail into it, and the Micro Report has the most detail. You've done just an outstanding job in what has been provided, and your public outreach. I commend you for going out into the communities, and I'm well aware that the audiences were sometimes a little hostile, yet failed to -- they did not fail to assume their responsibilities of letting you know very clearly how they felt and some of that we're hearing here today.

All we're really to do here today is identify boundaries and the governance structure, and then the details, as I understand, will be looked at with a subcommittee of this Commission. It's clear in my mind that the County -- in order for County money to be sustained on an ongoing basis, which I hope will be the case, that there
has to be one of the models that will put the Board of Supervisors as the governing authority. That may not be the ultimate goal. The Fire Chiefs Association, which I have appreciated all of their hard work as well as Fire District Association Zone 8 folks and all the rest, you work very hard, you've come forward with, I think some very thoughtful recommendations, although we may not be able to reach the ultimate goal today.

I like the 6a option. I wish we could go there immediately. The only difference between the 5a option and the 6a option is the level of emergency medical care. One is the basic life support, one is the advanced life support. I think the 6a option is ultimately what we should strive for, and ultimately some kind of a county-wide fire entity, which we're not sure what that's going to look like yet, but I want to make sure that I continue at least, and others, to work with the associations to try to achieve that county-wide fire agency.

To start with the unincorporated area, and that's where we are now, it seems to me CSA 135 would be our best option. I like the idea that the property tax is sustained in that area plus the special assessment revenue, and as the LAFCO Report states, and it was stated here today, that the revenue would be held in a separate account and not just go into the county general fund, but it would be a separate
isolated account and accounting for that.

I counted up the Phase I area minus the seven agencies that have requested to be out at least at this time. We've got over 1.5 million acres that would be reorganized into one entity. To put that into perspective, that is more than one half of the geographical size of the San Diego County region. So still, even with those seven agencies out at this time, this is a really big deal in terms of reorganization.

I'll just mention briefly, as Bill did, the importance of the volunteers. In my book, our volunteers in our back country area have been like gold, the unsung heroes in most cases. A lot of people in cities don't realize when they take a drive out to Julian or Campo or anywhere else east to enjoy our beautiful back country area or to play in the Laguna Mountains, that it's a volunteer firefighter if there is an accident on the road, that responds, and you better hope they're home and you better hope they're available. And I think that the region has relied far too heavily on these volunteer firefighters, and they do need some help, but I think the basis of any program must revolve around a strong volunteer firefighting force. That's our baseline. That is what has created a strong fire and emergency medical services in our back country today. Anything else that we do should certainly augment that.
I noted in the LAFCO Report, too, they put that in terms of dollars. Fourteen to twenty million dollars of annual service is provided by our volunteer firefighters in our back country area, serving people. There are three million people in the entire San Diego County region, and I want to make sure we team that and enhance it and build upon that strong volunteer force.

The reserves are also an important part, that they get paid a stipend. And it amazes me how we have reserves, people that are willing to come in to get training in San Diego County, that come from Huntington Beach, from LA, from Orange County, all over, to come here, to serve in our communities because the training is excellent in this county. I point out Dennis Sherman in Mount Laguna. Great volunteer program, knows how to recruit, retrain them and reserves -- Kevin Dublar, you've heard from earlier. They have a great program, great community support. And even Terry Coleman didn't speak today, but Inner-Mountain, that's a 100 percent volunteer department, and they have a great reserve program as well as volunteers in the area, and I commend you and the many others that are out there for that.

Zone 8 made some comments, some good ideas, concerns about county administration of funds. I think, again, those are details that can be worked out at a subcommittee level. I haven't really heard anybody say that
we don't need to do something in the terms of change. So here we go, and let me put a motion on the floor, and we'll see where we go with that.

I would start off with my motion to approve the Executive Officer's recommendations with the following amendments: Recommendation 4b to grant the requests of the seven agencies wishing to opt out from Phase I of the proposed reorganization and add a condition that those agencies have the opportunity to opt back in within the next 60 days if they would want to. That would be purely voluntarily.

This is a little out of order, on 4a -- recommendation 4a, which is the water districts, I heard Mr. Ott say that they would be allowed to voluntarily opt in if they wanted to, is that right?

EXECUTIVE OFFICER OTT: That is correct.

COMMISSIONER JACOB: So I would put that into my motion, that the water agencies under 4a would have the opportunity to voluntarily opt in if they would like to do that.

On 4b, just to reiterate those agencies that would be opted out at this time: Borrego, Deer Springs, Julian-Cuyamaca, Valley Center, Palomar, San Pasqual and Elfin Forest.

On recommendation 4c, which involves the tribal
lands, I would recommend that we exclude the tribal lands.

On recommendation 4d, which is the regional governance structure, I would recommend that we approve the CSA 135 model for the regional governance structure.

And then on recommendation 5, I would direct the Chief Executive Officer to add LAFCO Chairman Andrew Vanderlaan to the subcommittee and an additional spot for a special district representative of LAFCO to the subcommittee if there is one that would be interested in doing that. And that would be my motion.

CHAIRMAN VANDERLAAN: Thank you. Is there a second to the motion?

COMMISSIONER HORN: I'll second.

CHAIRMAN VANDERLAAN: There is a second. Discussion on the motion? Mr. Menshek, I think you had your hand up earlier.

COMMISSIONER MENSHEK: Thank you very much. Excellent report. Obviously LAFCO staff took a great class and passed with flying colors in how to eat an elephant. I mean fantastic here. My only concern is I would just hate to be Battalion 2. That poor guy goes from Riverside-Imperial almost to the border of Southern California.

But having said that, two things struck direct, and something that I've been near and dear to my heart for many years. I'm a fire safety professional -- paid
professional battalion chief. I'm a LAFCO representative. I'm elected as a special district representative. I'm a past volunteer. I'm also a past employee of CDF, which is now CAL FIRE. So I got a little piece in this in all the organizations that stood up at this podium today and I thank you for that.

I do support the majority of Supervisor Jacob's motion, and I understand we're doing the best that we can. And I've had two things that I've been consistent on since bringing this issue up through my districts, through bringing this up through the Fire Service Task Force and at LAFCO. And that's, number one, that there be a funding allocation is sustained and identified funding source prior to moving forward with the dissolution. And the second, that districts with cause that demonstrated that would be allowed to opt out.

So in discussion of point 4b, considering the requests of the agencies to opt out, I'm in full support of all of those. They've all demonstrated through their communications to us and in their current level of fire service that I believe they have the ability to function independently and if that's their decision, then I'm in full support of that. I do have to say, though, CSA 110 gives me pause, the Palomar Mountain area. The fire severity conditions up there are extreme, geographically they're set
out there on their own. But if that's the wishes of that
group, then I'll support that. But I'd just like that for
the record. I really think that CSA 110 should reconsider
that in the 60-day window.

As far as codification of the Phase I agencies, I
think we've cleared that. The model of service I'm
comfortable with, as long as we would move towards the 6a at
some point with ALS intervention back there just because of
the lack of, but I have to say the immediate influx of funds
that we've done out there through the County, I thank you
for that. And I thank the County. It's needed out there.
We're going to see it again, we're going to see it again
this year, unfortunately. And we need to anchor that piece
of the front line to keep it off the real urban areas.

So I just have one question on this for the
motion-maker, and it may defer over to our XO, Mr. Ott. If
we agree to this today, because the last piece of my stance
has not been answered, of funding allocation, that is
identified and permanent for this, can we move forward based
on the motion of Commissioner Jacob to a point where we
would not start the dissolution process until the funding
source has been identified? In other words, we identify the
model, we identify the governance body of the 135, we
identify the players, but at that point, hold it up. Does
that motion cover that?
EXECUTIVE OFFICER OTT: That motion does cover that. We have mentioned in the report itself and in the recommendations that a subcommittee needs to work with me in answering that question to have specificity on the exact dollar amount that would be transferred to a regional successor agency. And that would be a condition before moving forward. So this action that the Commission would be taking today is a conditional action of approval based on securing the funds. And we've set out three different thresholds for the funds to transfer the existing funds and assessments from the dissolved agencies to a successor, to look at additional monies and supplemental funds that would be discretionary from the Board of Supervisors. All of that would be a condition before finalization. The finalized action would include the dollars and cents.

COMMISSIONER MENSHEK: Okay. With that, I'm in full support of the motion. Thank you.

CHAIRMAN VANDERLAAN: Thank you. Yes?

COMMISSIONER REXFORD: Yeah, I too am concerned that we don't have a source of the funding, and if you go under 8 direct -- to direct the officer to prepare terms and conditions and under (d) transferring all assets from the districts to the successor agency and transferring all equipment to the County of San Diego, we're not going to do that until we find out where the funding is, are we?
EXECUTIVE OFFICER OTT: That is correct. The journey that we'll be taking after today's meeting, assuming that this motion carries, is to develop a checklist of those items that are purely technical/legal in nature and those items that will require Commission ratification. Some of these items are going to be returning to this Commission for ratification after we have answers to those questions, but the basic policy decision today is to make a decision on go or no go, to make a decision on the boundaries, to make a decision on the governance. Virtually everything else will be details to be worked out. Some of it will be ministerial, some of it will be subject to Commission ratification. But the big decisions would be made today.

COMMISSIONER REXFORD: Well, you're saying that we're not going to move ahead until we have the funding, we're not going to take equipment and things and calculating transferring property tax revenue.

EXECUTIVE OFFICER OTT: No, I'm --

COMMISSIONER REXFORD: We're not going to do any of that.

EXECUTIVE OFFICER OTT: I'm not saying that we're not going to be moving forward. We'll be moving forward at lightening speed. After this point there will be a lot of hurdles that we need to encounter, but I think that it's important for the Commission to relegate some of those...
responsibilities to the technical/legal/fiscal realm, and for those items that I wouldn't be able to ministerially approve, they would be coming back for ratification. But there would not be the basic policy decision of reopening this entire process to reconsideration. The tough decisions would be made today. There's still a lot of work that needs to continue, but we've bitten off enough in a manageable amount where we think that within a reasonable amount of time we'll be able to complete this.

COMMISSIONER REXFORD: I think my question is that we're not going to do any of this 'til we know we have funding. I don't think we're going to be taking equipment away from areas and stuff and moving them forth. I mean, that's my question. Are we going to do that if we don't have the funding?

EXECUTIVE OFFICER OTT: No, no, no.

COMMISSIONER REXFORD: Okay. That's --

EXECUTIVE OFFICER OTT: Assets are not transferred; equipment is not transferred and shifted to another entity until we secure the funding, until we develop a legal description of the boundaries, which we can only do after today's meeting. There are a number of these technical steps, but the agencies out in the audience should not feel that we're going to be going out to their headquarters tomorrow and securing their apparatus, their facilities, and
transferring it to a new entity. We do need to take care of some of these technical matters first.

COMMISSIONER REXFORD: Also, I heard loud and clear from a lot of the agencies that one of their big concerns was being under the County umbrella, not under a fire thing. Is that one of the things that we're going to look at, too? -- of where this -- it wouldn't be the County Planning Department, or whoever the other group is. Are we going to be looking at that also?

EXECUTIVE OFFICER OTT: Well, LAFCO does not have purview over the day-to-day operations or administration of services. I think that the comments that were made today, and you have inches of testimony that we have before you, are going to be listened to by county government. And we've already heard from Ivan Holler, the planning representative that's in charge of the Fire Enhancement Program for the County, that they sincerely are looking at a competitive process where they'll be looking at how to best provide services, bang for the buck, in this region.

COMMISSIONER REXFORD: Yeah. Also, there were seven agencies that wanted to opt out. I heard Diane talking about we're better for it if we have the back county involved, but we -- Julian and some of these other counties want to opt out on Option I, and we give them 60 days to come in, so what if they don't come in in 60 days, then they
go to Phase II?

EXECUTIVE OFFICER OTT: The agencies that we've identified --

COMMISSIONER REXFORD: Seven, yeah.

EXECUTIVE OFFICER OTT: -- for this particular reorganization, I think there's six agencies left; seven have requested to be excluded. We're giving those seven, plus I believe the municipal water districts should have a 60-day opt-in period as well. We may have a different complexion, a different compilation of agencies within the 60 days of which we're going to have to go back and re-examine some of those numbers staff-wise. But that we will only know at the 60-day mark.

COMMISSIONER REXFORD: Okay. All right. But my other question is, transferring property tax and stuff, that won't happen until we have a funding source. We're not going to go out and --

EXECUTIVE OFFICER OTT: Correct.

COMMISSIONER REXFORD: -- start transfer -- I mean, I just want to be very clear on that --

EXECUTIVE OFFICER OTT: Correct.

COMMISSIONER REXFORD: -- 'cause it's in this report, and I don't want people to think we're going to go out there and start charging property tax on people until we find that out.
Lastly, I want to say to the firefighters out there, I really appreciate them and the hard work that they do. I live the City of Poway, where we lost, I think, 50-some homes. And the great response to them -- and I think they work really hard and the volunteers and the people that are involved with the firefighters and the safety services and the things they do. I can't say enough as an elected official. The City of Poway and all around us, that I appreciate what they do and we're trying to resolve a problem that we've had for a long time, is to find a funding source to fund and have better services out there. And hopefully we can do this. I'm not sure what'll happen in Sacramento, so I support it, but with a caveat that we really have the fund -- we need to have the funding before we can move ahead and start doing these other things, 'cause I don't support taking stuff away, or taxes or anything like that. I want to be very clear on that. So thank you.

CHAIRMAN VANDERLAAN: Thank you. Any other Commissioners? Commissioner Morrison.

COMMISSIONER MORRISON: Yes. A couple of things, one being that, as I see it, part of the motion is to go with, as far as form of governance, the 4d2, which is the CSA 135. And my understanding of that was -- the rationale for going with that was if the County was going to be providing funds into this, that they would need to be the
agency that would be overseeing the distribution of those funds. And I think that's great if we know that there are substantial funds that are being provided and that they are sustainable. Otherwise, maybe we ought to be looking at a different form of governance, but would determine the governance without knowing if the funds are going to be arriving, which I think gets a little convoluted.

So, you know, I think that's one of the answers that needs to come forth in that, because, otherwise, I know if I was a person living out in this district, I would much rather have a board that was a little bit closer and actually contained people that might live in the area and have some affect. I mean, nothing against the Board of Supervisors, but I'm just saying, just by nature, a majority of that Board is going to be urban, and not rural, and yet this is going to be a rural fire district. So, as I see it, the main reason why we would be going with 4d(2) would be because of the funding that would be coming from the county. And I understand that, I understand the Board saying we don't want to be throwing money into something that we would have no control and no vote under, just need to make sure that there is money, it is a substantial amount, and that it's sustainable. Because otherwise, there's not a real rationale for that form of governance, then. So that would be one thing.
The other thing is, and also as mentioned, that the good thing about that, it does put it into a separate accounting as far as the funds that come in. But the thing that I think that in government that we always have to look at in the middle of that is not only are they are in separate accounts, but how do you control the end direct overhead, which can siphon out from one account to the next? And so I think when you look at the governance form, I think some kind of limits need to be put on indirect overhead also, to give assurances, I think, to the fire districts to make sure that that money is actually be used for -- within the fire districts and not for other governmental purposes. I mean, that just -- and I'm not saying that against the County, I would say that with any government agency, I'd say the same thing with them. I know we do the same thing with our contracts with the Lower Sweetwater District. That's part of the county (sic). We've done the same thing there, not allowing -- only allowing a very small percentage of indirect overheads.

The other thing is I think, you know, that this is extremely important, I think, what we're doing. You know, it's something that's needed. I don't think there is a perfect solution, or the perfect solutions don't have perfect answers. But I would -- the hesitation I would have in this thing is that we would be careful of the bureaucracy
that we establish, and that we make sure that whatever we're doing is inclusionary. When they talked about the volunteer firefighters, things along this line, it may not be part of a system that others within the bureaucratic form might not like, but that -- but at the same time, you know, I look back toward the Cedar Fire and I remember that as it was approaching the urban core, we had a large amount of firefighting equipment that was doing training exercises. And that was at Miramar 'cause they weren't allowed, but by the bureaucracy, they weren't allowed to go into the rest of the county. Well, thank God they were there, because Miramar just happened to be in the way of the fire to get into the urban core, and the minute it got there, they were to bring those resources to bear. But the bureaucracy said they couldn't be outside of their area. You know, those are the kinds of things we've got to make sure that we're using every resource that's possible and not allow bureaucracy to get into the way, but make sure the firefighters are able to take care of firefighting. Those are my comments.

CHAIRMAN VANDERLAAN: Thank you. Any other Commissioners? Commissioner Ingalls.

COMMISSIONER INGALLS: Thank you, Mr. Chairman. I have a question about the motion as put on the floor, as it relates to 4d(2). And let me say -- let me digress for a moment before I ask my question. The motion on the floor is
an omnibus motion that addresses one of, you know, these components. But we could take them serially or separately. For example, 4b, there's adequate support for eliminating those seven districts that have been requested to be excluded, and there's even the possibility, as referred to by counsel, of a legal challenge were we to include one of the fire protection districts under the Cortese-Knox-Hertzberg Act.

So I think 4b is one that I could support, but 4d(2), I have a question as it relates to the need to make that decision on governance today. Because as I see the recommendation the staff wrote, it did not make that decision today, but rather left to a subsequent meeting a determination on governance. And it put forth options 1, 2, and 3. And Commissioner Jacob has made a motion for 4d(2). But I had some questions about 4d(1) as to how a regional fire protection district would work with the volunteer fire companies. And it's going to take me a minute or two to ask those questions, but I think before we determine governance, we need to know that there is the possibility of having a form of governance which would increase the likelihood that some of these agencies that are being excluded today might voluntarily opt-in in the future.

Some of the Phase I agencies might be willing to participate if we had a regional fire district with an
elected 11-person board. Some of the Phase II agencies may be willing to participate if we had a regional fire district with an 11-person board. But I think, as I sit here today, choosing option 2 -- 4d(2) -- sets forth down the tracks, an engine which I think is going to end up with not too many passengers on it. And I think what we would like to see is a form of governance that would increase the likelihood that at subsequent stops, this train will pick up more people and that agencies such as happened in Orange County would opt in.

So I do have a question as to the materials that were presented today as they relate to the possibility of a regional fire district contracting with volunteer fire companies, because as Supervisor Jacob and Commissioner Morrison have spoke, and Commissioner Rexford, I think everyone recognizes the importance of volunteers, and we need to have in place a governance structure that allows the volunteers to continue to participate. And certainly option 4d(2) does that, but I didn't quite understand the staff write-up as it related to the ability of a fire protection district, 4d(1), to contract with volunteer fire companies. And there's some confusing material, but I'm not sure we need to make that decision today.

So I come back to the threshold question: Do we need to vote up or down on an omnibus resolution? -- because
as the motion stands on the floor, I would vote against it -- or whether we should take some of these issues seriatim, including 4b, which I would certainly vote for.

EXECUTIVE OFFICER OTT: Commissioner Ingalls, let me try to untangle that for you. First of all, it is the recommendation that we make a decision on governance today because it has great implications on the likelihood of being able to get through all of the other recommendations, namely, funding. We've made an argument in the report that it would be unlikely to derive supplemental funding from county government, the Board of Supervisors, if there was an independent regional fire district formed, mainly because that entity would not be able to abide by any of the programs or any of the goals within the County in terms of how those funds may be spent. So the recommendation was to go with an entity that was either directly run by the County or an entity that was dependently run by the County, such as the County Service Area 135.

You asked about a regional fire district and the ability of regional fire districts to contract with fire companies -- the independent volunteer fire companies -- and we concluded, and perhaps our legal counsel can add to this, is that there is a prohibition under the Public Contracts Law for an independent fire district to contract with another entity, a private entity, for the provision of fire
protection. That law does not apply to County Service Areas, which is why we see in the County of San Diego currently, that County Service Areas do have a close relationship with volunteer companies. Bill, do you want to add anything regarding the public contract?

LAFCO LEGAL COUNSEL SMITH: No.

EXECUTIVE OFFICER OTT: That is one of the big distinguishing characteristics. I would encourage the Commission to look at all of the recommendations in tandem. They're all predicated on one another. I think that we owe it also to the public to make a decision on what type of representation may be allowed to them. We've made it clear also in the Micro Report that down the road the system may evolve into an independent fire district after the superstructure is established by the County of San Diego via a County Service Area, or the County taking on that responsibility directly. But I think it would be, professionally, in terms of my opinion, too much for this region to bite off to start out with a regional fire district at this point in time, realizing all of the transitional decisions that would need to be made or have to be made, going from the system that is rather scattered today to one that would be placed with the responsibility of an independent fire board. I think it would be too much to make as far as that leap. So that's the rationale, and I'm
hoping that the Commission would be able to support that.

CHAIRMAN VANDERLAAN: Mr. Ingalls, does that answer your question?

COMMISSIONER INGALLS: That's helpful, but I would like to ask everyone to think about the possibility -- and let me back up a second to make sure everyone understands my question. It comes up on page 11 of the staff write-up. At the bottom -- the first bullet appearing at the bottom of page 11, where it says "a regional fire protection district would not be able to contract with volunteer companies to provide fire protection services because of the public contract code."

I was confused by that because I remember on page 46 of the Micro Report there is a discussion, beginning on page 45 of the Micro Report, about how volunteer fire companies would work within a regional fire protection district. And reading on page 46 of the Micro Report, it says, "As successor to the County Service Areas, the regional fire protection district would be required to honor the 501(c)(3) corporation contracts. Initially volunteer companies with contracts would continue as the designated service provider within the CSAs." And this is under the regional fire protection district. So I think you can see why I was somewhat confused, knowing what the Micro Report said and then seeing the staff report today that said that
would not be possible.

EXECUTIVE OFFICER OTT: The staff report, page 11, the transmittal report dated May 7th, that citation regarding the public contract code is the ruling citation and if you have any confusion at all about any predecessor documents, it's 11 -- page 11 that rules.

COMMISSIONER INGALLS: Okay. So thank you for clarifying that.

EXECUTIVE OFFICER OTT: Sure.

COMMISSIONER INGALLS: The Public Contract Code does override what we were talking about. But we also have another law that's pending. It's not quite a law yet because it's still a bill, but it's SB-806. Now SB-806 would solve a lot of our problems with funding, but it would also make some decisions regarding the issue I just talked about, the ability of volunteer corporations, 501(c)(3)s, to be dissolved, or to dissolve, or even potentially to contract with a fire protection district. So we have a bill that's been introduced by one of our senators that's up there. It may move forward in whole or in part, but in part, it could move forward with authorizing a San Diego County Regional Fire Protection District, notwithstanding the general contract law, to contract with volunteer fire corporations, 501(c)(3)s. So, I mean, as I sit here today, that has as much likelihood as passing as SB-806. So I
really think the question of governance and the question of setting up a regional fire protection district should not be ruled out today, and that's why, as the motion stands, I would vote against it.

CHAIRMAN VANDERLAAN: Okay. Thank you. Other comments? Commissioner Jacob.

COMMISSIONER JACOB: Just one, Mr. Chairman. Mr. Ingalls mentioned Orange County, and I thought it might be helpful just to share a couple of comments in regards to the Orange County Joint Powers Authority. Kevin Crawford, who is the immediate past president of the Fire Chiefs Association, and I had the opportunity to go up to Orange County and to actually talk with the folks up there and how they formed their Joint Powers Authority.

The County of Orange actually takes on the responsibility for the entire unincorporated area, not unlike what we're talking about today. We're not talking about the whole unincorporated area today, but we're certainly talking about over half, as I mentioned earlier, of the geographic size of the entire San Diego region -- over 1.5 million acres. And the whole goal of what Orange County achieved, and what Kevin and I talked with, and I think we're still trying to get there some day, is to use that Orange County Joint Powers Authority as a model. But with 60 fire agencies in this entire region, you cannot form
a JPA with 60 agencies, you've got to pare them down.

So this is just the beginning step in order to do that where the county would take on the responsibility for a good portion of the unincorporated area. And then if that proves successful, I think that others may add on to that, but it certainly is the beginnings of a Joint Powers Authority, a county-wide fire entity, which we so badly need.

CHAIRMAN VANDERLAAN: Commissioner Morrison.

COMMISSIONER MORRISON: Yeah. A question of the Executive Director. The -- once this goes back and we start working out some of the details, now this is going to come back to this Board again, I would take it, once we start seeing those details are getting flushed out.

EXECUTIVE OFFICER OTT: One of the steps that we would be taking on after today's meeting would be to identify which of those steps truly can be acted upon ministerially, which should come back for either Commission ratification -- some of them we may decide Commission approval. But there definitely will be some items coming back to the Commission.

COMMISSIONER MORRISON: And I imagine governance would certainly be a part of that.

EXECUTIVE OFFICER OTT: Well, governance is included in the motion today. The CSA 135 model is the
preference, then that wouldn't necessarily come back.

COMMISSIONER MORRISON: You said it would or would not?

EXECUTIVE OFFICER OTT: Would not. I think what would be helpful as much as possible is to make decisions on those items of a policy nature.

COMMISSIONER MORRISON: I understand. But we're going after that governance model with some presumptions, without knowing any of the details of how that's coming together. Or will there be any substance to those assumptions? So, from that standpoint, I would like to see as a part of the motion that the governance -- I think this would also address Mr. Ingalls' situation, also his question, that that would be one of the things that comes back for ratification, just so that we can see that those things -- that it's working, that it makes sense. Because otherwise, we're doing so with assumptions. If those things aren't ferreted out, then it makes no sense for us to vote -- be voting and moving ahead in that direction.

CHAIRMAN VANDERLAAN: Okay. Thank you, Commissioner Horn first --

COMMISSIONER REXFORD: I would like to --

COMMISSIONER HORN: Yeah. I want to respond to that. First, the governance model that's included here comes with the County's oversight and funding. The chances
of this bill in Sacramento passing and then money coming to us, I think is like a snowball's chance in August.

COMMISSIONER MORRISON: Exactly.

COMMISSIONER HORN: Okay. So I think we need to proceed, and I don't want to delay this. And if you don't have a governance model, they can't proceed. Now the County's current commitment is to provide $8 million, which we currently are doing. This -- I see this as adding about another $5 million to do this first phase. That brings us to $13 million. I think that is totally within the County's reach to make that happen. But if you don't put a governance model in place, I don't see the Board putting up the money to make that happen, to be honest with you.

COMMISSIONER MORRISON: I can respond.

CHAIRMAN VANDERLAAN: Commissioner Rexford first, and then back to you, Commissioner Morrison.

COMMISSIONER REXFORD: No, I was just saying I agree, and I do understand Supervisor Horn's concern there. But I would like it to come back so we can kind of review it instead of just passing it totally now. I think we have some concern of how it's going to look.

CHAIRMAN VANDERLAAN: Okay. Commissioner Morrison.

COMMISSIONER MORRISON: Just for clarification, you know, you mentioned the County putting up I think it was
8.25 million, and then you say it'd 5 mill- -- is that ongoing, or is that one time?

COMMISSIONER HORN: The County has already put up the eight, whatever it is --

COMMISSIONER REXFORD: Eight and a half.

COMMISSIONER HORN: Eight and a half --

COMMISSIONER MORRISON: Okay.

COMMISSIONER HORN: -- to open the Amador stations and deal with CAL FIRE and the outlying areas. This would -- I see this -- our decision here today would open the door for the county to put another $5 million into this to bring it about to $13, $14 million, to make Phase I happen for these areas --

COMMISSIONER MORRISON: Okay.

COMMISSIONER HORN: -- that we're going to vote on --

COMMISSIONER MORRISON: And I understand.

COMMISSIONER HORN: -- leaving out the seven.

COMMISSIONER MORRISON: But my question is, is that one-time money or is that ongoing money?

COMMISSIONER HORN: Well, I --

COMMISSIONER JACOB: Ongoing.

COMMISSIONER HORN: As far as Dianne and I are concerned, it's -- we see this as a responsibility, it would have to be an ongoing --
COMMISSIONER MORRISON: But, you see, that's the detail that we need to see. That's what I'm saying. That's the detail.

COMMISSIONER HORN: Well, you've got a better chance of getting ongoing out of the County than you've got out of Sacramento, I guarantee it.

COMMISSIONER MORRISON: Well, I'll agree to that.

CHAIRMAN VANDERLAAN: Thank you. Commissioner Menshek.

COMMISSIONER MENSHEK: Okay. Briefly. I think we're all heading in the same direction, we've just got two different paths of getting there. I think ultimately a regional fire protection district would be the best model. However, I concur with the sentiments, as it currently stands, it's not going to happen. So, where's the money coming from? It's coming from the County, and if they're putting the money, and I don't have any problem with them having a say in a CSA. Would it be possible for the motion-maker to make an amendment if the County's putting the money in, then it's a CSA? If the money comes from an alternate source, that we revisit that to see if it can go back to either a different model of governance.

COMMISSIONER JACOB: No.

(Laughter)

CHAIRMAN VANDERLAAN: Thank you, Commissioner
comissioner jacobs: i don't think it's necessary. i think the real question is, are the commissioners going to look a gift horse in the mouth here? and we've been talking about money for a long, long time. i -- although there are those that are little naysayers on sb-806, and the reason that's on hold is because the committee consultant said, we want to know what this reorganization's going to look like before we're going to take this seriously. and believe me, if the county puts up the money, makes it ongoing, which i wholeheartedly support, and i believe my colleague does too, that when we do that, i think we have a much better chance in sacramento. first of all, we'll have a plan that lafco has approved, the county will have put up a good hunk of money, and that's a pretty convincing argument to take to sacramento to at least try to get some additional money from the state, which eventually, then, could do some other things for us. but we are where we are now, and i'm not going to change my motion.

comissioner menshek: okay.

chairman vanderlaan: thank you. we've kind of drug this horse through the snow for quite some time. i can recall coming to -- before the county board of supervisors to try to get a dollar. we're not getting $13.5 million on the table, it appears, so my prerogative as the chair, i
will call for the question, and we will do that by roll call vote.

COMMISSION SECRETARY: Commissioner Vanderlaan.

CHAIRMAN VANDERLAAN: Yes.

COMMISSION SECRETARY: Commissioner Horn.

COMMISSIONER HORN: Yes.

COMMISSION SECRETARY: Commissioner Jacob.

COMMISSIONER JACOB: Yes.

COMMISSION SECRETARY: Commissioner Morrison.

COMMISSIONER MORRISON: No.

COMMISSION SECRETARY: Commissioner Rexford.

COMMISSIONER REXFORD: No.

COMMISSION SECRETARY: Commissioner Menshek.

COMMISSIONER MENSHEK: Yes.

COMMISSION SECRETARY: Alternate Commissioner Ingalls.

COMMISSIONER INGALLS: No.

COMMISSION SECRETARY: Four yes and three nos.

LAFCO LEGAL COUNSEL SMITH: We need five votes to carry any motion, but you can continue the matter. Under your rules, you need five votes.

EXECUTIVE OFFICER OTT: Or there can be a substitute motion, sure.

CHAIRMAN VANDERLAAN: Okay. Where we are is this motion failed because of lack of one vote. Commissioner
COMMISSIONER REXFORD: May I suggest that we put something in there about the County, you know, the organization, that it be brought back to us. That's what we're asking, Diane, because we want to know.

COMMISSIONER JACOB: My under-

CHAIRMAN VANDERLAAN: Commissioner Jacob.

COMMISSIONER JACOB: Mr. Chairman, my understanding is that Mr. Ott's going to bring the whole package back. But in order for us to move forward today, we need to give a green light to a reorganization. We need to make a decision on the boundaries and the governance structure. And then all the details will be worked out within the subcommittee and that whole package will be brought back to the Commission. Is that correct, Mr. Ott?

EXECUTIVE OFFICER OTT: That is correct. Parts of the package would be subject to ratification.

COMMISSIONER JACOB: So, it's all cut -- the whole package is going to come back.

COMMISSIONER REXFORD: Are we going to get another bite at the apple to bring that up, or is --

COMMISSIONER JACOB: The whole package is going to come back to us. Is that correct?

EXECUTIVE OFFICER OTT: That would be correct.

CHAIRMAN VANDERLAAN: Commissioner Morrison.
COMMISSIONER MORRISON: Okay. I'm hearing two different things. I'm hearing the whole package will come back to us, but only portions of it for ratification. So in other words, if the portion of governance will come back to us, we get to look at it, but we don't get to say anything about it because that's not up for ratification. That's the part we've got -- we just wanted to make sure the parts are all in place. And that's -- I think is the whole question here. So if we can bring back the governance for ratification, once we see what it actually is, I don't think there'll be any problem at all. I don't think anyone's got -- everyone sees this is going to be, I think, the best way that we can work with the system with the things that are in front us if the parts are all in place.

COMMISSIONER JACOB: I would ask -- and that's why I was asking Mr. Ott the question -- my understanding that we're giving the direction that LAFCO staff and the subcommittee need to move forward to do all the details that are outlined, and that the whole package, then, after the details are worked out, the whole package would come back to the Commission.

COMMISSIONER MORRISON: For ratification?

COMMISSIONER JACOB: I support that. For ratification, for whatever you want to call it, would come back to the Commission. You wouldn't have something come
back to the Commission if the Commission didn't get another

crack at it.

COMMISSIONER HORN: So change your votes so we can

move forward. Come on.

(Laughter.)

COMMISSIONER HORN: You've gone on long enough.

COMMISSIONER MORRISON: Okay. If the motion reads

that the entire package comes back for ratification, then

that's fine.

CHAIRMAN VANDERLAAN: Is that -- the maker of the

motion, is that --

COMMISSIONER HORN: Are you changing your vote,
giving us five votes?

CHAIRMAN VANDERLAAN: Well, before we get there,

Commissioner Jacob, is that your intent?

COMMISSIONER JACOB: That is my intent in making

the motion.

CHAIRMAN VANDERLAAN: Commissioner Menshek, did

you have something?

COMMISSIONER MENSHEK: No, I'm fine. Thank you.

COMMISSIONER REXFORD: Let's call for the

question, then.

CHAIRMAN VANDERLAAN: Okay. So are we going to

re-vote, then, on the --

COMMISSIONER HORN: All we need is one change.
CHAIRMAN VANDERLAAN: Okay. So how do we do that, counselor?

LAFCO LEGAL COUNSEL SMITH: Someone can amend, or someone can make a motion to coincide with whatever it is that they want to have approved.

COMMISSIONER JACOB: Well, I would --

CHAIRMAN VANDERLAAN: What do we need to do, then?

COMMISSIONER JACOB: I would think --

COMMISSIONER HORN: Let's re-vote.

COMMISSIONER JACOB: I would put the prior motion on the floor, with the understanding that the entire package would come back to the Commission.

CHAIRMAN VANDERLAAN: Is there a second to that?

COMMISSIONER HORN: I'll second that.

CHAIRMAN VANDERLAAN: Okay. And there is a second, I'm sorry.

EXECUTIVE OFFICER OTT: Excuse me, for ratification.

COMMISSIONER JACOB: For ratification.

COMMISSIONER HORN: I'll second that. Now let's have the roll call.

CHAIRMAN VANDERLAAN: Okay. The devil is certainly in the details.

COMMISSIONER INGALLS: Can we have discussion on this motion?
CHAIRMAN VANDERLAAN: Yes. Commissioner Ingalls, if you would like to, please.

COMMISSIONER INGALLS: One of the questions that's present in this motion is the 60-day option to come back in by one of the seven agencies that, in 4b, is being left out. And the same with 4a, the four municipal water districts. There was reference to the 60-day window to come back in, but I'm a little unclear about whether they're out but can come back in if they act within 60 days, or --

EXECUTIVE OFFICER OTT: Currently, the municipal water districts are out. However, if they voluntarily choose to be in, they have 60 days to make that decision and to inform us by resolution, and then they would be included.

COMMISSIONER INGALLS: So that it's clear, the way the motion stands, that if these four water district boards do not take affirmative action to come back in within 60 days, then they're left out?

EXECUTIVE OFFICER OTT: Correct.

COMMISSIONER INGALLS: Okay. And that may be particularly fine with those four districts. I've also heard that three of the four districts are inclined to come in, but we don't have correspondence from them. In our package, we have a letter from Ramona dated February 28th, which is pretty clear. But I don't see any correspondence from the other three municipal water districts as to where
they're headed, so that leaves me a little bit concerned about acting today when we could act a month from now.

The situation as presented by staff outlined four different scenarios under governance, one of which was the status quo. And the status quo is the County last year put up $8.5 million of funding, and for that, everyone is grateful. And it's likely that we will see a level of support equivalent to that, if not higher, going forward. And the County is working through DPLU to build indigenous fire companies in those areas where there is no structural fire protection. So, you know, I think the system is not perfect, but it reminds me of the old joke about the U.S. economy. When the U.S. economy is good, it's very good. And when the U.S. economy is bad, it's still pretty good. So the status quo here may not be -- it may be bad, but it's still pretty good. I mean, we have County funding and DPLU involvement in the siting and of bricks and mortar and the growth of indigenous fire companies. That's been the model in this county that's worked pretty well. So I'm reluctant to make a decision that is going to rule out the regional fire protection district. And that's why I will vote again against this, when I don't think we need to vote today at all.

COMMISSIONER HORN: Okay. I just want to make one comment, if I could, Mr. Chair. The County, since the Cedar
Fire, has put about $170 million into communications, equipment, helicopters -- that's been our commitment. Now, we're talking about $14 million ongoing that has to be here. But I think we have proven ourself. I realize that we're the big, bad papa bear here, and nobody likes us. But at the same time, we're what's available. So please vote on this, up or down, one way or the other. I have to get out of here.

(Laughter).

CHAIRMAN VANDERLAAN: Okay. We'll call for the question on the new motion. Roll call vote, please.

COMMISSION SECRETARY: Commissioner Vanderlaan.

CHAIRMAN VANDERLAAN: Yes.

COMMISSION SECRETARY: Commissioner Horn.

COMMISSIONER HORN: Yes.

COMMISSION SECRETARY: Commissioner Jacob.

COMMISSIONER JACOB: Yes.

COMMISSION SECRETARY: Commissioner Morrison.

COMMISSIONER MORRISON: Yes.

COMMISSION SECRETARY: Commissioner Rexford.

COMMISSIONER REXFORD: Yes.

COMMISSION SECRETARY: Commissioner Menshek.

COMMISSIONER MENSHEK: Yes.

COMMISSION SECRETARY: Commissioner Ingalls.

COMMISSIONER INGALLS: No.
CHAIRMAN VANDERLAAN: Motion carries. Is there anything else to come before us today, Mr. Ott?

EXECUTIVE OFFICER OTT: Thankfully, no, Mr. Chairman.

(Laughter).

CHAIRMAN VANDERLAAN: We do have a place on the subcommittee for a district member. Is there anyone that would like to volunteer, Mr. Menshek?

(Laughter).

CHAIRMAN VANDERLAAN: Okay. Thank you very much. Thank you all for coming. Please drive safely on your way home. God bless you.

(Hearing adjourned.)

CERTIFICATE

I, Michael D. Ott, certify that the foregoing is a transcript from the electronic sound recording provided to Ad Hoc Reporting of the proceedings in the above-entitled matter, which was technically corrected by LAFCO staff.

MICHAEL D. OTT Date