

El Dorado County Fire Protection District Diamond Springs - El Dorado Fire Protection District

ANNEXATION FEASIBILITY STUDY



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April 2024

Executive Summary

The El Dorado County Fire Protection District and the Diamond Springs – El Dorado Fire Protection District are interested in reorganizing by joining to become one agency. Both agency’s Board of Directors have unanimously passed intent to proceed with annexation discussions, staff has worked in partnership, and both labor groups support the endeavor. The reorganization and annexation seeks to combine two fire districts into a larger one. This new organization combines staff, facilities, governing bodies, and spheres of influence (SOI) of each district into one.

The reorganization would annex the service area and SOI of Diamond Springs - El Dorado Fire Protection District into El Dorado County Fire Protection District. At the same time, the annexation would dissolve the Diamond Springs - El Dorado Fire Protection District.

A SOI is a planning boundary outside of each agency’s legal boundary that identifies the probable future boundary and service area. Factors considered in an annexation analysis related to spheres of influence focus on

current and future land use, current and future needs, and the proposed agency’s capacity for service. El Dorado County Local Agency Formation Commission (LAFCO) reviews spheres of influence every five years.

The purpose of any SOI assessment is to ensure the provision of efficient fire, rescue and EMS services while discouraging urban sprawl and the premature conversion of agricultural and open space lands.

LAFCO also plays an important role by preventing overlapping jurisdictions and duplication of services. LAFCO coordinates spheres of influence adjustments, the orderly support of emergency services by reconciling differences between agencies plans so that the most efficient services benefit the district’s residents and property owners.

El Dorado County Fire Protection District and the Diamond Springs – El Dorado Fire Protection District have a history of efficiently sharing fire department resources, programs, and processes to improve services and minimize duplication to the communities they serve. Results have increased organizational efficiency, realized

Findings

1. The communities would benefit from the annexation of the two districts.
2. No staffing cuts or station closures are proposed.
3. Added Battalion Chief would support the community and firefighters with enhanced operational capacity, training, safety and risk reduction.
4. No new facilities are needed. Services will be delivered from existing facilities.
5. Sufficient revenues exist to support joint annexation.
6. Careful consideration should be given to combined UAL and OPEB costs, and to provide sufficient reserves for the new entity.



Executive Summary

cost savings and cost avoidance, enhanced both community members and firefighters safety, as well as adding organizational depth and important operational resiliency.

A long-serving example of multi-agency collaboration and community service is the El Dorado County Emergency Services Authority which provides paramedic ambulance services to the west side of the county and the existing automatic aid agreement that sends the closest fire and rescue resources, no matter the jurisdiction. A more recent example of resource-sharing and eliminating duplicative services is the agreement between both districts to share the services of one Fire Marshal instead of each hiring their own.

This report addresses topics related to the joint annexation and is written to support the evaluation and decision making for staff and board of directors for both agencies. If annexation is approved by both fire district's board of directors, the report is also designed to guide the agencies in the annexation application process with El Dorado County LAFCO. Government Codes, Specifically Sections 56425, 56430 and 56653 addressing spheres of influence, the financial ability of the fire agencies to provide service, shared or future facilities, and the plan for providing services.

Since February 2023, both agencies have been intently engaged in joint annexation discussions and planning. Monthly meetings with staff, labor representatives and members of both boards of directors have been held to address matters related to annexation. The discussions and meetings have been publicized on social media and agency webpages. The agencies have demonstrated transparency commitments to the communities they serve, and are working closely with LAFCO.

The report follows local LAFCO guidelines for evaluating services and spheres of influence. Finally, this report serves as an outside independent analysis of the two agencies, and an assessment of key financial, facility and performance indicators of a combined agency. This report also notes unresolved matters to address by staff and directors.



Documentation of Agencies

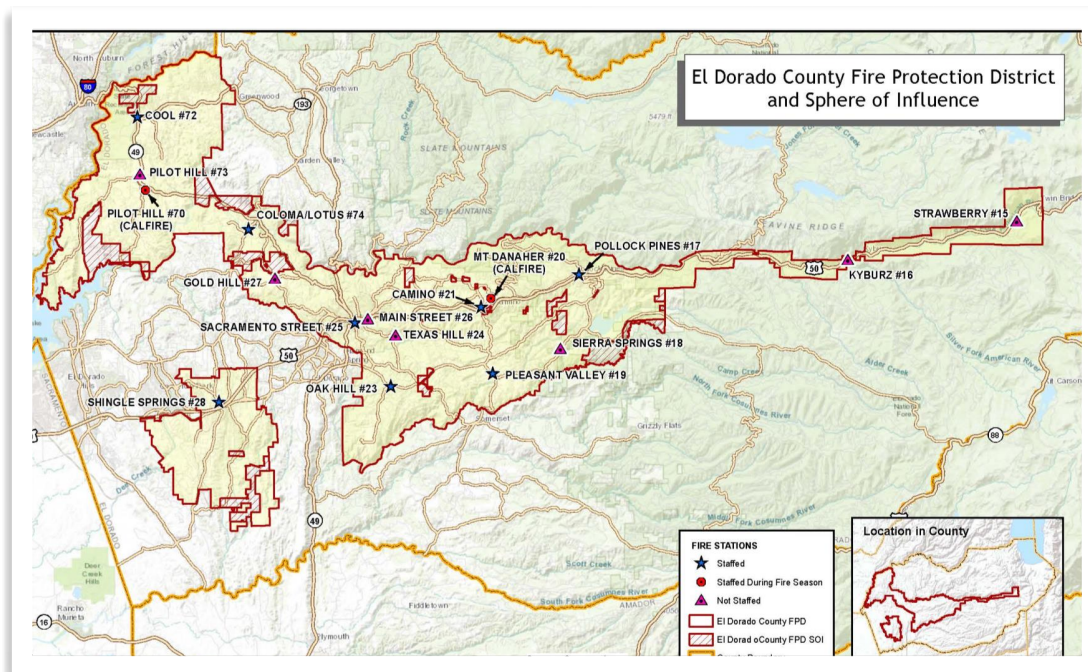
El Dorado County Fire Protection District (ECF)

Formed on March 1, 1991, the ECF serves the communities Apple Hill, Camino, Coloma, Cool, Gold Hill, Kyburz, Lotus, Oak Hill, Pacific House, Pilot Hill, Placerville, Pleasant Valley, Pollock Pines, Salmon Falls, Shingle Springs, Sierra Springs, Silver Fork, Strawberry, Texas Hill and Twin Bridges. The most recent Municipal Service Review (2020) conducted by South Fork Consultants noted approximately 49,340 citizens live in 275.5 square miles of the boundary area. ECF maintains a Sphere of Influence (SOI) over 20.9 additional square miles for a total coverage area of 296.4 square miles.

Total boundary acres of ECF is 176,304.5 and a SOI of 13,363 for a total acreage of 189,667.5.

The ECF includes 29,545 assessor parcels in the unincorporated communities and the City of Placerville.

SOI includes an additional 265 parcels for a total boundary and SOI of 29,810.



A narrow corridor of the district extends to the eastern portion of El Dorado County along Highway 50 to the boundary of Lake Valley Fire Protection District. The ECF boundary is not a single contiguous area.

The ECF is an independent special district governed by

an elected five-member board of directors. The Fiscal Year (FY23) Budget is \$13.87 million dollars which provides for 80 uniformed personnel and three support staff operating from five staffed and seven unstaffed fire stations. The district also oversees a CAL FIRE Amador contract to operate a fire station in the Camino area. In calendar year 2022, ECF engines ran 8077 calls for service and the medic ambulances ran 12,086 calls for service.

The fire district also operates five of the eight Western Slope El Dorado County Emergency Services Authority (JPA) Advanced Life Support ambulances.



Documentation of Agencies

El Dorado County Fire Protection District (ECF)

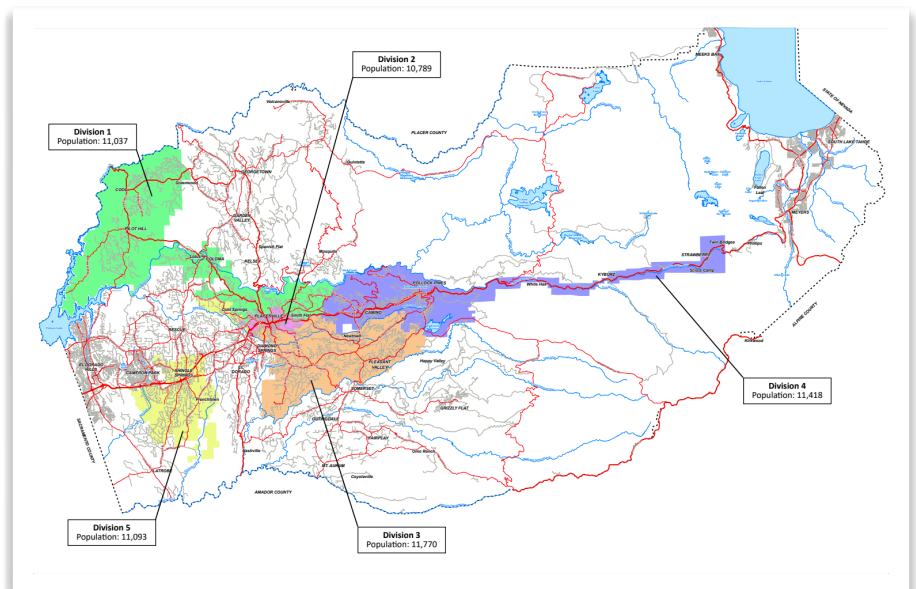
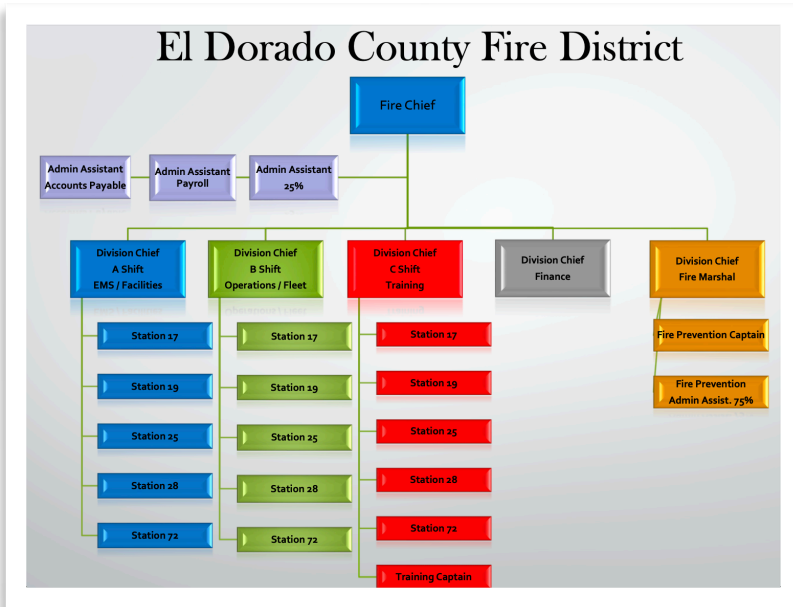
A total of 83 full time equivalent positions are budgeted, 53 by ECF and 30 by the JPA.

The district provides all-risk emergency services including structural and wildland fire suppression, emergency medical services (EMS), technical, water and confined space rescue, and hazardous materials response. The district also provides a full range of community risk reduction services including engineering and plan review, issuing building and gate permits, fire and life safety inspections, burn permits, and safety-oriented public education.

The district is separated from the majority portion of the District by the Diamond Springs - El Dorado Fire Protection District (DSP) and the Rescue Fire Protection

District. Of note, the ECF borders DSP on two sides including DSP's most populated areas. Finally, ECF has a demonstrated annexation history including one in 2020 that added 159 parcels and 5,439 acres.

ECF has a population in its boundaries of 49,340 and an additional 443 in it's SOI. There are a total of 30,299 registered voters in the ECF.





Documentation of Agencies

Diamond Springs - El Dorado Fire Protection District (DSP)

Formed in the summer of 1979, the DSP merged two small volunteer fire agencies, Diamond Springs and El Dorado Fire Protection District. The first merger of its kind, the agency serves the communities of El Dorado, Sleepy Hollow, Logtown, Missouri Flat, Nashville, and Sandridge.

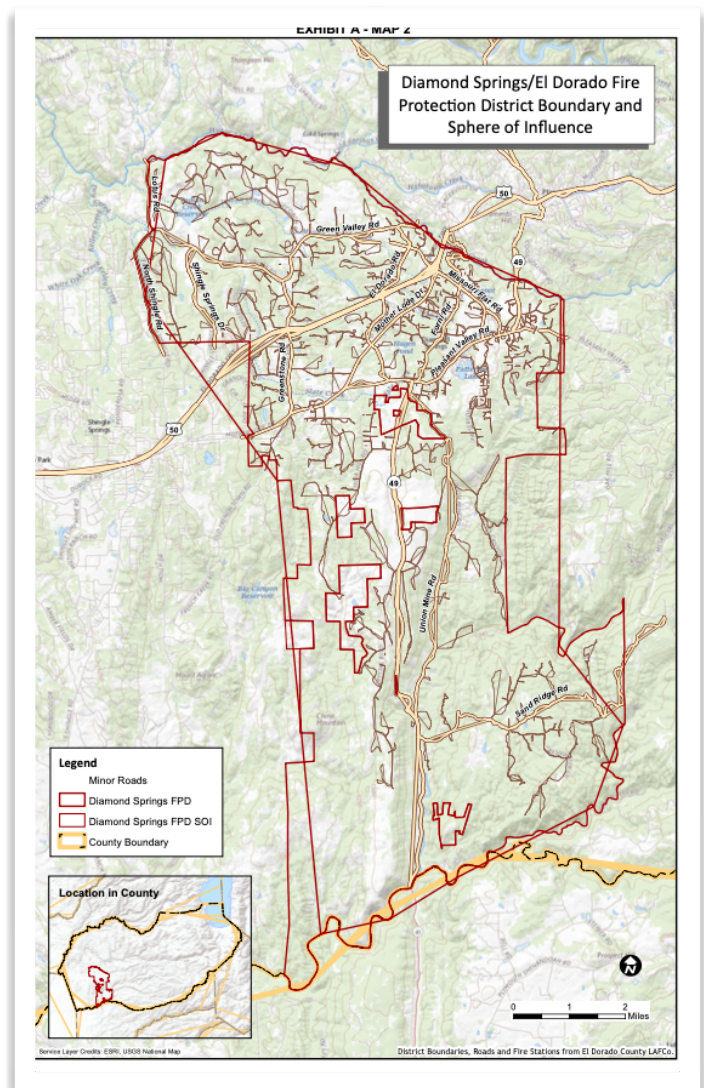
The 2020 Municipal Service Review (MSR) notes 7,956 assessor parcels within the DSP and a SOI over 24 additional parcels for a total of 7,980. Acreage of DSP is 41,951 in the service area and an additional 1,462.60 over the SOI for a total of 43,413 acres. There are seven large parcels within the SOI that are not included in the DSP. These parcels are used for agricultural purposes. A map and list of these parcels are noted on page 7.

The District serves 13,286 citizens living in 65.5 square miles and an added 2.29 square miles over their SOI for a total of 67.79 square miles. There are a total of 12,860 registered voters in DSP.

DSP is bounded by four neighboring fire agencies. The ECF borders DSP on two sides, including the areas with the highest concentration of calls for service.

The DSP is an independent special district governed by an elected five-member board of directors. The Fiscal Year (FY23) Budget is \$4.87 million dollars which provides for 11 uniformed personnel and 2 support staff operating from one staffed and five unstaffed fire stations. A total of 14.0 FTE personnel are budgeted by DSP. In calendar year 2022, DSP engines ran 2,576 calls for service. The medic ambulance ran 1,623 calls for service through July 2022 when it was taken out of service, also known as browned-out, due to staffing challenges.

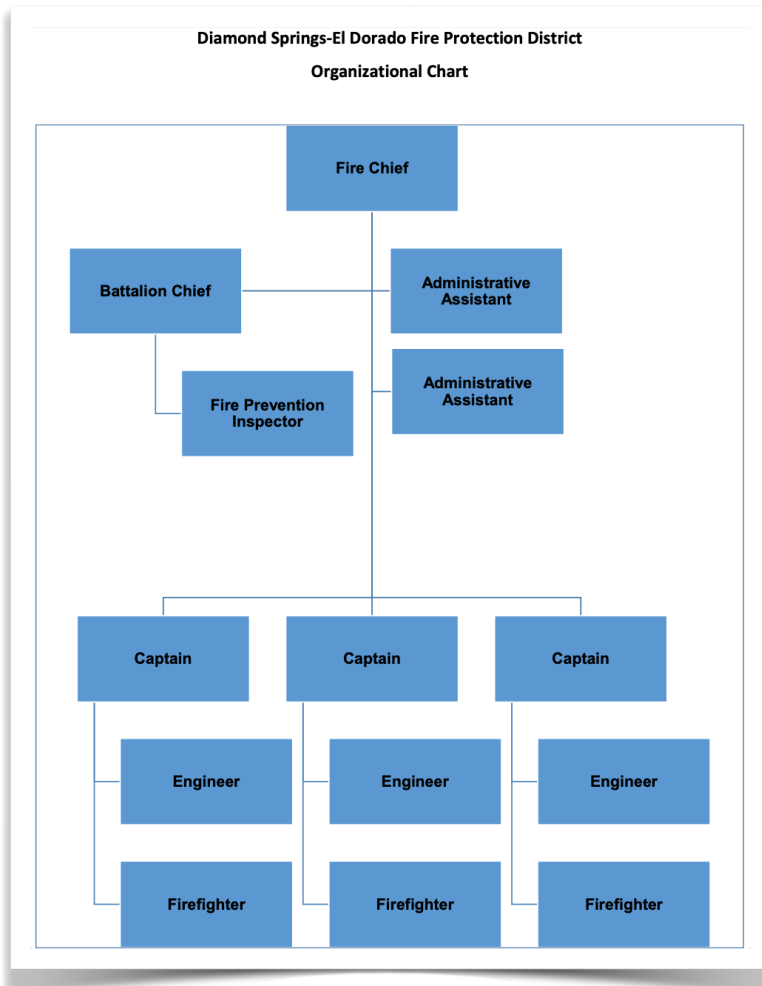
The District provides all-risk emergency services including structural and wildland fire suppression, emergency medical services (EMS), technical, water and confined space rescue, and hazardous materials response. The District also provides limited community risk reduction services with a fire prevention staffing of one part-time retired employee.





Documentation of Agencies

Diamond Springs - El Dorado Fire Protection District (DSP)



The Fire District houses one of the eight Western Slope El Dorado County Emergency Services Authority (JPA) Advanced Life Support ambulances at Station 49. Under the JPA Agreement, DSP is responsible for staffing the ambulance with firefighter/paramedics, but DSP has faced industrywide and local challenges in recruitment and retention.

The ambulance at DSP Station 49 was out of service for eight months due to the staffing, putting pressure on the JPA and adjoining agencies to provide coverage. In March 2023, ECF took over staffing of the ambulance at DSP's Station 49. Since March 2023, ECF personnel have been staffing the JPA ambulance at Station 49 under the supervision of DSP officers.

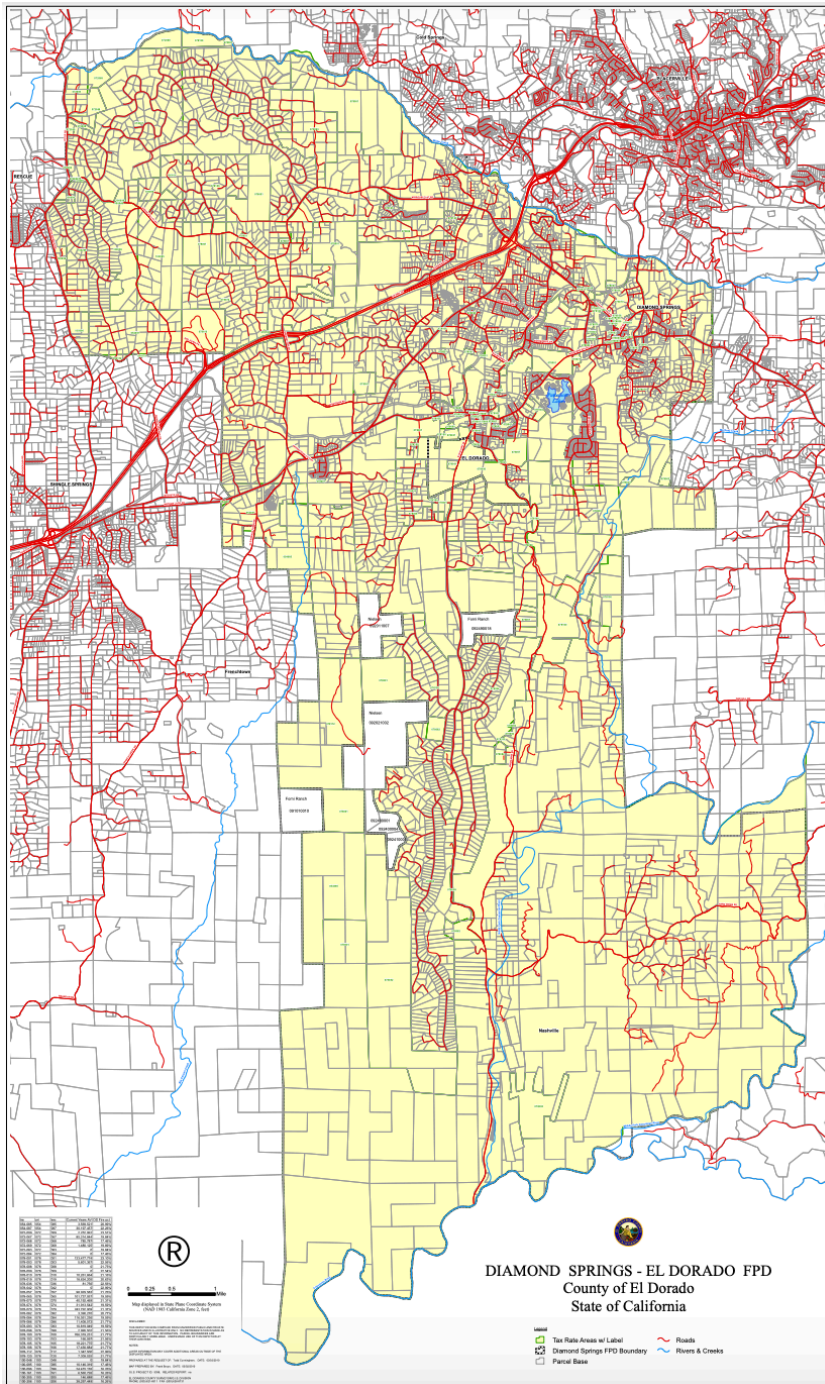


Documentation of Agencies

Diamond Springs - El Dorado Fire Protection District (DSP)

There are seven large agricultural parcels within the SOI that receive fire protection from the DSP, but are not included in the tax rate area. For transparency and future inclusion into the tax rate area of the combined fire protection district, the parcel names and numbers are identified below.

Parcel Name	Parcel Number
Nielsen	092011007
Nielsen	092021002
Nielsen	092400001
Nielsen	092400004
Nielsen	092410001
Forni Ranch	092490018
Forni Ranch	091010010





Current Service Delivery, Staffing and Stations

El Dorado County Fire Protection District (ECF)

The ECF owns 14 fixed fire station facilities. Of the 14 stations, only five are staffed. Two additional stations are staffed with support services personnel and do not have a fire engine crew. Three stations are leased, two to the Federal

Government for local forest fire protection and one to a local historical society. Operationally, ECF staffs five engines and five medic ambulances on a daily basis. In addition, three Battalion Chiefs and the Fire Chief provide chief officer coverage.

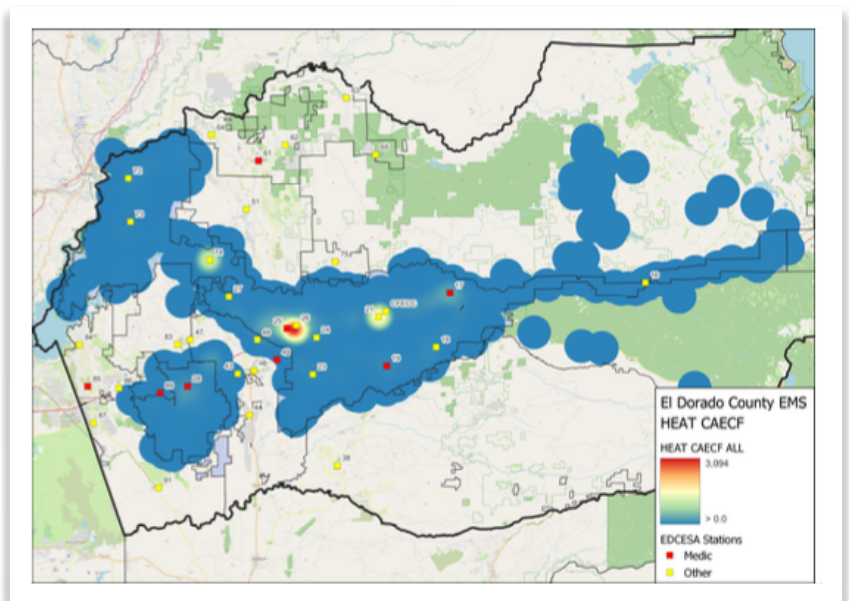
Fire engines operate out of Stations 17, 19, 25, 28 and 72. Medic ambulances operate out of Stations 17, 19, 25, 28, and 49. Daily engine staffing is a minimum of three personnel, except for Engine 72 which is staffed with two personnel. Medic ambulances are staffed with a minimum of two personnel. Other specialized apparatus including a ladder truck, water tender, rescue and squad are cross-staffed with on duty staff as needed.

The Fire Prevention Division is made up of one Fire Marshal, one prevention specialist, and one administrative assistant. The Administration is made up of 3 full-time administrative assistants. One of the positions is currently allocated at 75% to fire prevention and 25% to administration. The position will likely convert to 100% fire prevention upon annexation

A total of 83 FTEs are funded in the FY 23/24 Budget.

Fire Station Locations

Distribution of Demand - All Calls (ECF)



Station 15 (Unstaffed)

16211 U.S. Highway 50, Strawberry, CA

The station was built with funds from a Benefit Assessment approved by the community.

Fleet: None



Current Service Delivery, Staffing and Stations

El Dorado County Fire Protection District (ECF)



Station 16 (Unstaffed)

13275 U.S. Highway 50, Kyburz, CA 95720

During fire season the United States Forest Service, Eldorado National Forest (ENF), has an agreement with El Dorado County Fire to use Station 16 as a base for ENF Engine 64. This agreement better serves the people living in and traveling through the American River Canyon.

Fleet: Type 3 Engine (E364), Utility (U164)

Station 17 (Staffed: Total Daily Staffing 5)

6430 Pony Express Trail, Pollock Pines CA 95726

Fleet: Type 1 Engine (E17), Medic Unit (M17), Type 3 Engine (E317), Reserve Medic Unit (M217), Light Rescue 17, Boat 17

Average Response Time (2022) for E17: 9:31



Station 18 (Unstaffed)

5785 Sly Park Rd., Pollock Pines, CA 95726

Fleet: None



Current Service Delivery, Staffing and Stations

El Dorado County Fire Protection District (ECF)



Station 19 (Staffed: Total Daily Staffing 5)

4429 Pleasant Valley Rd., Placerville, CA 95667

Fleet: Type 1 Engine (E19), Medic Unit (M19), Type 3 Engine (E319), Reserve Medic Unit (M319), Water Tender (WT19), CalOES Engine (4310)

Average Response Time (2022) for E19: 13:24

Station 21 (Staffed with Administrative and Support Services personnel only)

4040 Carson Rd., Camino, CA 95709

Station 21 is the Administrative Headquarters for El Dorado County Fire. The offices of the Fire Chief, Shift Division Chiefs, Fire Prevention Bureau, and Training Division are located here. One of the two Operations Battalion Chiefs is located here.

Fleet: Type 6 Engine (E621), Reserve Type 1 Engine (E26), Battalion Chief, Rehab 21, Reserve Duty Chief pickup (D7709),



Station 23 (Unstaffed)

1834 Pleasant Valley Rd., Placerville, CA 95667

Fleet: Training Engine (E23), Utility vehicle (Ut23)



Current Service Delivery, Staffing and Stations

El Dorado County Fire Protection District (ECF)



Station 25 (Staffed: Total Daily Staffing 6)

3034 Sacramento St, Placerville, CA 95667

Fleet: Type 1 Engine (E25), Medic Unit (M25)

Average Response Time (2022) for E25: 6:55

Station 26 (Unstaffed)

730 Main St., Placerville, CA 95667

Station 26 was designed to be a public safety building, housing both the Placerville Fire Department and the Placerville Police. The Fire Department out grew their space in the station and were relocated to Station 25. Station 26 houses the district's aerial ladder.

Fleet: Truck 26



Station 27 (Unstaffed)

6051 Gold Hill Rd., Placerville, CA 95667

Through a lease agreement, a Bureau of Land Management (BLM) Hand Crew is stationed out of this station.

Fleet: None from ECF





Current Service Delivery, Staffing and Stations

El Dorado County Fire Protection District (ECF)



Station 28 (Staffed: Total Daily Staffing 5)

3860 Ponderosa Rd, Shingle Springs CA 95682

Station 28 also houses the District's OES engine, which is staffed when requested by Cal OES.

Fleet: Type 1 Engine (E28), Medic Unit (M28), Type 3 Engine (E328, Reserve Medic Unit (M228), Water Tender (WT28), CalOES Engine 4301

Note: New Ladder Truck scheduled to be deployed here in 2024

Average Response Time (2022) for E28: 7:44

Station 72 (Staffed: Total Daily Staffing 2)

7200 St Florian Ct, Cool, CA 95614

Fleet: Type 1 Engine (E72), Type 3 Engine (E372), Utility Vehicles (Ut72, Ut272)

Average Response Time (2022) for E72: 11:01



Station 73 (Unstaffed)

4302 State Highway 49., Pilot Hill, CA 95664

Fleet: None





Current Service Delivery, Staffing and Stations

El Dorado County Fire Protection District (ECF)



Station 74 (Staffed: Total Daily Staffing 1)

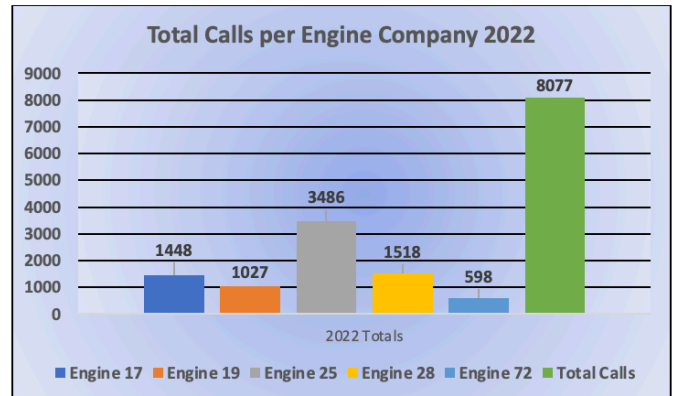
5122 Firehouse Rd., Lotus, CA 95651

The station houses the Districts' Swift Water Rescue boat and vehicle. The Station is also a "move-up and cover" location for Ambulances.

Fleet: Division Chief, Water Rescue 74, Raft 74

Engine Company Response Data (Total Calls and Average Response Time (2022))

Engine Company	Total Calls (2022)	Average Response Time
Engine 17	1448	9:31
Engine 19	1027	13:24
Engine 25	3486	06:55
Engine 28	1518	07:44
Engine 72	598	11:01





Current Service Delivery, Staffing and Stations

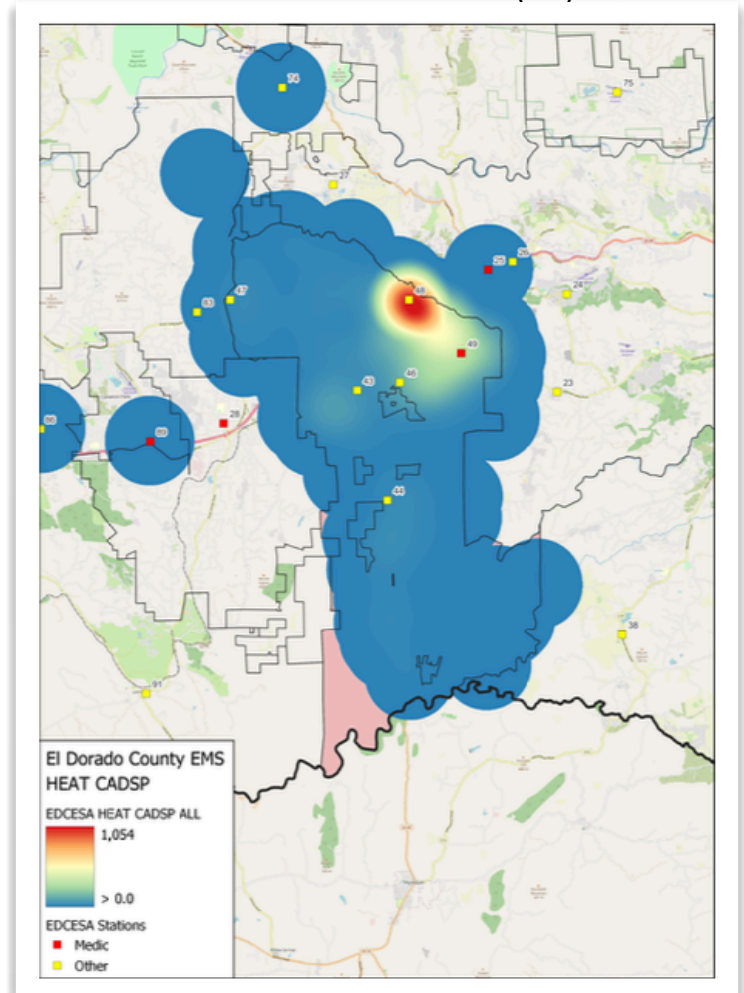
Diamond Springs - El Dorado Fire Protection District (DSP)

The DSP owns four fixed fire station facilities, only one of which is staffed. A fifth fire station, Station 49, is leased from the DSP Volunteer Association for \$1.00 per year on a 100 year lease.

DSP staffs one fire engine at Station 49. The JPA ambulance that is housed at Station 49 is staffed with ECF personnel as of March 15, 2023. Daily engine staffing is three personnel and the medic ambulance is staffed with two personnel. Specialized apparatus including a quint, wildland engine and water tender are cross-staffed as needed. DSP's command staff include the Fire Chief and one Battalion Chief.

DSP's Fire Prevention staffing is limited to 1.0 FTE fire inspectors. Administrative staff include 2.0 FTE for Administrative Assistants.

Distribution of Demand - All Calls (DSP)



Fire Station Locations



Station 44 (Unstaffed)

6109 Quartz Drive, El Dorado, CA 95623

Fleet: None



Current Service Delivery, Staffing and Stations

Diamond Springs - El Dorado Fire Protection District (DSP)



Station 46 (Unstaffed)

6170 Pleasant Valley Road, El Dorado, CA 95623

Fleet : Type 1 Engine (E46), Reserve Engine (E246)

Station 47 (Unstaffed)

2312 Oakville Drive, Shingle Springs, CA 95682

Fleet: None



Station 48 (Staffed: Total Daily Staffing: 1)

3840 Missouri Flat Road, Placerville, CA 95667

One of the two Operations Battalion Chiefs is located here.

Fleet: Battalion Chief, Reserve Medic Unit (M249), Patrol 44





Current Service Delivery, Staffing and Stations

Diamond Springs - El Dorado Fire Protection District (DSP)



Station 49 (Staffed: Total Daily Staffing 5)

501 Pleasant Valley Road, El Dorado, CA 95619

Administration Headquarters

Fleet: Type 1 Engine (E49), Medic Unit (M49), Ladder Truck (T49), Rescue (R49), Water Tender (WT49), Type 3 Engine (E349)

Average Response Time (2022) for E49: 5:26

Engine Company Response Data (Total Calls and Average Response Time (2022))

Company	Total Calls (2022)	Average Response Time
Engine 349	737	*
Engine 49	1793	05:43
Rescue 49	59	*
Truck 49	20	*

* All companies from Station 49 are cross-staffed by Engine 49. Average response time if for all units.



Fleet - Apparatus, Support and Staff Vehicles

ECF and DSP maintain a fleet of front line and reserve apparatus. A variety of fire, rescue, utility and staff vehicles are strategically deployed to meet the unique risks in the communities. Both fire districts maintain maintenance policies and replacement schedules that are in alignment with industry standards, regulations and California Vehicle Codes.

The fleet will be combined at the time the annexation is completed. Ownership of the fleet and all maintenance and fleet replacement reserves will become part of the new organization. Maintenance and replacement policies will not change. For transparency purposes, the fleet is listed below.

ECF Apparatus Inventory

Apparatus	Type	Purchase Year	Mileage	Condition	Owner	Approximate Value	Scheduled Replacement
E28	Engine: Type 1	2016	106545	Good	ECF	\$ 500,000	2024
E328	Engine: Type 3	2016	66401	Good	ECF	200,000	2029
WT28	Water Tender: Type 1	1990	37925	Fair	ECF	50,000	2024
S21	Engine: Type 6	2016	63703	Good	ECF	100,000	2036
U28	Utility	2006	148246	Fair	ECF	2,000	2026
P7722	Investigation	2007	153240	Good	ECF	2,000	2027
OES4103	Engine: Type 1	2012	33983	Good	CalOES	n/a: State-Owned	Unknown
E25	Engine: Type 1	2016	101888	Good	ECF	500,000	2024
U25	Utility	2008	153240	Fair	ECF	2,000	2028
E26	Engine: Type 1	2016	98160	Good	ECF	500,000	n/a: Reserve
T26	Ladder Truck	2004 (purchased used)	19527	Poor	ECF	40,000	2024
E72	Engine: Type 1	2007	196889	Fair	ECF	40,000	2024
E372	Engine: Type 3	2015	41254	Good	ECF	300,000	2035
U72	Utility	1990	63328	Fair	ECF	2,000	2023
UTV72	All Terrain Vehicle	2015	700	Excellent	ECF	5,000	As Needed
TR72	Trailer	2000	n/a	Excellent	ECF	2,000	As Needed
A72	Air Unit	1980	54821	Poor	ECF	5,000	2030
RAFT74	Raft	2019	n/a	Good	ECF	2,000	As Needed
E23	Engine: Type 1	1999	163667	Poor	ECF	20,000	n/a: Reserve
FTR23	Box trailer	2018	n/a	Good	ECF	10,000	As Needed
TR23	Dump trailer	2022	n/a	Excellent	ECF	12,000	As Needed
E19	Engine: Type 1	2002	58476	Fair	ECF	30,000	2024
E319	Engine: Type 3	2018	13326	Good	ECF	300,000	2038
OES4310	Engine: Type 3	2015	56745	Good	CalOES	n/a: State-Owned	Unknown
U19	Utility	2000	105870	Poor	ECF	2,000	2023
WT21	Water Tender: Type 1	2016	9000	Good	ECF	200,000	2030
E17	Engine: Type 1	2021	30290	Excellent	ECF	600,000	2028
E317	Engine: Type 3	2015	53131	Good	ECF	200,000	2035
LTR17	Rescue	2016	85409	Good	ECF	50,000	As Needed
U17	Utility	2012	149099	Fair	ECF	5,000	As Needed
UTV17	All Terrain Vehicle	2023	10	Excellent	ECF	10,000	As Needed
TR17	Trailer	2023	n/a	Excellent	ECF	5,000	As Needed
BOAT17	Motor Boat	2020	n/a	Excellent	ECF	5,000	As Needed
7703	Command	2009	153343	Fair	ECF	5,000	2029
U221	Utility	2007	120506	Poor	ECF	10,000	2027
U23	Utility	2004	105596	Poor	ECF	2,000	As Needed
S-21	Admin	2008	71006	Fair	ECF	8,000	As Needed
P7721	Prevention	2017	89996	Good	ECF	30,000	2037
P7720	Prevention	2017	99787	Good	ECF	30,000	2037
C1	Command	2020	39076	Excellent	ECF	80,000	2030
D2	Command	2020	54499	Excellent	ECF	80,000	2030
D3	Command	2016	118957	Good	ECF	80,000	2023
D4	Command	2019	31099	Good	ECF	75,000	2029
D5	Command	2016	81790	Good	ECF	75,000	2026
D7709	Command	2023	10	Excellent	ECF	90,000	not yet in service
U21	Utility	2023	10	Excellent	ECF	80,000	not yet in service
TR21	Trailer	2022	n/a	Excellent	ECF	5,000	As Needed
TBD	Command	2023	10	Excellent	ECF	80,000	not yet in service



Fleet - Apparatus, Support and Staff Vehicles

DSP Apparatus Inventory

Apparatus	Type	Purchase Year	Mileage	Condition	Owner	Approximate Value	Scheduled Replacement
E49	Engine: Type 1	2015	68791	Good	DSP	\$ 500,000	2028
E349	Engine: Type 3	2019	25151	Excellent	DSP	300,000	2026
R49	Rescue	2003	33822	Fair	DSP	100,000	2029
WT49	Water Tender: Type 1	2018	7520	Excellent	DSP	200,000	2031
T49	Ladder Truck	2000	70902	Poor	DSP	100,000	Unknown
E46	Engine: Type 1	2006	78220	Fair	DSP	100,000	n/a Reserve
E246	Engine: Type 2	2003	77472	Fair	DSP	50,000	n/a Reserve
BOAT	Boat	2018	n/a	Excellent	DSP	2,000	As Needed
P44	Engine: Type 6	2008	29239	Good	DSP	30,000	2028
C8100	Command	2019	26423	Excellent	DSP	75,000	2036
B8102	Command	2017	52447	Excellent	DSP	60,000	2034





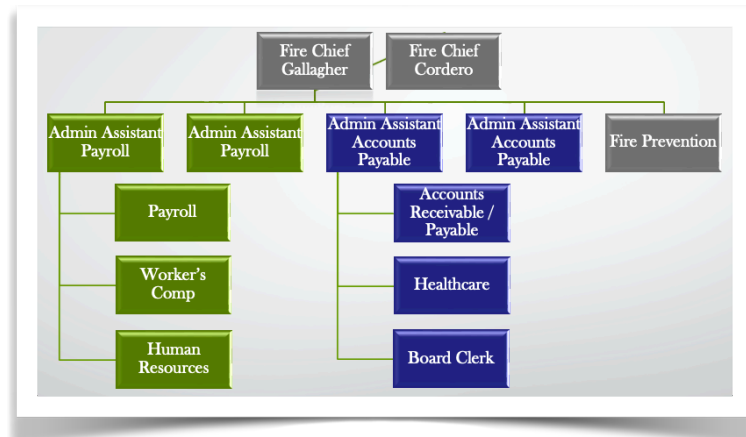
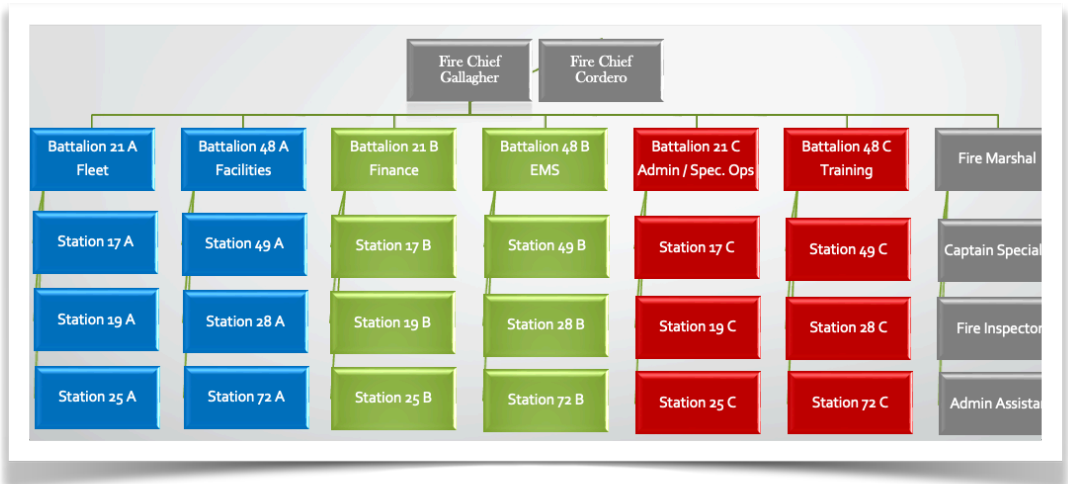
Proposed Service Plan

There are no service cuts or station closures planned with the proposed merger. The combined entity would own 18 fixed fire station facilities and the 100-year lease for Station 49. Of the stations, the six that are currently staffed 24/7/365 would remain so. Operationally, the new entity would staff six engines and five medic ambulances on a daily basis. No changes to engine and ambulance staffing is proposed. As of August 26, 2023, the two agencies entered into an agreement to operate two Battalion Chiefs on a daily basis, one from Station 21 (ECF) and one from Station 48 (DSP). The new battalion program helps with coverage and resiliency.

Six fire engines would continue to operate from Stations 17, 19, 25, 28, 49 and 72. Five medic ambulances would continue to operate out of Stations

17, 19, 25, 28, and 49. Cross-staffed apparatus would likely remain in their current locations. In the near term, no additional operations staffing is proposed. Long-term, the goal would be to increase staffing on Engine 72 from two to three personnel.

Combined Operations Organizational Chart



It is proposed that the two Fire Chief positions transform into one Fire Chief and one Deputy or Assistant Chief.

The Fire Prevention Division would become streamlined similar to the current shared service agreement in place with the Fire Marshal and Fire Inspector and administrative support. Fire Administration would be combined without a loss of personnel. The merger creates opportunities for depth in critical administrative functions such as payroll, and human resources. As of March 2024, ECF and DSP prevention staff are co-located at Station 49.

A total of 98.0 FTEs are proposed in the combined organization, one more than the current FY23/24 total of both districts.



Proposed Service Plan

A training Captain position has been converted to a Division Chief with no added FTE's. There is a realignment of staff for the dual battalion model with the added position responsible for mandated firefighter training and serving as the agency's safety officer. Contemporary fire agencies this size typically have one to two dedicated training officers due to the complexity of firefighters safety, required training, career development, and entry-level training.



Financial Analysis

Key financial decision points for ECF and DSP are to ensure there is sufficient current and future revenue sources for joint annexation and that there is relative equity in both district's property tax rates. For expenditures, equity decisions need to be addressed primarily in employee compensation, benefits, unfunded liabilities, and future CalPERS contracts. Finally, both agencies need to decide the ownership and plan for reserve funds and capital asset resources including fleet and facilities.

Both Districts document fiscal stability. There are future uncertainties and special districts are limited in their abilities to generate revenue outside of property tax increases. In the future, the joint annexation District may need additional revenue. Voter unwillingness, low growth rates in new development, increased expenditures, and future external and uncontrollable uncertainties highlight the fiscal risks.

Revenue

Most of each agency's revenue is derived from Ad Valorem property taxes. Additionally, special districts have limited taxing authority for use taxes and impact fees on new development and construction. Ad Valorem taxes are usually stable and predictable. ECF's average property tax increment is 13.82% and DSP's rate is 20.57%. The County of El Dorado assesses an annual 2% growth upon the acquisition value of all assessed properties unless the County Assessor has declared the County of El Dorado to be in a recession. Both ECF and DSP have achieved near identical annual Ad Valorem growth trends with ECF at 4.37% and DSP 4.55% per year.

ECF also received revenue from voter-approved special assessment taxes. There are five fire taxes that were approved by communities within the ECF when they were stand-alone fire districts in the 1980s. These five smaller agencies merged into the ECF, and the special assessments continued. The assessments range from \$30-\$60 per parcel depending on permitted use and location.

DSP has a Mello-Roos Community Facilities CFD Special Tax for any new construction in the district. It does not contribute a significant amount of revenue to the district. DSP does not have any voter-approved special assessment fire taxes. A legal analysis will need to be completed to determine if the revenue (\$122,326) from the Mello-Roos special tax area can continue with the new entity.

ECF is currently in the process of implementing a similar CFD within its jurisdiction. The plan is for ECF to match DSP's CFD and include the DSP CFD (CFD No. 2006-01) as part of the overall annexation. The ECF Board has approved the CFD process.

ECF receives revenue from staffing five of the eight west slope JPA ambulances. The JPA recently completed a strategic planning process identifying fiscal challenges due to increasing costs and an extraordinarily low rate charged to system users (patients). Both ECF and DSP are members of the JPA, and it is recommended that this revenue source be protected and increased to current market rates.



Financial Analysis

Development Impact Fees Revenue

Development impact fees (DIF) are one of the limited revenue sources where fire districts collaborate with cities and counties to mitigate the impacts from additional commercial, industrial and residential development.

DIF are a one-time charge allowed under the State's Mitigation Fee Act. These fees are charged to mitigate impacts resulting from the development activity and cannot be used to fund existing deficits. DIF can only pay for the portion of the improvement that benefits the new uses. DIF must be adopted based on findings of a reasonable relationship between the development paying the fee, the size of the fee, and the use of fee revenues. DIF do not require voter approval.

DIF are not usually consistent or predictable enough to serve as security for the issuance of bonds or secure ongoing revenue. DIF must be approved and enacted by resolution by cities and counties. The funds are collected by the cities and counties and then passed to the fire districts.

Both district would need to determine the policy and plan for development impact fees (DIF) after annexation. The recommendation would be to combine both DIFs. ECF currently collects DIF's for projects within the City of Placerville and for the areas of the district in the County. All DIF are combined to benefit the district as a whole. The same methodology would exist within the new combined agency.

Expenditures

Most fire districts expenditures are salaries and benefits. Typical California public safety agencies spend 80-90% of budgets on salaries and benefits, including unfunded accrued liability (UAL). ECF FY23/24 salaries and benefits expenditure is 83.9% and DSP is 78.3% of their total budgets.

A significant challenge in joining any two organizations is aligning salary and benefit packages. Creating a single salary and benefit program creates a sense of one organization as well as addressing equity among all district members. There are pension formula and other post-employment benefits (OPEB) differences between the two districts. Both chiefs have expressed a policy to ensure that current staff would be kept whole in the combined organization. One district has better benefits, in particular retiree health care. In addition, there are four employees who are under the CalPERS Classic 3% at 50 formula that would need to be considered as the new agency would not offer that formula. These costs need to be quantified.



Financial Analysis

FY23/24 Revenue, Expenditures, UAL Summary

Agency	Revenue	Salaries/Benefits excluding UAL	UAL payment	UAL as a % of Revenue	Salaries, Benefits, UAL as a % of Revenue	Services and Supplies	Surplus or Deficit
DSP	\$4,787,231	\$3,067,461	\$680,000	14.2%	78.3%	\$664,557	\$375,213
ECF	\$14,215,269	\$10,244,158	\$1,687,826	11.9%	83.9%	\$2,101,065	\$182,220

FY24/25 Revenue, Expenditures, UAL Projection

Agency	Revenue	Salaries/Benefits excluding UAL	UAL payment	UAL as a % of Revenue	Salaries, Benefits, UAL as a % of Revenue	Services and Supplies	Surplus or Deficit
DSP	\$4,872,687	\$3,092,461	\$729,000	15.0%	78.4%	\$664,557	\$386,669
ECF	\$14,456,695	\$10,294,158	\$1,869,300	12.9%	84.1%	\$2,051,065	\$242,172
Both	\$19,329,382	\$13,386,619	\$2,598,300	13.4%	82.7%	\$2,715,622	\$628,841

Pension System

Both agencies are contracted members of CalPERS and subject to policy decisions to adequately fund and protect the largest state pension system in the United States. Two important policy decisions will impact the agencies for the long-term. These include a 30-year amortization of the UAL and reducing the expected rate of investment return. UAL costs and lower investment rates of returns require additional member payments. Pension reform (PEPRA) will offset increases as non-classic employees enter the system under reduced costs and required employee contributions.



At the start date of the annexation, a new CalPERS contract would need to be signed. Both Boards of Directors, staff and labor groups have been addressing this complex matter. Detailed, thoughtful and transparent discussions and negotiations will ensure community support and fiscal equity between the communities.



Financial Analysis

Unfunded Accrued Liabilities (UAL)

Both districts are very aware, and have actively addressed, current UAL costs for both districts. Both boards have ensured that revenues are being set aside to cover future costs. The DSP Board has included a Pension Obligation Bond (POB) as part of their strategy for addressing UAL costs. The ECF Board is aware of this. The working group has acknowledged that combining the two districts will combine the UAL and the Board will need to remain diligent in future projections and funding sources to cover these increasing costs.

Other Post-Employment Employee Benefits (OPEB)

ECF utilizes a pay-as-you-go method with OPEB costs. DSP has established a dedicated and restricted OPEB account. The policy position from the onset of the annexation discussions has been to keep the current DSP personnel and retirees whole with regards to retirement healthcare. The DSP OPEB account will need to remain designated for DSP personnel, current and retired. DSP is working with their legal counsel on language and processes to secure their current OPEB account for current and retired DSP employees.



Financial Analysis

Reserve Funds

Both agencies have taken a conservative approach with reserve funds and should be commended for their prudent fiscal approach. Reserve funds support unexpected contingencies, provide a buffer for unplanned fiscal issues, and create opportunities for future strategic decisions, like annexation.

Reserve fund policy is set by the Board of Directors, and contemporary agencies typically set a target range from 20 – 80% of the annual budget. Some reserve funds may be restricted by Board policy or by law and cannot be used for the other purposes. If joint annexation occurs, both Boards will need to make important decisions on the planned use of reserve funds.

Total reserves for DSP are \$4,503,392 or 94% of the FY23/24 revenue. ECF’s total reserves are \$8,529,941 or 60% of the FY23/24 revenue. Combined reserves are \$13,033,333 or 69% of the combined revenue.

If there is a joint annexation, it is recommended that both boards adopt identical policy statements in the use of reserves from the previous entities. Current and future funds will need to be designated for this purpose. Careful consideration should be given to combined UAL costs, OPEB, and safeguarding sufficient reserves for the new entity. The intent would be to merge those funds upon annexation. Both Boards are working on adopting similar Board Policies.

FY23/24 Reserve Fund Summary

Agency	Undesignated Reserve	Development Fees	Community facilities fees	Other post-employment benefits (OPEB)	Fixed and rolling capital replacement	Restricted funds
DSP	\$1,052,666	\$612,795	\$559,582	\$2,278,349		
ECF	\$3,095,211	\$1,780,493			\$2,854,237	\$800,000
Both	\$4,147,877	\$2,393,288	\$559,582	\$2,278,349	\$2,854,237	\$800,000



Disadvantaged Communities Analysis

As detailed in Countywide Fire Protection and Emergency Medical Services Municipal Service Review (April 27, 2022), Volume II - Chapter 1, a Disadvantaged Unincorporated Community (DUC) is an area of a County in which the annual median household income (MHI) is less than 80 percent of the statewide MHI. Within the boundaries of ECF and DSP are portions five Census Block Groups that meets the DUC threshold and are classified as DUC.

The tables include the DUC in ECF and DSP. It is important to note that the count includes an unknown number of populations that are within the census and block number, but are outside of the ECF and DSP. The unincorporated areas are provided numerous public services from local and state agencies.

Water service is provided by the El Dorado Irrigation District (EID), the Georgetown Public Utilities District, and by individual wells. Wastewater services are provided by EID or by individual septic systems.

Fire protection services are primarily provided by ECF, DSP, and mutual aid agencies from across El Dorado County. The California Department of Forestry and Fire Protection (CAL FIRE) also provides fire protection services in the wildland areas located within the State Responsibility Areas (SRA). EMS and ambulance transportation services are provided by the JPA to all areas listed.

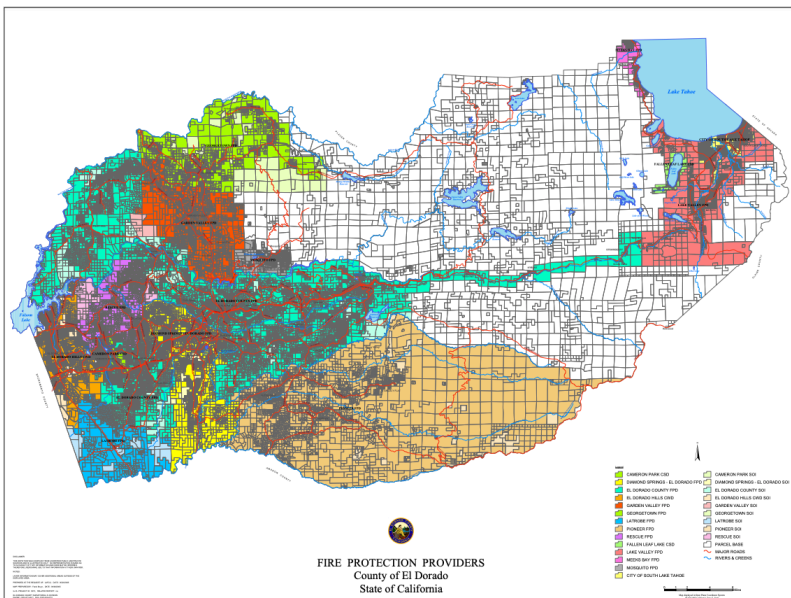
Due to this area receiving the essential municipal services of water, wastewater, and structural fire protection, there are no communities within the existing boundaries or adjacent to the both District's sphere of influence (SOI) that lack public services. The proposed joint annexation does not contemplate reducing services, and no pervious health or safety issues have been identified. No new or existing negative impacts have been identified.

Disadvantaged Unincorporated Communities ECF

Identification Number	Census Number	Block Group Number	Population	Number of Households	Median Household Income (2018)
313023	031302	3	1,961	904	\$23,712
313022	031302	2	2,315	736	\$50,357
312002	031200	2	2,012	828	\$56,737
311002	031100	2	903	389	\$56,625
310004	031000	4	1,040	5415	\$50,707

Disadvantaged Unincorporated Communities DSP

Identification Number	Census Number	Block Group Number	Population	Number of Households	Median Household Income (2018)
315022	031502	2	2,570	1173	\$49,653
315041	031504	1	1,496	666	\$44,231
314021	031402	1	2,518	889	\$53,828





Future Growth - Population

Future growth is analyzed in two different aspects. The first is population growth and the second is projected growth in calls for service. There are many factors that drive calls for service, but the primary driver is population increases. Simply put, people create calls for service. A secondary growth measure is the age of the populations as older community members utilize public safety service, in particular EMS, at higher rates than other age groups.

Population Growth

Detailed future growth analysis was recently completed as part of the LAFCO Countywide Fire Service Review (April 27, 2022) by South Fork Consultants. The report noted:

Existing population for each agency was estimated using population data from the California Department of Finance (DOF) ... Projecting future population for a fire agency is complicated due to census tracts that do not match agency boundaries. There are multiple ways to calculate population estimates. For purposes of the MSR Chapters, consultants utilized data from the DOF ... Consultants used the estimated growth rate for the County of El Dorado to extrapolate population growth rates for each agency.

For ECF, it is estimated that the existing boundary and zoned land use will have a population of 54,433 persons in 2040, or 5,093 more people than 2020. For DSP, a population estimate of 14,658, or an addition of 1,372 people in 2040. Both estimates represent a projected average annual growth rate of 0.38% between the years of 2020 and 2040. By 2040, the combined agencies would serve a total population of 69,091 or 6,465 more than 2020 if all planned growth and development occurred. It is noted that DSP has many more planned development projects identified.

Both agencies have adopted impact fees for new projects in their jurisdictions. These fees are to fund the cost of fire protection facilities, apparatus, and equipment attributable to new residential and nonresidential development. The impact fees will ensure that new development will not burden existing development with the cost of facilities and apparatus required to accommodate growth.

The population growth can easily be served by the existing resources and proposed service plan. It is recommended that agencies monitor travel times in the future, particularly in areas with planned growth, for any increased times due to additional vehicle traffic and population patterns.

	2020	2025	2030	2035	2040
Diamond Springs/El Dorado Fire Protection District ²	13,286	13,833	14,277	14,555	14,658
ECF Permanent Population ²	49,340	51,369	53,019	54,051	54,433

Source: El Dorado Local Agency Formation Commission, Countywide Fire Protection and Emergency Medical Services Municipal Service Review and Sphere of Influence Update, Volume II. April 27, 2022. Author: South Fork Consulting

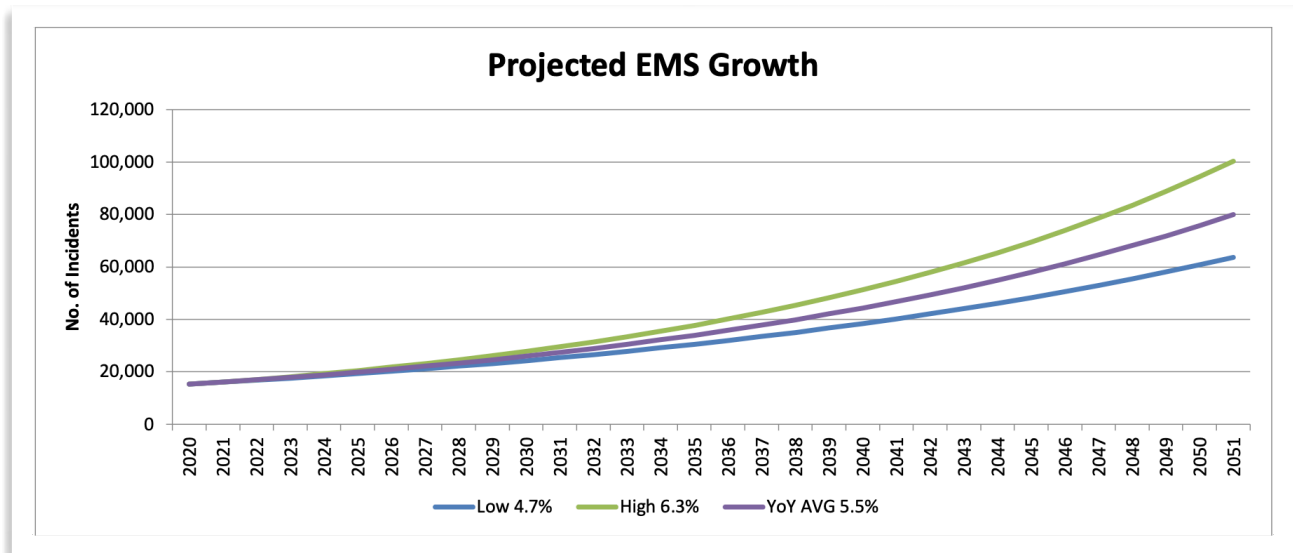


Future Growth - Calls for Service

Calls for Service Growth

EMS growth analysis was recently completed by Fitch & Associates for the El Dorado Emergency Medical Services Authority (JPA) focusing on west slope ambulance deployment. The report methodology was a retrospective analysis of EMS calls for service in calendar years 2020-2022. The finding noted a range of growth from 4.7% to 6.3% and a 5.5% annual increase. Given that EMS calls for service account for 67% to 80% of agency's total calls for service, measuring EMS call growth is a good measure for all future call growth.

The system has the current capacity to meet projected future demand in the proposed service plan. Assuming that future demands may not be reasonably distributed across the various stations in the system, the system may ultimately require a redistribution of workload and ultimately reinvestment in resources to meet the growing demand. While the system should be evaluated continuously for performance and desired outcomes, the department should specifically reevaluate workload and performance indicators for every 250-call increase to ensure system stability.



Source: Emergency Medical Services Strategic Planning. El Dorado County Emergency Medical Services Authority, Observed and Hypothetical Growth in Call Volume. February 2023. Author: Fitch & Associates



Joint Annexation Performance Measures

The organizations have been meeting monthly since April 2023. The goal of the Annexation Working Group is to address detailed and technical aspects of merging two organizations. A shared set of strategic performance statements have been created. These include:

Governance

- Standardizing governance between both DSP and ECF at the Board of Director level. Currently, the DSP Board of Directors are updating all the Board policies, ECF Board members are prepared to review and implement the same policies upon completion by DSP.
- The current proposal is for the two five-member Boards to merge into one seven-member Board. Two of the seven directors would reside in the pre-annexation area of DSP. A consultant would assist the combined agency to create five equal districts in terms of the number of residents. Future Boards and the Fire Chief may explore redistricting options including returning to a five-member Board format.

Operations

- The annexation of DSP into ECF will not change the current service delivery model. All resources currently staffed within DSP and ECF will remain in place, with no immediate plans to expand the current service delivery model.
- One of the ambulances, currently station in DSP Station 49 with ECF personnel, will remain functioning as it is currently under the shared service agreement.
- The current auto-aid, drop boundary dispatching, in conjunction with maintaining all currently staffed resources would not impact the response times criteria.
- Within 12 months of the annexation, common Standard Operating Guidelines (SOG's) will be in place for all personnel. Common SOG's will increase the efficiency and effectiveness of crews.
- Standardization of equipment across both districts will begin immediately upon the merger, enhancing the commonality of equipment for firefighters and increasing opportunities for larger purchasing discounts as a larger agency.
- The current shared services agreement provides standard module training to firefighters in DSP and ECF. Under the proposed annexation, all training would fall under the Training Chief for the District, reducing duplication and resulting in increased efficiency and consistency.
- The current shared service agreement provides an increase in Chief Officer coverage for large incidents and simultaneous incidents. The ECF duty chief provides primary response duties for both agencies, while Administrative Chiefs provide backup coverage 24/7/365. Under an annexation, the proposal is to retain two Chief Officers on duty to provide added resiliency in emergency responses.
- Sharing of personnel between DSP and ECF is in place and working effectively. The ability to have personnel work between both districts provides greater depth in resource availability – critical during fire season, provides cross training for personnel and enhances the ability to serve the community.



Joint Annexation Performance Measures

The organizations have been meeting monthly since April 2023. The goal of the Annexation Working Group is to address detailed and technical aspects of merging two organizations. A shared set of strategic performance statements have been created. These include:

Administration

- The annexation will result in the need for one fire chief, in lieu of 2 fire chiefs. Both DSP and ECF current fire chiefs are eligible to retire, these positions would be reduced to a single fire chief, eliminating the need for both districts to hire new fire chiefs.
- Within 6 months of the annexation, the administrative team will be streamlined to improve efficiency. All the current positions will be required with the new district. A redistribution of assignments is planned to reduce duplication and create backup depth from cross-trained staff.
- Several IT Software platforms have been identified that are redundant across both DSP and ECF. Within 12 months of the annexation, staff will transition all operations onto either DSP and/or ECF platforms to eliminate duplication and reduce costs.
- Overlapping or redundant services primarily lie within the Administration with software platforms, staffing, payroll, etc. Administrative staffing levels are limited, reducing duplication of duties will improve efficiency, however, as noted additional positions will be needed as funding becomes available.

Prevention

- The Fire Prevention Bureau has already seen cost savings with the retirement of the DSP Fire Marshal. DSP is currently in the recruitment and hiring process of a Fire Inspector to replace the previous Fire Marshal position resulting in cost savings. ECF Fire Marshal (Division Chief) has assumed the duties of the Fire Marshal for both DSP and ECF.
- Under the current shared services agreement both fire prevention bureaus are working together as one, increasing efficiency, while standardizing processes in both districts for residents, contractors and developers.



LAFCO Government Section Requirements

**State of California Sphere of Influence Modification Requirements
Government Code Section 56425**

Subsection	Description	Response
e1	The present and planned land uses in the area, including agricultural and open-space lands.	No changes
e2	The present and probable need for public facilities and services in the area.	Addressed in report
e3	The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.	Addressed in report
e4	The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.	No changes
e5	For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.	No additional public facilities needed

Government Code Section 56430

a	In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:	Report supports LAFCO's written update of service review for combined entity
a1	Growth and population projections for the affected area.	Addressed in report
a2	The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.	Addressed in report
a3	Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.	Addressed in report
a4	Financial ability of agencies to provide services.	Addressed in report
a5	Status of, and opportunities for, shared facilities.	Addressed in report
a6	Accountability for community service needs, including governmental structure and operational efficiencies.	Addressed in report



LAFCO Government Section Requirements

Government Code Section 56653

b	The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:	
b1	An enumeration and description of the services currently provided or to be extended to the affected territory.	Addressed in report
b2	The level and range of those services.	Addressed in report
b3	An indication of when those services can feasibly be extended to the affected territory, if new services are proposed.	Addressed in report
b4	An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.	Addressed in report
b5	Information with respect to how those services will be financed.	Addressed in report
a6	Accountability for community service needs, including governmental structure and operational efficiencies.	Addressed in report
a7	Any other matter related to effective or efficient service delivery, as required by commission policy.	Addressed in report