County of Santa Clara
Housing, Land Use, Environment, and Transportation Committee (HLUET)

Supervisor Mike Wasserman, Chairperson. Supervisor S. Joseph Simitian, Vice Chairperson.

By Virtual Teleconference Only

DATE: September 17, 2020, Regular Meeting
TIME: 10:00 AM
PLACE: **By Virtual Teleconference Only**

Pursuant to the provisions of California Governor’s Executive Order N-29-20, issued on March 17, 2020, this meeting will be held by teleconference only. No physical location will be available for this meeting; however, members of the public will be able to participate in the meeting as noted below, and online streaming will continue as normal via the County Agenda Portal, YouTube Channel, and Live Audio Stream.

To address the Board in public comment, please review the Public Comment Instructions below, then access the teleconference at: https://sccgov-org.zoom.us/j/95748031177.

Further instructions for accessing the teleconference will be posted online at: www.sccgov.org/bosmeeting.

AGENDA

-- The recommended actions appearing on the agenda are those recommended by staff. The Committee may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the recommended actions.

-- Items that will require action by the Board of Supervisors may be forwarded to a future Board of Supervisors meeting for consideration.

-- Language interpretation services are available. Please contact the Office of the Clerk of the Board at (408) 299-5001 no less than three business days prior to the meeting to request an interpreter.

-- In compliance with the Americans with Disabilities Act and the Brown Act, those requiring accommodations in this meeting should notify the Clerk of the Board's Office 24 hours prior to the meeting at (408) 299-5001, or TDD (408) 993-8272.

-- To obtain a copy of any supporting document that is available, contact the Office of the Clerk of the Board at (408) 299-5001.

-- Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County to all or a majority of the Board of Supervisors (or any other commission, board, or committee) less than 72 hours prior to that meeting are available for public inspection at the Office of the Clerk of the Board, 70 West Hedding Street, 10th Floor, during normal business hours.

Public Comment Instructions

Members of the Public may provide public comments at this meeting as follows:

- Written public comments may be submitted by email to hluetagenda@cob.sccgov.org. Written comments will be distributed to the Committee as quickly as possible, however, please note that documents may take up to 24 hours to be posted to the agenda outline.

- Spoken public comments will be accepted through the teleconference meeting. To address the Committee, click on the link above for the appropriate meeting to access the Zoom-based meeting. Please read the following instructions carefully.
1. You may download the Zoom client or connect to the meeting in-browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.

2. You will be asked to enter an email address and name. The Clerk requests that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.

3. When the Chairperson calls for the item on which you wish to speak, click on “raise hand.” The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.

4. When called to speak, please limit your remarks to the time limit allotted.

## Opening

1. Call to Order.

2. Public Comment.

This item is reserved for persons desiring to address the Committee on any matter not on this agenda. Members of the public who wish to address the Committee on any item not listed on the agenda should request to speak at this time. The Chairperson will call individuals in turn.

Speakers are limited to the following: three minutes if the Chairperson or designee determines that five or fewer persons wish to address the Committee; two minutes if the Chairperson or designee determines that between six and fourteen persons wish to address the Committee; and one minute if the Chairperson or designee determines that fifteen or more persons wish to address the Committee.

The law does not permit Committee action or extended discussion on any items not on the agenda except under special circumstances. If Committee action is requested, the Committee may place the matter on a future agenda. Statements that require a response may be referred to staff for reply in writing.

3. Approve Consent Calendar and changes to the Committee's Agenda.

Items removed from the Consent Calendar will be considered at the end of the regular agenda for discussion. The Committee may also add items on the regular agenda to the Consent Calendar.

Notice to the public: there is no separate discussion of Consent Calendar items, and the recommended actions are voted on in one motion. If an item is approved on the consent vote, the specific action recommended by staff is adopted. Members of the public who wish to address the Committee on Consent Calendar items should comment under this item. Each speaker is limited to two minutes total.

## Regular Agenda - Items for Discussion

4. Receive Management Audit of the Los Altos Hills County Fire District and forward to the Board of Supervisors for consideration. (Referral from August 21, 2020 Board of Supervisors meeting, Item No. 154) (ID# 102958)

5. Receive Management Audit of the South Santa Clara County Fire District and forward to the Board of Supervisors for consideration. (Referral from August 21, 2020 Board of Supervisors meeting, Item No. 154) (ID# 102959)

6. Receive report from the Office of the County Executive relating to a Land Use Compact with local jurisdictions in San Mateo County. (Referral from November 5, 2019 Board of Supervisors meeting, Item No. 13) (ID# 102684)
7. Receive report from the Department of Planning and Development relating to an updated proposal for Zoning Ordinance amendments to establish objective land development standards for rural unincorporated areas. (ID# 102144)

Consent Calendar

8. Receive report relating to Fish and Game Commission recommendation to provide $7,450 in funding from the Fish and Game Commission Fines and Forfeitures Fund to the State of California Department of Fish and Wildlife, North Coast District, to purchase tranquilizer guns and darts for wildlife capture to reduce wildlife and human conflict, and forward to the Board of Supervisors for consideration. (ID# 102733)

9. Consider recommendations relating to annual competitive grants.
   a. Receive report from the Consumer and Environmental Protection Agency relating to competitive grants for period July 1, 2019 through June 30, 2020. (ID# 102891)
   b. Receive report from the Parks and Recreation Department relating to competitive grants for period July 1, 2019 through June 30, 2020. (ID# 101870)
   c. Receive report from the Department of Planning and Development relating to competitive grants for period July 1, 2019 through June 30, 2020. (ID# 102901)
   d. Receive report from the Roads and Airports Department relating to competitive grants for period July 1, 2019 through June 30, 2020. (ID# 102737)

10. Receive annual report from the Employee Services Agency relating to extra-help usage for agencies and departments reporting to the Housing, Land Use, Environment, and Transportation Committee. (ID# 102677)

11. Receive the Fiscal Year 2019-2020 County of Santa Clara Integrated Pest Management Program annual report from the Office of Sustainability. (ID# 102883)

12. Receive report from the Office of Sustainability relating to key successes and progress on sustainability and climate action programs for January through June 2020. (ID# 102826)

13. Consider recommendations from the Consumer and Environmental Protection Agency relating to the County Animal Services Center Spay/Neuter Program report. (ID# 102900)

   Possible action:
   a. Receive final report.
   b. Approve discontinuing monthly reporting relating to the Spay/Neuter Program.
   c. Direct Administration to report to the Committee in May 2021 relating to programming and objectives for clinic services at the new Animal Services Center.

14. Consider recommendations from the Office of Supportive Housing relating to Supportive Housing System of Care reports. (ID# 102776)
Possible action:
   a. Receive monthly report relating to Supportive Housing System Dashboard.
   b. Receive semi-annual report relating to Reentry Housing Programs.

15. Approve minutes of the August 20, 2020 Regular Meeting.

Adjourn

16. Adjourn to the next regular meeting on Thursday, October 15, 2020 at 10:00 a.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose, California, or by virtual teleconference.
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: Cheryl Solov, Management Audit Manager
SUBJECT: Management Audit of the Los Altos Hills County Fire District

RECOMMENDED ACTION
Receive Management Audit of the Los Altos Hills County Fire District and forward to the Board of Supervisors for consideration. (Referral from August 21, 2020 Board of Supervisors meeting, Item No. 154)

COMMITTEE RECOMMENDATIONS
See attached.

LINKS:
- Linked To: 101638 : Receive Management Audit of the Los Altos Hills County Fire District and forward to the Board of Supervisors for consideration.

ATTACHMENTS:
- LAHCFD Post-audit Report Plan_08_05_2020 (PDF)
- REVISED LAHCFD FGOC Recommendations Matrix 8.9.20 (PDF)
- Management Audit - Los Altos Hills County Fire District (PDF)
Date: August 5, 2020

To: Finance and Government Operations Committee
   David Cortese, Chairperson
   Cindy Chavez, Vice Chairperson
   Cheryl Solov, Contract Management Audit Manager

From: Mark Warren, President, Los Altos Hills County Fire District
      J. Logan, General Manager, Los Altos Hills County Fire District

RE: Post-audit Report Plan

The May 22, 2020 Management Audit Report that includes the audit Findings and Recommendations and the Los Altos Hills County Fire District (District or LAHCFD) response is before you and under consideration. The District’s intention is to utilize the audit Findings and Recommendations as a roadmap to move forward in a collaborative and change-driven process, and we hope that this supplementary document demonstrates this goal.

Alignment with County. The District’s interest is to move forward in alignment with the County as a result of the management audit process. This course of action is to demonstrate that the District will work diligently with the County and adapt the District vision, initiatives and operations into alignment with County strategies. To do so will best serve District constituents who rely on the District and on the County for fire and medical services, prevention, protection and education to build more resilient communities in the event of emergencies or disaster. Alignment with the County also best serves other agencies and stakeholders who partner with the District for services, protections and prevention measures.

The District will provide the County a current solid foundation on which to forge this alignment. Fire safety services are formulated, vegetation mitigation programs are in action, staff is small, productive and flexible, the District Board of Commissioners are dedicated to the community and to working in coordination with the County. These resources are activated to achieve the County’s requirements for fire, safety and disaster protection delivery of services to the community.

Audit Report Section 1: Use of District Funds.

RECOMMENDATIONS. The Board of Supervisors should:

1.1. Direct County Counsel to review and report to the Board of Supervisors its assessment of whether the making of agreements, donations or loans resulting in Fire District subsidies of other
entities’ capital projects has been consistent with all applicable legal requirements. This review should include any new proposed agreements or expenditures. (Priority 1).

1.1. LAHCFD agrees.

District agrees with recommendation to direct County Counsel to review and report its assessment, including new proposed agreements or expenditures, to the Board of Supervisor. Pending this assessment and report, the District requests immediate assistance from County Counsel for the review of other agencies’ capital improvement projects that are currently underway or in the design and pre-construction phase and that immediately impact District fire hydrants and equipment. County Counsel review is requested as a priority to guide the District Board of Commissioners. During the fire season, decisions on these projects are urgent. If County Counsel is not immediately available due to County-wide demands or resources, the District Board of Commissioners wishes to proceed in a manner consistent with fire protection and safety based on engineering and fire-safety reports.

1.2. Suspend its delegation of authority to the Fire Commission to ensure that Fire District does not enter into new agreements or arrangements to subsidize capital projects of other agencies while the Board exercises due diligence per Recommendation 1.1. The Fire Commission should serve in an advisory role. (Priority 1)

1.2. LAHCFD disagrees.

The District agrees with the Audit Recommendation 1.1 for a review, assessment and report by County Counsel. Planning for any mutual cost-sharing capital improvement project with Purissima Hills Water District was halted once the audit concerns were expressed during the course of the audit investigations. However, as Purissima Hills Water District capital improvement projects continue and as these projects provide the LAHCFD with opportunities to improve hydrants and equipment for fire flow and firefighting capabilities, LAHCFD desires to undertake such projects if permitted by law. To this end, LAHCFD welcomes guidance from County Counsel.

This plan positively responds and achieves the purpose of Audit Recommendations 1.1. Recommendation 1.2. to suspend delegated authority to the Fire District is not required to achieve Recommendation 1.1.

**Audit Report Section 2: Use of District Funds for Private Tree Services.**

RECOMMENDATION The Board of Supervisors should:

2.1 End the discretionary tree services program and re-direct the funds to services expressly designed to improve the ability of properties in the Fire District to survive wildfire. While such efforts could include tree pruning and removal to reduce the amount of flammable material, public funding of such services should result in demonstrably reduced overall fire risk within the District. (Priority 1)

2.1. LAHCFD agrees.
The District will comply with the Audit Recommendation and will continue to keep retired the tree removal program it once operated for identification and removal of hazardous fire fuels. Absent the audit findings, the District had no plan to continue the tree removal program. The District fulfilled its obligations to residents for hazardous tree removals under that prior plan, identified improvements, retired the program and notified the community accordingly. The District’s current program is now an Integrated Hazardous Fuel Reduction Program (IHFR). The IHFR program is supported in partnership with Santa Clara County FireSafe Council (FSC) to bring effective vegetation mitigation to residents. The suite of programs offers Home Ignition Zone (HIIZ) inspections, monthly brush chipping to remove hazardous fuels stacked-up by residents, creation of shaded fuel breaks for evacuation and escape routes similar to the recent construction on Highway 17, and other programs. District funds are allocated to these integrated efforts based on fire science principles and aligned with FSC programs being utilized throughout Santa Clara County. The District has moved forward to accomplish the audit report Recommendation stated in Section 2 and has utilized its funds that more broadly reduce the risk of major fires in the Fire District.

**Audit Report Section 3. Brown Act Compliance.**

**RECOMMENDATION** The Board of Supervisors should:

3.1. Direct the Fire Commission to use County Counsel as its legal representative, consistent with Ordinance Code section A22-16, to help prevent future Brown Act violations. If this recommendation is implemented and potential Brown Act violations continue, County Counsel should report these violations to the Board of Supervisors promptly. (Priority 1)

3.1. LAHCFD agrees.

The District wishes to comply with Audit Recommendation to avoid actual or potential Brown Act violations. The District requests assignment of County Counsel to LAHCFD to start discussion of the transition process and to discuss the role of the District contract counsel with County Counsel and LAHCFD during and after the transition process.

The District wishes to comply with audit recommendation to utilize County legal services. The District welcomes the opportunity to work with County Counsel on legal affairs and to work with County Counsel and review how best to achieve legal representation for the District. The District appreciates the merits and leadership of the County Counsel office and its ability to provide advice and legal guidance to the District.

**Audit Report Section 4. Fire Prevention Programs are not Aligned with Fires Risks.**

**RECOMMENDATION** The Board of Supervisors should:

4.1. Direct the Fire District to use the Santa Clara County Community Wildfire Protection Plan Annex 4 – Los Altos Hills County Fire Protection District published in August 2016, any subsequent iterations of the CWPP, and the expert advice of the Santa Clara County Fire Department to develop spending priorities and wildfire prevention programs aligned with the risks and recommendations identified by both sources. (Priority 1)

4.1 LAHCFD agrees.
The District is pleased to already comply with Audit Recommendation to use the CWPP (Community Wildfire Protection Plan) and the advice of the Santa Clara County Central Fire Department (SCCFD) to develop spending priorities and wildfire prevention programs aligned with the risks and recommendations identified by both sources. The District adopted its CWPP Annex 4 in 2019 and added an Addendum handbook written for residents. These documents were developed during meetings with SCCFD and programs were specifically designed to address the County CWPP Annex 4 guidelines and recommendations. The District CWPP Annex 4 is ready for its annual update. The District plans to collaborate with SCCFD and stakeholders to ensure the updated CWPP Annex 4 will follow the guidelines of the audit report, Section 4. The District appreciates the collaboration and partnership with SCCFD on all fire safety measures and protection and prevention planning. Budget allocations are aligned to support these programs.

**Audit Report Section 5. Fire District Compliance with State and Local Procurement Requirements.**

**RECOMMENDATION** The Board of Supervisors should:

5.1. Reduce the risk of inconsistent or noncompliant contracting or contracting for prohibited services, by bringing the Fire District’s contracting under the purview of the County Director of Procurement with review by County Counsel as to form and legality. The County Procurement Director should bring the Fire District’s contracting and procurement practices into compliance with State law, County policies and the County Ordinance Code, including ending the Fire District’s unauthorized use of private counsel. (Priority 1)

5.1. LAHCFD partially agrees.

To address the audit recommendation for procurement, the District looks forward to working with County Counsel to ensure procurement is revised as needed and follows District policies and procedures and to ensure legal compliance for purchases of goods and services, bidding processes and contracting of vendors. The District can achieve this result without its contracting being under the purview of the County Director of Procurement. District requests assignment of County Counsel to LAHCFD to commence review and advise the District of Fire District procurement practices currently underway and advise on updating the District’s Procurement Policy.

5.2. **RECOMMENDATION** The Fire District should:

Regularly scan and store its official records – including bids for contracts - in an electronic database or other central repository, and ensure that they are not held at contractors’ residences or private offices or not retained at all. (Priority 2)

5.2. LAHCFD agrees.

The District is in compliance of this Recommendation. The District previously addressed storage of records and has digitized District documents and historical records for storage and access. Records are not held at a private residence. Working financial documents are at the Financial Consultant office for access but are also in digital form. At this time due to COVID-19, District staff does not have access to the El Monte Fire Station where office space, files and office equipment are housed. As a result, staff is working from home offices with digital and hardcopy records. Business practices
are altered due to the protections needed for staff and for the SCCFD crews on duty at the District-owned El Monte Fire Station.

Summary.
LAHCFD agrees with all Recommendations set forth in the Audit Report, except that the District disagrees with Recommendation 1.2 for removal of its delegation of authority, and partially agrees with Section 5.1. concerning procurement and contracting under purview of the County Director of Procurement.

The plan proposed above would open collaboration with the County to achieve the audit recommendations and also allow operations of the District and delegated authority to the Board of Commissioners to continue. The County Board of Supervisors has urgent matters now underway. These include addressing emergency public health events and operating County business without in-person meetings and from home offices, and adoption of its FY2020/21 Budget driven by uncertain economic factors. Additionally, the County faces public unrest related to events and rights of public free speech and other factors and events that are likely to occur. In the spirit of this larger view and of these profound challenges, the District recognizes its obligation to be part of a positive solution and not a source of contention. The District wishes to comply with audit recommendations and to seek a path of change that will lead to productive results for the County and for District residents and stakeholders. This intention will best serve the needs of both the County and District and should bolster collaborative efforts and alignment.

We welcome feedback on whether this plan is on the proper path, and sincerely hope that the proceedings today can be directed toward dialogue for positive solutions moving forward. The results of this meeting and subsequent dialogue will be discussed with the full District Commission during upcoming Commission meetings to forge further plans of action.

The District is grateful to be part of the County’s solution for fire safety, prevention, protection and readiness of the broader community in the event of emergencies or disaster. We hope to proceed in the spirit of cooperation with the County to achieve these unifying goals.

cc:
District Supervisor 1. Mike Wasserman
District Supervisor 4. Susan Ellenberg
District Supervisor 5. Joe Simitian
Jeff Smith, County Executive
James Williams, County Counsel
Megan Doyle, Clerk of the Board of Supervisors
<table>
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<tr>
<th>Section 1: Use of Fire District Funds</th>
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<tr>
<td><strong>1.1</strong></td>
<td><strong>1.2</strong></td>
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| The Board of Supervisors should: | LHCFD agrees.  
District agrees with recommendation to direct County Counsel to review and report its assessment, including new proposed agreements or expenditures, to the Board of Supervisors. Pending this assessment and report, the District requests immediate assistance from County Counsel for the review of other agencies’ capital improvement projects that are currently underway or in the design and pre-construction phase and that immediately impact District fire hydrants and equipment. County Counsel review is requested as a priority to guide the District Board of Commissioners. During the fire season, decisions on these projects are urgent. If County Counsel is not immediately available due to County-wide demands or resources, the District Board of Commissioners wishes to proceed in a manner consistent with fire protection and safety based on engineering and fire-safety reports. |
| Direct County Counsel to review and report to the Board of Supervisors its assessment of whether the making of agreements, donations or loans resulting in Fire District subsidies of other entities’ capital projects has been consistent with all applicable legal requirements. This review should include any new proposed agreements or expenditures. (Priority 1) | LHCFD disagrees.  
The District agrees with the Audit Recommendation 1.1 for a review, assessment and report by County Counsel. Planning for any mutual cost-sharing capital improvement project with Purissima Hills Water District was halted once the audit concerns were expressed during the course of the audit investigations. However, as Purissima Hills Water District capital improvement projects continue and as these projects provide the LHCFD with opportunities to improve hydrants and equipment for fire flow and firefighting capabilities, LHCFD desires to undertake such projects if permitted by law. To this end, LHCFD welcomes guidance from County Counsel. This plan positively responds and achieves the purpose of Audit Recommendations 1.1. Recommendation 1.2. to suspend delegated authority to the Fire District is not required to achieve Recommendation 1.1. |
| Approve audit recommendation with report back from LHCFD as to status of review in six, nine and twelve months, as applicable. | As directed by FGOC. |

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<th>Section 2: Use of Fire District Funds for Private Tree Services</th>
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<td><strong>2.1</strong></td>
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<td>The Board of Supervisors should:</td>
<td>LHCFD: Agree. The District will comply with the Audit Recommendation and will continue to keep retired the tree removal program it once operated for identification and removal of hazardous fire fuels. Absent the audit findings, the District had no plan to continue the tree removal program. The District fulfilled its obligations to residents for hazardous tree removals under that prior plan, identified improvements, retired the program and notified the community accordingly. The District’s current program is now an Integrated Hazardous Fuel Reduction Program (IHFR). The IHFR program is supported in partnership with Santa Clara County FireSafe Council (FSC) to bring effective vegetation mitigation to residents. The suite of programs offers Home Ignition Zone (HIZ) Inspections, monthly brush chipping to remove hazardous fuels stacked-up by residents, creation of shaded fuel breaks for evacuation and escape routes similar to the recent construction on Highway 17, and other programs. District funds are allocated to these integrated efforts based on fire science principles and aligned with FSC programs being utilized throughout Santa Clara County. The District has moved forward to accomplish the audit report Recommendation stated in Section 2 and has utilized its funds that more broadly reduce the risk of major fires in the Fire District.</td>
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<td>End the discretionary tree services program and re-direct the funds to services expressly designed to improve the ability of properties in the Fire District to survive wildfire. While such efforts could include tree pruning and removal to reduce the amount of flammable material, public funding of such services should result in demonstrably reduced overall fire risk within the District. (Priority 1)</td>
<td>Approve audit recommendation with report back from LHCFD as to status of implementation of IHFR in six, nine and twelve months and thereafter as directed by FGOC.</td>
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| Direct the Fire Commission to use County Counsel as its legal representative, consistent with Ordinance Code section A22-16, to help prevent future Brown Act violations. If this recommendation is implemented and potential Brown Act violations continue, County Counsel should report these violations to the Board of Supervisors promptly. (Priority 1) | Approve audit recommendation with report back from LHCFD as to status of implementation in six, nine and twelve months and thereafter as directed by FGOC. |

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<th>Section 4: Fire Prevention Programs Are Not Aligned with Fire Risks</th>
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<td>The Board of Supervisors should:</td>
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<tr>
<th>NO.</th>
<th>RECOMMENDATION</th>
<th>DISTRICT RESPONSE (Revised 8/5/2020)</th>
<th>POSSIBLE FGOC ACTION (Revised)</th>
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<td>LAHCFD agrees. The District is pleased to already comply with the Audit Recommendation to use the CWPP (Community Wildfire Protection Plan) and the advice of the Santa Clara County Central Fire Department (SCCFD) to develop spending priorities and wildfire prevention programs aligned with the risks and recommendations identified by both sources. The District adopted its CWPP Annex 4 in 2019 and added an Addendum handbook written for residents. These documents were developed during meetings with SCCFD and programs were specifically designed to address the County CWPP Annex 4 guidelines and recommendations. The District CWPP Annex 4 is ready for its annual update. The District plans to collaborate with SCCFD and stakeholders to ensure the updated CWPP Annex 4 will follow the guidelines of the audit report, Section 4. The District appreciates the collaboration and partnership with SCCFD on all fire safety measures and protection and prevention planning. Budget allocations are aligned to support these programs.</td>
<td>Approve audit recommendation with report back from LAHCFD as to status of implementation and progress in reducing fire risks in six, nine and twelve months and thereafter as directed by FGOC.</td>
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<td>Reduce the risk of inconsistent or non-compliant contracting or contracting for prohibited services, by bringing the Fire District's contracting under the purview of the County Director of Procurement with review by County Counsel as to form and legality. The County Procurement Director should bring the Fire District’s contracting and procurement practices into compliance with State law, County policies and the County Ordinance Code, including ending the Fire District’s unauthorized use of private counsel. (Priority 1)</td>
<td>LAHCFD partially agrees. To address the audit recommendation for procurement, the District looks forward to working with County Counsel to ensure procurement is revised as needed and follows District policies and procedures and to ensure legal compliance for purchases of goods and services, bidding processes and contracting of vendors. The District can achieve this result without its contracting being under the purview of the County Director of Procurement. District requests assignment of County Counsel to LAHCFD to commence review and advise the District of Fire District procurement practices currently underway and advise on updating the District’s Procurement Policy.</td>
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<td>Regularly scan and store its official records – including bids for contracts - in an electronic database or other central repository, and ensure that they are not held at contractors’ residences or private offices or not retained at all. (Priority 2)</td>
<td>LAHCFD agrees. The District is in compliance of this Recommendation. The District previously addressed storage of records and has digitized District documents and historical records for storage and access. Records are not held at a private residence. Working financial documents are at the Financial Consultant office for access but are also in digital form. At this time due to COVID-19, District staff does not have access to the El Monte Fire Station where office space, files and office equipment are housed. As a result, staff is working from home offices with digital and hardcopy records. Business practices are altered due to the protections needed for staff and for the SCCFD crews on duty at the District-owned El Monte Fire Station.</td>
<td>Approve audit recommendation with report back from LAHCFD as to status given COVID-19 operations in six, nine and twelve months, as applicable and thereafter as directed by FGOC.</td>
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Management Audit of the
Los Altos Hills County Fire District

Prepared for the Board of Supervisors of the
County of Santa Clara

May 22, 2020

Prepared by the
Board of Supervisors Management Audit Division
County Administration Building, East Wing, 10th Floor
70 West Hedding Street
San Jose, CA 95110

(408) 299-6435
May 22, 2020

Supervisor Dave Cortese, Chair
Supervisor Cindy Chavez, Vice Chair
Board of Supervisors’ Finance and Government Operations Committee
70 West Hedding Street
San Jose, CA 95110

Dear Supervisors Cortese and Chavez:

We have completed the Management Audit of the Los Altos Hills County Fire District (Fire District). This audit was added to the Management Audit Division’s Fiscal Year 2017-18 work plan by the Board of Supervisors of the County of Santa Clara, pursuant to the Board’s power of inquiry specified in Article III, Section 302(c) of the Santa Clara County Charter. This audit was conducted in conformity with generally accepted government auditing standards as set forth in the 2011 revision of the “Yellow Book” of the U.S. Government Accountability Office. The purpose of this audit was to examine the operations, management practices and finances of the Fire District to identify opportunities to increase the Fire District’s efficiency, effectiveness and economy.

The Board of Supervisors is responsible for the Fire District’s expenditures. In 1980, the Board delegated most of its authority for District operations to a Fire Commission appointed by the Board. We found that the Fire Commission has for many years used that authority to make expenditures and “donations” of taxpayer funds to other public and private entities. For example, the Fire District has spent millions of dollars of taxpayer funds to upgrade infrastructure it does not own to improve provision of services it is not responsible to provide. The Fire District has spent millions more to prune and remove trees not identified as hazardous for private property owners in areas that are not identified as high risk for fire. We also identified potential Brown Act violations by the Fire Commission, establishment of procurement practices inconsistent with procurement requirements, and the maintenance of District records at private offices and residences. Lastly, the County Ordinance Code requires the Fire District to obtain its legal services from County Counsel. Instead, the Fire Commission contracts with a private law firm.
The report contains five findings and seven recommendations. If implemented, these recommendations would assess the legality of the Fire District’s past use of taxpayer funds and ensure appropriate use of funds in the future, ensure that expenditure of public funds result in reduced fire risk, improve compliance with State law, the County Ordinance Code and County policies and improve Fire District record keeping. We note that the Board of Supervisors is ultimately responsible to ensure appropriate use of Fire District funds and have made recommendations that we believe would improve management of these monies for the benefit of Fire District taxpayers. In its written response to this audit, the Fire Commission disagrees with four recommendations and “partially agrees” with three recommendations.

In the response, the Fire District makes numerous statements that we have not vetted as these comments were not furnished at the exit conference or subsequently, until May 15 when they were submitted as the District’s written response. Our publication of its response does not indicate agreement with its statements. Some of the comments in the response relate specifically to County Counsel. Because this information was not furnished to us previously, County Counsel did not have an opportunity to respond to statements the Fire Commission made in time to be included as an appendix to this report. Our understanding is that County Counsel intends to provide a separate memo in response to the Fire District’s comments pertaining to County Counsel.

We wish to point out one comment in the response that is both misleading and concerning. The Fire Commission states:

“If the facts stated in the Response leave questions regarding District’s authority to enter into water infrastructure agreements for fire protection of the community, the District recommends independent [legal] review from a party not affiliated with either the County or the District. Independent review would provide nonbiased and factual assessments.”

First, we have not questioned the Fire District’s authority to enter into contracts, including funding agreements, with other parties. Our recommendation to have County Counsel review the making of certain contracts has nothing to do with the Fire District’s authority to make contracts. Second, the Board of Supervisors should construe the Fire Commission’s request that the Board of Supervisors obtain legal advice from an “independent” attorney rather than County Counsel, who is also the legal officer of the Fire District per Section A22-16 of the County Ordinance Code, as a “red flag.” It concerns us that the Fire Commission seeks to create an unusual process that is inconsistent with the County Ordinance Code by which the Board would exercise its due diligence.

We wish to thank the Fire Commission, the Fire District General Manager, and Fire District consultants for their assistance with this audit. We appreciate the patience the Fire Commission afforded for this audit, which was delayed by unusual factors unrelated to the Fire Commission and beyond our control.

Cheryl Solov
Management Audit Manager

CC:  Board of Supervisors
James R. Williams, County Counsel
Jeffrey V. Smith, County Executive
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## Attachments A-G

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- Attachment B: Accomplishments of the Los Altos Hills County Fire District | 69
- Attachment C: Minutes of Special Meetings | 73
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Section 1 - Fire District Funding of Other Entities’ Capital Projects

The Los Altos Hills County Fire District (Fire District) is governed by a Fire Commission appointed by the Board of Supervisors. The Board has delegated most of its authority to the Fire Commission. The Fire District’s taxpayers are not responsible for upgrading or maintaining infrastructure owned by other entities. Yet the Fire District has a history of funding improvements to water supply infrastructure that is owned by Purissima Hills Water District, a public agency, and the California Water Service Company, a private water company that is publicly traded. Both the private firm and the Water District operate within the Fire District’s boundaries. According to its audited financial statements, in recent years, the Fire District spent $6.4 million to engineer and construct hydrants, tanks and water mains for the Water District and the private water company. The Fire District entered into contracts to pay millions of dollars for infrastructure projects for the Water District which expressly preclude the Fire District’s taxpayers from owning the assets they purchased or upgraded. Fire District financial statements show the Fire District also made “donations” to these entities. Based on the Water District’s published reports, these taxpayer subsidies have helped to defer water rate increases. As of late 2019, the Water District had plans for improvements to its infrastructure, and public records indicate potential for the Water District to seek monies from the Fire District for certain future projects. Some of these expenditures, contracts and “donations” raise legal concerns, including but not limited to whether they could constitute a “gift” of public funds that could be prohibited by the California Constitution. We recommend that the Board of Supervisors direct County Counsel to assess whether the making of agreements, donations or loans funded by the Fire District related to capital projects of other entities has been consistent with State laws and regulations and other legal requirements. Because new agreements appear likely to be proposed that would result in the Fire District expending funds for other agencies’ capital projects, we recommend that the Board of Supervisors suspend its delegation of authority to the Fire Commission until the Board of Supervisors considers the results of County Counsel’s review. We recommend that the Fire Commission serve in an advisory role pending the outcome of the Board of Supervisors’ consideration of the legal review.
Section 2 - Use of District Funds for Private Tree Services

For many years, the Fire District has spent taxpayer funds to prune and removed trees on private property, at the discretion of the property owner. From 2003 to 2019, the District spent $22.0 million to prune and remove trees on private parcels with the owner’s consent. Pruning and removing trees at taxpayer expense is separate from the Fire District’s abatement of hazardous vegetation, which is done by law with or without the owner’s consent and which the law mandates be done solely at the owner’s expense. By expending public funds on discretionary private services, the Fire District reduces the monies and administrative resources available for managing fire risks. Although tree removal may reduce fire risk in the Fire District, there is nothing in the program that requires the contractor to conduct the work for the purpose of reducing fire risk or that such risk reduction be demonstrated. Because the Fire Commission has expended tens of millions of public dollars on private tree pruning and removal that is specifically not related to reducing declared fire hazards, we recommend that the Board of Supervisors end the discretionary program in favor of services to District residents that more broadly reduce the risk of major fires in the Fire District.

Section 3 - Brown Act Compliance

The Fire Commission is a legislative body subject to the Ralph M. Brown Act (Brown Act), which is California’s local government open meetings statute. Among other goals, the Brown Act is intended to guarantee the public’s right to attend and participate in meetings of local legislative bodies. We identified four types of potential Brown Act violations since late 2016 by the Fire Commission: (1) Public noticing did not occur when a general manager position was created; (2) An ad hoc advisory committee created an employee position that it did not have authority to create; (3) A special meeting was inappropriately used to make salary decisions; and (4) Labor negotiators were not identified prior to closed sessions. We saw no evidence to suggest these potential violations were intentional. Several Fire Commissioners reported receiving Brown Act training from the Fire District’s contracted counsel during the previous three years. The cause of these compliance problems is therefore unclear. We note that the creation of the General Manager position was the first time the Fire District ever had an employee, and thus its contractors may have lacked experience with the aspects of the Brown Act that pertain to personnel matters. The Fire Commission’s potential violations of the Brown Act undermine the public’s ability to be aware of, participate in, and oversee the affairs of the District, and increase the risks of litigation to the Fire District. The Board of Supervisors should bring the District’s legal affairs under County Counsel, as required by the County Ordinance Code, which may reduce the risk of future Brown Act violations. The recommendation would help protect the public’s ability to oversee the Fire Commission and participate in Fire District affairs.
Section 4 - Fire Prevention Programs Are Not Aligned with Fires Risks

The Santa Clara County Fire Department (Santa Clara County Central Fire Protection District or Central Fire) publishes and updates the Santa Clara County Community Wildfire Protection Plan (CWPP), which identifies wildfire risks within the County, including within the Los Altos Hills County Fire District. The Fire District runs two types of programs aimed at managing the fuel levels within the Fire District. The first and largest program is a free-of-charge service offered to all residents to remove or prune dead and living trees from their properties with a property owner's permission. The second program is aimed at brush and grass treatments and chipping services for residents. These programs are unrelated to the Fire District's legal authority to abate hazardous vegetation that constitutes a public nuisance for fire prevention purposes. The Fire District's spending does not align with the risks identified in the CWPP, the CWPP is not used as a key document in the Fire District's planning or priority processes, and the Fire District does not have an alternative assessment or plan it uses instead. In particular, the tree removal program described in Section 2 of this report appears to treat mostly low-risk areas rather than prioritize high fire risks. In the prior three years, 94 percent of trees removed by the program were in areas identified as “low risk” by the CWPP. The top 20 single-family residential properties served by the program had a median estimated home value of $5.2 million. These residents presumably had access to capital resources that could be used to mitigate the risk on their properties without taxpayer subsidy. The misaligned programs divert resources from comprehensive wildfire prevention planning and spending within the Fire District and by extension the County as a whole. The Board of Supervisors should direct the Los Altos Hills County Fire District to use the CWPP and the advice of the Santa Clara County Fire Department to develop spending priorities and wildfire prevention programs aligned with identified risks.

Section 5 - Fire District Compliance with State and Local Procurement Requirements

The Public Contract Code (PCC) governs contracts made by fire protection districts in California. The Los Altos Hills County Fire District is required to either: 1) adhere to the County's contracting and purchasing procedures, or 2) follow contracting and purchasing procedures prescribed in the PPC. In February 2016, the Fire District adopted its own Procurement Policy and Procedures; we believe these procedures do not comport with either the County policy or the State code. In most cases, the County requires competitive procurement of most goods and services. Fire District procedures exempt procurements of up to $10,000 from competitive bidding, and allow the Fire Commission, by a majority vote, to make procurements of greater than $10,000 without competitive bidding. Furthermore, the County Ordinance Code prohibits the Fire District from contracting for its own legal counsel, but it has done so for many years. Additionally, procurement processes and contracts are not reviewed by County Counsel and there is generally no evidence of legal review by the Fire District’s contracted attorney. The Board of Supervisors should bring the Fire District’s contracting under the purview of the County Director of Procurement to ensure compliance with applicable contracting requirements and its contracts should be reviewed by County Counsel as to form and legality. The Director of Procurement should cease the Fire District’s procurement of outside legal services unless authorized in writing by County Counsel as required by existing County Ordinance. Additionally, procurement-related records have been maintained at the private offices and residences of Fire District contractors. We recommend centralization of Fire District records.
This Management Audit of the Los Altos Hills County Fire District was added to the Management Audit Division’s Fiscal Year 2018-19 work plan by the Board of Supervisors, pursuant to the Board’s power of inquiry specified in Article III, Section 302(c) of the County of Santa Clara Charter. The Board added this audit after considering the annual County-wide risk assessment conducted by the Management Audit Division in accordance with Board policy.

PURPOSE, SCOPE, OBJECTIVES, AND TIMELINE

The purpose of the audit was to examine the operations, finances, and management practices of the Los Altos Hills County Fire District (also referred to as LAHCFD or the Fire District), and to identify opportunities to increase the efficiency, effectiveness, and economy of the District. Our scope included all aspects of Fire District operations and uses of its funds. We did not assess the quality or efficiency of fire suppression services, as those services are provided by contract from the County’s central fire district. Those services are identified separately on the County’s annual management audit risk assessment.

The audit’s main objectives were:

- To assess the Fire District’s operations, finances, and management practices;
- To assess short- and long-term planning for fire protection and emergency medical services within the Fire District;
- To evaluate procurement practices, especially those governing soliciting and contracting; and,
- To evaluate the Fire District’s compliance with the Fire Protection District Law of 1987, the Brown Act, and other State laws, as well as County policies and the County Ordinance Code.

Work on this audit began with an entrance conference on August 24, 2018. The initial draft report was developed in early 2019, which coincided with the County’s acquisition of multiple hospitals. This delayed the legal review required by our contract with the County. Subsequently, the Fire Commission had to create an ad hoc committee to receive the confidential draft report and provide comment at an exit conference. On September 17, 2019, the Fire District Commission created the ad hoc committee. The initial confidential draft report was issued to the Los Altos Hills County Fire District and relevant parties on October 11, 2019. An exit conference was held with the Los Altos Hills County Fire District, its General Manager and relevant contractors on November 1, 2019.

Our usual processes were altered and the report’s issuance delayed by 1) requests for interim revised confidential draft reports or sub-sections from multiple parties, and 2) extraordinary circumstances of a legal nature.
Compliance with Generally Accepted Government Auditing Standards

This management audit was conducted under the requirements of the Board of Supervisors Policy Number 3.35 as amended on May 25, 2010. That policy states that management audits are to be conducted under generally accepted government auditing standards (GAGAS) issued by the U.S. Government Accountability Office. We conducted this performance audit in accordance with GAGAS as set forth in the 2011 revision of the “Yellow Book” of the U.S. Government Accountability Office. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In accordance with these auditing standards, we performed the following procedures:

Audit Planning - The task plan for this audit was developed after reviewing our annual County-wide audit risk assessment relative to the Los Altos Hills County Fire District, financial and strategic planning documents that are publicly available on the Fire District's website, and relevant LAFCO service reviews.

Entrance Conference - An entrance conference was held August 24, 2018 with two Fire District Commissioners and selected contracted consultants to introduce the audit team, to describe the audit program and scope of review, and to respond to questions. A letter of introduction from the Board, the audit work plan, and a request for background information were also provided at the entrance conference.

Pre-Audit Survey - Audit staff reviewed documentation and other materials to obtain an overall understanding of the Fire District's operations, and to isolate audit areas that warranted more detailed assessments.

Field Work - Field work activities were conducted after completion of the pre-audit survey, and included: (a) interviews with the Fire District's General Manager, all Fire District Commissioners and; (b) interviews with applicable Fire District contractors and vendors, including Central Fire; (c) site visits to the El Monte Fire Station and points of interest within the Fire District; (d) an evaluation of Fire District soliciting and contracting practices; (e) a review of selected Fire District contracts; (e) an evaluation of Fire District spending on wildfire risks in the Fire District; and, (f) the Fire District's compliance with all State and local laws governing fire districts.

Draft Report - On October 11, 2019, a preliminary draft report was provided to the Los Altos Hills County Fire District and selected contractors to describe the audit progress, and to share general information on our preliminary findings and conclusions.

Exit Conference - An exit conference was held with three Fire Commissioners, the Fire District's General Manager and selected contracted consultants on November 1, 2019 to obtain views on the confidential report's preliminary findings, conclusions, and recommendations, and to make fact-based corrections and clarifications as appropriate. Multiple parties separately requested interim revised drafts of the entire report or sub-sections, which were furnished. As of publication, there was an outstanding matter of a legal nature which remained under review. Depending on the outcome of this review, we may or may not publish an addendum to this report at a future date.
A revised confidential draft report incorporating feedback from the exit conference and subsequent information as appropriate was issued to the Los Altos Hills County Fire District on April 24, 2020. We requested a written response from the ad hoc committee to that revised report. We received the response on May 18, 2020.

**Final Report** - A final report including a written response from the Fire District was issued on May 22, 2020.

**AUDIT METHODOLOGY**

We interviewed the General Manager of the Fire District, the President of the LAHCFD Board of Commissioners (Fire Commission), and the six other members of the Fire Commission individually. For this report, we also interviewed contractors who performed the functions of District Clerk, Fire Consultant, Financial Consultant, and District Legal Counsel. Additional fieldwork was conducted that relates to findings and conclusions not included in this report as previously described.

We interviewed command staff at Central Fire, which is contracted by LAHCFD to provide fire protection and emergency medical services within the Fire District. We also interviewed the Executive Director of the Local Agency Formation Commission (LAFCO) and the Deputy County Executive whose purview includes the County’s fire districts.

We conducted a site visit to the Fire District in October 2018, guided by Central Fire personnel. During the site visit, we toured the El Monte Fire Station, located at 12355 El Monte Road, Los Altos Hills. We visited points of interest in both the rural and the more developed areas of the Fire District.

As part of our audit field work, we attended the October 16, 2018 Fire Commission meeting at the El Monte Fire Station.

We reviewed the Fire District’s current and prior year budgets and actual costs. We reviewed Fire District selected soliciting and contracting practices and records. We evaluated the terms and conditions of selected Fire District contracts. We analyzed Fire District agreements with Purissima Hills Water District and other outside organizations. We evaluated wildfire risks in the Fire District and outside its boundaries.

We reviewed the Fire District’s compliance with all relevant State and local laws and regulations governing fire districts, including Section 13800 et seq. of the Health and Safety Code, Section 20810 et seq. of the Public Contract Code, the County Charter and Ordinance Code and applicable County policies.

Except in written responses to the audit or the memo regarding the audited entity’s accomplishments, the Management Audit Division has long had a practice of not publishing names in public audit reports. Typically, this approach applies to information that is not publicly available. However, we have adhered to this practice in this report even though it means that we have redacted names from documents that are readily available elsewhere.
DESCRIPTION OF THE LOS ALTOS HILLS COUNTY FIRE DISTRICT

District Origin, Location, and Governance

The Los Altos Hills County Fire District (Fire District) is a dependent fire protection district authorized under Section 13800 et seq. of the California Health and Safety Code. The District was established on October 23, 1939 by resolution of the County Board of Supervisors, after an election was held of the qualified electors in the Fire District to approve the formation of the District. The Board of Supervisors is the governing board of the Fire District. The District is empowered to establish, equip and maintain a fire department, including by entering into contracts for the purpose of fire protection and suppression and by performing activities necessary for the prevention of fires. The Fire District provides fire protection and emergency medical services to the Town of Los Altos Hills, and to the unincorporated areas adjacent (Loyola, Los Trancos and San Antonio Hills) to the Town. The Fire District covers 11.8 square miles and serves approximately 12,000 residents.

Pursuant to a delegation of authority from the Board of Supervisors to the Fire District Board of Commissioners (also referred to as the Fire Commission), the Los Altos Hills County Fire District is overseen by a seven-member commission (Fire Commission). Members are appointed to four-year terms by the Board of Supervisors. Appointments are to provide for equal representation to the extent possible on the basis of population of incorporated and unincorporated areas. At least two commission members must reside within the Fire District's unincorporated area, and each commissioner must be a resident of the Fire District.

Over the years, the Fire District has gone by different names, including the Los Altos Fire Protection District, the Los Altos Hills County Fire Protection District and the Los Altos Hills County Fire District.

Delegation of Authority

On December 16, 1980, the Board of Supervisors adopted a resolution delegating all of its powers to the Fire Commission to manage the affairs of the District, except for the power to initiate litigation. Attachment A, page 67 of this report, is a copy of the Board's delegation of authority.

According to Board of Supervisors meeting minutes from October 28, 1980, the decision to delegate authority to the Fire Commission was driven by a ballot measure to obtain revenue, due to the passage of Proposition 13, by imposing a special tax pursuant to California Government Code Section 53978 on real property within the Fire District for fire protection and related services:

“The Town [of Los Altos Hills] is reluctant to support this ballot measure because they realize that 74% of the District is within the Town’s borders but it has no control. It is felt the Town would be more inclined to support the measure if the Board delegated the authority for running the District to the residents of the fire district.”

The ballot measure passed with 73% approval on November 3, 1981. Pursuant to that measure, the maximum annual special tax assessment that a parcel within the Fire District can be charged is $50 for improved residential parcels, $75 for improved commercial parcels, and $15 per five acres or a fraction thereof, with a maximum of $60, for unimproved parcels. The Fire District’s audited financial statements indicate that the Fire District has not levied this tax since 1986.\(^2\) (For more information about the Fire District’s funding sources, see the District Revenues and Expenditures section of this Introduction).

**Fire District Services**

The Los Altos Hills County Fire District provides fire protection and emergency medical services to its residents through a contract with Central Fire. The Fire District does not employ its own fire or emergency medical staff. Under the contract in place during our fieldwork, Central Fire operated a four-person firefighting company located in the El Monte Fire Station. The Fire District also contracts for a variety of voluntary programs for residents beyond the scope of typical fire prevention and emergency medical services, including a brush chipping program, dead tree removal, a eucalyptus tree program, weed abatement, and yard waste drop-off. All of these programs are paid for by the Fire District and offered free-of-charge (in most cases) to residents.

**Fire District Organizational Structure**

Apart from appointing the seven members of the Fire Commission, the Santa Clara County Board of Supervisors’ involvement in – and oversight of – the management of the Los Altos Hills County Fire District is limited due to the delegation of authority mentioned above; no Fire District matters go to the Board of Supervisors, except the final approval of the annual budget adopted by the Commission, unless they involve the initiation of litigation. The Fire Commissioners are supported by a General Manager, who became the Fire District’s first employee on October 1, 2018, and by contracted consultants for legal services, financial services, fire consultation services, and administrative/clerical services and other services. The organizational structure of the Fire District is displayed in Figure I.1 below.

---

Fire District Revenues and Expenditures

The FY 2018-19 approved budget for the Los Altos Hills County Fire District included total revenues of $11,629,668 and total expenditures of $11,142,998. Revenues less expenditures generated a net surplus of $486,670, as shown in Figure I.2 below.

Figure I.2: Fire District’s FY 2018-19 Budget

<table>
<thead>
<tr>
<th>FY 2018-19</th>
<th>Budgeted Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Property Taxes - Secured</td>
<td>$10,361,485</td>
</tr>
<tr>
<td>Property Taxes - Unsecured</td>
<td>698,000</td>
</tr>
<tr>
<td>Senate Bill 813</td>
<td>287,283</td>
</tr>
<tr>
<td>Interest - Deposits &amp; Investments</td>
<td>175,000</td>
</tr>
<tr>
<td>Property Taxes - Unitary</td>
<td>44,900</td>
</tr>
<tr>
<td>HOPTR (Homeowner's Prop Tax Relief)</td>
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</tr>
<tr>
<td>Excess ERAF</td>
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</tr>
<tr>
<td>Property Rental</td>
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</tr>
<tr>
<td>Other/Misc. Revenue</td>
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<tr>
<td><strong>Revenues Total</strong></td>
<td>$11,629,668</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
</tr>
<tr>
<td>Contract Services</td>
<td>6,362,100</td>
</tr>
<tr>
<td>Projects and Programs</td>
<td>4,152,000</td>
</tr>
<tr>
<td>Professional and Specialized Services</td>
<td>189,000</td>
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<tr>
<td>Operating Expenditures</td>
<td>185,138</td>
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<tr>
<td>Salaries and Payroll Taxes</td>
<td>142,500</td>
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<tr>
<td>Contract Services (Consultants)</td>
<td>112,260</td>
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<tr>
<td><strong>Expenditures Total</strong></td>
<td>$11,142,998</td>
</tr>
<tr>
<td><strong>Revenues Less Expenditures</strong></td>
<td>$486,670</td>
</tr>
</tbody>
</table>

Source: County's SAP System, TC ZFMP003 for BU 0979, Data Pulled by Auditors on 10/12/2018

Note: Due to categorization variances between the Fire District and the County, budgeted revenue and expenditure subcategories may differ from the County's financial system, SAP, but total revenue and expenditure amounts are the same.

As shown in Figure I.1 on page 15, property taxes made up the vast majority (95.6 percent) of the Fire District's total budgeted revenues. The balance of its total revenues (4.4 percent) came from various other sources.

Contract services account for a majority (57.1 percent) of the Fire District's total budgeted expenditures. This includes the District's contract with Central Fire for fire prevention and emergency medical services ($4.6 million or approximately 41 percent) and other contracts related to the Fire District's fire apparatus ($1.7 million). Projects and programs are 37.3 percent of the Fire District's total budgeted expenditures. This includes free-of-charge programs for residents, and Fire District agreements with the Purissima Hills Water District and Cal Water, both of which
operate partially within the Fire District, for hydrant and water main improvements to
their water systems. The Fire District's remaining budgeted expenditures (5.6 percent)
relate to its General Manager, operating costs, and contracted staff. Less than half
the Fire District's annual expenditures go towards core fire protection and emergency
services, i.e., the contract with Central Fire.

Fire District Fund Balance

As of June 30, 2019, the Fire District's audited financial statements show that the
District had a governmental fund balance of more than $19 million, of which more
than $15 million was “unassigned,” or available. This represents an increase of more
than $3 million from the prior year.

The Fire District’s total fund balance increased by 40 percent between FY 2013-14
and FY 2017-18. As shown in Figure I.3 below, the most significant increases in fund
balance occurred since FY 2015-16.

Figure I.3: District Fund Balance, FY 2013-14 through FY 2017-18

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Committed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>-</td>
<td>-</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Emergency Operations</td>
<td>-</td>
<td>-</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
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<tr>
<td>Unassigned</td>
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<td>$7,064,565</td>
<td>$8,755,299</td>
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<tr>
<td>Total Fund Balance</td>
<td>$11,415,721</td>
<td>$11,491,241</td>
<td>$11,164,565</td>
<td>$12,855,299</td>
<td>$15,963,918</td>
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FIRE DISTRICT ACCOMPLISHMENTS

Audits typically focus on opportunities for improvements within an organization,
program or function. To provide additional insight into the Los Altos Hills County Fire
District, we requested that it provide some of its noteworthy achievements. These are
highlighted in Attachment B on page 69.

RECOMMENDATION PRIORITIES

The priority rankings shown for each recommendation in the audit report are
consistent with the audit recommendation priority structure adopted by the Finance
and Government Operations Committee of the Board of Supervisors, as follows:

Priority 1: Recommendations that address issues of non-compliance with federal,
State and local laws, regulations, ordinances, and the County Charter; would result in
increases or decreases in expenditures or revenues of $250,000 or more; or, suggest
significant changes in federal, State or local policy through amendments to existing
laws, regulations, and policies.

Priority 2: Recommendations that would result in increases or decreases in
expenditures or revenues of less than $250,000; advocate changes in local policy
through amendments to existing County ordinances and policies and procedures; or,
would revise existing departmental or program policies and procedures for improved
service delivery, increased operational efficiency, or greater program effectiveness.
Priority 3: Recommendations that address program-related policies and procedures that would not have a significant impact on revenues and expenditures but would result in modest improvements in service delivery and operating efficiency.

ACKNOWLEDGMENTS

The Management Audit Division wishes to thank the Fire District Board of Commissioners, the Fire District General Manager and contracted consultants for their assistance and cooperation with the audit. In addition, we are grateful for the assistance of the Local Agency Formation Commission of Santa Clara County and the Central Fire Protection District.
Section 1: Use of Fire District Funds

Background
The Los Altos Hills County Fire District (Fire District) is governed by a Fire Commission appointed by the Board of Supervisors. The Board has delegated most of its authority to the Fire Commission. The Fire District owns and maintains some fire hydrants, but it does not own water tanks or pipelines. The Fire District's taxpayers are not responsible for constructing or improving pipelines or tanks and are not responsible for upgrading or maintaining infrastructure owned by other entities.

Problem and Adverse Effect
According to the Fire District’s audited financial statements, the Fire District has a history of funding improvements to water supply infrastructure that is owned by Purissima Hills Water District (Water District), a public agency, and the California Water Service Company, a private water company that is publicly traded. Both the private firm and the Water District operate within the Fire District’s boundaries. According to its audited financial statements, in recent years, the Fire District spent $6.4 million to engineer and construct hydrants, tanks and water mains for the Water District and the private water company. The Fire District entered into contracts to pay millions of dollars for infrastructure projects for the Water District which expressly preclude the Fire District’s taxpayers from owning the assets they purchased or upgraded. Fire District financial statements show the Fire District also made “donations” to these entities, including the private company. Based on the Water District’s published reports, these taxpayer subsidies have helped to defer water rate increases. As of late 2019, the Water District had plans for improvements to its infrastructure, and public records indicate potential for the Water District to seek monies from the Fire District for certain future projects. While the Board has delegated its authority to the Fire Commission to spend taxpayer monies, it cannot delegate its own responsibility to taxpayers for the use of the funds. Some of these expenditures, contracts and “donations” raise legal concerns, including whether they could constitute a “gift” of public funds that could be prohibited by the California Constitution.

Recommendations
We recommend that the Board of Supervisors direct County Counsel to assess whether the making of agreements, donations or loans funded by the Fire District related to capital projects of other entities have been consistent with State laws and regulations and other legal requirements. Because new agreements appear likely to be proposed that would result in the Fire District expending funds for other agencies’ capital projects, we recommend that the Board of Supervisors suspend its delegation of authority to the Fire Commission until the Board of Supervisors considers the results of County Counsel’s review. We recommend that the Fire Commission serve in an advisory role pending the outcome of the Board of Supervisors’ consideration of the legal review.

Savings and Benefits
Implementation of these recommendations will ensure that the Board of Supervisors exercises due diligence in its oversight of taxpayer funds.
FINDING

Responsibility for Infrastructure Needed for Firefighting

The Fire District owns and maintains some fire hydrants, but it does not own water tanks or pipelines. The Fire District's taxpayers are not responsible for constructing or improving pipelines or tanks and are not responsible for upgrading or maintaining infrastructure owned by other entities.

Section 507 of the California Fire Code (shown in Figure 1.1 below) requires an adequate water supply for firefighting purposes. As defined by the code shown in the excerpt that follows, “water supply” means “reservoirs, pressure tanks, elevated tanks, water mains or other fixed systems capable of providing the required fire flow.” “Fire flow” means a certain amount of water at a certain pressure for a specified minimum amount of time. The level of “fire flow” is set by the Fire Code and varies according to the type and size of buildings and other factors, such as whether a building is equipped with a fire sprinkler system.

The Purissima Hills Water District is authorized by State law, as shown in Figure 1.2 on page 21, to charge its ratepayers specifically for “operation, installation, capital, maintenance, repair, alteration or replacement of facilities and equipment related to supplying water for fire protection purposes.”
State of California

GOVERNMENT CODE

Section 53069.9

53069.9. (a) Any public agency providing water for fire protection purposes may, by ordinance or resolution, fix and collect a charge to pay the costs of operation, installation, capital, maintenance, repair, alteration, or replacement of facilities and equipment related to supplying water for fire protection purposes.

Except as provided in subdivision (b), any such charge fixed pursuant to this section, may be made on all land within the public agency to which water is made available for fire protection purposes. The legislative body of the agency which fixes such a charge may establish schedules varying the charges in different localities within the agency depending on the cost of operation, installation, capital, maintenance, repair, alteration, or replacement of facilities and equipment related to supplying water for fire protection purposes. Such charges may be collected at the same time and in the same manner as other water rates or water charges collected by the public agency.

(b) (1) A public agency providing water for fire protection purposes shall not charge, levy, assess, fix, or collect any charge, tax, fee, rate, assessment, or levy of any kind whatsoever in connection with its water system on or from any entity providing fire protection service to others for supplying water for such fire protection purposes within the service area of such entity providing fire protection service or for any costs of operation, installation, capital, maintenance, repair, alteration, or replacement of facilities and equipment related to supplying water for such fire protection purposes within the service area of such entity providing fire protection service, except pursuant to a written agreement with such entity providing fire protection service.

(2) The provisions of paragraph (1) of this subdivision shall not restrict or limit a public agency providing water for fire protection purposes from levying charges for water service or facilities, including water for fire protection purposes, on any person, property, or entity, whether public or private, other than on an entity providing fire protection service.

Such charges shall be collected from such other persons, property, or entities pursuant to existing provisions of law which authorize such charges, or from an entity providing fire protection services only pursuant to a written agreement authorizing such charges.

c) For the purposes of this section, “entity providing fire protection services” means a city, county, or city and county, whether general law or chartered, or a fire company, fire protection district, or any other person, association, company, corporation, district, municipal corporation, or any other public or private entity,
The Fire District is not responsible for any other agency's infrastructure. Further, it does not have responsibility for "fire flow." The Fire District has nonetheless entered into agreements to furnish funds for improvements for capital assets it does not own based on resolutions stating "benefit" to the Fire District. The amount of money furnished by the Fire District to other entities was based on the "share" of the Fire District's "benefit" for the work on the other entities' infrastructure. We were unable to identify the basis for the "benefit" determination.

**Fire District Spending on Other Entities' Capital Projects**

According to its audited financial statements, in recent years, the Fire District spent $6.4 million to engineer and construct hydrants, tanks and water mains for the Water District and the California Water Service Company (Cal Water), a private water company. Although the Fire District owns some hydrants, the hydrants mentioned in the projects in Figure 1.3 below are not owned by the Fire District. The water tanks and water mains are not owned by the Fire District.

**Recent Fire District Spending on Capital Projects Owned by Other Entities**

**Figure 1.3: Fire District Spending on Capital Projects Owned by Other Entities, Fiscal Year 2014 to 2018**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount Spent</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013-14</td>
<td>$3,187,710</td>
<td>Construction of water tank and water mains for Purissima and Cal Water</td>
</tr>
<tr>
<td>FY 2014-15</td>
<td>$569,353</td>
<td>Construction of water mains for Purissima and Cal Water</td>
</tr>
<tr>
<td>FY 2015-16</td>
<td>$1,162,400</td>
<td>Construction of water mains for Purissima and Cal Water</td>
</tr>
<tr>
<td>FY 2016-17</td>
<td>$1,301,771</td>
<td>Engineering and construction - hydrants for Purissima and Cal Water</td>
</tr>
<tr>
<td>FY 2017-18</td>
<td>$174,447</td>
<td>Engineering and construction - hydrants and water mains for Purissima and Cal Water</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,395,881</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Los Altos Hills County Fire District Audited Financial Statements Compiled by Auditors*

As shown in the excerpt reproduced in Figure 1.4 on page 23, the June 2013 audited financial statements show a “donation” of $736,361 of taxpayer funds for a water main project to the Water District and California Water Service Company (the private firm).
NOTE 3. CASH AND INVESTMENTS - Continued


Based on the County’s calculations, the application of GASB, Statement No. 31, would have decreased the District’s cash balance by $42,877. However, since the effect of the application of GASB 31, in this instance, is not material, the District’s cash and investments account is stated at cost.

NOTE 4. CAPITAL ASSETS

The capital asset activity for the year ended June 30, 2013 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance 6/30/12</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance 6/30/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$4,688</td>
<td>$-</td>
<td>$-</td>
<td>$4,688</td>
</tr>
<tr>
<td>Improvements</td>
<td>2,552,838</td>
<td>$-</td>
<td>$-</td>
<td>2,552,838</td>
</tr>
<tr>
<td>Fire hydrants</td>
<td>1,073,745</td>
<td>$-</td>
<td>$-</td>
<td>1,073,745</td>
</tr>
<tr>
<td>Furniture &amp; equipment</td>
<td>55,160</td>
<td>$-</td>
<td>$-</td>
<td>55,160</td>
</tr>
<tr>
<td>Total cost</td>
<td>3,686,431</td>
<td>$-</td>
<td>$-</td>
<td>3,686,431</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,059,382)</td>
<td>(76,015)</td>
<td>$-</td>
<td>(1,135,397)</td>
</tr>
<tr>
<td>Total Capital Assets, Net</td>
<td>$2,627,040</td>
<td>($76,015)</td>
<td>$-</td>
<td>$2,551,024</td>
</tr>
</tbody>
</table>

Capital project expenditures for the year ended June 30, 2013 amounted to $736,361, which represent construction costs for the water mainline donated to Furrerline Hills Water District and the California Water Service Company and was not included as part of capital assets.

"Donations" of taxpayer money raise the potential for such uses to be contrary to law. We recommend that the Board of Supervisors direct County Counsel to review the legality of the making of donations and project cost-sharing agreements between the Fire District and these other entities since at least 2008.
The review should include the making of agreements related to at least the following capital projects:

1. **Page Mill Tank Seismic Retrofit Agreement**
   In 2014, the Fire District and Water Districts agreed to retrofit the Water District's Page Mill tank to withstand a major earthquake. The scope of work included reconstructing the roof, modifying the drain and overflow pipes, constructing a new foundation with anchors, and sandblasting and repainting the interior of the tank. Under the terms of this agreement, the Fire and Water Districts agreed to pay for 64.7 percent and 35.3 percent, respectively, of total project costs (up to $850,000), and the Water District retained sole ownership of the tank. We do not know how this percentage was determined.

2. **Neary Tank Utilization Agreement**
   In 2012, the two districts agreed to extend a water main approximately 6,600 feet from the Water District's Neary Tank No. 1 to Altamont Court, along with eight service connections. There were no water mains in the area at that time. As part of the project, the tank was retrofitted to withstand a major earthquake. According to the terms of this agreement, the Fire District agreed to pay 80 percent of total project costs (up to $2.4 million). Per the agreement, the Water District retained sole ownership of the tank and all facilities constructed in conjunction with the project. We do not know how this percentage was calculated.

3. **Page Mill Interconnection Agreement**
   In 2009, the two districts agreed that the Fire District would procure services for the design and construction of an interconnection between the Water District and the City of Palo Alto's water systems.³ The scope of work included constructing a bidirectional meter, meter vaults, flushing pipes, traffic related covers, check values and gate values. Under the terms of this agreement, the Fire District agreed to pay 100 percent of the total project costs, which were not estimated in the agreement. As part of the agreement, the Fire District also agreed to transfer ownership of the interconnection (once it was completed) to the Water District. We do not know how the entire “benefit” was determined to be to the Fire District for this project.

4. **Altamont Pump Station Agreement**
   In 2008, the two districts agreed that the Water District would procure services for the design and construction of a new permanent emergency generator at the Water District's Altamont Pump Station. The scope of work included constructing a concrete pad for the generator, and purchasing and installing the generator. Under this agreement, the Fire District agreed to pay $250,000 toward the total project costs, and the Water District agreed to pay up to $50,000 if the total project costs exceeded $250,000. The agreement did not address ownership of the generator.

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³ The Fire District entered into a similar agreement with the City of Palo Alto for construction of the interconnection. This small portion of Palo Alto is in the Fire District boundaries.
Purissima Hills Water District’s Capital Investments

As shown in the following excerpt, in its 2011 Countywide Water Service Review, the Local Agency Formation Commission (LAFCO) observed that the Water District’s capital asset investments “greatly exceeds wear and tear.”

Figure 1.5: 2011 Countywide Water Service Review

District expenditures and revenues over the last four fiscal years are shown in Figure 5-3. Revenues peaked in FY 08-09 and have slightly declined since then. Revenues have exceeded district expenditures every year.

Capital Outlays

The District plans for its capital improvement needs in its five-year capital improvement plan. The District uses a “pay as you go” approach, financing the majority of infrastructure projects out of reserves. The District has also taken out loans to finance previous capital improvement projects.

Figure 5-4: Capital Outlays and Depreciation (FYs 07-10)

The District’s capital outlays and estimated depreciation of assets is shown in Figure 5-4. The capital outlays shown here reflect both the District’s direct expenditures and capital contributions. Given that capital outlays have exceeded depreciation in each of the last four fiscal years, it appears that the District regularly reinvests in its capital assets at a rate that greatly exceeds wear and tear.

Long-term Debt

At the end of FY 09-10, the District had $1.6 million in long-term debt in the form of two loans used to finance capital improvements.

In 2007, PHWD took out a $500,000, 3-year loan to assist in financing the construction of the administration building. Principal and interest payments of $90,396 were payable semi-annually at a rate of 4.75 percent. On June 30, 2010, the loan was paid in full.
Figures in the Water District's audited financial statements since LAFCO's 2011 review show similar investment-to-depreciation ratios in the five fiscal years preceding the year in which our audit commenced, as shown in Figure 1.6 below prepared by auditors.

Figure 1.6: Water District Capital Outlays and Depreciation (FYs 2012-13 to 2016-17)

According to its 2018 water rate study, as shown in Figure 1.7 below, the resources of the Fire District for Water District capital projects contributed to the Water District's ability to defer water rate increases for water ratepayers.

Figure 1.7: 2018 Water Rate Study, Cost Control Measures

4.6 Cost Control Measures

PHWD is committed to providing high-quality water service as cost-efficiently as possible. PHWD maintains a small staff compared to other water agencies and has implemented a number of cost-cutting measures over the years that enabled the District to 1) defer rate increases for three years from 2012 through 2015 despite significant increases in wholesale water rates over that period, and 2) avoid implementing Water Shortage Emergency Rates during the recent drought despite a roughly 35% decrease in water sales from 2013/14 through 2015/16. These cost cutting measures have included a) reducing operating costs, b) temporarily deferring some capital improvements in response to reduced revenues during the recent drought, and c) partnering with the Los Altos Hills County Fire District on funding for capital projects needed to address fire flow deficiencies and improve fire flow reliability.
The following excerpt from the Water District’s 2018 rate study shows that it has among the lowest rates in the Bay Area.

**Figure 1.8: 2018 Water Rate Study, Monthly Water Charges**

While many Water District ratepayers are also Fire District taxpayers and vice versa, there is not complete overlap.
Ongoing Risks

While State law allows water agencies to charge ratepayers for the cost of developing and maintaining infrastructure necessary to ensure adequate fire flow, and some water agencies have charged their ratepayers or otherwise raised funds for this purpose, the Water District has funded its capital program with its existing funds and funds obtained from “donations,” loans or cost-sharing agreements funded by Fire District taxpayers. By obtaining funds for its capital improvements from the Fire District, the Water District has been able to delay rate increases for its ratepayers. Use of non-Water District funds to pay for its capital improvements may contribute to the Water District’s below-average water rates.

As of late 2019, the Water District was continuing to propose multimillion-dollar capital projects for which there were ongoing discussions between the agencies to that would potentially result in Fire District taxpayers furnishing funds. Because as of late 2019 there were ongoing proposals to fund Water District capital projects with Fire District monies, if the Fire Commission continues to have the Board of Supervisors’ authority to spend Fire District funds, the likelihood that additional taxpayer funds will be expended to improve the infrastructure of the Water District is high. Based on past practice, this would mean that Fire District taxpayers pay to build or upgrade a capital asset but do not own the asset.

Delegation of Authority

The Board of Supervisors delegated virtually all of its authority to the Fire Commission in 1980. This delegation was granted when the population of the County was significantly smaller, and the risk of ongoing wildfires was lower. Further, the delegation was granted for the purpose of making a special tax more palatable to Fire District voters. However, that tax is not currently levied (nor has it been for over three decades), so the basis for the delegation is no longer relevant. Today, the Fire District has a large and growing fund balance in the absence of the additional tax.

RECOMMENDATIONS

The Board of Supervisors should:

1.1 Direct County Counsel to review and report to the Board of Supervisors its assessment of whether the making of agreements, donations or loans resulting in Fire District subsidies of other entities’ capital projects has been consistent with all applicable legal requirements. This review should include any new proposed agreements or expenditures. (Priority 1)

1.2 Suspend its delegation of authority to the Fire Commission to ensure that Fire District does not enter into new agreements or arrangements to subsidize capital projects of other agencies while the Board exercises due diligence per Recommendation 1.1. The Fire Commission should serve in an advisory role. (Priority 1)
SAVINGS, BENEFITS, AND COSTS

Implementation of Recommendation 1.1 would require time of County Counsel’s staff but would provide the Board with assurance that it is meeting its obligations to Fire District taxpayers. For example, the California Constitution prohibits “gifts” of public funds. Whether the past arrangements are or are not consistent with this prohibition is a matter that warrants review. There are numerous other provisions of law and regulations that may be applicable to the past use of Fire District funds pertaining to certain agreements and capital projects.

Implementation of Recommendation 1.2 would guarantee that while the Board exercises due diligence, no new contracts or donations are made without Board approval. As of late 2019, the Water District had proposals for new capital projects that included the potential for some project work to be funded by the Fire District. By serving in an advisory role, the Fire Commission would be able to recommend action but would need Board authorization to obligate taxpayer funds to such projects.
Section 2: Use of District Funds for Private Tree Services

Background
The Los Altos Hills County Fire District (Fire District) was established pursuant to the authority granted by State law, which specifies the District’s powers. Under the law, the District may provide the following services: fire protection, rescue, emergency medical, hazardous material emergency response, ambulance, and any other services “relating to the protection of lives and property” (Health and Safety Code sections 13801 and 13862). The District is empowered by State law to abate vegetation that poses a “fire menace” or is “noxious or dangerous,” and therefore is determined to be a public nuisance. Unless directly resolved by the property owner at the owner’s expense, costs for the hazard abatement and related expenses are supposed to be initially incurred by the Fire District. (In practice, these costs are borne by the County Weed Abatement program, not the Fire District.) However, State law mandates that these expenses be submitted by the Fire District to the County, which then is required to include the cost of the abatement and related expenses on the parcel owner’s property tax bill as a special assessment. Ordinarily, the Board of Supervisors would adopt resolutions specifying mandatory abatement of hazards. However, in 1980, the Board delegated its powers to an appointed Fire Commission. The Commission, therefore, annually adopts resolutions which result in mandatory abatement of vegetation that poses a hazard.

Problem, Cause, and Adverse Effect
State law empowers the District to abate vegetation hazards that constitute a public nuisance at the individual property owner’s expense. The law does not authorize the District to abate such hazards at taxpayer expense. It also does not authorize the District to provide discretionary pruning or other landscape maintenance work at taxpayer expense. Yet for many years, the Fire District has spent taxpayer funds to prune and removed trees on private property, at the discretion of the property owner. From 2003 to 2019, the District spent $22.0 million to prune and remove trees on private parcels with the owner’s consent. The FY 2018-19 budget for this work was $2.0 million. Pruning and removing trees at taxpayer expense is separate from the Fire District’s abatement of hazardous vegetation, which is done with or without the owner’s consent and at the owner’s expense. By expending public funds on discretionary private services, the Fire District reduces the monies and administrative resources available for managing fire risks. Although tree removal may reduce fire risk in the Fire District and is therefore potentially a “service relating to the protection of lives and property,” there is nothing in the program that requires the contractor to conduct the work for the purpose of reducing fire risk or that such risk reduction be demonstrated.

Recommendations
Because the Fire Commission has expended tens of millions of public dollars on private tree pruning and removal that is specifically not related to reducing declared fire hazards, we recommend that the Board of Supervisors end the discretionary program in favor of services to District residents that more broadly reduce the risk of major fires in the Fire District as opposed to benefiting certain property owners.

Savings, Benefits, and Costs
Implementation of this recommendation would improve the nexus between expenditure of District funds and the ability of properties within the District to survive wildfires.
FINDING

District Authorization, Organization, and Powers

The Los Altos Hills County Fire District (Fire District) is a dependent special district that is funded primarily with property tax monies. The District's Board of Directors is the County Board of Supervisors. The Board of Directors in 1980 delegated almost all of its oversight of the District to an appointed commission (Fire Commission). The Fire Commission has seven members. Until it hired a General Manager in October 2018, the Fire District had no employees. The District's administrative functions were carried out by part-time contractors. Section 13862 of the Health and Safety Code authorizes the District to provide fire protection services, rescue services, emergency medical, hazardous material emergency response, ambulance services, and any other services relating to the protection of lives and property.

Abatement of Vegetation Hazards

Sections 14875, 14876, and 14880 of the California Health and Safety Code authorize the Fire District to abate vegetation that poses a “fire menace” or is “noxious or dangerous,” and therefore is a public nuisance, as determined by the Fire Commission exercising its delegation of authority. Subsequent sections of the Health and Safety Code require provision of notice to property owners and a hearing to respond to a resolution by the Fire Commission declaring that a public nuisance exists on their property. Initially, abatement costs are supposed to be incurred by the Fire District.

Section 14915 requires that these abatement costs, and associated expenses, be sent by the Fire District to the County each August for placement on the affected homeowner’s tax bill as a special assessment. State law does not allow for District taxpayers to pay for abatement of hazardous vegetation that constitutes a public nuisance on particular properties. Fire Commission resolutions and minutes indicate that the Los Altos Hills County Fire District is following the process defined in the law to abate hazardous vegetation, except that the actual cost of the abatement is initially borne by the County. In Calendar Year 2018, the Fire District authorized the County to abate hazards on 261 properties within its boundaries at a cumulative cost of $51,576, or approximately $198 per property.4

Tree Pruning and Removal

In addition to the abatement of hazardous vegetation, the Fire District provides tree removal, tree pruning, and wood chipping to private property owners. The service is free of charge to Fire District property owners and the work is undertaken only with the owner's permission. The District's FY 2018-19 budget for these services was $2.0 million, or approximately 18 percent of the Fire District's total budget. Since 2003, the Fire District has spent $22.0 million on these services.

Nothing in the Health and Safety Code authorizes a Fire District to provide these services to private property owners. The Code specifically allows abatement of vegetation hazards that constitute a public nuisance, but the Fire District's tree pruning and removal is not conducted to remove or address hazards per se, as it is entirely separate from the hazard/public nuisance abatement program. The

4 Data provided by the County Fire Marshal's Office, 2/7/2019.
discretionary services provided by the Fire District may provide some benefit to Fire District residents as it may reduce the amount of fuel for a fire. However, there is no guarantee that it reduces fuel, as homeowners may replace trees removed in the landscape program with other trees, other vegetation, or new structures.

Further, the removed vegetation is presumably not a fire hazard per se or it would be addressed, per law, through the hazard/public nuisance abatement program. Furthermore, removal or pruning of trees may not affect the survival of homes on the property if the property has unaddressed, non-vegetative risks or other vegetation that contributes to fire risk.

Such risks include cracks or holes in structures, single-pane windows, damaged roofing materials, lack of ember screens, flammable material in gutters, and so forth. Even if the landscaping program provides indirect reduction of hazards, there is no evidence that funds expended on the program increases the overall likelihood that a home will survive a fire. For example, nothing in the tree service contractor's agreement with the Fire District requires the work to conform to the State Board of Forestry and Fire Protection Guidelines for Creating Defensible Space5 or any other guidelines for ensuring that vegetation removal is carried out in a manner that would help to protect Fire District properties from fire damage.

A map of tree removals that were a part of the Fire District's discretionary tree services between July 2015 and September 2018 is shown in Section 4 on page 47 of this audit.

**Delegation of Authority**

The Board of Supervisors delegated virtually all of its authority to the Fire Commission in 1980. This delegation was granted when the population of the County was significantly smaller, and the risk of ongoing wildfires was lower. Further, the delegation was granted for the purpose of making a special tax more palatable to Fire District voters. However, that tax is not levied in 2020 (nor has it been for over three decades), so the basis for the delegation is not relevant today. Due to the Fire Commission's expenditure of large sums for a program that is discretionary and may not reduce the overall likelihood of property within the Fire District succumbing to wildfire, the Board of Supervisors should end the discretionary program.

A changing climate means that the County is more prone to fires in the future than it has been in the past. Recent wildfires in other counties have shown that dry, windy conditions are sufficient to enable wildfires to spread to populated areas, even those not considered “high risk.” For example, portions of the City of Santa Rosa saw major damage from a wildfire in October 2017, as shown in the “before” and “after” photos in Figure 2.1 on page 34. The neighborhood shown was not classified as being at high risk for fire on State fire risk maps. That fire began in a more remote area, but was propelled into the City by high winds.

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5 The state guidelines are only applicable to certain areas within a State Responsibility Area, and thus the LAHCFD is not required to adhere to them. Nonetheless, the guidelines and others like them represent a common-sense approach to fire risk mitigation through fuel management. There is no indication that the discretionary tree services program is specifically designed to mitigate fire risk, such as by resulting in clearance between a structure and vegetation sufficient to reduce fire risk to the structure posed by the vegetation.
The United States Geological Survey (USGS) estimates the probability of an earthquake capable of causing widespread damage occurring in the Bay Area in the next 24 years is 72 percent. According to the USGS, fallen power lines and ruptured gas mains from earthquakes can result in fires, which can be difficult to extinguish.
due to other earthquake damage such as broken water lines, damaged roadways, and debris blocking roadways. Fires move according to wind, terrain, fuels, temperature, and other natural and structural conditions, without regard to political boundaries. As shown in Figure 2.2 below, a major fire within the Fire District could easily pose a fire risk to nearby open space and parklands, as well as heavily populated areas near the District, in addition to the risk posed to property and residents within the Fire District boundaries.

Figure 2.2: Los Altos Hills Fire District

Excluding funds allocated to municipal fire departments, the property tax monies collected by the Los Altos Hills County Fire District ($10,719,618) in FY 2017-18 represented approximately 47 percent of all the annual property tax funds allocated to fire services ($22,678,010) in the County. The fact that Fire Commission has allocated resources to a voluntary tree program raises the question of whether those funds could be better used to combat fire risks within the Fire District to the benefit of the Fire District as well as other areas of the County that could be affected by a fire that begins in or spreads to the Fire District.
Alternatives

Drought periods and climate change have increased the risk of major fires in California. Alternatives to maximize use of available funds to reduce the risk of major fires should be considered.

Site-Specific Mitigation Programs

There is a property-based, fire-risk mitigation program in Boulder County, Colorado that has shown promising results in that participating properties have survived wildfires. That program, called Wildfire Partners, is funded by the U.S. Federal Emergency Management Agency (FEMA), the Colorado Department of Natural Resources, Boulder County and participating property owners. The program includes a wildfire risk assessment, conducted by a specialist, of the participating property. The specialist provides the property owner with a list of mitigation recommendations specific to the property. These recommendations address vegetation, but also other risk factors, such as shingle roofs, single-paned windows, lack of ember screens, cracks in walls, mulch adjacent to house walls, firewood storage, flammable material in gutters, etc. Property owners who complete the recommended mitigations receive a certificate which they can provide to their homeowner insurance company. Identification and mitigation of specific, known fire risks to facilitate the survival of each participating home – and thus help protect adjacent properties – may be a more effective use of tax dollars than the Fire District's current tree program, where the nexus to property survival during a fire is unclear.

Alternatively, the Board of Supervisors could establish requirements for the tree program, such that the expenditure of funds would be required to result in the creation and maintenance of “defensible space” to mitigate fire risk on each affected property.

If the Board of Supervisors continues to permit the Fire District to spend public fire protection funds on private property, it should ensure that the public will benefit. The served property should be overall more likely to survive fires as a result of those expenditures. The Board should re-assess whether the funds expended on the voluntary tree program are the best use of those dollars or whether a different mix of services is warranted to improve the likelihood that assisted properties survive in the event of a fire.

Delegation of Authority

The Board of Supervisors delegated virtually all of its authority to the Fire Commission in 1980. This delegation was granted when the population of the County was significantly smaller, and the risk of ongoing wildfires was lower. Further, the delegation was granted for the purpose of making a special tax more palatable to Fire District voters. However, that tax is not currently levied (nor has it been for over three decades), so the basis for the delegation is not relevant today. The Fire Commission has used the delegated authority to purchase discretionary services that may not reduce the overall likelihood of property within the Fire District succumbing to wildfire. The Board of Supervisors should end the discretionary program. Section 4 on page 47 of this report provides more detail on the specific spending on the tree program.
RECOMMENDATION

The Board of Supervisors should:

2.1 End the discretionary tree services program and re-direct the funds to services expressly designed to improve the ability of properties in the Fire District to survive wildfire. While such efforts could include tree pruning and removal to reduce the amount of flammable material, public funding of such services should result in demonstrably reduced overall fire risk within the District. (Priority 1)

A companion recommendation and additional factors related to the details of the tree program are presented in Section 4, page 47.

SAVINGS, BENEFITS, AND COSTS

Few if any new costs would arise from consideration of alternatives to the discretionary, private tree services now furnished by the Fire District. The benefits of redirecting funds from a voluntary tree pruning and removal program to services expressly designed to reduce risks would be potential improvement in the survival of Fire District properties and thus reduction of the potential for fire to spread within and through the District.
Section 3: Brown Act Compliance

Background
The Los Altos Hills County Fire District’s (Fire District) Board of Commissioners (Fire Commission) is a legislative body subject to the Ralph M. Brown Act (Brown Act), which is California’s local government open meetings statute. Among other goals, the Brown Act is intended to guarantee the public’s right to attend and participate in meetings of local legislative bodies.

Problem, Cause, and Adverse Effect
We identified four types of potential Brown Act violations since late 2016 by the Fire Commission: (1) Public noticing did not occur when a general manager position was created; (2) An ad hoc advisory committee created an employee position that it did not have authority to create; (3) A special meeting was inappropriately used to make salary decisions; and (4) Labor negotiators were not identified prior to closed sessions. We saw no evidence to suggest these potential violations were intentional. Several Fire Commissioners reported receiving Brown Act training from the Fire District’s contracted counsel during the previous three years. The cause of these compliance problems is therefore unclear. We note that the creation of the General Manager position was the first time the Fire District ever had an employee, and thus its contractors may have lacked experience with the aspects of the Brown Act that pertain to personnel matters. The Fire Commission’s potential violations of the Brown Act undermine the public’s ability to be aware of, participate in, and oversee the affairs of the District, and increase the risks of litigation to the Fire District and the Board. Except for the authority to initiate litigation, the Board of Supervisors delegated all of its authority, including other legal matters, to the Fire Commission in 1980.

Recommendations
The Board of Supervisors should bring the District’s legal affairs under County Counsel, which may reduce the risk of future Brown Act violations.

Savings, Benefits, and Costs
The recommendation would help protect the public’s ability to oversee the Fire Commission and participate in the Fire District’s affairs. It would also help prevent the risk of legal costs related to potential future Brown Act violations.
FINDING

Background

The Fire Commission is a legislative body that is governed by the Brown Ralph M. Act. The Brown Act is codified by California Government Code 54950 et seq. and has been in place since 1953. Among other goals, the Brown Act is intended to guarantee the public’s right to attend and participate in meetings of local legislative bodies. The Brown Act imposes a variety of requirements for how the Fire Commissioners communicate with one another, how to set the agendas of meetings, and how meeting-related materials are distributed to the public.

Four Types of Apparent Brown Act Violations Appear to Have Occurred

We observed four types of apparent Brown Act violations by the Fire Commission. During our exit conference the Fire Commission stated that these observations were false. However, the Fire Commission was unable to provide specific meeting minutes or additional evidence that refuted our observations. The minutes from the meetings discussed below are included in Attachment C on page 73 for reference. The four observations are detailed as follows:

1. Public noticing did not occur when the Fire District created a general manager position.

   The Fire District appears to have created a general manager position through an ad hoc advisory “subcommittee on general manager hiring” (subsequently referred to as the General Manager Subcommittee). The Fire Commission first created the subcommittee during a special meeting on July 25, 2017. The subcommittee was formed in an ad hoc manner during discussion on agenda of update reports from various other subcommittees. Minutes from the meeting state “the consensus was to form a new committee, hiring committee, consisting of Tyson, Price and Warren.” However, the minutes do not include any mention that the formation of the subcommittee “on general manager hiring” was formally adopted by resolution of the Fire Commission. See except in Figure 3.1 below and a full copy of meeting minutes in Attachment C on page 73 of this report.

   Figure 3.1: Excerpt from July 25, 2017 Special Meeting Minutes

   Source: “Minutes of a Special Meeting of the Los Altos Hills County Fire District Board Members, Held on Tuesday, July 25, 2017 Beginning at 7:00 p.m. at the El Monte Fire Station, Foothill College Campus, 12355 El Monte Road, Los Altos Hills, California”, downloaded from www.lahcfd.org on August 17, 2018.
On September 19, 2017, the General Manager Subcommittee reported to the Fire Commission that it “agreed to begin with a 20 hour a week [general manager] position”. The advisory committee did not have the legal authority to make such a decision about creating the general manager position or setting the hours required for the post.6

The September 19, 2017 item during which the Fire Commission agreed to move forward with the interview process for the subcommittee-created general manager position was placed on the agenda as a “General Manager Subcommittee Update,” with no indication to the public that a new position had/was being established.7 See except in Figure 3.2 below and a full copy of meeting minutes in the Attachment C on page 73.

No notice was given by the subcommittee itself, since it did not have to publish an agenda as a non-Brown Act body.

Figure 3.2: Excerpt from September 19, 2017 Special Meeting Minutes

| g.) General Manager Subcommittee Update: | discussed the GM Subcommittee Report dated “for the September 19 Board Meeting”. The subcommittee agreed to begin with a 20 hour a week position. Since this is a new position the hours may increase. He stated he spoke with the company which is an organization dedicated to providing a range of services to organizations like LAHCFD. They also looked at a potential applicant pool and had informal conversations with such candidates. summarized the Team Recommendations including: begin the process without an external recruiting agency, checking with the County for any possible restrictions, compensation based on qualifications, propose interview process be done by sub-committee and possibly bring the candidate to the November 19 Board Meeting with a projected start date of January 1, 2018. asked for Commissioner and public input. mentioned the skill set is broad and there is no mentor for this position. He questioned where the office location would be and the individual having a District-issued cell phone. stated a new budget item would have to be made. Action: made a motion that the Commission direct the GM sub-committee to move forward with the interview process with the intent of bringing a potential candidate to the November 19, meeting; seconded the motion. All in Favor: None. Opposed: None. |

Source: “Minutes of a Regular Meeting of the Los Altos Hills County Fire District Board Members, held on Tuesday, September 19, 2017 Beginning at 7:00 p.m. at the El Monte Fire Station, Foothill College Campus, 12355 El Monte Road, Los Altos Hills, California”, downloaded from www.lahcfd.org on August 17, 2018.

6 Gov. Code Section 54952(b). For a committee to be exempt from the Brown Act’s open meeting requirements, the committee must be advisory, among other conditions. Such an advisory committee is not a legislative body and cannot make legislative decisions, such as creating new staff positions or setting staff position hours.

7 Gov. Code Section 54954.2(a)(1). A public agenda containing a “brief general description of each item of business to be transacted or discussed at the meeting” is required so that members of the public have notice of what will be discussed.
2. An ad hoc advisory committee created an employee position that it did not have authority to create.

As discussed above, the General Manager Subcommittee to the Fire Commission appears to have created a General Manager position when it reported to the Fire Commission on September 19, 2017 that it “agreed to begin with a 20 hour a week [general manager] position.” But as an advisory committee that is exempt from the Brown Act's open meetings requirements, it did not have the legal authority to make such a decision, or to set the hours required for the post.8 See except in Figure 3.2 on page 41 and a full copy of meeting minutes in Attachment C on page 73.

3. A special meeting was inappropriately used to make salary decisions.

On March 20, 2018, the Fire Commission held a special closed meeting: “Direction to Negotiators Regarding Compensation for Position of General Manager.” However, the Fire Commission cannot make executive salary decisions in a special meeting, according to the Brown Act.9 See except in Figure 3.3 below and a full copy of meeting minutes in Attachment C on page 73.

Figure 3.3: Excerpt from March 20, 2018 Closed Special Meeting Minutes

2) Closed Session: Public Comment: There was no public comment on the Closed Session agenda item.

1.) Conference with Labor Negotiators (Government Code 54957.6) Direction to Negotiators Regarding Compensation for Position of General Manager (Attendees: District Commissioners, LAHCFD District Attorney)

Source: “Minutes of a Special Meeting of the Los Altos Hills County Fire District Board Members, Held on Tuesday, March 20, 2018 Beginning at 6:00 p.m. at the El Monte Fire Station, Foothill College Campus, 12355 El Monte Road, Los Altos Hills, California”, downloaded from www.lahcfd.org on August 17, 2018.

4. Labor negotiators for the general manager position were not identified prior to closed session.

The closed sessions on May 15, 2018 and March 20, 2018 included agenda items on “Conference with Labor Negotiators (Government Code 54957.6) Direction to Negotiators Regarding Compensation for Position of General Manager (Attendees: District Commissioners, Fire District Attorney).” Given the attendees listed and the inferred prior work of the General Manager Subcommittee, the Subcommittee presumably served as the labor negotiators, or the labor negotiators were not noted on the attendee list. Either way, the Brown Act requires that the Fire Commission explicitly identify labor

8 Government Code Section 54952(b).
9 Government Code section 54956(b) provides that a legislative body cannot make local agency executive salary decisions in a special meeting.
negotiators prior to closed session. This did not occur on either occasion. See except from March 20, 2018 in Figure 3.3 on page 42 and May 15, 2018 in Figure 3.4 below and a full copy of meeting minutes in Attachment C on page 73.

**Figure 3.4: Excerpt from May 15, 2018 Closed Special Meeting Minutes**

2) **Closed Session: Public Comment:** There was no public comment on the Closed Session agenda item.

   1.) Conference with Labor Negotiators (Government Code 54957.6) Direction to Negotiators Regarding Compensation for Position of General Manager (Attendees: District Commissioners, LAHCFD District Attorney)

Source: “Minutes of a Special Meeting of the Los Altos Hills County Fire District Board Members, Held on Tuesday, May 15, 2018 Beginning at 6:30 p.m. at the El Monte Fire Station, Foothill College Campus, 12355 El Monte Road, Los Altos Hills, California”, downloaded from www.lahcfd.org on August 17, 2018

**Use of Outside Counsel**

It appears that the Fire District's contract counsel provides services on an as-needed basis. As noted elsewhere in this audit report, some of the Fire District's purchasing contracts did not show evidence of legal review, in violation of County policy. The Fire District's use of outside counsel is contrary to County Ordinance Code section A22-16, which requires use of County Counsel. The agreement between the Fire District and the outside counsel stipulates that the Fire Commission will be represented by a specific attorney. In this period when the apparent Brown Act violations occurred, the Fire District's contracted counsel invoiced the Fire District for legal services. Several Fire Commissioners reported receiving Brown Act training from the Fire District's contracted counsel during the previous three years. It appears that there may have been Brown Act violations despite the training and legal services.

Per County Ordinance, County Counsel is the legal agent for the Fire District and all other County entities under the Board of Supervisors. The County Counsel's office has extensive resources available to advise the Fire Commission to avoid preventable Brown Act violations and maintain governance standards similar to other County commissions and other bodies subject to the Brown Act within the County.

**Public Oversight May Be Undermined**

The Brown Act is intended to guarantee the public's right to attend and participate in meetings of local legislative bodies. Public participation is critical to oversight of any public body. The prior apparent violations of the Brown Act and the risk of any future violations undermines the public's ability to oversee the Fire District.

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10 Government Code section 54957.6(a) states that a legislative body may hold closed sessions with labor negotiators to discuss compensation, but prior to the closed session, the legislative body must hold an open and public session in which it identifies its designated representatives.

11 None of these violations were reported to the Fire Commission, nor did any member of the public pursue the actions required to enforce the Brown Act.
Legal Risks

The Brown Act allows a County District Attorney or any interested person to file a legal action against the Fire District in order to:12

a. Stop or prevent violations or threatened violations of the Brown Act by members of a legislative body of a local agency;
b. Determine the applicability of the Brown Act to past actions, ongoing actions, or threatened future actions of the legislative body of a local agency;
c. Determine whether any rule or action by the legislative body of a local agency to penalize or otherwise discourage the expression of one or more of its members is valid under state or federal law; or
d. Compel the legislative body of a local agency to audio record its closed sessions; or
e. Secure a judicial determination that an action of a legislative body of a local agency violated the Brown Act and that the action is null and void.

Two Windows for Legal Action Against the Fire District

There are two windows of time following a Brown Act violation when the legislative body could become vulnerable to a legal action. First, actions that were taken in violation of the Brown Act could be invalidated if a person who believes that a violation has occurred sends a written “cure or correct” demand to the legislative body. This demand must be sent within 90 days of the alleged violation, or 30 days if the action was taken in open session but in violation of the agenda notice and posting requirements. The legislative body then has up to 30 days to cure and correct its action. If it does not act, a lawsuit may be filed within 15 days after the 30-day period to cure or correct the violation has expired.13 This window has passed for all of the violations noted in the audit. However, if future actions were challenged and invalidated, it could disrupt the Fire District’s operations and delay prior plans of the Fire Commission to re-hear invalidated actions, and result in significant additional legal costs to the Fire District.

A second window exists up to nine months after a violation occurs during which a district attorney or individual can submit a “cease and desist” letter to the legislative body, clearly describing the past action and the nature of the alleged violation. The legislative body has 30 days after receipt of the letter to provide an unconditional commitment to cease and desist from the past action. If the body fails to take any action within the 30-day period or takes an action other than an unconditional commitment, a lawsuit may be filed within 60 days.14 The most recent violation occurred in May 2018, which means that the window for legal action using a cease and desist letter closed in January 2019.

The legal risks would include the cost of the Fire District’s legal defense, and, if found in violation, the Fire District would be responsible for both party’s attorney fees and court costs. California law affords the courts wide discretion in awarding or denying compensation for legal fees for these types of violations.

12 Gov. Code Sections 54960(a), 54960.1(a).
13 Gov. Code Section 54960.1(b)-(c)(4).
14 Gov. Code Section 54960.2.
Potential Violation by the Fire Commission Related to the Town of Los Altos Hills Averted

In addition to the four potential types of Brown Act violations detailed above, there is a risk of a fifth violation that could occur among the three Fire Commissioners who also serve as councilmembers of the Town of Los Altos Hills (Town). Traditionally, two of the commissioners are also councilmembers of the Town. This was the case throughout 2018. As of January 1, 2019, a new Commissioner was elected and sworn in as a councilmember, resulting in three commissioners who were also councilmembers of the Town. The Town of Los Altos Hills City Council (City Council) is composed of five members, meaning the three District Commissioners represent a majority of the City councilmembers.

When the Fire Commission met on January 15, 2019, only two of the three councilmembers were present and a violation was avoided. State code allows these three City councilmembers to all attend the Fire Commission’s meeting, but it prohibits discussion and action on “business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.” In this instance, the local agency is the City Council. It is very likely that to conduct regular business regarding the District Commission, all three commissioners could inadvertently discuss topics that overlap with the Town’s subject matter jurisdiction. The District offers services that are unusual for a fire district to offer. These include a free-of-charge tree trimming program, the subsidization of water main construction and maintenance, and other actions that could easily overlap with the Town’s business. Ultimately, the potential violation was avoided by the resignation of a Fire Commission member who was also a member of the City Council of the Town.

CONCLUSION

The Fire Commission’s apparent violations of the Brown Act undermine the public’s ability to participate in and oversee the Fire District. Further it places the District at risk of legal actions, which if taken to trial could include significant legal costs. The likely cause of the violations is the Fire District’s use of outside counsel instead of County Counsel, whose office has extensive legal experience representing the County in matters related to the Brown Act. The apparent violations have occurred despite the existing legal assistance from contracted counsel.

RECOMMENDATIONS

The Board of Supervisors should:

3.1 Direct the Fire Commission to use County Counsel as its legal representative, consistent with Ordinance Code section A22-16, to help prevent future Brown Act violations. If this recommendation is implemented and potential Brown Act violations continue, County Counsel should report these violations to the Board of Supervisors promptly. (Priority 1)

15 Gov. Code Section 54952.2(c)(2).
SAVINGS, BENEFITS, AND COSTS

This recommendation would either prevent the violations in the first place, or at least provide the Board of Supervisors with notice of violations so that further action could be taken. This would help protect the public's ability to oversee the Fire Commission and participate in the activities of the Fire District. It would also help prevent the risk of legal costs related to future Brown Act violations that could occur. The additional cost of utilizing County Counsel for legal services would be marginal.
Section 4: Fire Prevention Programs Are Not Aligned with Fires Risks

Background
In August 2016, the Santa Clara County Fire Department (Santa Clara County Central Fire Protection District or Central Fire) published the Santa Clara County Community Wildfire Protection Plan (CWPP). The CWPP includes County-wide analysis and an annex with plans focused solely on the Los Altos Hills County Fire District (Fire District). The CWPP identified a range of wildfire risks within the Fire District. The Santa Clara County Central Fire Protection District updated its County-wide wildfire risk and response plan in June 2019 after this audit was drafted. The update did not materially change its conclusions from the 2016 version.

The Fire District runs two types of programs aimed at managing the fuel levels within the Fire District. The first and largest program is a free-of-charge service offered to all residents to remove or prune dead and living trees from their properties with a property owner's permission. The second program is aimed at brush and grass treatments and chipping services for residents. These programs are unrelated to the Fire District's legal authority to abate hazardous vegetation that constitutes a public nuisance for fire prevention purposes. In sum, for these voluntary programs, the Fire District budgeted almost $2.5 million in FY 2018-19.

Problem, Cause, and Adverse Effect
The Fire District's spending does not align with the risks identified in the CWPP, the CWPP is not used as a key document in the Fire District's planning or priority processes, and the Fire District does not have an alternative assessment or plan it uses instead. In particular, the tree removal program described in Section 2, page 31, of this report appears to treat mostly low-risk areas rather than prioritize high fire risks. In the prior three years, 94 percent of trees removed by the program were in areas identified as low-risk by the CWPP. The top 20 single-family residential properties served by the program had a median estimated home value of $5.2 million. These residents presumably had access to capital resources that could be used to mitigate the risk on their properties without taxpayer subsidy. The misaligned programs divert resources from comprehensive wildfire prevention planning and spending within the Fire District and by extension the County as a whole.

Recommendations
The Board of Supervisors should direct the Los Altos Hills County Fire District to use the CWPP and the advice of the Santa Clara County Fire Department to develop spending priorities and wildfire prevention programs aligned with the risks and recommendations identified by both sources.

Savings, Benefits, and Costs
Aligning the Fire District's wildfire prevention programs with the risks identified in the CWPP and the advice of the Santa Clara County Fire Department would help reduce the probability and magnitude of wildfires within the Fire District. This would help further protect lives and property within the Fire District and protect neighboring communities where fire could spread from the Fire District during a wildfire. These changes could be implemented at no additional cost to the Fire District.
FINDING

Background

The Fire District runs two types of programs aimed at managing the fuel levels of burnable plant material to reduce the fire risk within the Fire District. The first and largest is a free-of-charge service offered to all residents to remove or prune dead and living trees from their properties. This service is entirely voluntary, and is not related to the Fire District's authority under State law to abate vegetation that presents a fire hazard/public nuisance. The second program is aimed at brush and grass treatments. These programs include yard waste pick up of already cleared brush, waste drop-off locations, and a goat grazing program for an open space preserve owned by the Town of Los Altos Hills. These two programs were budgeted at almost $2.5 million in FY 2018-19.

Tree removal and brush chipping are one of many types of fuel management techniques, or fuel treatments, that fire services nationwide offer. These treatments will not eliminate the threat of wildfires, but they may “lower the risk of catastrophic wildfires,” according to the California Department of Forestry and Fire Protection (CAL FIRE). Some examples of other treatments used elsewhere include the building of fire breaks, prescribed burns, or use of fire-resistant landscaping. The efficacy of any of these treatments depends on many variables, such as moisture, topography, weather, and species of the local vegetation.

Fire District Spending Is Not Informed by The County's Wildfire Protection Plan

In August 2016, the Santa Clara County Fire Department published the Santa Clara County Community Wildfire Protection Plan (CWPP). The CWPP includes County-wide analysis and an annex plan focused solely on the Fire District. The plan uses a mix of assessments conducted for the plan, and data from CAL FIRE's 2005 Fire Resource and Assessment Program. The CWPP produced the risk matrix shown in Figure 4.1 on page 49, and 21 recommendations based on the risks identified. Generally, the Fire District's spending does not align with the risks identified in the CWPP Annex for the Fire District, the CWPP is not a key document in the Fire District's planning or priority processes, and the Fire District does not have an alternative assessment or plan it uses instead.

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17 Philip N. Omi, Theory and Practice of Wildland Fuels Management, Current Forestry Reports, Published online: 28 April 2015.
Section 4: Fire Prevention Programs Are Not Aligned with Fire Risks

Figure 4.1: Risk Levels Identified in the Fire District by the Santa Clara County Community Wildfire Protection Plan

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Condition</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>Two roads in and out but access still concern</td>
<td>+/-</td>
</tr>
<tr>
<td></td>
<td>Narrow road width</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Surfaced road with greater than 5% grade</td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>Poor fire access, dead end spurs, lack turnaround</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Street signs are present, some are non-reflective</td>
<td>+/-</td>
</tr>
<tr>
<td>Vegetation</td>
<td>Adjacent fuels: Medium</td>
<td>+/-</td>
</tr>
<tr>
<td></td>
<td>Defensible space: &gt;30 feet &lt;70 feet around structure</td>
<td>+/-</td>
</tr>
<tr>
<td>Topography within 300 feet of structure</td>
<td>21% to 30%</td>
<td>-</td>
</tr>
<tr>
<td>Topographic features</td>
<td>Moderate to high concern</td>
<td>+/-</td>
</tr>
<tr>
<td>History of high fire occurrence</td>
<td>Low</td>
<td>+</td>
</tr>
<tr>
<td>Severe fire weather potential</td>
<td>Low</td>
<td>+</td>
</tr>
<tr>
<td>Separation of adjacent structures</td>
<td>Good separation</td>
<td>+</td>
</tr>
<tr>
<td>Roofing assembly</td>
<td>Class C</td>
<td>-</td>
</tr>
<tr>
<td>Building construction</td>
<td>Combustible siding and deck</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Building set back &lt;30 feet to slope</td>
<td>-</td>
</tr>
<tr>
<td>Available fire protection</td>
<td>Water: hydrants present with variable pressure</td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>Response: Station &lt;5 miles from structure</td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>Internal sprinklers: some newer 7A compliant homes</td>
<td>+/-</td>
</tr>
<tr>
<td>Utilities</td>
<td>One above and one below ground</td>
<td>+/-</td>
</tr>
</tbody>
</table>

Risk Rating: High


Tree Removal Has Not Targeted Highest Risk Areas

The CWPP identified vegetation as medium risk within the Fire District. The risk assessment was conducted by SWCA Environmental Consultants in 2016 and combines a geographic information system model of hazards and risks, community input on their values, and an on-the-ground assessment. The risk assessment found the majority of the Fire District’s area as low risk, with more extreme risk in specific clusters and along the western border of the Fire District. Figure 4.2 on page 50 shows a map of the risk assessment from the CWPP. Figure 4.3 on page 51 then maps the locations of trees removed by the Fire District between July 2015 and September 2018 with the risk areas from the CWPP. Nearly all trees (94 percent) removed in this period were in the low threat area. Even after the publication of the CWPP in August 2016 when the Fire District had this risk assessment available, the
Fire District continued prioritizing removal of trees in the lowest risk area. In fact, after the publication of the CWPP, only 12 trees were removed from the area designated as extreme risk. Figure 4.2 below through Figure 4.5 on page 52 detail risk and response by the District.

Figure 4.2: Risk Assessment from County’s Community Wildfire Protection Plan

Figure 4.3: Location of Trees Removed by the Fire District between July 2015 to September 2018

Source: Management Audit Division analysis of District’s records compared with Santa Clara County Community Wildfire Protection Plan, Annex 4 – Los Altos Hills County Fire Protection District, August 2016. The location of tree removals is derived from all invoices issued by the Fire District’s tree removal vendor from July 29, 2015 to September 27, 2018. The Management Audit Division digitized 48 invoices from this period that the Fire District provided and geocoded the street addresses. The resulting latitude and longitude of the tree removal locations were compared to the geographic information system locations of risk areas from Santa Clara County Fire Department’s Santa Clara County Community Wildfire Protection Plan (CWPP).
Figure 4.4: Count of Trees Removed Within the Fire District’s Hazard Zones Trees removed between July 2015 to September 2018

<table>
<thead>
<tr>
<th>Fire Hazard Severity Zone</th>
<th>FY 2015-16</th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
<th>FY 2018-19 (July to Sept.)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extreme</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>High</td>
<td>4</td>
<td>10</td>
<td>4</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>Moderate</td>
<td>63</td>
<td>38</td>
<td>59</td>
<td>3</td>
<td>163</td>
</tr>
<tr>
<td>Low</td>
<td>1,359</td>
<td>581</td>
<td>842</td>
<td>169</td>
<td>2,951</td>
</tr>
<tr>
<td>Total</td>
<td>1,426</td>
<td>629</td>
<td>905</td>
<td>178</td>
<td>3,138</td>
</tr>
</tbody>
</table>

Source: Management Audit Division analysis of District’s records compared with Santa Clara County Community Wildfire Protection Plan, Annex 4 – Los Altos Hills County Fire Protection District, August 2016. The location of tree removals is derived from all invoices issued by the Fire District’s tree removal vendor from July 29, 2015 to September 27, 2018. The Management Audit Division digitized 48 invoices from this period that the Fire District provided and geocoded the street addresses. The resulting latitude and longitude of the tree removal locations were compared to the geographic information system locations of risk areas from Santa Clara County Fire Department’s Santa Clara County Community Wildfire Protection Plan (CWPP).

Figure 4.5: Cost of Trees Removed Within the Fire District’s Hazard Zones Trees removed between July 2015 to September 2018

<table>
<thead>
<tr>
<th>Fire Hazard Severity Zone</th>
<th>FY 2015-16</th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
<th>FY 2018-19 (July to Sept.)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extreme</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,690</td>
</tr>
<tr>
<td>High</td>
<td>4,200</td>
<td>37,400</td>
<td>3,961</td>
<td></td>
<td>45,561</td>
</tr>
<tr>
<td>Moderate</td>
<td>92,100</td>
<td>48,924</td>
<td>60,553</td>
<td>7,690</td>
<td>209,267</td>
</tr>
<tr>
<td>Low</td>
<td>2,353,440</td>
<td>810,132</td>
<td>922,068</td>
<td>475,450</td>
<td>4,561,090</td>
</tr>
<tr>
<td>Total</td>
<td>$2,449,740</td>
<td>$896,456</td>
<td>$986,583</td>
<td>$494,830</td>
<td>$4,827,609</td>
</tr>
</tbody>
</table>

Source: Management Audit Division analysis of District’s records compared with Santa Clara County Community Wildfire Protection Plan, Annex 4 – Los Altos Hills County Fire Protection District, August 2016. The location of tree removals is derived from all invoices issued by the Fire District’s tree removal vendor from July 29, 2015 to September 27, 2018. The Management Audit Division digitized 48 invoices from this period that the Fire District provided and geocoded the street addresses. The resulting latitude and longitude of the tree removal locations were compared to the geographic information system locations of risk areas from Santa Clara County Fire Department’s Santa Clara County Community Wildfire Protection Plan (CWPP).

Many of the Fire District’s highest users of its tree removal services are for highly valued properties. For example, the top 20 single-family residential properties served by the program had a median estimated home value of $5.2 million. These top 20 properties accounted for 13 percent of all trees removed. See Figure 4.6 on page 53 for a detailed list of the highest users of the tree removal program. The owners of these properties presumably have the means to manage the trees and other fire hazards on their own lands. This further calls into question the efficacy of the tree removal program. If the money supporting the program were spent on more strategic uses, then property owners within the Fire District would still be required to mitigate fire risk under the County’s weed abatement program, and other higher-risk needs could be addressed with existing Fire District funds.

18 424 trees were removed for the top 20 individual single-family homes out of 3,154 total trees removed by the program from July 2015 to September 2018.
### Figure 4.6: Highest Users of the Fire District’s Free-of-Charge Tree Removal Service

**Trees removed between July 2015 to September 2018**

<table>
<thead>
<tr>
<th>Overall Rank</th>
<th>Property Type</th>
<th>Number of Trees Removed</th>
<th>Estimated Cost of Tree Services Provided Based on Invoices</th>
<th>Average Estimated Value of Property*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Religious Institution</td>
<td>51</td>
<td>$6,100</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Religious Institution</td>
<td>37</td>
<td>$43,708</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Single Family Residential #1</td>
<td>32</td>
<td>$22,185</td>
<td>$6,908,651</td>
</tr>
<tr>
<td>4</td>
<td>Vacant Lot</td>
<td>30</td>
<td>$77,700</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Single Family Residential #2</td>
<td>30</td>
<td>$47,900</td>
<td>$5,542,146</td>
</tr>
<tr>
<td>6</td>
<td>Single Family Residential #3</td>
<td>29</td>
<td>$99,800</td>
<td>$4,473,773</td>
</tr>
<tr>
<td>7</td>
<td>Single Family Residential #4</td>
<td>27</td>
<td>$11,900</td>
<td>$3,656,025</td>
</tr>
<tr>
<td>8</td>
<td>Single Family Residential #5</td>
<td>25</td>
<td>$17,800</td>
<td>$3,795,532</td>
</tr>
<tr>
<td>9</td>
<td>Single Family Residential #6</td>
<td>24</td>
<td>$35,900</td>
<td>$5,306,253</td>
</tr>
<tr>
<td>10</td>
<td>Single Family Residential #7</td>
<td>23</td>
<td>$15,700</td>
<td>$5,681,748</td>
</tr>
<tr>
<td>11</td>
<td>Single Family Residential #8</td>
<td>21</td>
<td>$19,156</td>
<td>$6,305,722</td>
</tr>
<tr>
<td>12</td>
<td>Single Family Residential #9</td>
<td>20</td>
<td>$19,591</td>
<td>$7,946,120</td>
</tr>
<tr>
<td>13</td>
<td>Single Family Residential #10</td>
<td>19</td>
<td>$34,113</td>
<td>$4,207,482</td>
</tr>
<tr>
<td>14</td>
<td>Single Family Residential #11</td>
<td>19</td>
<td>$22,600</td>
<td>$3,868,214</td>
</tr>
<tr>
<td>15</td>
<td>Single Family Residential #12</td>
<td>19</td>
<td>$14,000</td>
<td>$6,251,544</td>
</tr>
<tr>
<td>16</td>
<td>Single Family Residential #13</td>
<td>19</td>
<td>$28,000</td>
<td>$9,062,307</td>
</tr>
<tr>
<td>17</td>
<td>Single Family Residential #14</td>
<td>19</td>
<td>$8,169</td>
<td>$3,271,881</td>
</tr>
<tr>
<td>18</td>
<td>Agricultural</td>
<td>18</td>
<td>$49,000</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Single Family Residential #15</td>
<td>17</td>
<td>$11,103</td>
<td>$5,123,819</td>
</tr>
<tr>
<td>20</td>
<td>Single Family Residential #16</td>
<td>17</td>
<td>$14,741</td>
<td>$5,562,673</td>
</tr>
<tr>
<td>21</td>
<td>Single Family Residential #17</td>
<td>17</td>
<td>$16,911</td>
<td>$5,565,629</td>
</tr>
<tr>
<td>22</td>
<td>Single Family Residential #18</td>
<td>16</td>
<td>$32,700</td>
<td>$4,646,472</td>
</tr>
<tr>
<td>23</td>
<td>Single Family Residential #19</td>
<td>16</td>
<td>$8,962</td>
<td>$3,810,667</td>
</tr>
<tr>
<td>24</td>
<td>Single Family Residential #20</td>
<td>16</td>
<td>$23,296</td>
<td>$4,401,415</td>
</tr>
</tbody>
</table>

**Source:** Management Audit Division analysis of the Fire District’s records compared with property value estimates from Zillow.com and Redfin.com. The estimated cost of services provided are derived from all invoice issued by the Fire District’s tree removal vendor from July 29, 2015 to September 27, 2018. The Management Audit Division digitized 48 invoices from this period that the Fire District provided and calculated the total for each unique address. Actual addresses are not shown here to protect the privacy of the residents.

**Note:** *Zillow and Redfin as of October 2018.*
Section 4: Fire Prevention Programs Are Not Aligned with Fires Risks

Weed Abatement

The County's Department of Agriculture manages a weed abatement program that is distinct from the Fire District's Tree Removal Services and not related to it or other Fire District programs. The Fire District is authorized by State law to abate hazardous vegetation that constitutes a public nuisance,\(^{19}\) including trees. Under this authority, after notice, a hearing, and a resolution by the Fire Commission declaring that a public nuisance exists, property owners are obligated to pay the cost of the abatement. The law requires that the abatement initially occur at Fire District expense, with the cost placed on the property owner's property tax bill as a special assessment that reimburses Fire District taxpayers.\(^{20}\) In practice, abatement of such hazards/public nuisances is carried out by the County and subsequently reimbursed by the property owner. For Fire District property, the Fire Commission adopts a resolution annually to abate the hazards it declares to be a public nuisance. These hazards are abated by the County with reimbursement charges placed on the property owner's tax bill.

Brush and Grass Management Is Not Prioritized

Trees, brush and grasses have different fuel characteristics during a fire, but all pose a threat to the Fire District. The Fire District addresses the fire risk posed by brush and grasses to some extent with three programs. First, the brush chipping program offers a twice-a-year service by which the Fire District's contractor comes to residents' properties and removes prepared brush and tree branches from residents' curbs to be chipped for recycling. Second, the Fire District has partnered with the Town of Los Altos Hills to offer a free-of-charge monthly yard waste drop off site. Third, in FY 2016-17, the Fire District began using goats to reduce brush in the Byrne Reserve, an open space preserve owned and managed by the Town of Los Altos Hills.

These programs at least partially address some of the risk related to brush and grasses in the Fire District. However, they represent roughly one third of the spending compared to the tree (landscaping) program. For example, in the FY 2017-18 budget, the chipping, yard waste, and goat programs were budgeted for a total of $347,000, compared to the tree/landscaping program budgeted at $1,000,000. The FY 2018-19 budget increased spending on the tree program to $2,000,000, but only increased to $420,000 the three brush-related programs combined. Research in the field of fire science makes clear that the efficacy of any fuel treatment is circumstantial and varied. Even with this in mind, the higher spending on tree removal, 94 percent of which is spent in lower-risk areas of the Fire District, could be more effectively applied to other uses and treatment types aligned with identified risks within the Fire District.

Expert Support Available from the Santa Clara County Fire Department

The Santa Clara County Fire Department is contracted to provide the Fire District's fire protection and emergency medical services. Part of the agreement includes the provision of technical information, advice, and recommendations related to fire prevention and other topics. In addition, the Santa Clara County Fire Department's Chief attends all regular Fire Commission meetings, and other meetings, upon

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\(^{19}\) Sections 14875 and 14876 of the California Health and Safety Code.

\(^{20}\) Health and Safety Code Section 14915.
request. The Chief and the Department’s staff of 288 personnel, plus 30 volunteers, represent an extensive pool of fire prevention expertise available to the Fire District. These resources could support the Fire District in interpreting and applying the CWPP to its prevention programs and spending.

CONCLUSION

The Fire District’s wildfire prevention programs are not aligned with identified fire risks within the Fire District. In particular, the tree/landscaping program appears to treat mostly low-risk areas rather than use a strategic or targeted approach to tree removal and landscaping assistance. The Fire District should use the CWPP and any subsequent risk analyses to develop spending priorities and programs for the Fire District’s wildfire prevention programs.

RECOMMENDATIONS

The Board of Supervisors should:

4.1 Direct the Fire District to use the Santa Clara County Community Wildfire Protection Plan Annex 4 – Los Altos Hills County Fire Protection District published in August 2016, any subsequent iterations of the CWPP, and the expert advice of the Santa Clara County Fire Department to develop spending priorities and wildfire prevention programs aligned with the risks and recommendations identified by both sources. (Priority 1)

SAVINGS, BENEFITS, AND COSTS

Aligning the Fire District’s wildfire prevention programs with the risks identified in the CWPP and the advice of the Santa Clara County Fire Department would help reduce the probability and magnitude of wildfires within the District. This would help further protect lives and property within the Fire District and protect neighboring communities where fire could spread from the District during a wildfire.

These changes could be implemented at no additional cost to the Fire District. The CWPP has already been produced and released as of August 2016. The technical support from the Santa Clara County Fire Department is already included and paid for in the existing service agreement that was updated in 2016. Neither recommendation would save the Fire District money, as the expectation is that existing spending would be re-prioritized to more strategic uses.
**Background**

The Public Contract Code (PCC) governs contracts made by fire protection districts in California. As a fire protection district, the Los Altos Hills County Fire District (Fire District) is required by the PCC to either: 1) adhere to its county government's contracting and purchasing procedures, which in this case are set forth in Chapter 5 of the Board of Supervisors’ Policy Manual (Chapter 5, or 2) follow contracting and purchasing procedures prescribed in the PPC. The PPC provides no other options.

**Problem, Cause, and Adverse Effect**

In February 2016, the Fire District adopted its own Procurement Policy and Procedures, which are included as Attachment D on page 87 to this audit section. We reviewed these procedures, compared them to Chapter 5 and PPC procedures, and noted that they do not comport with either Chapter 5 or PPC procedures. Chapter 5 procedures require the County of Santa Clara to procure most goods and services on a competitive basis, with certain exemptions, whereas Fire District procedures exempt procurements of up to $10,000 from competitive bidding, and allow the District, by a majority vote, to make procurements of greater than $10,000 without competitive bidding. Furthermore, the County Ordinance Code prohibits the Fire District from contracting for its own legal counsel, but it has done so for many years. Additionally, procurement processes and contracts are not reviewed by County Counsel and there is generally no evidence of legal review by the Fire District's contracted attorney. Generally speaking, competitive bidding prevents inflated contractor pricing and ensures taxpayer dollars are maximized. However, we noted several instances of the Fire District exempting large-dollar procurements from competitive bidding in the recent past.

**Recommendations**

The Board of Supervisors should bring the Fire District's contracting under the purview of the County Director of Procurement to ensure compliance with applicable contracting requirements and its contracts should be reviewed by County Counsel as to form and legality. The Director of Procurement should cease the Fire District’s procurement of outside legal services unless authorized in writing by County Counsel as required by existing County Ordinance.

**Savings, Benefits, and Costs**

Implementing these recommendations would improve the resources available to the Fire District to procure goods and services at the lowest prices and ensure that the District’s procurement methods are consistent with State and local requirements and that its contracts are reviewed by the appropriate legal authority and that such review is documented.
**FINDING**

**Background**

In California, contracts by fire protection districts, including the Los Altos Hills County Fire District, are governed by Sections 20810 - 20813 of the State's Public Contract Code (PCC). PPC Section 20812(b) states:

“In the case of a district which has a final budget in excess of one million dollars ($1,000,000), the district shall follow the contracting and purchasing procedures which apply to the county government of its principal county, or the procedures in subdivision (c).” [of this section].

Because its total expenditures exceed $1.0 million per year, the Fire District has the option to follow the County's procedures set forth in Chapter 5 of the Board of Supervisors' Policy Manual, or to follow Public Contract Code procedures, but it cannot establish its own procedures to follow. Yet, this is precisely what it did. On February 16, 2016, the Fire District's Board of Commissioners (Fire Commission) adopted the Fire District’s Procurement Policy and Procedures (Attachment D on page 87). The Fire District's contracted counsel advised us that he attempted unsuccessfully to seek feedback from the County Executive’s Office on these procedures. Subsequent to adoption, however, the meeting minutes reflect that the procedures were to be sent to the County Executive's Office.

Had the County Executive's Office or County Counsel reviewed the procedures before they were approved by the Fire Commission, we believe they would have been rejected as non-compliant with State law, specifically PPC Section 20812(b).

**Figure 5.1: LAHCFD Board of Commissioners February 16, 2016 Meeting Minutes**

We reviewed Fire District procedures, compared them to Chapter 5 and PPC procedures and noted that they do not comport with either Chapter 5 or PPC procedures. For example, Chapter 5 procedures require the County to procure most goods and services on a competitive basis, with notable exemptions. Under Fire District procedures, the estimated cost of a contract determines if a competitive bidding process is required. That is, competitive bidding is not required on contracts that are less than or equal to $10,000. Furthermore, if the cost of a contract is between $10,000 and $300,000, or greater than $300,000, the Fire District has the discretion to make the contract on a competitive basis, or “to issue a contract without competitive bidding”. These and other key differences among procedures are summarized in Figure 5.2 on page 59.
Figure 5.2: Comparison of Procurement Policies and Procedures

<table>
<thead>
<tr>
<th></th>
<th>Type of Goods &amp; Services</th>
<th>Type of Procurement</th>
<th>Contract Size</th>
<th>Competitive Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fire District</strong></td>
<td>n/a</td>
<td>n/a</td>
<td>Less than or equal to $10,000</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>Between $10,000 and $300,000</td>
<td>&quot;Normally&quot;, except if Fire Commission decides otherwise</td>
</tr>
<tr>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>Greater than $300,000</td>
<td>Yes, except if Fire Commission decides otherwise</td>
</tr>
<tr>
<td><strong>BOS Policy Manual Chapter 5</strong></td>
<td>Goods &amp; related services and non-professional services</td>
<td>Formal</td>
<td>n/a</td>
<td>Yes, &quot;with exemptions for certain goods, services, and classes of procurement&quot;</td>
</tr>
<tr>
<td></td>
<td>Professional services</td>
<td>Formal</td>
<td>n/a</td>
<td>Yes, &quot;unless another type of procurement is required for that particular type of service&quot;</td>
</tr>
<tr>
<td></td>
<td>Goods &amp; related services and non-professional services</td>
<td>Informal</td>
<td>Up to $100,000</td>
<td>No, but agency/department must follow procedures set forth by the Director of Procurement</td>
</tr>
<tr>
<td></td>
<td>Professional services</td>
<td>Informal</td>
<td>Up to $100,000 per budget unit per fiscal year</td>
<td>No, &quot;unless a particular method of procurement is required for that type of service&quot;</td>
</tr>
<tr>
<td></td>
<td>Utility services, educational services, intergovernmental agreements, etc.</td>
<td>Non-competitive</td>
<td>n/a</td>
<td>No</td>
</tr>
<tr>
<td><strong>PCC Section 20812(c)</strong></td>
<td>n/a</td>
<td>n/a</td>
<td>Greater than $25,000</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Source: Management Audit Division review of the three sets of procedures*

**Procurement of Vendor Services**

For this analysis of the Fire District's procurement of vendor services, we judgmentally sampled from the Fire District's vendors. Three vendors were selected based on contract size (large-, medium- and small-dollar value contracts). These vendors are anonymized in this report (Vendor A and B). We requested, and the Fire District provided, current contracts and related bids and documents pertaining to each vendor A, B, and C. We reviewed original RFPs, proposals submitted, bid analyses and results, as well as correspondences between the Fire District and these vendors to the extent available. We did not have comments regarding Vendor C.
Section 5: Fire District Compliance with State and Local Procurement Requirements

Vendor A

Vendor A is a private tree services company. The Fire District has contracted with Vendor A since 2003, with total payments exceeding $22.0 million. Beginning in FY 2017-18, the District executed a series of four contracts with Vendor A for:

1. removal and trimming of trees in Fire District Areas 5 & 6;
2. rolling tree removal;
3. brush and wood chipping; and,
4. emergency tree removal.

Upon reviewing the District’s bid analyses and results, we noted that Vendor A did not submit the lowest bid for rolling tree removal. Yet, Vendor A was awarded the contract based on evaluation criteria set forth in the RFP. Upon reviewing that criteria, we noted that the District assigned weight to each criterion, and that less than half of the weight (40 percent) was assigned to the cost proposal. Most weight was assigned to criteria unrelated to price or cost, such as “firm profile, background, experience, & financial stability,” among others. Had the Fire District followed Chapter 5 or PPC procedures, it would have been required to award the contract to the lowest bidder, which in this case was not Vendor A, as shown in Figure 5.3 below.

Figure 5.3: RFP Results and Ranking Rolling Tree Removal Program

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Scope of Work</th>
<th>Bidders</th>
<th>Bid Cost</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018-19</td>
<td>Rolling Tree Removal</td>
<td>Vendor X</td>
<td>$97,650</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vendor A</td>
<td>$130,585</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vendor Y</td>
<td>$294,200</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: 2018 Rolling Tree Removal Program, RFP Results and Award Notification, LAHCFD

Vendor B

Neither a contract nor a purchase order exists for this vendor, even though the Fire District has used Vendor B periodically for graphic design services for several years. For example, in 2017, the Fire District hired Vendor B to prepare fire-safety brochures, but without a contract or other documentation.

Legal Representation Involving Vendor A

A law firm serves as contracted legal counsel for both the Fire District and Vendor A. In a letter dated November 10, 2012, the law firm asked the Fire District to waive any actual or potential conflict of interest in the firm's representation of both parties with respect to their contracts with each other. The Fire Commission President at the time acknowledged and agreed to this waiver by signing the letter, a copy of which is included as Attachment E on page 91 to this audit section. The letter indicates that the law firm would procure a similar waiver from Vendor A. The letter also indicates that if any actual dispute between the Fire District and Vendor A arises, the law firm would not continue to represent either party. This could leave the Fire District without any legal representation at precisely the time when it could need representation (i.e., during a dispute).

21 P.C.C. 20812 (C)(1) or Chapter 5 in force at the time – Section (B)(2).
Lack of Legal Review

We examined certain of the Fire District’s executed contracts and found that they generally are not signed by the District’s contracted attorney. This suggests that they were not reviewed for legal matters. For example, the June 19, 2018 agreement between the Fire District and Vendor A for brush and wood chipping services, which is included as Attachment F on page 93 to this audit section. As can be seen, it is signed by the “District President”, “District Secretary” and Vendor A’s “COO” or Chief Operating Officer, but not by the Fire District’s contracted attorney or any other legal counsel. At the exit conference for this audit, we were advised that the documents were prepared by the Fire District’s private contracted attorney. The Fire District’s contracted attorney told us that the location of each agreement on his computer drive is printed in the footer of each agreement and these footers were said to be evidence of the attorney’s engagement. We subsequently re-examined these footers but found no evidence that they relate to the contracted attorney’s computer. Neither his personal name nor his law firm’s name appear anywhere in the footer.

Figure 5.4: Example of Reported Evidence of Legal Review

Legal Services

The County Ordinance Code prohibits the Fire District from contracting for its own legal services without authorization from County Counsel. This prohibition is not reflected in the Fire District’s procurement policies, and, as indicated above, the Fire District in fact contracts for these services. Section A22-16 of the Ordinance Code states:

“The County Counsel shall act as the legal officer of the departments, institutions, boards, commissions and districts of the County government. No such agency shall employ or consult any attorney for legal advice or counsel in any civil affair of the County Government unless the County Counsel shall certify in writing to the County Executive that he is unable to act in behalf on the County.”

We recommend termination of the Fire District’s procurement of outside legal services unless authorized in writing by County Counsel as required by existing County Ordinance.
Vendors with No Contracts

The contracted District Clerk provided us with a list of 27 companies and individuals that the Fire District conducted business in Calendar Years 2017 and 2018. The clerk reported that written contracts or purchase orders did not exist for four of the 27 companies and individuals (or approximately 15 percent), as follows in Figure 5.5 below:

![Figure 5.5: Fire District Vendors with No Contracts](image)

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Services Procured</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. AID Mailing &amp; Fulfillment</td>
<td>Brush chipping notice mailings</td>
</tr>
<tr>
<td>2. Alexander Atkins Design</td>
<td>Occasional printer of brochures/mailings</td>
</tr>
<tr>
<td>3. Craftsmen Printing</td>
<td>Occasional printer of brochures/mailings</td>
</tr>
<tr>
<td>4. An individual</td>
<td>Records scanning and indexing</td>
</tr>
</tbody>
</table>

Source: LAHCFD List of Vendors and Contractors dated September 7, 2018

No Central Repository for Records

The Fire District lacks a central repository for its crucial records. We were advised by the District's contractors that the District allowed them to store official Fire District records at their personal residences and offices. Figure 5.6 below describes the types of records stored, by whom, and where.

![Figure 5.6: Fire District Record Retention Practices](image)

<table>
<thead>
<tr>
<th>Type of Record</th>
<th>Staff Responsible</th>
<th>Storage Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreements and contracts, agendas &amp; agenda packets, audio digital recordings, deeds, property titles, fixed assets, California Fair Political Practices Commission (FPPC) 700 Series Forms, historical records, ordinances, resolutions, software licenses.</td>
<td>District contracted clerk</td>
<td>Private residence</td>
</tr>
<tr>
<td>Project administration, Capital Improvement Plan (CIP) files, bid notices, RFPs, change orders.</td>
<td>District contracted fire consultant</td>
<td>Private residence</td>
</tr>
<tr>
<td>Project administration, CIP files, bid notices, RFPs, change orders.</td>
<td>District contracted counsel</td>
<td>Law firm office</td>
</tr>
<tr>
<td>Bank deposits, budgets, invoices, County vouchers, fiscal reports.</td>
<td>District contracted financial consultant</td>
<td>Financial consultant office</td>
</tr>
<tr>
<td>Various other records.</td>
<td>District consultants</td>
<td>Consultant offices</td>
</tr>
<tr>
<td>Minutes; Fire District Commissioners, non-active documents.</td>
<td>District contracted clerk</td>
<td>Private residence</td>
</tr>
</tbody>
</table>

Source: Management Audit Division interviews with relevant contractors
Records were not Routinely Scanned or Stored Electronically

None of the Fire District records were routinely scanned and stored in an electronic database, which impedes the District's ability to retrieve records and other information in an efficient and timely manner. The District's contracted clerk advised us that she was in the process of inventorying records in her possession, and intends to provide them to a third-party vendor for scanning and electronic storing. We also noted that contracts are neither provided to the County's Procurement Department nor uploaded to the County's SAP accounting system.

CONCLUSION

We noted instances of the Fire District exempting procurements from competitive bidding in the recent past. This suggests that the Fire District is not maximizing taxpayer dollars. The Fire District's procurement policies are inconsistent with existing requirements, and its actual contracting for legal services appears to violate the Ordinance Code. Official Fire District records were reportedly stored at the personal residences and private offices of contractors.

RECOMMENDATIONS

The Board of Supervisors should:

5.1 Reduce the risk of inconsistent or non-compliant contracting or contracting for prohibited services, by bringing the Fire District's contracting under the purview of the County Director of Procurement with review by County Counsel as to form and legality. The County Procurement Director should bring the Fire District's contracting and procurement practices into compliance with State law, County policies and the County Ordinance Code, including ending the Fire District's unauthorized use of private counsel. (Priority 1)

The Fire District should:

5.2 Regularly scan and store its official records – including bids for contracts – in an electronic database or other central repository, and ensure that they are not held at contractors' residences or private offices or not retained at all. (Priority 2)

SAVINGS, BENEFITS, AND COSTS

Implementation of Recommendation 5.1 would improve the resources available to the Fire District to procure goods and services at the lowest prices and ensure that the District's procurement methods are consistent with State law.

Implementation of Recommendation 5.2 would ensure Fire District records are adequately preserved and stored, and not held at contractors' residences. We estimate the cost associated with scanning and electronically storing documents is marginal at between $3,000 and $5,000 per year.
Attachment A: Resolution of the Board of Directors of the Los Altos Fire Protection District

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LOS ALTOS FIRE PROTECTION DISTRICT INCREASING
MEMBERSHIP OF COMMISSION TO SEVEN, AND DELE-
GATING ALL OF ITS POWERS THERETO

BE IT RESOLVED by the Board of Directors of the Los Altos Fire Protection District as follows:

1. The five-member commission heretofore established for the Los Altos Fire Protection District pursuant to Health and Safety Code section 13884 is hereby increased to seven commissioners effective January 5, 1981.

2. The four-year term of office of the current five-member commission will expire as follows: January, 1981 (two); January, 1982 (two); January, 1984 (one).

The terms for the two newly-created commission offices shall also be four years and until their respective successors are appointed and qualified, with the initial terms to commence on January 5, 1981.

3. Appointments to the commission shall be made to provide for equal representation as close as possible on the basis of population as between residents of incorporated and unincorporated territories, respectively. Commissioners may be council members of cities within the district; in the event a council member is appointed commissioner and thereafter ceases to be a council member, the office of commissioner shall thereby automatically become vacant.

4. A commissioner must be a resident of the district. If a commissioner ceases to meet such residence requirement, the office shall become vacant, and the Board of Directors shall so declare. Commissioners are subject to removal by the Board of Directors for cause.

5. Effective January 5, 1981, the Board of Directors delegates all of its powers to the commission to manage the affairs of the district, provided, however, that the commission shall not
initiate litigation without the prior approval of the Board of Supervisors.

PASSED AND ADOPTED by the Board of Supervisors, County of Santa Clara, as Board of Directors for the Los Altos Fire Protection District on DEC 16 1980, by the following vote:

AYES: Supervisors

NOES: Supervisors

ABSENT: Supervisors

Chairperson

Board of Supervisors

ATTEST: Clerk

Deputy County Counsel
Los Altos Hills County Fire District
Providing Services to Los Altos Hills and Nearby Unincorporated Areas
PO Box 1766
Los Altos, CA 94023-1766

February 21, 2019

To: Cheryl Solov, Contract Management Audit Manager
Santa Clara County Board of Supervisors, Management Audit Division
Gabe Cabrera, Contract Senior Manager
County of Santa Clara Board of Supervisors
70 West Hedding Street
San Jose, CA 95110

From: Mark Warren, President Los Altos Hills County Fire District

CC: J. Logan, General Manager Los Altos Hills Fire District

Subject: Los Altos Hills County Fire District Accomplishments: Prepared for Management Audit of the Los Altos Hills County Fire District

The Los Altos Hills County Fire District (District) appreciates the opportunity to provide a description of the District’s many accomplishments and contributions for achieving its mission to protect the lives, property and environment of the community from fires, disasters and emergencies through education, prevention and emergency response services.

The District, by contract with the Santa Clara County Central Fire Protection District, provides core services of fire suppression, emergency medical services, basic and technical rescue, hazardous material mitigation, fire prevention, inspection and investigation, public education domestic preparedness planning and response for the Town of Los Altos Hills and the unincorporated areas in Santa Clara County known as Loyola, Los Trancos, and San Antonio Hills.
Strategic Plan Developed with Residents. In addition to providing these core fire department services, the District and resident representatives developed the 2015-2020 Strategic Plan (SP). The SP with its foundation based with community input, revisited the agency’s pillars (Mission, Values, and Vision) and set forth a continuous improvement plan for a justifiable and sustainable future.

District Board adoption of the annual District budget, allocation of funds for implementation of programs, projects and services were focused by the SP Goals and Objectives. These efforts resulted in the achievements set forth below.

The District takes great pride in its service as a local Special District to benefit residents and the public. The Commission forwards this memorandum and the list of Accomplishments below to be included in the introduction section of the Management Audit Final Report and for consideration at the Exit Conference meeting, date to be determined.

Key Accomplishments
Los Altos Hills County Fire District
February 21, 2019

1. Development of a 2015-2020 Strategic Plan, Goals and Objectives with collaboration and input from resident representatives:
   Goals 1. Develop a comprehensive personnel management plan; Goal 2. Establish effective district administration; Goal 3. Provide sound financial and contract management plans and practices; Goal 4. Develop a plan to identify hazards and risks in order to reduce, eliminate and mitigate them; Goal 5. Maintain awareness of current and future knowledge of technologies that affect the district’s mission

2. Renewed 10-year contract with Santa Clara County Central Fire Protection District for fire protection and emergency medical service

3. Hands-on and engaged governance: Commission meetings are well-attended by both Commissioners and the public. These meetings allow close tracking of County Fire oversight, projects, and finances, resulting in watchful and proactive local management of our resources to fulfill our mission.

4. Fire Hydrant Replacement Project to standardize fittings, equipment and replace aged hydrants across the District to ensure operational fitness for use by firefighters during firefighting efforts to save persons, property and the environment

5. Residential Programs – tree, brush, vegetation removal, weed abatement, yard waste pick-up. These programs address SP Goal 4 Reduce, Eliminate, Mitigate Hazards by reduction of fuel loads for fire prevention and mitigation.
6. **Goat program** for removal of vegetation, in hard to access areas, at optimum times of the year

7. **Specialized summer seasonal high-fire danger firefighter patrol and engine** are additional contract services from County Fire to increase readiness and responsive measures in event of vegetation or structure fires in high-fire danger climates and conditions. The crew and engine patrols neighborhoods during shifts.

8. **Year-round, 24/7, additional Battalion Chief Services** are additional contract services to increase readiness, expertise and supervision at the El Monte Fire Station

9. **Hydrant Flow and Pipeline Resiliency Project** with Purissima Hills Water District (PHWD). Project is designed to improve hydrant fire flow and improve pipeline resiliency to ensure stability and reliability of water pipelines in event of fires, earthquakes or disasters.

10. **Zone 2.5 Main Improvement** in PHWD – This project upgraded most of the mains in the area from existing 21/2 inch PVC, 4, 6, and 8 inch AC to 12 inch DIP allowing for a pressure and flow increase and also provide a northern transmission quality and seismically hardened connection to Zone 3

11. **Neary Tank Utilization Project** and seismic retrofit project with PHWD--- As part of this project, Neary Tank 2 was seismically retrofitted to withstand a 975-year earthquake and provide adequate water for fire fighting. This design was to provide a higher level of motion than essential structures in California and correlates to the recently completed design criteria of the SFPUC Hetch Hetchy Seismic Upgrade Project. The seismic improvements included installing a foundation underneath the tank, anchoring the tank to the foundation and welding additional support to the tank interior.

12. **Page Mill seismic upgrades** for fire protection in PHWD-- Project enabled by the LAHCFD-funded intertie with the City of Palo Alto that allowed the tank to be out of service for the duration of the project. The intertie provides a necessary redundancy for our Zone 4 and has been used on numerous occasions.

13. **Deer Creek and Altamont Generator Projects** with PHWD – These two projects consisted of the installation of a dedicated diesel generator at both the Deer Creek and Altamont pump stations. Prior to the installation, the district used portable generators to supply back up power.

14. **Community Emergency Response Team Program, CERT** – training provided for approximately 200 CERT members and supervisors. Maintain a CERT Arc trailer with emergency supplies

15. **Partner with LAH Town, City of Los Altos and Fire Department** to provide classes, neighborhood network and training to residents in personal emergency preparedness, CERT and refresher training, Cardio Pulmonary Resuscitation; participate in Disaster Council tabletop evacuation exercise

16. **Publication of articles** in Los Altos Hills “Our Town” quarterly newsletter and direct mailings informing residents of fire safety issues and LAHCFD
recommendations; development of brochures for mailing and handouts at community events

17. **Creation of comprehensive Orientation Materials** package for new LAHCFD commissioners explaining history, organization, processes, and related agencies

18. **Hired part-time General Manager** to manage and administer the District’s operations, projects and programs, fiscal operations and daily activities, contract consultants; vendors and local partner activities; enhance public outreach, education and communications; create systems and best practices; review and develop policy, practices and procedures for an efficient and effective delivery of service

19. **Revised Commission Agenda** format to include written Agenda Report Summaries (aka Staff Reports) and written General Manager Reports for public transparency and to develop a record of policy decisions, fiscal impacts and options and actions taken by the Board

20. **Developed a more robust budget process and Budget Narrative document** to provide transparency to the public of revenues, expenditures, operating funds and accounts; provides an Introduction and Budget Overview; links to the District’s Strategic Plan Goals and Objectives; provides rationale for each account fund allocations

21. **Purchase of insurance protection** for the District and Board of Commissioners for CGL and property coverage through FAIRA (Fire Agencies Insurance risk Authority)

22. **Developed LAHCFD Website** content about Fire District, Mission, Board of Commissioners, Strategic Plan, Resident Programs, Emergency Preparedness, Online Forms, Contact Us communications to the District, Agendas and Minutes, Financial Reports, FAQs, Calendar and Find Public Document index

23. Developed a LAHCFD.org email system for communications, responses to residents, public, agencies and staff

24. **Public transparency** - Produce meeting agendas, Staff Reports, materials and minutes, budget documents; create online forms for tree and brush removal requests; Contact Us page for communications to District and General Manager; links to Fire Department and emergency preparedness materials, schedules and information; responses to Public Records Requests

25. **Scanning and secure storage** for all current and archived District documents, agenda, resolutions, minutes, contracts and Agreements; District is in the process of scanning and securing its paper files
Los Altos Hills County Fire District

Minutes of a Special Meeting of the Los Altos Hills County Fire District Board Members, Held on Tuesday, July 25, 2017, Beginning at 7:00 p.m. at the El Monte Fire Station, Foothill College Campus, 12355 El Monte Road, Los Altos Hills, California

President called the meeting to order at 7:00 p.m.

1) Roll Call: PRESENT: Commissioners

ABSENT: None

ALSO PRESENT:

2) Public Comment: A resident from Sherlock Road expressed her appreciation of the Fire Departments’ handling of the recent fire in Byrne Preserve on July 20, 2017. She mentioned the open space area and importance of fire roads. , City Manager of Los Altos Hills, complimented the Fire Department on their quick response in extinguishing the Byrne Preserve fire. He explained how many resources were used to quickly contain the fire. He handed the Chief written notes of thanks. asked for a round of applause for the courageous fire department and their expert handling of this fire.

3) Resolution of the Board of the Los Altos Hills County Fire District Adopting Weed Abatement Report and Ordering Cost of Abatement to be a Special Assessment on the Respective Properties, Resolution 17-13: , inspector for the Weed Abatement Division, explained the properties on the list are monitored for three consecutive years and program information is sent to all residents on the list. He explained the weed abatement program stating the minimum fee charged to the resident is $60.00. thanked Mr. for his presentation.

Action: The public hearing was opened. No members of the public spoke. The public hearing was closed. A motion was made by Vaughn to approve the resolution of the Board of the Los Altos Hills County Fire District adopting weed abatement report and ordering cost of abatement to be a special assessment on the respective properties; seconded the motion. All in Favor: Commissioner . Opposed: None.

4) CERT Report: a.) Calendar of Events for July/August: pointed out the calendar of events and the CERT meeting and training occurring in August. CERT training program is managed by the Office of Emergency Management; Deputy Director of
Emergency Management, is the contact person. Personal Emergency Preparedness training would remain in the Community Education Services Division. Assistant Deputy Director, is the contact.

5) Chief’s Report: a.) Monthly Report for June, 2017 Chief discussed the handout distributed with response times in excess of 8 minutes in date range of June 4-June 26. Chief discussed the grass fire that occurred on Altamont Road at Black Mountain on July 20, 2017. The fire occurred in Byrne Preserve near Westwind Barn. It was a field mower that struck a rock and ignited the fire. Grasses are ready, available fuel. The Battalion Chief responded from the El Monte Station.

Battalion Chief gave an overview of the entire fire. He listened to several radio frequencies and was assisted by helicopters, aircraft and bulldozer support. Cal Fire added support with a helicopter and hand crews. Rescue 74 was assigned to fire-watch that evening and early morning. Engine 374 continued checking the area for hot spots. mentioned the need to contact the Sheriff’s Department so that they can provide traffic control.

6) Consultant Report: a.) Projects Update Dated July 1, 2017 stated the chipping program area 1-6 finished in June and was to begin again in areas 1-6, July through December. The tree program area 3 & 4 is 59% completed and should finish up in September. The hydrant program originally had 124 hydrants to be replaced. Two hydrants on Duval Way were not to be changed at this time due to the Purissima Hills Water District capital improvement project on that street. A hydrant on Duval Way developed a leak – the hydrant was shut off and is out of service. Estimates were given for repair or replacement; replacement was recommended. Farwell said the estimated cost of the replacement is $12,800. The Commissioner consensus was to replace the hydrant. This will be accomplished with a change order.

7) Resolution of the Board of the Los Altos Hills County Fire District Declaring Brush Growing on Certain Described Properties To Be A Public Nuisance and Potential Fire Hazard and Setting Hearing for Objections to Proposed Removal. Resolution 17-14: made a motion to approve the resolution of the Board of the Los Altos Hills County Fire District declaring brush growing on certain described properties to be a public nuisance and potential fire hazard and setting September 19 at 7:00 p.m. for the hearing for objections to proposed removal; seconded the motion. All in Favor: . Opposed: None. Warren questioned whose responsibility was the freeway 280 corridor for brush/weed abatement? He sees it as a hazard. Public member suggested a letter be written to the proper State representative, offered to follow up with Caltrans.

8) Resolution of the Board of Commissioners of the Los Altos Hills County Fire District Authorizing Execution of Professional Services Agreement for Removal and Trimming of Trees in Areas 5 & 6 of the District: Resolution #17-15 Tyson explained the program. He discussed how the project was advertised, how request for proposals were solicited and the intricacies of the RFP Assessment as outlined in the Tree Subcommittee Report-Trees Program – RFP Assessment Areas 5&6. He explained that the program was to reduce the fire load in our
District. reviewed details about the RFP process, ascertaining that the proposers were qualified and arriving at the recommendation using a profile which included the following criteria: firm profile, background 20%, key personnel and staffing 20%, approach to scope of work 20% and cost proposal 40%. This was a methodical process and one not just based on price. stated he reached out to the Foundation for Fair Contracting regarding the bid protest/advisory they had submitted on July 19, 2017. He referenced the OSHA Inspection Detail they provided.

summarized the bid protest letter that was submitted today July 25, 2017). expressed that the WCA letter stated it was an unbalanced bid and they did not feel the work could be done under the prevailing wage classification.

opened the hearing up to the Commissioners to comment. Comments included: a history with , meeting the District's needs with their skills and organization, using proper equipment, responding to our requests and coming in consistently at a lower cost. opened up the public hearing for public comment reminding the audience of the three minute time frame to speak. Members of LiUNA!, the Laborers’ International Union of North America, individually spoke. , business manager for Laborers Local 270, was the first to speak and stated his organization felt that did not comply with fair, prevailing wage costs associated with this project. He mentioned his organization contracts with 400 organizations in California. Other public speakers voiced concerns such as: look at prevailing wage and see where disparity comes from, quality of work, prevailing wage essential for working families struggling, workers compensation-profit-overhead. Resident expressed that was well managed, has proper equipment and experienced personnel.

, spoke and stated his company was a fourth generation family business. Many of his workers had been with the company over 15 years; they ramp up their skill set and work with the tree contractors. They have a safety program and training program. They meet or exceed prevailing wage.

Further comments included: union labor go to labor school for safety and accuracy, importance of organized labor to live in this valley, possibly mis-classifying workers, responsible bid is not always cheapest bid, lowest bidder is not always responsible bidder, want District to relook at the proposals.

summarized all that was said reviewing the major points of the public speakers. He emphasized that had been efficient, courteous and may be less expensive because they are local. He stated he believes it is a fair proposal. An information card from the Foundation for Fair Contracting listing Craft, Classification and Area was distributed by public member . expressed that rate and job classifications will be checked.

expressed was glad that the audience came to this; he likes to see the competition and is very willing to listen. He is agreeable to look into their concerns.

likes the idea to look at the data; she is prepared to vote.
felt we had received the best result at the lowest price. He wanted to move forward on
the item with the proviso to look into rate and job classification.

**Action:** Motion made by [name] approve resolution #17-15 of the Board of Commissioners of
the Los Altos Hills County Fire District Authorizing Execution for a professional services
agreement for removal and trimming of trees in area 5 & 6 of the District with [company].
Company conditioned upon the District’s confirmation, within thirty (30) days, that the
appropriate prevailing wage rate and classification were used. [name] seconded the motion.

**All in Favor:** [name], [name], [name] 

**Opposed:** None.

9) **Resolution of the Los Altos Hills County Fire District Approving and Authorizing
Execution of Agreement Between the Los Altos Hills County Fire District and [name]**
Resolution #17-16 [name] explained the change in the prior agreement distributed. [name] billing rates will increase beginning September 1, 2017. There is a change in professional services that require a change in fault and indemnification. It is current now but is expected to change again.

**Action:** [name] made a motion to approve Resolution #17-16 a resolution of the Los Altos Hills
County Fire District approving and authorizing execution of agreement between the Los Altos
Hills County Fire District and [name] for Consulting Services; [name] seconded the motion. 

**All in Favor:** [name], [name], [name] 

**Opposed:** None.

10) **Resolution of the Board of Commissioners of the Los Altos Hills County Fire District
Authorizing Execution of Agreement with [name] for Professional Consulting Services Related to Management of Proposed Fire Flow Improvement Projects.**
Resolution 17-17 [name] summarized the District’s desire to hire [name] Inc. to assist the District in developing a plan to responsibly fund water fire flow improvement projects that would improve public safety. 

**Action:** Motion was made by [name] to approve Resolution 17-17 a resolution of the Board of Commissioners of the Los Altos Hills County Fire District authorizing execution of agreement with [name] for professional consulting services related to Management of proposed fire flow improvement projects; [name] seconded the motion. 

**All in Favor:** [name], [name], [name], [name] 

**Opposed:** None.

11) **Resolution of the Los Altos Hills County Fire District Amending Resolution 15-6 and
Committing Funds for Fiscal Year 2017-18:** Resolution 17-18 

**Action:** [name] made a motion to approve Resolution #17-18 of the Los Altos Hills County Fire District Amending Resolution #15-6 and Committing Funds for Fiscal Year 2017-18; [name] seconded the motion. 

**All in Favor:** [name], [name], [name], [name] 

**Opposed:** None.

12) **Sub-Committee, Contract and Non-Board Committee Reports:**
a) Strategic Plan: Spreen discussed the First Draft Management Position dated July 13, 2017. The Strategic Plan Committee said this individual should have knowledge of what the Brown Act entails also add Risk Management and Compliance to the list of responsibilities. Where
should they go from here? The Commission discussed the idea of the position being part-time or full-time; how many hours per week? What are the costs? The Clerk explained that the Commission thus far had never had a General Manager; the Commission President and Finance Officer always played a significant role along with the Fire Consultant and District Clerk. said the District has expanded its' duties necessitating a possible General Manager. suggested a consultant with a similar contract to the Fire Consultant, Clerk and Finance Consultant. felt it would be a full-time position. felt half or three-quarter time position and said to begin with half-time position and build from there if necessary. The consensus was to form a new committee, hiring committee, consisting of reviewed the two page summary of the June 2, 2017 strategic plan meeting. She said the next strategic plan elements to work on was the salary survey and the need for a Commissioner orientation program. b.) Website Update: There was no update for the District website.

c.) Water Supply Subcommittee Update: Discussed previously under item 10. Agreement with

d.) Tree Subcommittee Report: reviewed his Tree Subcommittee report for July 25, 2017. He discussed the future of tree trimming and removal with recommendations based on experience from the past three phases of RFP's. He suggested a new phase might be implemented which would include broader means of solicitation for tree removal/trimming; trees to be assessed by an Arborist; Arborist establishes a price for a suitable number of trees; the bundle of trees will be offered to a Preferred Tree Company which will have been previously identified and a contract established; initial term of process will be one year; NOTE: this is one approach to deal with future tree work and the tree subcommittee solicits ideas on other approaches. It is suggested to try this for one year. He wants the Board to think about it. Chief stressed the importance of vegetation management; brush/grass this time of year is of significant concern. It is vegetation/fuel management that is essential. Looking at the location and topography and what areas pose the most risk.

The next steps of the Tree Committee include a report on the progress in Areas 5&6 and presenting a formal proposal for future management of tree removal.
Public member commented that the competitive bidding process has worked in our favor; we have saved money by doing it this way.

e.) Community Wildfire Protection Plan Sub-Committee Update: needs to speak to the City Council explaining what a community wildfire protection plan is and the benefits of such a plan. Wrote stated he wants a review of the Byrne Preserve Fire and evaluate our programs and how they have helped. What have we learned?

f.) Current Contracts: None.

13) Consent Calendar: a.) Minutes of June 20, 2017

b.) Period Report 12, June 2017

Action: A motion was made by to adopt the minutes of June 20, 2017 as submitted; Spreen seconded the motion. All in Favor: and Opposed: None.

b.) Period Report 12, June 2017. Cori Vargas asked that on Page 6 & 7 the date July 2016 through May 2017 be changed to: July, 2016 through June, 2017. Motion was made by
to approve amended Period Report 12, June, 2017; [ ] seconded the motion. All in Favor: [ ] Opposed: None.


15) Board Member Reports: [ ] asked that the Commissioner’s read the letter from resident [ ] concerning CERT coverage areas and sphere of influence for a later discussion.

16) Adjournment. By consensus, the next meeting of August 15, 2017 was cancelled; the next regular meeting will be September 19, 2017. Also by consensus the meeting was adjourned at 9:55 p.m.

Prepared by,

[ ] District Clerk

Approved 9/19/17
Los Altos Hills County Fire District

Minutes of a Regular Meeting of the Los Altos Hills County Fire District Board Members, Held on Tuesday, September 19, 2017 Beginning at 7:00 p.m. at the El Monte Fire Station, Foothill College Campus, 12355 El Monte Road, Los Altos Hills, California

President called the meeting to order at 7:00 p.m.

1) Roll Call: PRESENT: Commissioners

ABSENT: Commissioners

ALSO PRESENT: Fire Chief, Fire District Attorney, Financial Consultant, Fire Consultant

Public Comment: There was no public comment.

3) Resolution of the Board of the Los Altos Hills County Fire District to Proceed with the Abatement of Brush. Resolution 17-19: President stated there was no public nuisance or brush violators and therefore nothing for the County Fire Marshal to abate.

Action: made a motion to approve the resolution of the Board of the Los Altos Hills County Fire District to proceed with the abatement of brush; seconded the motion. All in Favor: Commissioner . Opposed: None.

4) Review and Possible Acceptance of the 2016/17 Audit: distributed a two page list of proposed changes to the 2016/17 audit. did a brief review of the audit mentioning the U.S. Standards and the Government Auditing Standards. He stated there were no findings and it was a clean report. introduced who would be taking his place for the 2017/18 audit season. asked for comments from the Commissioners and comments from the public; there were no comments.

Action: made a motion for conditional approval of the draft 2016/17 audit incorporating the proposed changes as recommended by . seconded the motion. All in Favor: ; Opposed: None

5) CERT Report: a.) Ham Radio Proposal. The Commissioners discussed the memo written by , Director of Emergency Management, regarding one-time funding of $1,700 for ham radios and on-going funding of $700 per fiscal year. These radios would be for LAHCFD CERTS that have received their Technicians Ham Radio License. They would be required to pass the FCC Ham Radio License, enroll in the RECON Orientation Class, followed by two annual field operations training drills. Action: Motion made by to approve the one-time funding of $1,700 and on-going funding of $700 per fiscal year for ham radios for those CERT members who qualify; seconded the motion. All in Favor: ; Opposed: None.
b.) CERT Calendar August/September: [redacted] mentioned the meeting and training that had occurred in August as well as the upcoming CERT Supervisor meeting and PEP class.

c.) Spotlight Quarterly Report: [redacted] spoke about the CERT Supervisor Incident Command System and emphasized that CERT leadership remains committed to the Community even with the transitory loss. She mentioned continuing to build depth through mentorship. [redacted] discussed the time commitment of the CERT Supervisors: graduating from a LAH CERT Supervisor Academy, attendance at 10-12 CERT Supervisor meetings a year, trained in Incident Command System (ICS) and run drills at various events and exercises.

There will be an annual October Drill for LAHCFD CERT on October 7 from 9 a.m.-12 p.m. Those in attendance will receive dated stickers. [redacted] thanked [redacted] and [redacted] for their attendance at this meeting and summary of recent and ongoing events. The Fire Safety flyer just produced by [redacted] contains a detailed list of upcoming PEP classes and CERT Academies. This flyer was mailed to every LAHCFD resident and is up on the website. Praise was given for the colorful, clear graphics and useful contents listing emergency notification phone numbers and how the LAHCFD serves the residents.

b.) Monthly Report for August, 2017  
Chief [redacted] introduced Battalion Chief [redacted] who will be at the El Monte Station. He discussed the bathroom fire that occurred on Estacada Drive in July and the vehicle fire that occurred in August.

7) Consultant Report: a.) Projects Update Dated September 1, 2017. [redacted] stated that brush chipping phase one and two had been completed. Phase VIII of the hydrant replacement program was completed as of August 31, 2017 and all hydrants are in service. A fire hydrant lifespan is 50 years.

8) Resolution of the Board of Directors of the Los Altos Hills County Fire District  
Accepting as Completed the Work of the Fire Hydrant Replacement Project Phase VIII, Authorizing Final Payment Concerning Such Work, and Directing the District Clerk to File a Notice of Completion: Resolution #17-21  
Action: [redacted] made a motion to approve the resolution of the Board of Directors of the Los Altos Hills County Fire District accepting as completed the work of the Fire Hydrant Replacement Project Phase VIII, authorizing final payment concerning such work and directing the District Clerk to file a notice of completion.

All in Favor: [redacted]  
Opposed: None.

9) Resolution of the Board of the Los Altos Hills County Fire District Adopting a Records Retention Schedule and Authorizing Destruction of Certain District Records. Resolution #17-20  
The District Clerk gave a brief summary of the update to the records retention schedule and the records retention time limit for certain records scheduled to be destroyed. Action: [redacted] made a motion to approve Resolution #17-20 a resolution of the Board of the Los Altos Hills County Fire District adopting a records retention schedule and authorizing destruction of certain District records; [redacted] seconded the motion. All in Favor: [redacted]  
Opposed: None.
10) **Sub-Committee, Contract and Non-Board Committee Reports:**
a.) Strategic Plan – Update from August 25, Ad Hoc Meeting gave a summary of the ad hoc committee meeting that occurred on August 25. He referred to the agenda and minutes from the meeting discussing the purpose of an orientation for new commissioners, importance of knowing the historical background of the District and knowledge of the Brown Act/Rosenberg Rules. He spoke of a written guide for commissioners.

**discussed the consultant compensation assessment he had composed and updated September 6, 2017.** The seven page document contained methodology, compensation conclusions, descriptions of positions and a salary and benefits analysis. He used the California Special Districts Association Salary and Benefits Survey (2015/16) to assist in the analysis. He looked at three consultant positions: Fire Consultant, Accountant and Clerk and concluded with a summary of salary assessment.

b.) Website Update: stated this item could be removed from future agendas.

c.) Water Supply Subcommittee Update: Currently is conferring with California Water Service Company and Purissima Hills Water District; stated we should have an update for the October meeting.

d.) Tree Subcommittee Report: gave the following update on Area 3 & 4: 332 trees had been removed, 105 eucalyptus trees trimmed, 37 eucalyptus trees removed. referred to the updated tree subcommittee report dated “for the September 19, 2017 LAHCFD Board Meeting”.

He explained the process he used to confirm that was paying prevailing wage and properly classifying employees. He reviewed records and did not find anything amiss. noted a key argument in support of continuing the recent competitive bidding process has been for the cost savings that have resulted. A counter-argument is that these savings have been driven by a different mix of trees being removed now compared to the early stages of the process noting that a given tree removal can range from $300 to $8,000. He reviewed the Tree Subcommittee recommendations which included that each tree be assessed by an Arborist to ensure that it qualifies according to LAHCFD standards. A contract to begin work in Area 5 & 6 was completed. In October the Commission should vote on a formal proposal for the future management of tree removal. asked for comments relating to the tree program.

mentioned that many trees being cut down are not addressing fire prevention; let’s do things that matter from a fire prevention point of view. suggested using a card as a reminder, mailing out directly; or, possibly doing a marketing campaign or putting it on the website. felt a review every six months would be in order. felt it would be helpful to provide zone/area maps to people. Public member said people should use CERT zones as an identifier. Public member said he is in favor of the competitive bidding process.

e.) Community Wildfire Protection Plan Sub-Committee Update: is going to reschedule a meeting with City Council to discuss the community wildfire protection plan.

f.) Current Contracts: None.

g.) General Manager Subcommittee Update: discussed the GM Subcommittee Report dated “for the September 19 Board Meeting”. The subcommittee agreed to begin with a 20 hour a week position. Since this is a new position the hours may increase. He stated he spoke with the company which is an organization dedicated to providing a range of services to organizations like LAHCFD. They also looked at a potential applicant pool and had informal conversations with such candidates. summarized the Team Recommendations including: begin the process without an external recruiting agency, checking with the County for any
possible restrictions, compensation based on qualifications, propose interview process be done by sub-committee and possibly bring the candidate to the November 19 Board Meeting with a projected start date of January 1, 2018. asked for Commissioner and public input. mentioned the skill set is broad and there is no mentor for this position. He questioned where the office location would be and the individual having a District-issued cell phone. stated a new budget item would have to be made. Action: made a motion that the Commission direct the GM sub-committee to move forward with the interview process with the intent of bringing a potential candidate to the November 19, meeting; seconded the motion. All in Favor:  Opposed: None.

11) Consent Calendar: a.) Minutes of Special Meeting July 25, 2017
b.) Period Report 1, July 2017
c.) Period Report 2, August, 2017

Action: A motion was made by to approve the minutes of July 25, 2017 as submitted; seconded the motion. All in Favor:  Opposed: None.

Action: A motion was made by to approve Period 1 and Period 2 Report as submitted; seconded the motion. All in Favor:  Opposed: None.

12) Disbursements for August and September, 2017. handed out an updated disbursement list for September, 2017. stated the County had misplaced $500,000 in the Projects and Programs area of the budget. The Commission asked that send a letter to the County asking to correct this error.

13) District Board Authorization and Approval for . to Complete Necessary Repair Work, Including but not Limited to, Access to Fire Hydrant Valves, Resulting from the Road Paving Work Performed by the Town of Los Altos Hills. The street valve boxes need to be raised and the exact cost is unknown at this time. The Fire District historically has paid for this work after a paving project in the Town is completed. It was agreed that next year the Town should issue a change order or have included in the bid that they accept for paving work the cost of this valve-raising and the District can reimburse the Town for this specific line item of the project. After discussion, a motion was made. Action: made a motion to authorize and approve to do the necessary repair work for hydrant valve raising not to exceed $24,900; seconded the motion. All in Favor:  Opposed: None.

14) Board Member Reports: 1) Discussion of Public Fire Prevention Event: Chief and that County Fire would like to make it more broadly accessible in a shorter, more condensed version. Since the public member who attended the event was not present, asked if this item could be postponed until next meeting with an update from the Chief. 2) Discussion of Meeting Date Change in October: suggested the date of the next meeting remain as scheduled, October 17. also mentioned that there was one Commissioner
vacancy beginning January 1, 2018; also he asked the Commission to think about selecting a President in January, 2018.

15) **Adjournment:** By consensus, the meeting was adjourned at 9:10 p.m.

Prepared by,

[Redacted]
District Clerk

Approved 10/17/17
Los Altos Hills County Fire District

Minutes of a Special Meeting of the Los Altos Hills County Fire District Board Members, Held on Tuesday, March 20, 2018 Beginning at 6:00 p.m. at the El Monte Fire Station, Foothill College Campus, 12355 El Monte Road, Los Altos Hills, California

At 6:12 p.m. Commissioner called the meeting to order.

1a.) Roll Call:  
PRESENT: Commissioners  
ABSENT: Commissioner  
ALSO PRESENT: Fire District Attorney, District Clerk (for Open Session only)

2) Closed Session: Public Comment: There was no public comment on the Closed Session agenda item.

1.) Conference with Labor Negotiators (Government Code 54957.6) Direction to Negotiators Regarding Compensation for Position of General Manager (Attendees: District Commissioners, LAHCFD District Attorney)

3) Return to Open Session: At 6:45 p.m. the meeting returned to Open Session. There was no reportable action. Direction was given to the General Manager Subcommittee to proceed with contract negotiations.

4) Adjournment: The meeting was adjourned at 6:50 p.m.

Prepared by,

District Clerk

Approved 4/17/18
Los Altos Hills County Fire District

Minutes of a Special Meeting of the Los Altos Hills County Fire District Board Members, Held on Tuesday, May 15, 2018 Beginning at 6:30 p.m. at the El Monte Fire Station, Foothill College Campus, 12355 El Monte Road, Los Altos Hills, California

At 6:35 p.m. Commissioner called the meeting to order.

1a.) Roll Call: PRESENT: Commissioners ABSENT: None

ALSO PRESENT: Fire District Attorney , District Clerk (for Open Session only)

2) Closed Session: Public Comment: There was no public comment on the Closed Session agenda item.

1.) Conference with Labor Negotiators (Government Code 54957.6) Direction to Negotiators Regarding Compensation for Position of General Manager (Attendees: District Commissioners, LAHCFD District Attorney)

3) Return to Open Session: At 6:50 p.m. the meeting returned to Open Session. There was no reportable action.

4) Adjournment: The meeting was adjourned at 6:55 p.m.

Prepared by,

[Name]

District Clerk

Approved 6/19/18
Los Altos Hills Fire District

Procurement Policy and Procedures

Approved February 16, 2016

PROCUREMENT POLICY

The purpose of this policy is to demonstrate the Los Altos Hills County Fire District’s commitment to:

- Establish an open and competitive process for individuals and organizations that provide services and do business with the District
- Ensure fairness and equal access to business opportunities
- Promote the most cost-effective use of taxpayer dollars and District resources in its contracting and solicitation processes

To ensure that high-quality decisions are made regarding expenditures by LAHFD, the following represent the District’s Procurement Policy:

- Significant expenditures shall be brought to the Board with sufficient lead time to allow thoughtful discussion and decision-making.
- The greater the size of the expenditure (along with other factors), the greater the controls to be applied (e.g. competitive bidding).
- Once a purchasing decision has been made, it will be governed by the appropriate contract that specifies the cost and deliverables of the work planned.
- Once work is underway, the progress and cost tracking will be closely managed, with feedback to the Board at an appropriate frequency and level of detail. This will continue until the project is closed and all invoices have been received.

The Commission requires the continuing services of professional skill sets to which this Policy does not apply. These contracts will be reviewed annually at the March meeting.

PROCUREMENT PROCEDURES

Note: None of the following procedures are intended to conflict with law.

1. One of three levels of contractual action are anticipated:
   a. Less than or equal to $10,000
   b. Between $10,000 and $300,000
   c. Greater than $300,000
2. For the three levels of contractual responsibility, the following actions may be taken:

   a. The District President is authorized, with a limit of $10,000, to take emergency action to contract to resolve issues of immediate need. Should such a situation occur, the action must be either pre- or post-approved by a vote of the District’s Board.

   b. For contractual values between $10,000 and $300,000, new or renewal contracts will normally be subjected to a competitive bidding process. However, the actual contractual process shall be decided by the Board.

   c. For contractual values greater than $300,000, a competitive bidding process shall be required except, the Board may, by a majority vote, decide to issue a contract without competitive bidding.

   d. It is expected, that in the case of a non-competed procurement effort in either b. or c. above, that due diligence by the Board shall ascertain that the bid value is within a competitive range that has been paid for similar or equal services by the same or other agencies.

3. The District’s Clerk should agendize the anticipated end of a contract at 1 year, 6 month and 3 month intervals before an expected contract end date (applies to all of the District’s contractual obligations).

The purpose of this is to bring the impending termination of an existing contract to the attention of District’s Commission members well in advance of the actual event to allow them to prepare for and organize an appropriate action.

4. The District then has the following action options:

   a. Do nothing at that time

   b. Prepare to extend the performance date of an existing contract (up to a maximum of 2 times)

   c. Prepare to renew the contract with the same or new terms

   d. Prepare to re-compete the contractual effort
5. Once a contract has been approved, the Board expects to be regularly apprised of the status of the work covered by the contract.
   
   a. A monthly update shall be presented at a Board meeting covering any ongoing project that has a contract value of greater than $10,000 and an expected duration of greater than three months.
   
   b. This report shall give the Board sufficient information to determine if the contract is proceeding according to plan with respect to spending, schedule, and quality. Elements that should be included are: Program Name, Description, Service Provider, Start and End Dates (both planned and projected), Spending to Date, and Estimated Cost at Completion. Additional areas may be added to reflect details particular to a given contract. A graphical presentation is suggested as a means of reporting these data clearly.

6. Looking more generally at the issues covered by these Procedures, the following are considered to be “best practices” for Procurement
   
   a. Formalizing expenditures with a contract, which specifies responsibilities, pricing, quality, liabilities, and termination.
   
   b. Close monitoring of invoices, with comparison to contract terms and tracking of the deliverables that have been completed.
   
   c. Regular communication with the contractor, providing feedback on service levels, change control, and any other performance issues.
   
   d. Dual or multiple sourcing. This provides pricing competition as well as continuity in the event that one supplier has a business issue of any kind. The ideal case is to have two or more suppliers that can meet all needs, with the actual work apportioned according to ongoing pricing and service quality. A less preferred approach is one where at least two suppliers have significant overlap of capabilities, so the size of their total business is at risk, even if specific activities are not (example: tree work requiring large cranes). A least preferred approach is one where there is no overlap of these responsibilities, as the pricing and continuity benefits are reduced.
   
   e. An open contracting process that results in strong levels of competition (normally through an RFP). This not only gives the District the benefit of best pricing/service, it also reassures the public that these goals are being achieved.
November 10, 2012

Los Altos Hills County Fire District
P.O. Box 1766
Los Altos, CA 94023-1766

Re: [Redacted] Conflict of Interest

Dear President [Redacted] and Board of Commissioners:

The Los Altos Hills County Fire District ("District") wishes to enter into contracts with [Redacted] for tree work within the District. This firm serves as the District's counsel, and also represents [Redacted] in corporate matters.

Rule 3-310(c) of the Rules of Professional Conduct of the California State Bar provides:

“A member shall not, without the informed written consent of each client... accept representation of more than one client in a manner in which the interests of the client actually conflict.”

Historically, District and [Redacted] both have agreed to waive any conflicts with each other regarding the entering into of contracts between [Redacted] and District. We are, therefore, requesting that both District and [Redacted] waive any actual or potential conflict of interest in this firm's representation of District and [Redacted] with respect to these contracts. If any actual dispute between District and [Redacted] arises, this firm would not continue to represent either party.
Los Altos Hills County Fire District
November 10, 2012 - Page 2

I would appreciate your signing the copy of this letter and returning it to us to acknowledge the District's agreement to the terms of this letter. We will also procure a similar letter from [redacted].

Sincerely,

[Signature]

Acknowledged and Agreed

By: [Name], President
Los Altos Hills County Fire District

Enclosures
RESOLUTION NO. 18-16

RESOLUTION OF THE LOS ALTOS HILLS COUNTY FIRE DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT BETWEEN
THE LOS ALTOS HILLS COUNTY FIRE DISTRICT AND [REDACTED]
CO., INC. FOR BRUSH AND WOOD CHIPPING

WHEREAS, the Board of the Los Altos Hills County Fire District ("District")
entered into an Agreement dated June 20, 2017, for chipping combustible brush
and wood cuttings with [REDACTED] ("Contractor"); and

WHEREAS, the Agreement was to run for two Fiscal Years ("FY"): 2017/2018 and 2018/2019;

WHEREAS, the demand for brush chipping services was much greater in
FY 2017/2018 than it has been in previous years.

WHEREAS, the District believes the increase in District residents using
the program stems from the devastating fires in the Napa and Sonoma Counties
and the increased awareness of fire danger after the tragic events;

WHEREAS, the District and Contractor agree that for the accounting and
convenience purposes it is best to separate the two year contract, which was
approved on June 20, 2017, it would be best for a new agreement to be entered
into for FY 2018/2019;

WHEREAS, the District now desires to enter into a new agreement for
Brush and Wood Chipping Services effective July 1, 2018, for a term of one year;
and

WHEREAS, the District has read and considered that certain new
Agreement between the District and Contractor for Brush and Wood Chipping
Services ("Agreement") which is attached hereto as Exhibit A.

NOW, THEREFORE, the District Board does RESOLVE as follows:
1. Public interest and convenience require the District to enter into the new Agreement described above and attached hereto as Exhibit A.

2. The District hereby approves the Agreement and the District Board President is hereby authorized on behalf of the District to execute the Agreement attached hereto.

PASSED AND ADOPTED this 19th day of June, 2018.

By:  
[Signature]

Board President

ATTEST:

[Signature]

District Clerk
AGREEMENT BETWEEN THE LOS ALTOS HILLS COUNTY FIRE DISTRICT AND S.P. MCCLENAHAN CO., INC. FOR BRUSH AND WOOD CHIPPING SERVICES

This Agreement for Brush and Wood Chipping Services is made and entered into on June 19, 2018, by and between the LOS ALTOS HILLS COUNTY FIRE DISTRICT ("District") and Contractor ("Contractor"). In consideration of their mutual covenants, the parties hereto agree as follows:

Recitals

A. The District desires to retain the services of Contractor to perform brush and wood chipping and related services at residences and as specified by the District or the District's authorized agent; and

B. Contractor represents that it is fully qualified to perform such services by virtue of its experience and the training, education, and expertise of its principals and employees.

NOW THEREFORE, in consideration of performance by the parties of the promises, covenants and conditions contained herein, the parties hereby agree as follows:

1. SCOPE AND LEVEL OF SERVICES. Contractor shall provide or furnish the following services and/or materials:

   a. Within five (5) working days from receipt of verbal or written notification, by the District or its authorized agent, Contractor shall chip combustible brush and wood cuttings up into four inches (4") in diameter. The owner of the property to be serviced shall place brush to be chipped in their driveways or adjacent to road to facilitate chipping.

   b. The District or its authorized agent shall inform Contractor at the time it notifies Contractor of work to be performed at a property, whether the chipped material shall be left at the property to be serviced, or taken by Contractor to another site designated by the District or its authorized agent. Contractor is responsible for ensuring that the chipped material is delivered to the appropriate location at the direction of the District, or its authorized agent.

2. TERM. The services furnished under this Agreement shall commence on July 1, 2018, and shall expire on June 30, 2019, unless terminated at an earlier date pursuant to Paragraph 11 below.

3. COMPENSATION.

   a. Contractor shall submit a bill monthly on the last day of the month, to the District for all work performed to date, based on the rates set out in Paragraph 3.b. The District shall pay Contractor within forty-five (45) days of receipt of the bill, for all work that is satisfactorily performed.
b. Contractor’s rates under this Agreement are eighty dollars ($80.00) per hour, portal to portal, for Chipper Operator, twenty dollars ($20.00) per use hour for Brush Chipper and fifteen dollars ($15.00) per cubic yard for the hauling of chips not left on-site.

c. In no event shall the Contractor bill, for work performed under this Agreement, the District more than Three Hundred Forty-Five Thousand Dollars ($345,000.00) in any fiscal year, without the prior written approval of the District’s Board of Directors.

4. COMPLIANCE WITH LAW. All services rendered hereunder by Contractor shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the District, and any federal, state or local governmental agency having jurisdiction in effect at the time the service is rendered. Such compliance with the law shall include, but not be limited to, compliance with any and all applicable prevailing wage regulations and Department of Industrial Relations concerning registration of subcontractors.

5. INDEPENDENT CONTRACTOR. Contractor is, and shall at all times remain as to the District, a wholly independent contractor and not an agent or employee of District. Contractor shall receive no premium or enhanced pay for work normally understood as overtime, nor shall Contractor receive holiday pay, sick leave, administrative leave, or pay for any other time not actually worked. The intention of the parties is that Contractor shall not be eligible for benefits and shall receive no compensation from the District except as expressly set forth in this Agreement. Contractor shall have no power to incur any debt, obligation, or liability on behalf of the District or otherwise act on behalf of the District as an agent. Neither the District, nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall at no time, or in any manner, represent that it or any of its agents or employees are in any manner employees of the District. Contractor agrees to pay all required taxes on amounts paid to Contractor under this Agreement, and to indemnify and hold the District harmless from any and all taxes, assessments, penalties, and interest asserted against the District by reason of the independent contractor relationship created by this Agreement. Contractor shall fully comply with the worker's compensation law regarding Contractor and Contractor's employees. Contractor further agrees to indemnify and hold the District harmless from any failure of Contractor to comply with applicable worker's compensation laws.

6. CONFIDENTIALITY. Contractor, in the course of its duties, may have access to financial, accounting, statistical and personal data of private individuals and employees of the District. Contractor covenants that all data, documents, discussion, or other information developed and received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Contractor without written authorization by the District. The District shall grant such authorization if disclosure is required by law. Upon request, all District data shall be returned to the District upon the termination of this Agreement. Contractor's covenant under this Section shall survive the termination of this Agreement.
7. **CONFLICT OF INTEREST.** Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Contractor under this Agreement, or which would conflict in any manner with the performance of its services hereunder. Contractor further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Contractor shall avoid the appearance of having any interest which would conflict in any manner with the performance of its services pursuant to this Agreement. Contractor agrees not to accept any employment or representation during the term of this Agreement which is or may make Contractor "financially interested" (as provided in California Government Code Sections 1090 and 87100) in any decision made by the District on any matter in connection with which Contractor has been retained pursuant to this Agreement. Nothing in this section shall, however, preclude Contractor from accepting other engagements with the District.

8. **ASSIGNABILITY; SUBCONTRACTING.** The Parties agree that the expertise and experience of Contractor are material considerations for this Agreement. Contractor shall not assign, transfer, or subcontract any interest in this Agreement, nor the performance of any of Contractor's obligations hereunder, without the prior written consent of the District, and any attempt by Contractor to do so shall be void and of no effect and a breach of this Agreement.

9. **INDEMNIFICATION.**
   a. To the fullest extent permitted by law, Contractor shall indemnify, defend (with independent counsel approved by the District) and hold harmless the District, and its elective or appointive boards, officers, employees and volunteers against any claims, losses, or liability that may arise out of or result from damages to property or personal injury received by reason of, or in the course of work performed under this Agreement due to the acts or omissions of Contractor or Contractor's officers, employees, agents or subcontractors. The provisions of this Section survive completion of the services or the termination of this Agreement. The acceptance of such services shall not operate as a waiver of such right of indemnification.

   b. The District does not and shall not waive any rights that they may possess against Contractor because of the acceptance by the District or the deposit with the District of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

10. **INSURANCE REQUIREMENTS.** Contractor agrees to have and maintain the policies set forth in Exhibit A entitled "INSURANCE REQUIREMENTS," which is attached hereto and incorporated herein. All policies, endorsements, certificates, and/or binders shall be subject to approval by the District's Attorney as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by the District's Attorney. Contractor agrees to provide District with a copy of said policies, certificates, and/or endorsements before work
commences under this Agreement. A lapse in any required amount or type of insurance coverage during this Agreement shall be a breach of this Agreement.

11. **TERMINATION.**

   a. Prior to the expiration of the Term of this Agreement, the District may terminate the Agreement, with or without cause, following twenty (20) days written notice of intention to terminate. In the event the Agreement is terminated, Contractor shall be paid for any services properly performed and authorized to the last working day the Agreement is in effect and Contractor shall not be entitled to any other compensation. Contractor shall substantiate the final cost of services by an itemized, written statement submitted to the District. The District's right of termination shall be in addition to all other remedies available under law to the District.

   b. In the event of termination, Contractor shall deliver to the District copies of all reports, documents, and other work prepared by Contractor under this Agreement, if any. If Contractor's written work is stored electronically, Contractor shall, in addition to providing a written copy of the information shall provide the District with the electronic files. District shall not pay Contractor for services performed by Contractor through the last working day the Agreement is in effect unless and until Contractor has delivered the above described items to the District.

12. **CONTRACTOR'S BOOKS AND RECORDS.** Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, supplies, materials, or equipment provided to District for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Contractor pursuant to this Agreement. Contractor understands that the Public Records Act may apply to documents created under this Agreement and Contractor covenants and agrees to assist District in responding to Public Record Act Requests at no additional cost to District. Contractor agrees that the Contractor's covenants under this Section shall survive the termination of this Agreement.

13. **NON-WAIVER OF TERMS, RIGHTS AND REMEDIES.** Waiver by either party of any breach or violation of any one or more terms or conditions of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. Acceptance by the District of the performance of any work or services by Contractor shall not be deemed to be a waiver of any term or condition of this Agreement. In no event shall the District's making of any payment to Contractor constitute or be construed as a waiver by the District of any breach of this Agreement, or any default which may then exist on the part of Contractor, and the making of any such payment by the District shall in no way impair or prejudice any right or remedy available to the District with regard to such breach or default.

14. **EXHIBITS.** All documents referenced and attached as exhibits in this Agreement are hereby incorporated into this Agreement. The following attached exhibits are hereby made part of this Agreement: *Exhibit A: Insurance Requirements*
15. **NOTICES.** Any notices, bills, invoices, reports or other communications required or permitted to be given under this Agreement shall be given in writing by personal delivery, by facsimile transmission with verification of receipt or by U.S. mail, postage prepaid, and return receipt requested, addressed to the respective parties as follows:

To District:

President
Los Altos Hills County Fire District
P.O. Box 1766
Los Altos, CA 94023-1766

To Contractor:

Notice shall be deemed communicated on the earlier of actual receipt or forty-eight (48) hours after deposit in the U.S. mail, the date of delivery shown on deliverer's receipt, or by acknowledgment of facsimile transmission.

16. **NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY.** In the performance of this Agreement, Contractor shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental handicap, or medical condition. Contractor will take affirmative action to ensure that employees are treated without regard to race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental handicap, or medical condition.

17. **ATTORNEYS' FEES; VENUE.** In the event that any party to this Agreement commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which the successful party may be entitled. The venue for any litigation shall be Santa Clara County.

18. **COOPERATION.** In the event any claim or action is brought against the District relating to Contractor's performance or services under this Agreement, Contractor shall render any reasonable assistance and cooperation which District might require.

19. **PRIOR AGREEMENTS AND AMENDMENTS; ENTIRE AGREEMENT.** This Agreement, and any other documents incorporated herein by specific reference, represent the entire and integrated agreement between the District and Contractor. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by a written amendment duly executed by the parties to this Agreement.
IN WITNESS WHEREOF, the District and Contractor have executed this Agreement effective as of the date written above.

DISTRICT:

By: ____________________________
District President

CONTRACTOR:

By: ____________________________
Co., COO

EIN: ____________________________

ATTEST:

By: ____________________________
District Secretary
EXHIBIT A

(IN INSURANCE REQUIREMENTS)

Consultant shall procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to or interference with property which may arise from, or in connection with, the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees or subcontractors.

1. **MINIMUM SCOPE OF INSURANCE.** Coverage shall be at least as broad as:

   1.1 Insurance Services Office (ISO) Form No. CG 0001 covering Commercial General Liability on an "occurrence" basis, including products-completed operations, personal injury and advertising injury.

   1.2 Insurance Services Office Form (ISO) No. CA 0001 covering Automobile Liability, Code 1 (any auto), or if Consultant has no owned autos Code 8 (hired autos) and Code 9 (non-owned autos). If Consultant does not have Commercial Automobile Liability Insurance, he must show proof of Automobile Liability Insurance in accordance with Paragraph 2.2.

   1.3 Workers' Compensation Insurance as required by the Labor Code of the State of California and Employer's Liability Insurance.

   1.4 Errors and Omissions Liability Insurance appropriate to the Consultant's profession. Architects' and Consultants' coverage is to be endorsed to include contractual liability.

2. **MINIMUM LIMITS OF INSURANCE.** Consultant shall maintain limits no less than:

   2.1 Commercial General Liability. (Including products-completed operations, personal & advertising injury) One Million Dollars ($1,000,000) per occurrence. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

   2.2 Automobile Liability. One Million Dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

   2.3 Workers' Compensation and Employer's Liability. Workers' compensation insurance with Statutory Limits as required by the Labor Code of the State of California, and Employer's Liability Insurance with One Million Dollars ($1,000,000) per accident for bodily injury or disease.
2.4 Errors and Omissions Liability. One Million Dollars ($1,000,000) per occurrence or claim, Two Million Dollars ($2,000,000) aggregate.

3. DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductibles or self-insured retentions must be declared to, and approved by, the District. At the option of the District, either: the Consultant shall purchase insurance to reduce or eliminate such deductibles or self-insured retentions as respects the District, its officials, employees, agents and contractors; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the District. The District may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

4. OTHER INSURANCE PROVISIONS.

4.1 General Liability and Automobile Liability Coverages. The General Liability and Automobile Liability insurance policies required pursuant to Sections 1.1 and 1.2 shall contain the following provisions:

4.1.1 The District, its officials, employees, agents, contractors and volunteers are covered as additional insureds with respect to liability arising out of work or operations performed by, or on behalf of, the Consultant including materials, parts or equipment furnished in connection with such work or operations, and products and completed operations of the Consultant on premises owned, leased or used by the Consultant. The coverage shall be at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 23 37 if later versions used.

4.1.2 The Consultant’s insurance coverage is the primary insurance as respects the District, its officials, employees, agents, contractors, and volunteers. Any insurance or self-insurance maintained by the District, its officials, employees, agents, contractors, and volunteers shall be excess of the Consultant’s insurance and shall not contribute with it.

4.1.3 The Insurance Company agrees to waive all rights of subrogation against the District, its elected or appointed officers, officials, agents, and employees for losses paid under the terms of any policy which arise from work performed by the District’s insurer.

4.1.4 Coverage shall not be canceled by either party, except after thirty (30) days prior written notice (10 days for non-payment) by regular mail has been given to the District.

4.1.5 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the District, its officials, employees, agents or contractors.
4.1.6 Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

4.2 **Worker’s Compensation Insurance.** The Worker’s Compensation Policy required pursuant to Section 1.3 shall contain or be endorsed to contain the provisions set forth in subsections 4.1.3 and 4.1.4 above.

4.3 **Acceptability of Insurers.** All required insurance shall be placed with insurers with a current A.M. Best’s rating of no less than A:VII, unless otherwise acceptable to the District.

4.3 **Claims Made Policies.** If any of the required policies provide claims-made coverage, the District requires that coverage with a Retroactive Date prior to the contract effective date, or extended reporting period, be maintained by Consultant for a period of 5 years after completion of the contract.

5. **VERIFICATION OF COVERAGE.** Consultant shall furnish the District with original certificates and amendatory endorsements affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Consultant’s obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications, at any time.

Proof of insurance shall be mailed to the following address:

Los Altos Hills County Fire District  
P.O. Box 1766  
Los Altos, CA 94023-1766  
Attention: [Redacted]

6. **SUBCONTRACTORS.** Consultant shall include all subcontractors as insureds under its policies or shall require and verify that all subcontractors maintain insurance meeting all the requirements of this contract.
Los Altos Hills County Fire District
P.O. Box 1766, Los Altos, CA 94023-1766

Date: May 15, 2020

To: Cheryl Solov, Contract Management Audit Manager
Santa Clara County Board of Supervisors
Management Audit Division

From: Mark Warren, District President
J. Logan, District General Manager

Re: Response to Revised Confidential Draft Management Audit of the Los Altos Hills County Fire District, dated April 26, 2020

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Introduction

The Los Altos Hills County Fire District (LAHCFD or District) appreciates the opportunity to respond to the Revised Confidential Draft Management Audit of the Los Altos Hills County Fire District dated Sunday, April 26, 2020, (Draft Audit) prepared by the (Board of Supervisors Management Audit Division). The District’s Response to the Draft Audit (Response) is intended to be forthright and written with due diligence to present factual statements about District initiatives, operations, management, and services to the community.

The District respects the Management Audit process and procedures and has consistently demonstrated compliance with Auditor requests, requirements, and policies. The District’s timely Response to the Draft Audit, despite the current pandemic and Shelter in Place Orders prohibiting in person meetings and access to the District’s office, further demonstrates the District’s due diligence and its dedication to operate in good faith to address the content and recommendations of the Draft Audit with forthright candor. The Response also demonstrates the importance of the District’s actions to deliver the District’s mission to protect the lives, property and environment within the District from fire, disasters, and medical emergencies and evidences the value of local government control.

I. Executive Summary

Preservation of the District’s local control is critical to continue the District’s programs which support its purpose of fire prevention and suppression. A summary of the District’s Response is set forth below. Each Section of the Response provides factual details in support of these statements and demonstrates the importance of preserving local control of the District.

a. Section 1: Use of Fire District Funds to Support Firefighting Infrastructure

The District’s spending on capital improvement projects that protect, expand, and improve infrastructure necessary for firefighting is legal, and ethical. Failure to participate in these projects will negligently leave the District and its residents highly susceptible to wildfire spread and without proper defense. Local control of the District and its operations is a critical factor to ensure the District can provide fire protection programs to its residents. Rescinding the local control of the District by suspending the Board of Supervisors’ delegation of authority to the Commissioners will result in serious consequences to the District and its programs that ensure immediate and long-term fire protection of the District and its residents.

b. Section 2: Use of District Funds for Fire Fuel Reduction

The District uses funds for fire fuel reduction programs that are designed to improve the abilities of properties to survive fires and wildfires. District programs are aligned with the Santa Clara County Community Wildfire Protection Plan (CWPP) Annex 1 and Annex 4. The eighteen (18) Annexes, written for local agencies, value and understand that local communities in collaboration with local government will provide the necessary
methodologies and solutions to confront the threads of fires and wildfires. Local control of the District is critical for connectivity with residents to provide dialogue, education and outreach, and to use that to develop programs which are in-tune with the local community and to assess and prepare for both internal and external fire events. Local control and coordination with the community provide the best success for governance of fire-safety programs because it takes residents and the District community, acting together, to establish resiliency, foster survival skills, and embrace preventive and protective solutions. This coordination is lost if local control is revoked.

   c. **Section 3: District’s Brown Act Compliance**
   The District’s need to comply with the Ralph M. Brown Act is not debated or doubted, and the District strives to go above and beyond to ensure compliance with the complex requirements of the Brown Act. In response to recommendation from County Counsel in 1992 the District retained and continued use of outside legal counsel. The District relies on its outside legal counsel to provide timely advice to the District on a regular basis regarding its day-to-day operations. If the District is not able to receive timely legal advice and legal services to prepare contracts, District operations will be delayed creating a serious risk to the District’s ability to ensure fire protection services and potentially increase the District’s exposure to legal liability.

   d. **Section 4: Alignment of Fire Prevention Programs with Fire Risks and CWPP**
   The District uses the Santa Clara County Wildfire Protection Plan (CWPP) Annex 4-Los Altos Hills County Fire District (Annex 4) and District’s Addendum to Annex 4, and collaborates with the Santa Clara County Central Fire Protection District (SCCFD or County Fire) to review and revise District programs and prepare the District’s budget. District’s programs and spending are aligned with risks identified in the CWPP, Annex 4, and Addendum to Annex 4. The CWPP is specifically designed for local control. The strategic value added by the Annexes for each District to engage local communities and local government to work together and understand the specific fire hazards in each jurisdiction, is a result best accomplished through local control as demonstrated by the District’s current projects.

   e. **Section 5: Fire District Compliance with State and Local Procurement Requirements**
   The District’s procurement practices are in compliance with State and local rules. The District relies on the Board of Supervisors delegation of authority to implement procurement practices that both comply with all laws, and meet the needs of the District to provide important critical fire protection services to its residents. A loss of local control of the District’s ability to procure goods and services, will effectively inhibit the District’s ability to continue its programs that are essential for current and long-term fire protections.
II. Description of the District

a. District Formation
On October 23, 1939, the Santa Clara County Board of Supervisors formed the Los Altos County Fire Protection District as a County Fire Protection District after an election was held with Three Hundred Nineteen (319) votes in favor of the formation and Forty-Five (45) votes cast in opposition.¹ About seventeen (17) years later, the Town of Los Altos Hills (LAH) incorporated. The District still operates under the same legal authority which is currently found in California’s Fire Protection District Law of 1987 as set forth in the Health & Safety Code §§ 13860 et. seq., except that in 1980, the District Board of Commissioners (Fire Commission) was delegated the authority that was originally given to the Santa Clara County Board of Supervisors, as explained below. Within the District’s boundaries 69% of the District population resides within the Town and 31% of the District population resides within unincorporated County.²

b. Delegation of Authority to the Commissioners
In December 1980, the Santa Clara County Board of Supervisors adopted a resolution delegating all of its powers to the Fire Commission to manage the affairs of the District except that the Commission shall not initiate litigation without prior approval from the Board of Supervisors. This delegation of authority came largely in response to serious concerns from the Town, including:

1. A $238,000 plus, financial deficit for the District³, raising allegations that the Los Altos Hills City Council was not convinced the District had an obligation to pay the deficit, instead seeking legal advice “in regards to the County taking Fire District Bldg. Funds and using them for operational expenses instead of allotting to the District their fair share of state ‘bail out’ funds.”⁴ At that time a Committee formed by City Council recommended that LAH withdraw from the District because “the present arrangement gave the City [LAH] no control over City [LAH] revenues or expenditures for fire protection of Los Altos Hills.”⁵

2. At its September 17, 1980, meeting the LAH City Council unanimously passed a motion to adopt Resolution #1311, application of the City of the Town of Los Altos Hills of the County of Santa Clara to the Local Agency Formation Commission of Santa Clara County for the detachment of the territory with the City of the Town of Los Altos Hills from the Los Altos Hills Fire Protection District.⁶

3. A 1980 Report prepared by the Town’s Ad Hoc Public Safety Study Committee resulted in communications from the Board of Supervisors making “certain

¹ Finding that Los Altos Fire District is Established and Organized as a County Fire Protection District, dated October 23, 1939.
² Numbers taken from the 2010 Census. Since the 2010 Census additional unincorporated areas of the Fire District were annexed to the Town of Los Altos Hills. The 2020 census will reflect higher percentage of Fire District residents within the Town of Los Altos Hills.
³ Town of Los Altos Hills, City Council Meeting Minutes, July 2, 1980 at Section F.3.
⁴ Town of Los Altos Hills, City Council Meeting Minutes, July 16, 1980 at Section 2.a.
⁵ Id.
⁶ Town of Los Altos Hills City Council Meeting Minutes, September 17, 1980.
4. guarantees to the Town; namely, the District would have autonomy to run the District and would have the right to contract for it after 7/1/81.”

5. At its December 8, 1980, meeting the LAH City Council unanimously passed a motion “to recommend to the Santa Clara County Board of Supervisors that the Los Altos Fire Protection District remain intact with control delegated to a seven-member commission, consisting of five City Council members and to residents to be appointed from the unincorporated portion of the District. Commission members would serve four-year terms with vacancies on Council seats filled by new Councilmembers. Further all current sources of revenues will be retained with the District”.

The Board of Supervisors reacted to the action and concerns of the LAH by adopting the Resolution delegating all of its powers to the Fire Commission, except the power to initiate litigation, increasing the number of Commissioners from five to seven, authorizing Commissioners to be council members of cities within the District, and requiring Commissioners to be residents of the District, on December 16, 1980. The delegation of powers was made in order to persuade the LAH not to withdraw from the District and to provide the LAH with the local control of the District and District funds which the LAH was demanding.

Separate from the 1980 delegation of the powers to the Fire Commission to provide for local control in response to the steps the LAH took during 1980 to initiate steps to withdrawal from the Fire District, an election was held in the fall of 1981 to adopt a local tax, solely within the District, in order to fund the deficit that County incurred for the District after the passage of Proposition 13 in 1978. The delegation of power to the Commission occurred prior to the tax election. The delegation was effective immediately and was not contingent on, or revocable, if the tax measure did not pass. The Board of Supervisors’ delegation of power to the Commission in 1980, was in response to the LAH initiating the process with LAFCO to withdraw from the District and was not dependent on the results of the tax election almost a year later.

Due to prudent fiscal management, budgeting, and forward thinking the District has been able to set the tax rate at zero since 1986. Each year the District agendizes a discussion of the tax and at what rate it should be implemented. While the Commission has voted to set the tax rate at zero, each year the Commission determines the tax rate and may decide in future years to set the rate at a figure other than zero. The decision at what the tax rate is set at each year is wholly separate from the delegation of power to the District. Whether the District sets the tax rate at zero or at the maximum rate, has no impact on the delegation of power made in 1980 prior to the tax election9.

7 Town of Los Altos Hills, City Council Meeting Minutes, October 30, 1980 at Section C.2.a.
8 Town of Los Altos Hills City Council Meeting Minutes, December 9, 1980.
9 The assertion that by being fiscally responsible and not needing to impose the tax since 1986 the District has somehow forfeited the delegation of powers is not logical or based in fact.
c. Operation of the District Today
The District’s Board of Commissioners continues to operate under the California Health & Safety Code and the delegation of authority from the Board of Supervisors. The Commissioners have focused on serving the local community and have consistently made prudent operational and spending decisions which have allowed the District to continue its mission to protect the residents while maintaining a strong financial position. The operational decisions that have ensured optimum fire department services include the Commissioners decision to contract for firefighting and EMS (Emergency Medical) services from Santa Clara County Central Fire Protection District, and the decision to operate until October 1, 2018, without any management or support staff. For seventy-nine (79) years, the decision for the Board of Commissioners to manage the work of the District and hire no employees, saved the District from incurring employee costs associated with debt from pension liability, personnel retirement obligations and health benefit costs. These savings continue with the decisions to hire part-time staff. The Fire District also made the operational decision to connect the Fire District hydrants to the water distribution systems of other agencies and companies. This decision financially benefits the District because while the District is not financially obligated to monitor and maintain the water lines, it may share in costs to improve the water infrastructure when those improvements benefit the purpose of the Fire District.

Staffing of the District in FY2019-2020 at 1.5 FTE
In June 2017, as part of the District’s process to implement the 2015-2020 Strategic Plan the Commissioners determined that “Goal 2: Establish an effective District administration” should be prioritized. The Commissioners determined to hire a part-time (.50 FTE) employee to facilitate and oversee District management and operations. The ultimate goal for hiring an employee was to provide the District with resources and to provide the residents with stronger and more robust fire protection programs that are current with the trends, initiatives, and science for fire prevention and disaster preparedness. The Commission's agendas included these topics and discussed at public meetings throughout 2017 and into 2018. On September 11, 2018, the Commission officially created the role of General Manager who was hired, effective October 1, 2018. The General Manager is responsible for duties that include: policy development and future planning, modify programs to align with the 2015-2020 Strategic Plan, LAHCFD-CWPP Annex 4, and budget allocations, develop a new 2020-2025 Strategic Plan. General Manager is responsible for the administration, finances, personnel and operations of the District. General Manager is responsible for: building strong relationships with residents and community, collaboration with LAH, unincorporated communities, SCCFD, water districts and regional partners, delivery of CERT programs, emergency preparedness initiatives, development of FireWise Communities and Neighborhood Networks, and fosters development of self-reliant residents and resilient neighborhoods in the community in event of disaster or emergency.

With the new resource of the part-time District General Manager, the District was able to expand and improve its programs, further fulfilling the District’s mission to protect the lives, property, and environment from fires, disasters, and medical emergencies and other incidents through education, prevention and emergency response services.
Currently the District is operating with 1.5 FTE. District Employees: a part-time General Manager, part-time District Clerk, and part-time Emergency Services Manager. Upon departure, the independent contractor Fire Consultant was not replaced. The Fire Consultant duties were distributed among the current employees.

With the increasing threat of wildfire and susceptible landscape of the District, its forward-looking community resiliency plans are even more important. The components of the District’s plans for FY2019-2020 and FY2020-2021 are shown on the programmatic and functional chart prepared by the District’s General Manager, below.  

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10 Presented at Feb. 18, 2020 Los Altos Hills County Fire District Meeting, General Manager Report and updated based on the District’s Adopted FY2020-2021 Budget.
III. Fire District Revenue and Expenditures

The District’s budgeted expenditures for FY 2018-2019 totaled $11,142,998. Of this, $4,679,000 was budgeted for the contract with Central Fire for fire prevention and emergency medical services, $1,132,000 was budgeted for the contract with Central Fire for dedicated Battalion Chief services at the El Monte Fire Station, and $320,100 was budgeted for the contract with Central Fire for Extra Fire Season Patrol staffing. The total budgeted for these contracts with Central Fire, which are directly related to core fire protection and emergency services was $6,131,100, or 55% of the total budgeted expenditures. Actual expenditures for FY 2018-2019 were $9,211,690, of which $6,131,381 (or 67%) represents the amount paid to Central Fire for core fire protection and emergency services. Neither of these calculations represent “less than half” of the Fire District’s expenditures as stated in the Management Audit report, and the only amount budgeted for “fire apparatus” was $126,000 for the Extra Fire Season Patrol engine maintenance which is nowhere near the “$1.7 million” stated in the audit report.

IV. Timeline of Audit Events

a. Initial Contact by Auditors in August 2018 and District Responses to Requests from Auditors through February 2019

On August 20, 2018, the District received notice that the Board of Supervisors authorized a management audit of the District relative to its functions, operations, and management. Four days later, on August 24, 2018, the five members of the Management Audit Team held an Entrance Conference with the then District President, then District Vice President, and four District Consultants (two of whom are now retired). The Auditors informed the District that they expected the audit to be complete by Thanksgiving 2018. From August 2018 through December 2018, the District and its contractors received requests to meet with Auditors and produce documents. The District and its contractors timely complied with the requests. On February 13, 2019, the Auditors requested that the District produce a list of District accomplishments. The District provided this list to the Auditors on February 22, 2019.

b. No Communication from Auditors from March 2019 through August 2019

The District did not hear back from Auditors again until August 19, 2019, when the Auditors informed the District that the next steps were for the Auditors to produce a Confidential Draft Audit, intended only for District staff and not to be conveyed to the Commissioners. The draft would be discussed at the Exit Conference. No Commissioners were to be involved and Draft was confidential. Commissioners would receive the Audit Report when it was released to the public and no longer confidential.

c. Audit Process Discussed at District’s September 17, 2019, Meeting

This audit process was scheduled for discussion with the Commissioners at the District’s September 17, 2019, meeting and County was invited to participate. The District felt it was critical for at least some of the Commission to be involved in the

11 Los Altos Hills County Fire District Meeting, September 17, 2019, Agenda Item 4.
review and response to the Confidential Audit and suggested formation of an Ad Hoc Management Audit Subcommittee to receive to the Draft Report, attend the Exit Conference, and participate in drafting the Response. The County agreed to this procedure.

d. Provision of Confidential Draft Audit on October 9, 2019, and Post-Exit Conference Communications with Auditors
The Confidential Draft Audit was provided to the District’s General Manager on October 9, 2019, and an Exit Conference with the District’s Ad Hoc Management Audit Subcommittee, District Contractors, and Auditors was set for November 1, 2019. The District timely reviewed the Confidential Draft Audit and prepared for and attended the Exit Conference.

e. November 2, 2019, through April 25, 2020, Post-Exit Conference with Auditors
Two weeks after the exit conference the Auditors requested that the District produce additional documents, which were in turn provided on November 22, 2019. On December 9, 2019, the Auditors emailed the District’s General Manager requesting additional documents, including the District’s list of accomplishments (which was previously provided to Auditors on Feb. 22, 2019). The General Manager provided those requested documents to the Auditor on December 10, 2019. On January 16, 2020, the Auditors requested additional documents, which were produced to the Auditors on January 28, 2020.

f. District’s Receipt of Revised Draft Audit on April 26, 2020
The District did not hear back from the Auditors until the evening of Sunday, April 26, 2020, when the General Manager received the Draft Audit dated Sunday, April 26, 2020. Despite the Auditors taking five months to produce the revised Draft Audit from the November 1, 2019, Exit Conference, the April 26, 2020, email requested that the District produce its response from the District no later than May 15, 2020. While under Shelter in Place Orders with no access to the District office at El Monte Fire Station, for files or office equipment, and unable to meet in-person, with all employees and contractors working remotely, the District made its best-faith effort to respond to the Draft Audit which was twenty-one (21) months in the making and significantly revised from the initial Confidential Draft Report provided to the District in October 2019. The work on the District’s Response to the Draft Audit was performed without the benefit of in person meetings or being able to circulate hard copies of documents, and while preparing the Agenda and related matters for the District’s May 19, 2020 Meeting.

V. The “Extraordinary Circumstances” Creating Extreme Delay to Issuance of Report Are Unrelated to the District

The District has made diligent efforts to ensure compliance with the Auditors’ timelines, including the timely production of this Response to the Draft Audit within fifteen (15) business days, with the added complexity of the Shelter in Place and other executive orders prohibiting in-person meetings during the pandemic.
The Draft Audit states that “usual processes were altered and the report’s issuance delayed by 1) requests for interim revised confidential draft reports or sub-sections from multiple parties, and 2) extraordinary circumstances of a legal nature.” The District has no involvement with these actions allegedly resulting in the delay. Specifically, the District has not received an interim revised confidential draft report, nor has it been a party to or involved in any legal issues, extraordinary or otherwise.
Section 1: Use of Fire District Funds to Support Fire Fighting Infrastructure

(Responding to Draft Audit: “Section 1. Use of Fire District Funds”)

I. Background

The District is permitted by law to fund projects that support the District’s purpose. The Commissioners regularly study Fire District funds available to determine the best use for those funds in a manner that will support the Fire District’s purpose of firefighting and fire prevention. As a result of those studies, the Commissioners have supported utilization of certain Fire District funds for the purpose of improving and repairing water infrastructure, a critical tool for fighting fires. This approach is supported in the Santa Clara County Wildfire Protection Plan: Annex 4 (Annex 4). Specifically, Table 4.3 of Annex 4 “Recommended Fire Fighting Capability Projects in LAHCFD” describes the project to “Develop a coordinated approach between fire jurisdictions and water supply agencies to identify needed improvements to the water distribution system, initially focusing on areas of highest wildfire hazard and lowest hydrant flow.” Annex 4 describes the benefits of this project as to “improve fire-fighting response if water is more readily available or closest locations could be identified on a GIS map on a tablet/computer.” The importance of these projects to District residents is often highlighted in the press, for example one article highlights that “emergency preparedness needs have changed significantly since the town’s first tank, Neary No. 1 was installed in the 1960s.”

The Fire District has nine-hundred forty-eight (948) fire hydrants within its boundaries that serve the residents of the Fire District in case of fire emergency. The Fire District owns five-hundred forty (540) of those hydrants and the infrastructure connecting them to the main water pipelines and is responsible for maintenance and repair of those hydrants, but the Fire District relies on access to and use of all nine-hundred forty-eight (948) fire hydrants for purposes of fire suppression. The hydrants are connected to the water distribution systems of the Purissima Hills Water District (PHWD) and the California Water Service Company (Cal Water). Of those nine hundred forty-eight (948) hydrants, five hundred ninety-five (595) (or 63%) are connected to the PHWD’s water distribution system, while three hundred fifty-three (353) (or 37%) are connected to Cal Water’s water distribution system. The three hundred-fifty-three (353) hydrants in Cal Water’s jurisdiction are owned by Cal Water. PHWD does not own any hydrants.

The Fire District’s contribution to improve and repair firefighting infrastructure fluctuates from year to year as the need to address deficiencies is recognized. Like all capital

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12 Los Altos Town Crier, LAH water, fire districts working to make pipes, tanks more quake-proof, dated March 5, 2014.
13 Paragraph 3.9 of the Agreement between District and Santa Clara County Fire provides that Santa Clara County Fire is to annually inspect all hydrants for proper operations.
improvement projects, some years those improvements and repairs are more expensive, while other funds are conserved to ensure availability at a date when more expensive work is needed. The Commissioners’ decisions focus on whether and when to fund these projects and include a focus on the useful life of infrastructure. The forward thinking of the Commissioners to conservatively spend in years leading up to the end of the useful life of important infrastructure ensures more funds are available when those major improvements and repairs are needed to ensure the District is properly equipped and prepared for fire suppression and is especially important during catastrophic events, including major fires and earthquakes.

The “Recent Fire District Spending on Other Entities’ Capital Projects” chart for the Fiscal years ended 2014-2018 included in the Draft Audit compiles a list of capital project expenditures from the District’s audited financial statements, but does not provide analysis of each project’s spending or details relating to how those projects benefit the District’s purpose and the community. Case law confirms that fire districts and water agencies are free to contract with each other.\textsuperscript{14} The below table breaks down the spending on each project. An explanation about how each project supports the Fire District’s purpose by ensuring access to water for firefighting and fire prevention follows the chart.

\textbf{a. Spending on Projects from FY 2013-2014 through FY 2017-2018}

\textit{i. Table 1: District’s Infrastructure Fire Resiliency Spending FY 2013-2014 through FY 2017-2018}

<table>
<thead>
<tr>
<th>FY 2013-2014</th>
<th>Amount Spent</th>
<th>Purpose</th>
<th>Asset Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 2,337,107</td>
<td>Neary Tank Utilization Project</td>
<td>PHWD</td>
</tr>
<tr>
<td></td>
<td>$ 540,635</td>
<td>Phases V and VI of the Fire Hydrant Replacement Project</td>
<td>LAHCFD</td>
</tr>
<tr>
<td></td>
<td>$ 309,968</td>
<td>Olive Tree Area Fire Flow Improvements</td>
<td>Cal Water</td>
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<tr>
<td></td>
<td>$ 3,187,710</td>
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<table>
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<tr>
<td></td>
<td>$ 515,064</td>
<td>Phases VI and VII of the Fire Hydrant Replacement Project</td>
<td>LAHCFD</td>
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<tr>
<td></td>
<td>$ 54,289</td>
<td>Olive Tree Area Fire Flow Improvements</td>
<td>Cal Water</td>
</tr>
<tr>
<td></td>
<td>$ 569,353</td>
<td>Total FY 2014-2015</td>
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SECTION 1: USE OF FIRE DISTRICT FUNDS TO SUPPORT FIRE FIGHTING INFRASTRUCTURE

FY 2015-2016

<table>
<thead>
<tr>
<th>Amount Spent</th>
<th>Purpose</th>
<th>Asset Ownership</th>
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<tbody>
<tr>
<td>$ 624,404</td>
<td>Page Mill Seismic Retrofit</td>
<td>PHWD</td>
</tr>
<tr>
<td>$ 537,996</td>
<td>Phases VII and VIII of the Fire Hydrant Replacement Project</td>
<td>LAHCFD</td>
</tr>
<tr>
<td><strong>$ 1,162,400</strong></td>
<td><strong>Total FY 2015-2016</strong></td>
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FY 2016-2017

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<tr>
<td>$ 1,301,771</td>
<td>Phase VIII of the Fire Hydrant Replacement Project</td>
<td>LAHCFD</td>
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<tr>
<td><strong>$ 1,301,771</strong></td>
<td><strong>Total FY 2016-2017</strong></td>
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FY 2017-2018

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<th>Amount Spent</th>
<th>Purpose</th>
<th>Asset Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 121,639</td>
<td>Phase VIII and Inspections of the Fire Hydrant Replacement Project</td>
<td>LAHCFD</td>
</tr>
<tr>
<td>$52,808</td>
<td>Fire Service Water Flow Improvements</td>
<td>PHWD &amp; Cal Water</td>
</tr>
<tr>
<td><strong>$174,447</strong></td>
<td><strong>Total FY 2017-2018</strong></td>
<td></td>
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</tbody>
</table>

**ii. Neary Tank Utilization Project**

In 2011, a seismic risk assessment by an independent engineering firm established a 5-Year Capital Improvement Plan for water tank capital projects. In March 2012, parties met to review partnering for improved water flow and water capacity for the benefit of LAHCFD’s fire protection service. The projects identified were the “2014 Page Mill Tank Seismic Retrofit” and capacity increase (discussed below) and the “2012 Neary Tank Utilization”.

District’s objective was access to water for firefighting on Altamont Court, to improve the ability of the Neary Tank to withstand an earthquake, and to increase the capacity of the Neary Tank to provide water for firefighting purposes. The Neary Tank capacity could only utilize 700,000 gallons in summer and 100,000 gallons in winter due to limitations in structural integrity and small diameter piping. According to an independent engineer, the available capacity of the tank was possibly not adequate for fire protection. After upgrades, the new tank capacity would be 2,000,000 gallons in summer and 1,000,000 gallons in winter. The improvements would significantly increase peak water flow sustainability during a major fire event.

Since the majority of the project benefitted the Fire District, the District’s cost sharing for the project was 80% of the total costs. The District spent a total of $2,337,107, which resulted in an extended water main to Altamont Court, retrofit of the Neary Tank for earthquake stabilization, and improved storage ability to allow for additional water during summer fire season use when drought and fire season dangers were at peak risk.
iii. Fire Hydrant Replacement Project
In 2010, the District began a multi-year project to replace the five-hundred twenty-five (525) fire hydrants that it owned within PHWD and to add fifteen (15) hydrants. The replacement of the District-owned hydrants was needed because:

a. Most of the hydrants had exceeded their useful life of 50 years.
b. There were multiple styles of hydrants (i.e. wet-barrel and dry-barrel) and different manufacturers with no standardization.
c. Not all hydrant valves conformed to the state standard 2.5-inch coupling, meaning in the case of an emergency, fire-fighters from other jurisdictions might not be able to hook up their hoses to District hydrants, a problem that plagued fire-fighters during the 1991 Oakland Hills Fire.

The $3,017,105 spent by the District between fiscal years 2013 and 2018 (as outlined in the table above) were the costs of construction to remove and replace the old hydrants, replace and install infrastructure, water-main tie-ins, valves, retaining walls, asphalt, curbs, various installation features, engineering and requests for proposals. Other costs included geotechnical and arborist subcontractors. This project did not provide improvement to the water mains owned by the water purveyor. The water purveyor did not own any assets or improvements, and is not required to provide any ongoing repair and maintenance to those assets. The project benefited firefighter safety and efforts during fire events, invested in vital fire system infrastructure and benefited residents and property fire safety.

iv. Olive Tree Area Fire Flow Improvements
The Olive Tree area is serviced by Cal Water. The area is a high fire hazard category bordered by the Open Space District also characterized by its highly combustible vegetation and concern of adequate water pressure and volume. In 2010, the Fire District met with Cal Water. Identified were measures increasing water pipe diameters, interconnecting two different pressure zones, installing pumps to increase water pressure and fire flow, and installing a standby generator for pump operations during electrical failure. The generator was used during the multiple Public Safety Power Shutoffs to ensure water was available for firefighting during these critical weather and wind events when power is shutoff. Santa Clara County Central Fire Protection District was also consulted on these proposed improvements and strongly supported the work. Since these improvements were only for fire protection enhancement and did not provide any benefit to Cal Water, the project was fully funded by the Fire District at a cost of $364,257. The ownership and upkeep of the mains, pumps and generators are the responsibility of Cal Water.

v. 2014 Page Mill Tank Seismic Retrofit
In 2010, the seismic risk assessment identified the Page Mill Tank as the highest risk in the system. In 2014, the Fire District addressed the seismic deficiencies of the Page Mill Tank for firefighting and suppression and to ensure seismic resiliency. The main benefit of seismic resiliency was to ensure fire protection capabilities during seismic events. Therefore, the cost sharing on the project was 65% LAHCFD and 35% PHWD. The total cost of the project was $971,787, with the Fire District paying $624,404.
SECTION 1: USE OF FIRE DISTRICT FUNDS TO SUPPORT FIRE FIGHTING INFRASTRUCTURE

vi. Fire Service Water Flow Improvements
In FY 2017-2018, LAHCFD began an evaluation of the water system infrastructures in both the PHWD and Cal Water service areas to improve fire-flow standards and pipeline resiliency in the event of earthquake, fire or disaster. These improvements are important because, as Section 1 of the Draft Audit states: “the probability of an earthquake capable of causing widespread damage occurring in the Bay Area in the next 24 years is 72 percent” and “fallen power lines and ruptured gas mains from earthquakes can result in fires, which can be difficult to extinguish due to other earthquake damage such as broke water lines.”¹⁵ The District paid $52,808 to an independent engineering firm to conduct testing and identify potential projects.

b. Older Projects Referenced in Draft Audit

vii. 2009 Page Mill Interconnection
The Page Mill Interconnection allows for access to water through Palo Alto storage tanks located on Montebello Ridge. Before the Page Mill Interconnection, Hetch Hetchy provided the only source of water to Fire District hydrants. In 2009, the Fire District determined that access to only one water system posed a serious threat to the ability to fight fires, in particular, given the terrain of the Fire District. Adding the option for water access to Palo Alto storage tanks in the event of an emergency was critical to protect the Fire District residents. The Page Mill Interconnection ensures that access to water for firefighting purposes is not compromised in the event that water cannot be delivered to the Fire District hydrants from Hetch Hetchy.

viii. 2008 Altamont Pump Station Generator
In 2008, the Fire District supported a decision to install a generator at the Altamont Pump Station. The hilly terrain of the Fire District requires the use of pumps to transport water to tanks located at higher elevations within the Fire District. If the pumps do not work, higher elevation tanks are left without water access to fight fires. Fire District recognizes the need to ensure that backup power is available in event of power outages. Prior to the recent Public Safety Power Shutoffs (PSPS) implementation, this concern was fires causing power outages and water not being supplied to hydrants.

II. Auditor’s Recommendation. 1.1

District County Counsel to review and report to the Board of Supervisors its assessment of whether the making of agreements, donations, or loans resulting in Fire District subsidies of other entities’ capital projects has been consistent with all applicable legal requirements. This review should include any new proposed agreements or expenditures.

III. District’s Response to Recommendation 1.1

Disagree.

¹⁵ Draft Audit, Page 32.

May 15, 2020, Response to the April 26, 2020 Revised Confidential Draft Management Audit of the Los Altos Hills County Fire District
SECTION 1: USE OF FIRE DISTRICT FUNDS TO SUPPORT FIRE FIGHTING INFRASTRUCTURE

IV. Executive Summary
For the reasons set forth in this Response to Recommendation 1.1, the District strongly believes its decisions to contribute to these projects were both ethical and legal. The District further believes for the reasons set forth in Response to Recommendation 1.2 that a failure to participate in these projects would have negligently left District residents highly susceptible to fire and without proper defense, and the Fire District and County subject to legal liability. If the facts stated in the Response leave questions regarding District’s authority to enter into water infrastructure agreements for fire protection of the community, the District recommends independent review from a party not affiliated with either the County or the District. Independent review would provide nonbiased and factual assessments.

V. Support for District’s Response to Recommendation 1.1
   a. District’s Legal Obligation to Repair and Improve Firefighting Infrastructure
   Fire protection districts may exercise all rights and powers, expressed or implied, necessary to carry out the purposes and intent of the Fire Protection District Law, including, but not limited to the power to acquire property, including water facilities for providing fire protection, within the District, and to hold, manage, occupy, dispose of, convey, and encumber the property for the benefit of the District. Case law confirms that fire districts and water agencies are free to contract with each other. And further, case law provides that water agencies have “no obligation to supply free water service to a fire protection agency, and, absent a written agreement, the public water agency would have no obligation to install or maintain hydrants for the use by fire protection agency.”

Section 53069.9 of the California Government Code, as identified within the Draft Audit in support of Recommendation 1.1 sets forth the authority of the PHWD to charge the Fire District for “any costs of operation, installation, capital, maintenance, repair, alteration, or replacement of facilities and equipment related to supplying water for such fire protection purposes within the service area of such entity providing fire protection services.” The Draft Audit does not clarify that PHWD is only allowed to charge the Fire District for these services when “pursuant to a written agreement with such entity providing the fire protection service.”

16 Health & Safety Code § 13861(b).
18 Id. at 699.
19 The Audit also identifies Section 507 Fire Protection Water Supplies, which is not a regulation intended to explain the authority of a fire protection district, but rather, is part of the larger “Part III” of the Fire Code explaining and setting forth “Building and Equipment Design Features.” Authorizations for fire protection districts are instead found within the Fire Protection District Law of 1987 (Health & Safety Code § 13860 et. seq.)
20 California Government Code § 53069.9(b)(1).
21 Id.
SECTION 1: USE OF FIRE DISTRICT FUNDS TO SUPPORT FIRE FIGHTING INFRASTRUCTURE

The PHWD and Fire District have a history of entering into agreements under this authorization starting in 1956, when the Fire District first installed and connected the Fire District hydrants to the PHWD’s water distribution system and continuing through those agreements identified in Section 1 of the Audit.

b. District’s Hydrant Agreement with Purisima Hills Water District

In 1956 PHWD began work on installation of a water distribution system to furnish water within its boundaries. At the same time, the Fire District sought to install hydrants in order to make water from PHWD’s mains available for fire protection. PHWD and the County of Santa Clara Board of Supervisors, on behalf of the Fire District, entered into an agreement on October 29, 1956, to allow the Fire District to attach fire hydrants to the PHWD’s water mains. Under the terms of the 1956 Agreement, the Fire District owns the hydrants and is responsible for keeping the hydrants in good repair. “Hydrants” include “all connections, valves, pipes, and fittings.” Further, the Agreement protects the PHWD from liability to Fire District by not giving “any representations or warranty as to the volume of water available in its system, or as to the pressures available in its system.”

In August 1980, the PHWD and Santa Clara County Board of Supervisors, on behalf of the Fire District, entered into another agreement to formally “specify their respective rights and obligations in connection with the provision of those water-related services that are necessary for fire protection purpose.” At this time, the Fire District owned approximately three-hundred-fifty (350) fire hydrant facilities connected to the PHWD’s water distribution system. Since that time, an additional one-hundred ninety (190) hydrants have been installed by the Fire District and connected to the PHWD’s water distribution system. The Agreement, which is still in effect today, requires the Fire District to ensure proper operation of the hydrants, including ensuring consistency with good water works and fire protection practices. The PHWD is not liable or responsible for failures in the operation, maintenance, testing, replacement or removal of hydrants, except when arising out of the fault or neglect of the PHWD. Hydrants include the connections, valves, pipes, and fittings appurtenant to the hydrants.

The Fire District is not only permitted to continue to contract with the PHWD for repair and improvements necessary for firefighting infrastructure, but also the Fire District is obligated under these Agreements.

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22 Agreement dated October 29, 1956 between Purissima Hills Water District and County of Santa Clara on Behalf of Los Altos Fire Protection District.
23 Id. at paragraph 2 and 3.
24 Id. at paragraph 1.
25 Id. at paragraph 5.
26 Agreement dated August 12, 1980, between Purissima Hills Water District and County of Santa Clara on Behalf of Los Altos Fire Protection District.
27 Id. at WITNESSETH: 4.
28 Id. at paragraph 4.
SECTION 1: USE OF FIRE DISTRICT FUNDS TO SUPPORT FIRE FIGHTING INFRASTRUCTURE

c. Fire District Contributions to Projects Furthering the Purpose of the Fire District are Not Gifts of Public Funds

The California Constitution prohibits gifts, or authorizations of gifts of any public money or thing of value to any individual, municipal or other corporation.\(^{29}\) Contributions are legal if they serve the public purpose of the donor agency, even when there is a benefit to the local purpose of the agency receiving the funds.\(^{30}\) Therefore, when one agency donates to another, if it is for both the purpose of the donating agency AND the general interest of the people within that entity, it is legal.\(^{31}\) All projects and funds received by the PHWD and Cal Water from the Fire District contributed to projects in support the Fire District’s purpose, fire protection and prevention. The repairs and improvements to infrastructure that brings water to hydrants is not only beneficial to the Fire District’s purpose, but is necessary to support the Fire District’s purpose, and ensure protection of its residents.

d. Loan Agreements Between the Fire District and PHWD are Legal Business Decisions.

Interagency loan agreements are both legal and common provided that the loans meet the public purpose exception for gifts of public funds (i.e. that those loans serve the public purpose of the District).

In 2010, the Fire District and PHWD entered into an agreement by which the Fire District agreed to provide the PHWD with a $2,000,000 loan to assist in financing the construction of the Zone 2.5 Phase II and III main projects. This project resulted in an increase in throughput and pressure to enhance fire protection and service to areas within the Fire District that previously saw low pressure and were seismically vulnerable. The agreement terms required PHWD to make competitive interest and principal payments semi-annually, maturing in 2015. The loan with competitive interest was fully repaid by PHWD to Fire District on November 17, 2014.

VI. Auditor’s Recommendation 1.2

Suspend its delegation of authority to the Fire Commission to ensure that Fire District does not enter into new agreements or arrangements to subsidize capital projects of other agencies while the Board exercises due diligence per Recommendation 1.1. The Fire Commission should serve in an advisory role.

VII. District’s Response to Recommendation 1.2

Disagree.
VIII. Executive Summary

Local control of the Fire District and its operations is important to the Fire District residents. Taking away the Fire District’s local control will result in serious consequences because local control is necessary for the Fire District to ensure immediate and long-term fire protection is provided to the District and its residents. It is also coupled with a real fear that the LAH will leave the District, if the Board of Supervisors were to revoke the delegation of authority, as evidenced in the LAH City Council meeting minutes from September 17, 1980.

The Fire District collaborated with the PHWD to repair and improve infrastructure supporting water flow to the Fire District’s hydrants to ensure protection to Fire District residents during times of fires, earthquakes and drought (high fire danger weather conditions). These collaborations are part of the District’s overarching goal to ensure up to date emergency preparedness plans for District residents. Suspending the Fire District’s delegation of authority to the Fire Commission revokes the local control from the Commissioners to make decisions supporting the Fire District’s mission of fire prevention and suppression for residents of the Fire District. Lack of local control of the Fire District is a resounding concern raised by District residents throughout the Fire District’s existence.

Local control of the District has allowed the Commissioners to focus on utilization of Fire District funds to ensure strong fire protections are in place for the Fire District and its residents, including, repair and improvement of the infrastructure containing and carrying water to the Fire District’s hydrants. This use of funds represents forward thinking and planning in collaboration with the region water agencies. Suspending the delegation of authority to the Fire District, in particular, with the goal of ensuring the Fire District does not enter into new agreements to subsidize capital improvement projects for firefighting infrastructure is dangerous. Failure to repair and improve this infrastructure would perpetuate inadequate fire flow, inadequate stability of access to water, and severely limit the ability to fight fires within the Fire District in case catastrophe. This is a decision that would not only result in damage and danger to life and property within the Fire District, but would also leave the Fire District and County susceptible to serious financial legal liability for improper due diligence as a result of the failure to repair and improve this infrastructure to fight fires. This potential liability is exponentially increased based on the actual knowledge of the water systems deficiencies.

IX. Support for District’s Response to Recommendation 1.2

a. Local Control of the Fire District is Important

In 1980, the Santa Clara County Board of Supervisors adopted a resolution delegating all of its power to the Fire Commission to manage the affairs of the District except that the Commission shall not initiate litigation without prior approval from the Board of Supervisors. This delegation of authority came in response to a strong desire for local control from Fire District residents.
In 2011 that concern over local control resurfaced in response to the 2010-2011 Santa Clara County Civil Grand Jury Report. In response to the Report, the District highlighted the importance of improving resources available to District residents and the importance of a more regional approach to the District’s emergency services. In its review of its largest contract, the Commissioners ensured that it met the specialized and diverse needs of the District. Since the 2010-2011 Santa Clara County Grand Jury Report and District response to the report was issued, the District has maintained the authorities granted to it by the Board of Supervisors in 1980.

b. Increased Needs for Improvements and Repair of Water Infrastructure for Firefighting Purposes
The Fire District’s work with PHWD on maintaining and improving water infrastructure is important. Water is a fundamental tool used to fight fires. In 2011 Santa Clara County LAFCO conducted the 2011 Countywide Water Service Review which stated the importance of the relationship between the Fire District and PHWD for the purpose of firefighting and fire suppression. These examples include:

- Completion of a main replacement and extension project that enhanced fire suppression flow by augmenting pressure and seismic safety.
- Major main replacements to increase throughput and pressure to enhance fire protection in low pressure and seismically vulnerable areas of the Fire District.
- Engagement in joint efforts between the Fire District and PHWD to upgrade water mains and fire hydrants that improve system reliability, fire flows and circulation.

As highlighted below, historically, catastrophes have impacted water infrastructure that result in lack of water pressure, and access to water during critical times to fight fires before spread, including fires post-major earthquake. During the Loma Prieta earthquake that struck California on October 17, 1989, the La Cresta water tank ruptured and released 1,000,000 gallons of water down the hillside into homes below releasing valuable water needed for firefighting. This event highlights the importance of the seismic upgrades and additional options for water access that have resulted from the collaboration between the PHWD and Fire District. The Auditors also highlighted this concern on page 32 of the Draft Audit estimating “the probability of an earthquake capable of causing widespread damage occurring in the Bay Area in the next 24 years is 72 percent.” The Audit also discusses concerns identified by the USGS that “fallen power lines and ruptured gas mains from earthquakes can result in fires, which can be difficult to extinguish due to other earthquake damage such as broken water lines….”

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33 Id. at p. 148.
34 Id. at page 156.
35 Id. at page 158 and 161.
c. Real Life Impacts of Failures to Repair and Improve Infrastructure

Part of the District’s mission is to protect property and lives in the District. Wildfire is becoming more and more prevalent throughout the State and in Northern California. The District is not immune from wildfire. Preparation and good fortune have allowed the District to prevent, extinguish, and avoid any major wildfires since the 1985 Liddicoat Fire. This proactive preparation must continue in order to protect the residents of the District and County. In addition, to the loss of property and potentially lives, if water cannot be delivered to the firefighters due to loss of power or hydrant failure, there is significant legal liability for the failure to be prepared. Throughout California, public agencies and utilities have been sued and found liable for the damages from fire, even though they did not cause the fire. Rather they were found liable for the failure to properly be prepared for the fire.

In a lawsuit arising out of the 2008 Freeway Fire, a judge found liability in the amount of seventy million dollars ($70,000,000) when the hydrants had no water after a pump station stopped functioning. In a 2017 class action lawsuit, it is alleged that some hydrants operated by the City of Ventura and the Casitas Municipal Water District didn’t work properly because of power outages. That loss of power made it difficult for firefighters to save residents’ homes. The allegations include that it was “just like somebody shut the valve off”, and that the firefighters had to send their engines where there was pressure, and it was a 20-minute round trip. There are likely to be additional lawsuits arising out of last summer’s fires. Courts and the public expect the District and others to be prepared.

The District has worked to prevent these types of issues by providing for emergency power, adding hydrants, and ensuring the proper functioning of hydrants. The cost of preparing relative to the cost of damage and liability supports the adage an ounce of prevention is worth a pound of cure. Although this adage is associated with health today, it originally was used by Benjamin Franklin when addressing fire safety and prevention.
SECTION 2: USE OF DISTRICT FUNDS FOR FIRE FUEL REDUCTION

**Section 2: Use of District Funds for Fire Fuel Reduction**
(Responding to Draft Audit: “Section 2. Use of District Funds for Private Tree Services”)

I. **Background**

The District program for removal of dead, dying and Eucalyptus trees was, from its inception, a program targeted to reduce hazardous fuel loading in the LAHCFD. As the tree removal program progressed, and experience from recent and numerous wildfires reinforced the principles of fire science, Federal, State and local fuel mitigation programs evolved. The District tree removal program adapted to meet these changes. District records document the tree removal program was not intended or used, as is alleged, for “discretionary pruning or other landscape maintenance work at the discretion of the property owner”.

a. **Adaptation of District Programs and Alignment with 2015-2020 Strategic Plan and Community Wildfire Protection Plan**

The tree removal program, no longer a stand-alone program, merged into a Hazardous Fuel Reduction Program and now is a component of the Integrated Hazardous Fuel Reduction Program (IHFR). The IHFR merges all fire fuel reduction programs into an integrated structure guided by the District 2015-2020 Strategic Plan, Los Altos Hills County Fire District CWPP (Community Wildfire Protection Plan) Annex 4 and Addendum and funded by the adopted District budget allocations.

When programs are adopted, residents are notified of advancements of tree removal qualifications by Advisories that were published and reviewed by the Board of Commissioners in public meetings, posted on the District website, and distributed to residents for education and responses to their questions.

b. **County Weed Abatement Program**

District Hazardous Fuel Reduction Programs are distinctly different from the weed abatement inspections conducted in conjunction with the Santa Clara County Fire Department and Santa Clara County Weed Abatement program under public nuisance codes. Unless resolved by the property owner, weed and grass vegetation determined to be a public nuisance are the property owner’s obligation to pay for services to abate that vegetation.

County inspections are regulatory, enforced by penalties and conducted by authorized personnel through drive-by visual inspections of weeds, grasses and hazardous conditions on property. In contrast, District programs are offered to residents to assist them in reducing fuel loading that they identify on their property. These programs are voluntary and intended to motivate and educate residents and neighborhoods about fire safety and hazardous fuel reduction methods in order to establish resiliency of properties and the safety of neighborhoods. Enforcement of weed abatement is merely one prong of fire safety solutions. The District’s Hazardous Fuel Reduction Programs addresses many other prongs for fuel load reduction and is a suite of fire safety methodologies for fire protection and prevention measures.
SECTION 2: USE OF DISTRICT FUNDS FOR FIRE FUEL REDUCTION

c. District’s Historic Tree Removal and Brush Chipping Initiatives
The District’s tree removal program commenced April 15, 2008, influenced by the devastation of the Los Altos Hills Liddicoat Lane fire, the Summit fire, local structure fires and the Oakland Hills Fire that resulted in $1.5 billion in economic losses and loss of lives. District April 15, 2008 records specifically state the tree removal program was to “reduce the fuel load from canopy fires and to correct the potential safety hazard”. Trees identified for removal were each rated by criteria that included “close proximity to structures”. The implementation of this tree removal program was to create defensible space around structures by removal of dead trees as a fire mitigation solution. In the spirit of local government, a resident survey was conducted that confirmed interest in establishment of the program. The program was designed to inspect and qualify certain high-fire ignition trees for removal on residents’ property to create defensible space, to educate residents in fuel reduction benefits and encourage residents to maintain their property’s vegetation for fire safety.

The District Brushing Chipping and Debris Removal Program commenced in 1997, again influenced by the Liddicoat Lane, Oakland Hills and surrounding fires and in recognition of the dangers of brush-filled hillsides and canyons of the Los Altos Hills terrain. Brush chipping and debris removal services encouraged residents to privately prune and remove trees, remove brush and stack brush piles along the roadside for removal. Service is provided monthly within a designated service area. The area designated for chipping services are to maximize output of chipping volume by crews and provide efficient equipment routes.

The LAHCFD Board of Commissioners has the authority under the Health and Safety Code to formulate and conduct such fuel reduction programs because the initiatives relate to the protection of lives and property and are therefore within the District’s power.

II. Auditor’s Recommendation 2.1

End the discretionary tree services program and re-direct the funds to services expressly designed to improve the ability of properties in the Fire District to survive wildfire. While such efforts could include tree pruning and removal to reduce the amount of flammable material, public funding of such services should result in demonstrably reduced overall fire risk within the District.

III. District Response to Recommendation 2.1

Partially Agree
IV. Executive Summary

Disagreement with Recommendation 2.1 is because the District tree service program is not a discretionary tree service program and District funds under IHFR Program are designed to improve the abilities of properties in the District to survive fires and wildfires. The sections below describe each program and the studies that went into designing each program to ensure program deliverables would improve the ability of properties to survive fire events. Tree removal is not weed abatement and is not a stand-alone program as depicted in Draft Audit Section 2. Hazardous tree removal is a component of the District Integrated Hazardous Fuel Reduction Program founded on fire science principles enunciated in the District Strategic Plan and the LAHCFD-CWPP Annex 4 and Addendum. Budget expenditures for the District Integrated Hazardous Fuel Reduction Program are for delivery of program services directly related to the protection of lives and property under the Health and Safety Codes. The District Board of Commissioners oversees these initiatives and is responsive and responsible as a local control agency to the residents in fulfilling this part of the LAHCFD’s mission.

The District disagrees with assertions that the District purchased discretionary services that may not reduce the overall likelihood of properties within the District succumbing to wildfire.

Merits of Local Control for Governance of the Integrated Hazard Fuel Reduction Program

These robust programs, services and budget allocations from local tax revenues to support the IHFR are evidence of the many fronts that must be addressed to prepare and protect the community from the serious threats of disaster that at any moment can engulf the LAHCFD jurisdiction. Local governmental connectivity is readily available to provide dialogue, education and outreach to residents, develop programs with input from residents via meetings and surveys and have the human and empathic touch that cannot be achieved from afar. Threats to fire safety and community preservation are not only internal in the jurisdiction but also external, such as from the adjoining open space district with vast portions of wildlands and from surrounding agencies. Local government representatives must be in-tune and understand local conditions to assess and prepare for both internal and external events.

The LAHCFD voters took the local control issue to the polls in 1939 to form a Fire District and again in 1980 to support a tax for the benefit of the Fire District. The result of the voters will, demonstrates the enduring fundamental belief in the value of local control and the willingness of the voter to subject themselves to governance and increased taxes. Whether or not the taxes are $100.00 or significantly higher is irrelevant. What matters is the voters’ affirmative statement. Stated in Draft Audit Section 2 is the assertion that local control delegation should be reclaimed because there were no tax dollars levied and so the basis for the delegation is not relevant today. This assertion is evidence of the misalignment that occurs when local control is not understood or valued. Unfortunately for the residents and the good of the surrounding
communities, these misalignments can be disastrous when applied to recommendation of community safety.

The look-back period after a disastrous event is not the time to ponder such mistakes. LAHCFD Commissioners, staff and representatives have been forward-looking to establish a suite of fire and disaster prevention and protection programs, assess, educate and dialogue with the community, work with neighboring agencies and stakeholders and utilize its local tax revenues for the benefit of the persons who pay the taxes, the local residents.

An example of local control success is the Los Altos Hill CERT (Community Emergency Response Team) volunteers. The CERT Program collaborates with the Los Altos Hills (LAH) Town, LAHCFD, cadre of CERT volunteers and coordinates and trains with local and regional CERT organizations. The LAH CERT volunteers are another key element of the District’s suite of fire protection and response.

The governance of fire-safety programs has the best success at the local government level of interaction with its populace. It takes each resident and neighborhood acting together to establish resiliency and survival skills and embrace preventative and protective solutions. A recommendation to banish local control, reclaim delegation of authority that the voters settled at the ballot box, dissolve and consolidate fire districts with few common features, redistribute tax revenues to unknown coffers will result in a responsibility and toll no one will wish to accept.

V. Support for District’s Response to Recommendation 2.1

a. District’s Non-Discretionary Dead or Dying and Eucalyptus Tree Removal Program for Fire Fuel Reduction

The details below further establish the merits of the District’s use of funds for the IHFR Program that include components of tree removal and a Brush Chipping and Debris Removal Program specifically related to reducing declared fire hazards and demonstrably reducing overall fire risk within the District and surrounding communities.

i. Dead or Dying and Eucalyptus Tree Removal Program Details

On April 15, 2008, the Board of Commissioners decided, “first a survey would be done to see what interest there was in such a program. After seeing what feedback is returned from the residents, the program could develop from there. A motion was made by ... to mail a survey/questionnaire to District residents to see what interest there would be in a dead, dying or safety hazard pine tree removal program. Motion was seconded and all Commissioners in favor.”  

The Santa Clara County Fire Chief was present at each meeting along with Los Altos Hills Public Safety Officer, District Fire Consultant and District Clerk. Reports of Local fires, the Summit fire, Bonnie Doon fire and dry hot weather conditions were reported.

36 LAHCFD Board of Commissioner minutes April 15, 2008
Subsequent meetings occurred with reports. An arboriculturist’s Analysis Proposal was submitted July 2008. In the Analysis, 246 trees were identified for removal, inspected, photographed and rated based on criteria:

* Our review of each property was completed within the following parameters:
  - Determine which properties contained dead, very poor, or poor condition conifers
  - Provide a priority rating of 1, 2, or 3 based on condition and location
  - Determine species, location, diameter, height and spread of trees evaluated
  - Provide observations and comments to specific tree conditions
  - Provide costs for removal of dead and severely declining trees

**In Determining Priority Rating the following factors were used:**

*Priority 1: Dead or very poor condition conifers in close proximity to structures.* Typically, these trees are within 30-feet or considered to be a fuel ladder to structures.

*Priority 2: Dead or very poor condition conifers within 100 feet of structures. These trees are considered fuel ladders between structures.*

*Priority 3: Poor and very poor condition conifers posing less risk to structures than priority 1 or 2.*

The initial dead tree removal criteria continued to be used as a method of assessing trees requested for removal by residents. The Dead or Dying and Eucalyptus Tree Removal Program was always based on criteria that assess each tree’s fire hazard and trees were removed in a systematic operation to protect residents, neighborhoods and property from fire and wildland fire events.

**ii. Arborist Retained to Qualify Trees for Removal**

Residents were protective of their trees and the natural environments established on their property. The Board of Commissioners offered this District program for qualified hazardous trees to encourage residents to remove hazardous trees and to initiate an education outreach program. An arborist was contracted to evaluate each tree submitted for removal and the program began as a method to reduce the hazards of such qualified dead or dying and Eucalyptus trees. Eucalyptus trees were identified for hazardous fuel removal because of the highly explosive and flammable composition of the wood and sap. This was again an influence on the Commissioners of the lesson-learned from the Oakland Hills and the Los Altos Hills Liddicoat Lane fire where Eucalyptus trees exploded, and firefighting conditions were more severe and catastrophic.

In addition to the arborist, a tree removal contractor was retained who was an arboriculturist and had background, skills and training in identification of and hazardous tree risk assessment procedures. The program was not a random remove-any-tree program. Trees needed to qualify for removal after inspection by the arborist, a District Fire Consultant and the tree removal contractor. The tree removal program grew in acceptance by the community and became an important component for residents’ understanding of the need to remove hazardous fuels and not replant removed trees with high fire danger trees.
b. District's Brush Chipping and Debris Removal for Fire Fuel Reduction
Prior to the Tree Removal Program, the Board of Commissioners embarked on a brush removal program also influenced by the Oakland Hills Fire Disaster and by the changing climate conditions. Brush was plentiful on residential properties, neighborhood canyons and along roadways that also served as escape, evacuation and ingress and egress for emergency vehicles.

The brushing chipping program commenced in 1997. The District was divided into six quadrant areas with service to one of the areas every other month. The program was designed to motivate residents’ action to clean up parcels and stack brush that qualified for removal, by the roadway for brush chipping and debris removal service. The program expanded to a monthly rotation due to its success and acceptance by the community. Thus, each area quadrant receives brush chipping and debris removal services twice a year. This organization of chipping by area assured that crews work with maximum efficiency. The tree removal program also followed the six-area quadrant organization to maximize efficient operations of crews and equipment. The District also coordinates on-call brush chipping services within another designated area schedule to ensure hazardous brush assembled for chipping is quickly chipped and removed for fire safety.

Both the Brush Chipping/Debris Removal and the Dead or Dying and Eucalyptus Tree Removal Programs were designed to reduce hazardous fuels from the environment, educate residents in the benefits of fire fuel reduction and fit squarely within the LAHCFD Strategic Plan and mission of fire protection and prevention for the community.

c. District’s 2015-2020 Strategic Plan Goal
During the District’s Strategic Plan development facilitated by the Center for Public Safety Excellence, an international Fire Accreditation Organization, the LAHCFD Board of Commissioners, the LAH community and stakeholders acknowledged the value of tree removal and brush chipping services as a method of fire fuel reduction. One of the five Strategic Goals established was to “develop a plan to identify hazards and risks in order to reduce, eliminate, and mitigate them”. Hazardous tree removal and brush chipping is fundamental to the Strategic Plan Risk Mitigation Goal. Budget expenditures are allocated each year to continue these services and to achieve the Strategic Plan Goals and mission of the District.

d. Inspections and Qualifications for Tree Removal Pursuant to the Hazardous Fuel Reduction Program
The dead tree removal program was adjusted over the years to impose a limit to the costs and number of trees that could be removed per resident’s property. The arborist continued to inspect each tree for tree removal. If there were doubts about the tree qualifications, District staff inspected the tree under guidelines from the District adopted LAHCFD-CWPP Annex 4 and fire science principles and then either approved or denied removal of the tree. The District staff member is uniquely qualified to make these determinations and educate residents about the standards and reasons for the District tree removal program. This methodology creates multiple learning opportunities for the
SECTION 2: USE OF DISTRICT FUNDS FOR FIRE FUEL REDUCTION

residents to understand the program and consider private action to remove a tree that does not qualify under the District program. As an example, oak trees are no longer qualified under the Program. The District published Advisories to inform residents about the criteria and rationale applied for removal of trees.

The District created online registration capabilities for residents to request program services. This feature supports collection and sorting of data to analyze and evaluate program efficiencies, usage rates and locations, allocations of the budget and promotes systems for continuous improvement of program design.

e. Hazardous Fuel Reduction Programs Aligned to Fire District’s CWPP Annex 4

To promote and educate residents, the District developed and published The Tree Removal Program Advisories and FAQs. Below are sections from the Advisory guidelines:

Property owners are responsible for the care, safety and removal of trees on their property. The District's current Tree Removal Program is designed as a measure to augment fire prevention. It is not a guarantee for individual property owner's dead tree removal. The Program does not replace property owners’ obligations for maintenance, safety and removal of dead or dying trees on their property.

The Advisory FAQ clarifies:

Q - What are the resources and programs for residents to prepare their property and protect from wildfires?

A - Residents are receiving frequent information about preparedness for wildfire and fire hazards from the media and various sources on the importance of using techniques of property hygiene on their property to reduce threat and damages from wildfires. Residents recognize with the recent house fires in Los Altos Hills that embers drift and with certain wind conditions can ignite other homes, trees and brush to create the spread of fire. The District recommends residents learn about how to manage their property hygiene and create defensible space around their residence as a method of protection to their property and life and to the property and life of neighbors.

Residents are encouraged to contact an arborist or tree company for an evaluation of their trees and an estimate for removal. The District is not accepting requests for tree removal service at this time.

Q - What are LAHCFD-CWPP Guidelines?

A - Dead or dying and Eucalyptus tree removal by the District’s Tree Removal Program and allocation of funds will be closely aligned with the LAHCFD- CWPP guidelines. The guidelines look at many factors for fuel reduction that includes removal of dead and dying trees, Eucalyptus and brush in a manner that supports
wildfire mitigation, protection and prevention. Removal of a specific dead, dying or Eucalyptus trees on private property may or may not be in accordance with these guidelines. The objective of the Fuel Reduction Program is to utilize fire science to assess and determine removal of fuel sources (trees, brush, vegetation) in a manner that impedes the path and intensity of fires based on geography and topology of the surroundings. Not all dead, dying or Eucalyptus trees fit these guidelines. Not all such trees can be removed by the limited funds and resources allocated by the Fire District. That said, trees eligible for removal by the District will depend on the location, surroundings and assessment of fire science guidelines to evaluate removal of the tree by the Fire District.

f. District’s Program Advancements Result in an Integrated Hazardous Fuel Reduction Program
The District developed the IHFR Program. The IHFR is based on the LAHCFD-CWPP Annex 4 guidelines and Fire Science Principles. IHFR includes a suite of programs for residential properties and neighborhood areas that include components of Home Ignition Zones, Dead/Dying and Eucalyptus Tree, Trimming and Brush Removal, Community Outreach and Education, Shaded Fuel Breaks and other components enumerated below.

i. 2019 Home Ignition Zone (HIZ) Services
The District is delivering services for HIZ surveys at residents’ properties. The HIZ Survey, conducted with the resident and a trained District representative, provides an assessment of the property’s hazardous fuel fire risks. The survey assesses trees, brush and plantings and merits of structures such as venting, windows, roofing and siding materials, decks and fences. Included in the survey are proposed steps to mitigate these risks in an effort to reduce damage and destruction to homes, buildings, property during fires, provide defensible space for firefighters to combat a fire, and reduce the spread of fires to neighboring properties.

Residents are also informed about plants that are fire-resistant such as shrubs and less flammable hardwood trees that can be planted in appropriate locations. Staff is expert in this area and engaged with Los Altos Hills organizations and groups to provide presentations on fire-resistant plants. The District serves as a resource on this topic. Once residents are educated from the HIZ survey and remediation begins, residents are provided with solutions for replanting and repairing vegetation that was removed with fire-resistant alternatives.

ii. Integrated Hazardous Fuel Reduction Residential Program
The IHFR Residential Program will introduce the resident to resources, provide workshops for fire fuel reduction and encourage resident to utilize the current no-cost brush chipping and debris removal services. These integrated fire fuel reduction programs are offered to encourage residents to take action after participation in the HIZ survey and receipt of the proposed steps to mitigate risks to their property and that of neighbors.
SECTION 2: USE OF DISTRICT FUNDS FOR FIRE FUEL REDUCTION

By participating in the IHFR Residential Program, residents learn: 1) how to identify hazardous fuels; 2) about resources for removal of fuels to harden their property as a defense against destruction of homes, buildings and neighborhoods in event of wildfire; 3) how to create and maintain a defensible zone around structures on property, and 4) how to establish hazardous fuel mitigation as a neighborhood effort through principles of Firewise USA.

iii. Integrated Hazardous Fuel Reduction Neighborhood Program
Residents are encouraged to meet and work with their neighbors to identify hazardous fuel areas of brush and trees in their neighborhood. Request for neighborhood HIZ are provided on a limited basis to assist contiguous neighbors to reduce identified fuel sources. These efforts are important steps to protect resident’s property within a neighborhood and establish Firewise USA programs that teach residents how to adapt to living with wildfire and encourages neighbors to work together and take action to mitigate losses. These programs and actions will result in more informed residents, safer neighborhoods and will enable residents to prepare their property to be more resilient in the event of fires and wildfires.

iv. Community Outreach and Education Program
Los Altos Hills is one of fourteen communities in Santa Clara County that has been identified as being at risk for wildfires by the California Fire Alliance. The District's territory is susceptible to wildfire due to an abundance of fuel load, the steep topography of the District’s hillside areas, and the local climate conditions. To address this risk, in 2019, the District, in coordination with Santa Clara County FireSafe Council conducted education workshops, identified and administered processes and support for up to four Firewise communities with the goal of recognition approval by Firewise USA.

These programs significantly increase community awareness, readiness and resiliency in the event of a wildfire by protecting lives, property, and the environment. Programs and projects are focused on protecting communities at risk for wildfire through the reduction of built-up hazardous fire-prone vegetation and the creation of informed communities with respect to defensible space, general wildfire safety, and fire's effect and role in the environment. Through FireSafe Council, the District utilizes SNAP (Special Needs Assistance Program) qualifications for elderly or disabled residents to receive hazardous fuel reduction services.

v. Shaded Fuel Breaks
Construction of shaded fuel breaks along major District roadways is a method of removing hazardous brush, trees, and vegetation which widen roads for evacuation, provide ingress and egress of emergency vehicles and support ground and aerial firefighting efforts.

Shaded fuel breaks, as a fire safety measure, is a favored vegetation management practice utilized by various local government agencies such as City of Palo Alto and San Mateo County and the State of California and Cal Fire. Shaded fuel breaks are placed strategically along main access roads or in other locations such as around...
residential areas. Shaded fuel breaks are constructed carefully and planned for thinning of dense tree cover and removal of underlying brush. The objective of a shaded fuel break is to reduce, modify, and manage fuels within designated areas in order to enhance mitigation efforts in the event of a wildland fire situation. Goals for creating shaded fuel breaks are to control fire behavior by reducing ladder fuels, opening tree canopies, treating ground fuels, and facilitating fire suppression by ground and air.

Currently in the pre-construction phase, the planned shaded fuel break along Page Mill Road begins within the LAHCFD jurisdiction boundary and connects to the newly constructed shaded fuel break construction by the City of Palo Alto. This connectivity with the Palo Alto shaded fuel break and construction into LAHCFD section of Page Mill Road will provide a major and continuous evacuation and escape route designed to allow ingress and egress of emergency vehicles and access to ground and aerial firefighting operations.

vi. Integrated Hazardous Fuel Reduction Program Services Robust Features

1. Resident education on how to harden property by identifying and removing hazardous fuels thereby making property more defensible in the event of wildfire and increasing fire safety for the neighborhood;
2. How residents can create and maintain a defensible space around their home and structures on their property;
3. How residents can maintain property hygiene once hazardous fuels are reduced or eliminated;
4. Resource for wildland fire mitigation; how to utilize District programs and resources such as:
   a. HIZ survey of resident’s property and in neighborhoods;
   b. Brush Chipping and Debris Removal Program;
   c. Monthly Yard-waste drop-off services;
   d. Emergency preparedness workshops and training for residents offered by District in conjunction with FireSafe Council and Santa Clara County Fire Department;
   e. Neighborhood Networks to promote evacuation planning and neighborhood resiliency;
   f. Establishment of FireWise Communities in neighborhoods;
   g. Evacuation, escape route planning and preparedness; and
   h. Building resilient residents and resilient neighborhoods who know how to respond to emergencies or disaster events.
vii. Additional Components of the District’s Hazardous Fuel Reduction Program

Annual use of goat grazing at the Byrne Preserve. Over four-hundred goats, along with herders and dogs arrive for approximately ten days in April or May. Use of goat grazing is a key method of vegetation management that reduces fire fuels in difficult terrains of canyons and hillsides.

Monthly Yard-waste Drop-Off. Foothill College is another District program to reduce yard debris, such as drop-off and removal of brush and yard trimmings that do not qualify for the Brush Chipping Program debris removal.

Administration of Weed Abatement Regulations and Processes. Authorized at hearing held by the District Board of Commissioners.

Data Collection/Integration and Mapping for Analysis of Fire Fuel Reduction Program. The District is developing strategies and acquiring tools for mapping of completed brush chipping, HIZs, shaded fuel breaks and goat grazing vegetation mitigation routes to compile and integrate layers of data that will be analyzed and will guide planning for areas where services are needed. In combination with residents’ requests, the District is developing methodologies to reach out, or push information and services to residents in areas that would benefit from the IHFR suite of programs. These tools will allow more efficient program design, target areas for community outreach and education about District fire safety resources, and tailor the IHFR Program to achieve goals identified in the upcoming 2020-2025 Strategic Plan.
Section 3: District’s Brown Act Compliance
(Responding to Draft Audit: “Section 3. District’s Brown Act Compliance”)

I. Background

a. Outside Counsel for Fire District Retained at Request of County Counsel
   As explained in the Draft Audit, “[e]xcept for the authority to initiate litigation, the Board
   of Supervisors delegated all of its authority, including over legal matters, to the Fire
   Commission in 1980.” At the District’s meeting on April 16, 1992, a Commissioner
   relayed to the Commission that “he spoke with County Counsel and their office was too
   busy to handle the District. They gave [Commissioner] two names of attorney firms to
   consult with.” About a month later, that Commissioner, on behalf of the District,
   executed an Agreement to retain the services of an attorney to serve as the District’s
   legal counsel. The initial engagement letter from the attorney, dated May 1, 1992, and
   signed by Commissioner on May 18, 1992, states in part that the legal services will be
   covered by the terms of the contract with the County of Santa Clara. At the time of the
   District’s engagement with the attorney, that attorney was the partner of a law firm
   located in San Jose. In 1996, that attorney joined the current law firm that represents
   the District. After that attorney retired in 2012, the current attorney for the District, a
   partner at the same firm, was hired as legal counsel for the Fire District.

b. Scope of District Counsel’s Role
   The District’s legal counsel is an independent contractor paid on an hourly basis. The
   scope of work includes:
   1. Preparation for and attendance at public meetings, including review of
      agendas and preparation of resolutions, and advice on legal questions
      raised prior to and during the meetings;
   2. Contract review, negotiation, and drafting;
   3. Provision of legal advice regarding the District’s day to day activities,
      including legal advice about District engagement in certain work, and
      preparation of policies on behalf of the District;
   4. Responding to Public Records Act requests, which, by law must be
      responded to within ten days;
   5. Advice on claims made against the District, preparation of claims for
      reimbursement and insurance proceeds; and
   6. Timely response to questions of the Commissioners and staff,
      including advice related to compliance with the Ralph M. Brown Act.
      The District’s legal counsel is also the District’s interface with the
      County Counsel’s office and counsel for other public agencies.

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37 Los Altos County Fire Protection District, Minutes of April 16, 1992
SECTION 3: DISTRICT’S BROWN ACT COMPLIANCE

c. The Ralph M. Brown Act

The stated intent of the Brown Act is to ensure that public agencies deliberate and conduct their business in open public meetings that are open and accessible to the public. Government Code §§54950-54963 set forth the specific requirements of the Brown Act which generally require that all meetings of a legislative body of a local agency be open and public, and all persons must be permitted to attend any meeting of the legislative body of a local agency except as otherwise provided in the Act. 38

II. Auditor’s Recommendation 3.1

Direct the Fire Commission to use County Counsel as its legal representative, consistent with Ordinance Code A22-16, to help prevent future Brown Act violations. If this recommendation is implemented and potential Brown Act violations continue, County Counsel should report these violations to the Board of Supervisors promptly.

III. District Response to Recommendation 3.1

Disagree.

IV. Executive Summary

The District believes that it is in the best interest of the District to retain its own legal counsel, and strongly believes it is in substantial compliance with the Brown Act. The District relies on outside legal counsel to provide timely advice to the District on a regular basis regarding its day to day operations, including drafting contracts, responding to Public Records Act requests, and preparation of Resolutions and Agendas. The District relies on its legal counsel to ensure the day-to-day operations of the District are in compliance with the law, and for reviewing and preparing contracts on behalf of the District that both protect the District from unnecessary liability, while allowing important District operations to move forward. The District is concerned that County Counsel does not have the bandwidth to provide those needed services to the District based on past correspondence with County Counsel with regard to various District issues. The District is also under the impression that County Counsel does not have an interest in representing the District because County Counsel has declined to provide advice in the past stating that it does not represent the Fire District. It is possible that County Counsel’s hesitation stems from a concern that a conflict of interest exists in representing both the County and the District. If the District is not able to receive timely legal advice, and legal services to prepare contracts, District operations will be delayed creating a serious risk to the District’s ability to ensure fire protection services are in place and subjecting to the District to significant legal liability.

The District’s need to comply with Ralph M. Brown Act (Brown Act) is not debated or doubted. The District strives to go above and beyond to comply with the complex requirements set forth in the Brown Act and it has at the very least substantially

38 Government Code § 54953
SECTION 3: DISTRICT’S BROWN ACT COMPLIANCE

complied those requirements. A public agency will prevail on a Brown Act allegation if the agency provides that it substantially complied with the Brown Act. As explained in the Draft Audit, the District could not be subject to a lawsuit for the allegations in the Draft Audit because well over a year has passed since the window of opportunity to initiate legal action on even the most recent allegation, closed. Regardless, the law supports the position that the District would also succeed on the merits of any such lawsuit.

V. Support for District Response to Recommendation 3.1

a. District Reservations that County Counsel Does Not Have Capacity or Interest in Acting as District Counsel

The District has, at times, requested confirmation and/or support from County Counsel with regard to certain decisions made by the District. In response to each of those requests, the District either received extremely delayed responses, no response at all, or feedback that County Counsel does not represent the District. Examples of those interactions are described below.

i. Request for County Counsel Input on District’s Procurement Policy and Procedures

At the District’s meeting on February 16, 2016, the Commissioners approved “Procurement Policy and Procedures.” At that meeting, the Commissioners expressed desire to connect with the County Executive Office to confirm its support of the Policy. On February 23, 2016, District’s legal counsel emailed County Counsel regarding the Fire District’s procurement policy. The policy was sent to County Counsel along with a request that the County confirm that it did not have any concerns or to contact District legal counsel to discuss. At the District’s March 22, 2016, meeting District’s legal counsel confirmed that County has not responded to the request. A follow-up email was sent to County Counsel on March 22, 2016, regarding the Fire District’s inquiry. No response was ever received.

ii. Request for County Counsel Input on District’s Procurement Practice Consideration for Single Sourcing

In 2017, the Commission considered revision to its Procurement Policy to allow for “Single Source Procurement” of certain agreements. On November 2, 2017, the District contacted County Counsel setting forth the District’s support for its consideration to Single Source certain District contracts, and requesting that County Counsel confirm that such an amendment was consistent with the District’s authority. The letter requested confirmation prior to the District’s November 21, 2017, meeting to allow the District to discuss the response at that meeting. That same day, County Counsel confirmed receipt and followed up with additional questions to which District’s legal counsel provided immediate response that same day. District’s legal counsel sent an

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39 February 16, 2016 District Meeting Minutes.
40 March 22, 2016 District Meeting Minutes.
41 November 2, 2017 Letter to County Counsel from District’s Legal Counsel.
SECTION 3: DISTRICT’S BROWN ACT COMPLIANCE

email request for a status update on November 8, 2017, but did not receive a response. On November 29, 2017, District’s legal counsel reached out for a status update, and that same day received the response “We’re still looking at this question. I should have an answer next week.” On December 15, 2017, District’s legal counsel reached out to request an update, after having not received update after the November 29, 2017 correspondence. Seven weeks after the initial request was made, County Counsel produced a two-sentence response confirming that the District was delegated the authority and therefore decisions should go to the Commission.\footnote{Email chain dated November 2, 2017 - December 17, 2017.} 

\textbf{iii. Request for County Counsel Input in Engagement of the District’s First Employee}

In the summer of 2017, District legal counsel contacted County Counsel regarding the County’s input on any limitations, requirements, or policy considerations of the County with regard to the District’s hiring. District legal counsel wrote, “The District’s Board is interested in feedback from the County as the District is a dependent District of the Board of Supervisors. As you may recall, the District Board is granted all powers to manage the affairs of the District, with the only limitation being that the District Board may not initiate litigation without the prior approval of the Board of Supervisors. As such it is our belief that the Board may proceed to directly hire or contract via an independent contract. However, we want to ensure that your office concurs that such power resides within the District and furthermore that District is in alignment with County policies and procedures regarding creating and filling this position.”

The first response was the County Counsel’s office saying that it did not represent the Fire District and that the Fire District had its own counsel. Eventually, County Counsel acknowledged that the hiring decision resides with the Fire District and did not provide any response regarding the request that they confirm that the Fire District was in alignment with County policies and procedures. In fact, the Fire District did not hear anything from the County regarding the engagement of the General Manager until the budget process when the County CEO’s office reached out to the Fire District as it was not aware of the authority of the Fire District to hire a general manager. The Fire District confirmed that it had discussions with County Counsel in the late summer and fall of 2017 and the position was authorized.

The District Board of Commissioners meets once a month at regularly scheduled meetings. Timely responses to requests for information and legal advice are critical to ensuring smooth operation of the District’s day to day functions.

\textbf{b. County Counsel’s Potential Conflict of Interest in Representing District}

County Counsel’s hesitation in responding to requests from the District could stem from concerns of a potential conflict of interest in the representation. Conflicts of interest arise when an attorney’s current or former clients have interests that are adverse to those of the represented local agency, here the District. Such conflicts of interest generally fall into two categories: (1) simultaneous representation of clients with adverse interests; and (2) successive representation of clients with adverse interests.
SECTION 3: DISTRICT’S BROWN ACT COMPLIANCE

The simultaneous representation of clients with adverse interests arises when the same lawyer, firm or office concurrently represents those clients in either the same or a different matter. County Counsel’s simultaneous representation of the Board of Supervisors and County Fire creates a potential conflict of interest in its representation of the District. Examples of these potential conflicts include dual representation with regard to negotiation of the District’s contract with County Fire and the dual representation in budget process matters, which are ultimately determined by the Board of Supervisors. Simultaneous representation as to the very same matter is prohibited per se because it violates the attorney’s duty of loyalty and confidentiality.

i. District’s Contract with Santa Clara County Fire Protection District

Since 1996, District has contracted with Santa Clara County Fire to provide firefighting services to the District. The District’s legal counsel represented the District in these negotiations and County Counsel represented Santa Clara County Fire. Prior to deciding to contract with Santa Clara County Fire, the District solicited responses from other local fire agencies. The original contract expired after twenty years. During those twenty years, District’s legal counsel represented the District regarding amendments, negotiations and discussion over the proper amount of compensation. In 2016, the most recent contract was negotiated by District’s legal counsel and County Counsel. In 2019, the District, represented by District’s legal counsel, and Santa Clara County Fire, represented by County Counsel, negotiated amendment to the Third Memorandum of Agreement between Santa Clara County Fire and the District. If County Counsel is retained as legal counsel for the District, the concern is that County Counsel may not be able to represent the District in these negotiations with Santa Clara County Fire and/or other fire service providers. With its independent counsel, there is no restriction on the ability of the District to entertain these negotiations and no overarching reservations of conflicts arising due to the dual representation. The Commissioners rely on District counsel to act as a strong advocate for the District and its constituents.

ii. District’s Budget Approval by County Board of Supervisors

The District begins preparation of its annual budget eight to nine months before the start of the new fiscal year (the fiscal year begins July 1 of the year to June 30 of the following year). The District’s legal counsel works with the Commission’s subcommittee and with the District’s General Manager and Financial Consultant to discuss and analyze historical expenditures and planned District endeavors to develop a list of estimated expenditures. The Budget Subcommittee and OBA estimates are then compiled into a Draft Budget spreadsheet and agendized to be presented to the District Board of Commissioners for discussion, revisions, and approval at their January Regular Commission Meeting. Based on that public meeting a revised Draft Budget is then discussed, reviewed, and approved by the District Commissioners at their February meeting. The County’s Executive Office proposes an Annual Recommended

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43 During all the negotiations the City of Los Altos Hills was represented by their City Attorney, so each party to the contract had their own independent counsel.

44 The need for the District’s independent counsel is also highlighted by this audit, which commenced in September 2018 and which the District has relied on its legal counsel to provide advice on the process and response throughout the last two years.
SECTION 3: DISTRICT’S BROWN ACT COMPLIANCE

Budget based on projected expenditures and revenues, and outlines the County Executive's recommendations for funding levels for each department. The County of Santa Clara Board of Supervisors, through its committees and public sessions reviews the County Executive’s recommendations, making revisions as they see fit. The District’s legal counsel works in conjunction with staff and the District’s financial auditors to ensure GASB compliance and to answer questions about budget allocations and how to address concerns voiced by the County and/or Board of Supervisors. The Commissioners rely on their independent legal counsel for advice regarding how to ensure the District receives the revenue to which it is entitled, how to address questions regarding its expenditures, and other legal issues as they arise. The Commissioners are concerned that without independent counsel established for the reasons stated above, the District will not have representation that is timely or with fiduciary interest of the District in matters of District operations and the proper flow of tax revenues and budget allocations for its programs and administration.

c. District’s Substantial Compliance with Ralph M. Brown Act
The consequences for violating the Brown Act is that actions taken in such violation are null and void, however, if the local body substantially complies with the requirements, the actions will not be declared as such. In determining whether an agency has substantially complied with statutory requirements, the paramount consideration is the objective of the statute. Further, in any action seeking a determination of violation by the agency, if the Court determines that the violation has been cured or corrected by subsequent action of the legislative body, the action filed must be dismissed with prejudice.

i. Commissioners Created the General Manager Position at the District’s Publicly Noticed September 11, 2018 Meeting
Part of the District’s 2015-2020 Strategic Plan includes Goal 2: Establish an effective District administration, and at the District’s June 20, 2017, meeting, the Commissioners discussed the potential need for an effective district general manager. At the July 25, 2017, meeting, the Commissioners discussed the important questions that would need to be answered about the potential of the District hiring a General Manager, including the hours per week, costs, role, and duties and formed an Ad Hoc subcommittee to further study these issues for the potential new hire. Over the course of the next year, the District met regularly and discussed the position of the General Manager at public meetings. At the District’s Regular Meeting and publicly noticed meeting on September 11, 2018, the Commissioners “determined that to best suit the needs to the District it should create the new position of general manager.” The Commissioners also read and considered the agreement setting forth terms and conditions for employment of General Manager, including the General Manager’s salary, and resolved that “[p]ublic interest and convenience require the District to enter into the Agreement” and thereby approved the Agreement authorizing the District President to sign. A copy of the

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45 Government Code § 54960.1
46 June 20, 2017 Meeting Minutes and corresponding Report.
47 Resolution of the Board of Commissioners of the Los Altos Hills County Fire District Authorizing Execution of General Manager Employment Agreement between the Los Altos Hills County Fire District and [redacted]
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proposed agreement was posted on the District’s website, and posted at all of the public locations in which the Agenda was posted 72-hours prior to the meeting. All evidence and the District actions clearly support the District’s position that the General Manager position was created by the Commission, not an ad hoc advisory committee, at the District’s September 11, 2018, Regular Meeting.

ii. No Action Taken Regarding Compensation for Position of General Manager at the Special Meeting on March 20, 2018

The Brown Act prohibits a legislative body from making executive salary decisions at a special meeting. On March 20, 2018, a Special Meeting was Held in Closed Session for a conference with labor negotiators regarding compensation for the position of General Manager. No reportable action was taken in closed session or during the Special Meeting. Direction was given to the General Manager Subcommittee to proceed with contract negotiations.

iii. The Closed Session Agendas from March 20, 2018 and May 15, 2018 Substantially Complied with Brown Act Requirements

Government Code § 54957.6 permits a local agency to “hold closed sessions with the local agency’s designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees…prior to the closed session, the legislative body of the local agency shall hold an open and public session which identifies its designated representatives.”

The Draft Audit states that “[g]iven the attendees listed and the inferred prior work of the General Manager subcommittee, the Subcommittee presumably served as the labor negotiators….” At the same time, the Draft Audit alleges that there was a violation of Government Code § 54957.6(a), for a failure to “explicitly identify labor negotiators prior to closed session.”

Both Closed sessions were at the very least, in substantial compliance with the requirement of Government Code § 54957.6. Substantial compliance is satisfied with respect to description of closed session items if the information is included, irrespective of format. Thus, actions which may be in technical violation, are not null and void if “reasonably effective efforts to notify interested persons of a public meeting serve the statutory objectives of ensuring that the [sic] actions taken and deliberations made at such meetings are open to the public.”

Both the May 15, 2018, and March 20, 2018, Closed Session Agendas clearly list “Attendees: District Commissioners, LAHCFD District Attorney” and the meeting minutes reflect the same. District’s meeting minutes are not taken verbatim so the exact words which were said prior to the Commissioners meeting in closed session are not included, however, there was no public question or complaint with regard to this item at the time or thereafter, except as alleged in this Draft Audit.

48 March 20, 2018, Special Meeting Minutes
49 Government Code § 54957.6(a)
50 Audit Report, page 39.
52 Id.
d. Alleged Potential Violation of Brown Act Related to the Town of Los Altos Hills Averted with Immediate Action by the Fire District

Effective January 5, 1981, the Board of Supervisors increased the membership of District Commissioners from five (5) members to seven (7) members, and delegated all of its powers to the commission to manage the affairs of the District, provided, that the Commission shall not initiate litigation without prior approval of the Board of Supervisors. This delegation of authority was in response to a strong desire by the Town of Los Altos Hills and its City Council for local control. The authorization allows for Commissioners to “be council members of cities within the District” and provides that “in the event a council member is appointed commissioner and thereafter cease to be a council member, the office of commissioner shall thereby automatically become vacant.”

The composition of the District’s Commission includes two City Council members for the Town of Los Altos Hills who are appointed by the Board of Supervisors. In September 2018, the District Commissioners acting also in their capacity as the District’s two City Council members were Commissioner A, and Commissioner B. On November 6, 2018, Commissioner C was elected to the City Council for the Town of Los Altos Hills. At this point, the District spent time to consider thoughtful, but immediate action to assuage any potential Brown Act violation. A timeline of events initiated by the District and that transpired is set forth below.

a. Cancellation of the Commissions December 2018 Meeting: In an abundance of caution, the District canceled its regularly scheduled meeting in December 2018. The cancellation of the December 2018 meeting allowed the District to have more time to consider its options to assuage concerns for any potential Brown Act violation.

b. Commissioner B’s Absence at January 2019 Meeting: Commissioner B had previously scheduled out of country travel for January 2019, and had intended to not be present for the January 2019 meeting as a result. In discussion with County Counsel, it was confirmed that Commissioner B’s absence at the January 2019 meeting meant the District may hold its January 2019 meeting without concerns of potential Brown Act violations. This also allotted the District more time to consider and weigh the best options to move forward.

c. Resignation by Commissioner B: On February 1, 2019, Commissioner B submitted their resignation as Commissioner of the District.

With Commissioner B’s resignation, any potential concerns of Brown Act violations because three City Council members were also acting as Commissioners for the Fire District, were eliminated. The Board of Supervisors of the County of Santa Clara appointed Commissioner D on May 7, 2019, to replace former Commissioner B. It is important to note that any potential violation of the Brown Act regarding members of the City Council attending Fire District meetings, was not created by the Fire District, as the Fire District has no control over who is appointed to the Commission. Rather the Fire

53 Santa Clara County, Board of Supervisor Resolution dated December 16, 1980.
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District on its own, took the necessary steps to avoid the appearance of, let alone any violation of the Brown Act due to the potential attendance of three City Council members at a publicly noticed Fire District meeting.
I. Background

a. Santa Clara County Community Wildfire Protection Plan (CWPP)
Recognizing influences and effects from threats of fire throughout the State and in the local area, collaboration between the Santa Clara County Central Fire Protection District (SCCFD), SWCA, Environmental Consultants and agencies within Santa Clara County resulted in the 2016 Santa Clara County CWPP. The County CWPP county-wide analysis identified a range of wildfire risks and enabled agencies to align its programs and budget to address these risks. The 2016 County CWPP was accompanied by report Annexes that address specific issues and projects by jurisdiction. The Annexes, designated for each jurisdiction, are intended to be updated separately from the main document providing greater utility for agencies to make changes to their programs. Annex 4 frames the CWPP for DISTRICT with revisions as determined by the LAHCFD Board of Commissioners in collaboration with SCCFD, Los Altos Hills (LAH) Town and surrounding agencies. LAHCFD is also included as an organization in Annex 1, Chapter 2 of the County CWPP.

b. District Fire Risk Identified and Programs and Budget Aligned to County CWPP Annex 4
At the General Manager’s second meeting, November 2018, the Board of Commissioners began a study of the County CWPP Report and Annex 4. The CWPP Ad Hoc subcommittee updated and tailored Annex 4 to address local needs, emerging conditions and trends in fire science. These revisions to Annex 4 were reviewed by executive staff of Santa Clara County Fire Department (SCCFD) (report to the Board of Commissioners in the GM Report, Nov. 13, 2018) and additional revisions provided by SCCFD were incorporated into the Revised Los Altos Hills County Fire District-CWPP Annex 4 (LAHCFD-CWPP or Annex 4).

c. Addendum to the District’s CWPP Annex 4 Authored by District Staff
An Addendum guidebook, authored by District staff, was written for residents. The Addendum provides an overview of topics in the County CWPP in easy-to-understand terms. The Addendum serves as a guidebook to residents to ensure they better understand Los Altos Hills environments and conditions that are conducive to wildfire risks. The Addendum prescribes mitigation efforts and fire safety standards to protect residents’ families, property and neighborhoods. The Addendum provides resources for emergency preparedness and preparation so that residents can gain self-reliance and resiliency in event of any disaster.
d. June 2019 Adoption of District’s CWPP Annex 4 and Addendum

These documents were before the Commission in public meetings in March, April, May, and June 2019 when reviews and discussions occurred. These public meetings provided study, review, and collaboration with SCCFD to ensure programs were aligned and developed. These meetings also provided for delivery of programs and budget allocations targeted to advance the principles in the LAHCFD-CWPP Annex 4. These documents supported the delivery of goals as stated in the District’s 2015-2020 Strategic Plan.

i. Excerpts from May 21, 2019, CWPP Agenda Report to District Board of Commissioners

Excerpts from the May 21, 2019, CWPP Agenda Report to the Board of Commissioners state:

The CWPP Annex 4 and Addendum are designed to be dynamic documents that will be revisited and revised as fire science and wildfire experiences dictate new approaches and best practices. LAHCFD, in partnership with the Santa Clara Fire Department, will assess its practices and programs and makes changes in its policies to ensure continuous improvement for wildfire preparedness and protection. LAHCFD programs will be supported by the LAHCFD budget and in collaboration and partnership with other stakeholders and agencies. The Agenda Report stated a Recommendation to: Accept 2016 Santa Clara County Fire Department CWPP Report, revised Annex 4 and Addendum and provide direction for future adoption of revised Annex 4 and Addendum as the LAHCFD-CWPP. Motion to accept the Reports and prepare Resolution for adoption of the LAHCFD-CWPP Annex 4 and Addendum passed unanimously. Also, on the May 21, 2019, agenda for Commission review was the report from the SCCFD Chief with the April 2019 Report to Santa Clara County Board of Supervisors Wildfire Risk & Response pursuant to the Board of Supervisors board referral given to the County Fire Chief.

ii. Excerpts from June 18, 2019 CWPP Agenda Report to District Board of Commissioners

Excerpts from the June 18, 2019 CWPP Memorandum Report to the Board of Commissioners state:

The Addendum is written for residents and the community for education on wildfire risks, mitigation efforts. These documents encourage specific pre-planning actions for resiliency of property in wildfire and for self-reliance in event of disaster for residents and the community. It is hoped the Revised Annex 4 and Addendum will encourage residents to seek additional information and become more aware of the threats of wildfire and mitigation efforts for the safety of their families and as concerned residents in the community. Neither Revised Annex 4 nor the Addendum are complete or inclusive of all the information, mitigation efforts or strategies to address the threats and realities of wildfires and disasters.
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SCCFD requested District adoption of Annex 4 by August 2019 to coincide with other Santa Clara County Cities and Towns that were also in process of CWPP Annex adoption.

On June 18, 2019, two months prior to the adoption timeline requested by SCCFD, the District Board of Commissioners adopted Resolution No. 19-21 to adopt Revised CWPP Annex 4 and Addendum as the Los Altos Hills County Fire District’s Community Wildfire Protection Plan.

e. District’s Three Pillars: 2015-2020 Strategic Plan, District’s CWPP Annex 4 and Addendum, and District’s Budget Authority.

LAHCFD-CWPP Annex 4 and Addendum are one of the Three Pillars referenced in District documents and in the FY 2020/21 Budget Narrative, and presentations to agencies, organizations and community groups. Reference to the LAHCFD-CWPP Annex 4 was stated during the District’s remarks to the Board of Supervisors Budget hearings in 2019. The District utilizes the LAHCFD-CWPP Annex 4 and Addendum consistently and with each program evaluation, revisions and new program development.

iii. District Publishes CWPP Articles as Educational Outreach Programs to Community

One of the District Strategic Goals is communication and outreach to the community. Public information was launched to introduce the public to the LAHCFD-CWPP and begin an educational outreach program. District staff authored articles focused on how residents could use CWPP guidelines for fire prevention and protection of their property and neighborhood. As a result, interest and requests for use of District hazardous fuel reduction programs increased as did enrollments in District classes and County workshops. One resident who completed the workshop became the feature of one of the CWPP outreach articles when he submitted a photo journal to the District. The photo journal depicted before and after photos of his property. From the workshop, he now had the knowledge to create defensible space around his home and utilize the concepts of property hygiene to know where to remove and thin trees, remove low hanging branches and remove brush that are fuel ladders for fire and open up non-vegetation spaces on his property where fire would be slowed. These efforts were featured in the CWPP outreach article to encourage others in the community to prepare. The article was published during the height of the fire season. This illustrates the best success of making a difference at the grass-roots level and building community resiliency and demonstrating the value of local government service to residents.

iv. Annual Review of District-CWPP Annex 4 and Addendum

After a full year of LAHCFD-CWPP Annex 4 and Addendum implementation, the District will commence its first annual review for revisions to these documents in alignment with development of its 2020-2025 Strategic Plan. As discussed above, the LAHCFD-CWPP Annex 4 and Addendum are intended to be dynamic documents that evolve and are revised as practices for fire prevention and fuel load management change, and as Santa Clara County Fire and the LAHCFD adopt new or additional measures and...
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technologies that enhance safety of property and lives from threats of wildfires. A SCCFD Chief attends and participates in all the Board of Commissioner meetings and is available as a resource for any fire related topic. The partnership forged with SCCFD is unique and valued. LAHCFD programs support the efforts of SCCFD and expand the delivery of fire protection, prevention and disaster preparation services available to the community beyond those provided by SCCFD. During the annual review, the District will collaborate with SCCFD, LAH, surrounding agencies and organizations and the public to ensure local government involvement of residents and stakeholders is included in the LAHCFD-CWPP Annex 4 and Addendum revisions.

II. Auditor Recommendation 4.1

Direct the Fire District to use the Santa Clara County Community Wildfire Protection Plan Annex 4- Los Altos Hills County Fire Protection District published in August 2016, any subsequent iterations of the CWPP, and the expert advice of the Santa Clara County Fire Department to develop spending priorities and wildfire prevention programs aligned with the risk and recommendations identified by both sources.

III. District Response to Recommendation 4.1

Partially Agree.

IV. Executive Summary

Recommendation 4.1 is accomplished as evidenced by seven-months of study (November 2018-June 21, 2019) and collaboration with SCCFD to review and revise programs and budget for alignment with the LAHCFD-CWPP Annex 4. Recommendation 4.1 is accomplished as evidenced by one year of implementation.

Disagreement with Recommendation 4.1 is predicated on the mistitle of Section 4, which states Fire Prevention Programs Are Not Aligned with Fires Risks. The entire discussion in Section 4 of the Draft Audit continues on this assumption and states: programs and spending are not aligned with the risks identified in the CWPP and the CWPP is not used as a key document in the Fire District’s planning or priority process and the Fire District does not have an alternative assessment or plan it uses instead. Agreement by the District to the statements throughout Section 4 of the Draft Audit and the thesis for Recommendation 4.1 would be a disservice to the diligent planning, leadership and hours of volunteer work dedicated to the community by the District Board of Commissioner and those parties who, in good faith, were generous with their time and expertise. To Agree with Recommendation 4.1, as though no progress was made during the year, would not be legitimate or appropriate. Presented below are actual verbiage from staff reports, revisions diligently produced in collaboration with SCCFD and community stakeholders.

May 15, 2020, Response to the April 26, 2020 Revised Confidential Draft Management Audit of the Los Altos Hills County Fire District
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Value of Local Control to implement the County CWPP via LAHCFD-CWPP Annex 4 & Addendum

The CWPP process is specifically designed for local control, as evidenced by eighteen separate Annexes in the 2016 County CWPP. The strategic value of these Annexes is to engage local communities and local government to work together and understand the fire hazards in their jurisdictions, their property, structures and in their neighborhoods and recognize solutions available to them by their local agency concern and support. Residents and agencies collaborate because of local control solutions that result in fire protection and prevention measures. Loss of delegated authority that is now conveyed to the District Board of Commissions would be a disservice to all the prior Commissioners and to eighty-one years of accomplishments for the benefit of the public and LAHCFD mission achievements. There is no government model to replace this loss. No substantiated facts to explain this loss to the residents, public or surrounding jurisdictions that will also be impacted.

The support for the District’s accomplishments in adopting the LAHCFD-CWPP Annex 4 and Addendum, alignment of program initiatives, funding of budget allocations, is detailed below.

Additional details are below to demonstrate that wildfire prevention programs funded by the District Budget are aligned and targeted with the risks and recommendations in LAHCFD-CWPP Annex 4 and Addendum and the 2016 Santa Clara County CWPP. The details below speak clearly to refute Section 4 assertions.

V. Support for District’s Response to Recommendation 4.1

a. District’s CWPP Annex 4 and Addendum Alignment with FY2020-FY2021 Budget

The FY 2020/21 Budget Narrative Program Descriptions align program budget allocations with the LAHCFD-CWPP Annex 4 and Addendum as described below.

FY 2020/21 Budget Narrative, page 1
In 2019, the District Board of Commissioners adopted a LAHCFD Community Wildfire Protection Plan Annex 4 and Addendum to further identify protection, prevention, and educational strategies to address the growing threats of wildfire destruction.

To achieve the goals of the Strategic Plan and the tenets of the LAHCFD CWPP, the District utilizes recent fire science principles and guidelines to create, develop, implement, manage, and evaluate a variety of residential and community programs aimed at fire prevention, preparedness, and public education. Some of these programs are: upgrades, repairs, and replacement of fire hydrants and upgrades to hydrant fire flow capacity, residential and community hazardous fuel reduction and mitigation through District funded brush chipping and debris removal services, monthly program for yard waste disposal, annual weed abatement, home ignition zone inspections to assist and
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provide resources to residents to encourage sustainable property hygiene and creation of defensive space around the perimeter of home and structures, specialized “high-risk” fire day firefighter patrol and engine, and year-round 24/7 additional Battalion Chief services assigned to the El Monte Fire Station. To educate the public for self-reliance and resiliency in the event of emergencies or disaster, the District provides regular classes and workshops in emergency preparedness including “Personal Emergency Preparedness (PEP)”, “Community Emergency Response Teams (CERT)”, “Cardio Pulmonary Resuscitation (CPR) and First Aid”, and a series of CERT Refresher programs and workshops.

The District’s structure is founded on Three Pillars of the District: 1) 2020-2025 Strategic Plan, 2) LAHCFD CWPP, and 3) District Budget authority funded by property taxes and special tax ratified by voters in 1981. The District stands on these Three Pillars along with its Mission and Vision statements to guide its initiatives, programs, operations, management, and actions on behalf of the LAHCFD community and public.

FY 2020/21 Budget Narrative describes expenditures for Hazardous Fuel Reduction and Shaded Fuel Breaks, page 13, and demonstrates the evolution of the dead or dying tree program that transitions into a more wholistic Integrated Hazardous Fuel Reduction Program (IHFR) under the Home Ignition Zone program.

Beginning in FY09, the District provided for the removal of dead or dying trees within the District at no cost to residents as part of its “Tree Removal Program”. In FY20, the District entered into a contract with the Santa Clara County FireSafe Council to consult on increasing community awareness and education, and readiness and resiliency in the event of a wildfire by assisting in programs to protect lives, property and the environment. One of the FireSafe Council’s existing preparedness plans is “Hazardous Fuel Reduction,” which is the act of creating defensible space to improve a home’s chance of surviving a wildfire by reducing or maintaining the amount of grass, trees, shrubs, and other flammable landscape around the structure. As part of its contract with the District, the FireSafe Council will provide home ignition zone inspections (see “Home Ignition Zone (HIZ) Program” below), which will provide recommendations for trees which should have priority removal in order to create defensible space. Since the new guidelines for resident tree removal will directly align with FireSafe Council’s existing preparedness plan, the District has chosen to change the name of this program for FY21. Another service FireSafe Council will provide assistance with is creating “Shaded Fuel Breaks” along roadways by modifying vegetation to create defensible locations that can help reduce a wildfire’s progress and create defensive areas for firefighters to attack and suppress the fire. The District began Phase 1 of the Shaded Fuel Break program along Page Mill Road during FY20 and expects to complete Phase 2 (with possible other locations) during FY21.
b. District’s CWPP Annex 4 Alignment with District Programs
Features of the LAHCFD-CWPP and Addendum. A Community Wildfire Protection Plan:

- Identifies and prioritizes areas for hazardous fuel reduction treatments, and
- Recommends the types and methods of treatment that will protect one or more at-risk communities and essential infrastructure, and
- Recommends measures to reduce structural ignitability throughout the at-risk community.
- Addresses issues such as wildfire response, hazard mitigation, community preparedness, or structure protection, or all of the above.

(Definition by NWCG (National Wildfire Coordinating Group)).

Statements from the LAHCFD-CWPP Annex 4 prepared by the County Consultant Group, SWCA Environmental Consultants:

Wildfire Jurisdiction and responsibility. The incorporated Town of Los Altos Hills is designated Local Responsibility Area (LRA), and wildfire jurisdiction and responsibility rests with the Fire District and Town of Los Altos Hills. The unincorporated area of the Fire District is designated State Responsibility Area (SRA) and, as such, the California Department of Forestry and Fire Protection (CAL FIRE) shares wildland fire protection jurisdiction and responsibility. State wildfire prevention codes, particularly defensible space codes (Public Resources Code 4290-91) apply in the unincorporated portion of the District.

Los Altos Hills is listed as a Community at Risk from wildfires on the Federal and/or California Fire Alliance list of Communities at Risk in Santa Clara County. The unincorporated portions are SRA and the incorporated portions are LRA. Wildfires occur in the vicinity of Los Altos Hills and present a danger to people and properties within the town. Increased number and severity of wildfires throughout the state since 2010 have heightened awareness of strategic approaches to best prepare LAHCFD for similar events here. The unincorporated portion of LAHCFD is a State Responsibility Area (SRA) and jurisdiction for wildland fires is shared with CAL FIRE. CAL FIRE classifies the SRA portions as high and very high fire hazard severity zones (FHSZs) (Figure 4.1). Mitigations can reduce the risk of injury and damage. Some mitigations are solely the responsibility of property owners, other mitigations require neighborhood level action, and some require town government action.

Neighborhood and Structural Characteristics: The foothills that comprise LAHCFD (Figure 4.2) are characterized by steep, windy and narrow roads that pose potential ingress and egress problems for emergency response and evacuations. Some areas may be subject to slow response times for emergency response due to narrow road conditions. There are many private roads with poor maintenance that would hinder access by large emergency apparatus. Some homes have minimal turnaround space, posing a concern to emergency responders due to potential entrapment. There are a number of dead-end roads.
and narrow driveways, for example Moody Ct., where the SCCFD has been working with the road association to provide possible mitigation measures (e.g., clearing of roadside brush). Many homes are located upslope from thick scrub fuels (Figure 4.4), with continuous canopies. Some homes are on steep slopes with often minimal set-back from the slope. Topography is a concern due to the influence steep slopes have on potential fire behavior.

Emergency Response Capacity: Water in the LAHCFD is provided by two purveyors, Purissima Hills Water District (PHWD) and Cal Water Service (CWS). The fire district owns and maintains the hydrants in the PHWD operating area and CWS owns and maintains the hydrants in its territory. LAHCFD has provided funds to assist the water districts in ensuring adequate firefighting water flow through water main upgrading, standby generator installation, hydrant upgrading, and seismic strengthening of water tanks. In addition, the district provides fuel management activities, including the monitoring and enforcement of weed and brush abatement, residential brush/chipping (twice/year), monthly yard debris drop-off, dead tree removal program, and eucalyptus tree removal.

Recommendations for property hygiene: A landscape design plan for projects in fire-prone areas shall address fire safety and prevention. A defensible space or zone around a building or structure is required per Public Resources Code (PRC) Section 4291(a) and (b). Fire-prone plant materials and highly flammable mulches must be avoided. To prevent the likelihood or severity of wildfires, create a minimum a 30-foot fuel break area around homes using vegetation that has low flammability and is low growing. Remove dead plants and dead material from living plants in such a way so that erosion is not accelerated and flood potential increased. Trees should be kept a distance from any structure at least as wide as the mature crown. Additionally, large shrubbery under trees can create a fire ladder allowing the flames to ignite the tree foliage. Pines, junipers, cypress, and eucalyptus trees burn especially fast and should not be planted near the house.

Hazard Assessment: Community hazard assessments include ratings of community conditions compared to best practices for WUI fire mitigation. Community Hazard ratings include consideration of applicable state codes, local ordinances, and recognized best practices guidelines. The National Fire Protection Association Standard 1144 (NFPA 1144) defines WUI hazards and risks at the community and parcel level. This plan utilizes components of NFPA 1144, California laws and local ordinances to evaluate neighborhood WUI hazard and risk. California PRC 4290 and 4291 sections address WUI community design and defensible space standards. The NFPA 1144 community risk assessment completed for the Los Altos Hills Community assigned the WUI community a risk rating of High with a score of 88 (40 = moderate, >70 = High, >112 = Extreme, shown in Table 4.1). Factors that contributed to the risk are illustrated below. Averages are taken across the community for each of these parameters. Note that the elimination of the WUI map by the Town of Los Altos Hills does not
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change the basis for assessing fire risk and development of subsequent fire mitigation measures. In addition to the on-the-ground hazard assessment, the CWPP also includes a Composite Fire Risk/Hazard Assessment which uses fire behavior modeling to determine potential fire behavior and is based on fuel characteristics, topography, weather, and fire history. The Composite Risk/Hazard Assessment for the planning area is shown in Figure 4.5. Note that this indicates higher levels of fire concern than the assessment in Figure 4.1.

Excerpts set forth below from the Annex 4 Table Recommendations compiled by SWCA Environmental Consultants for fuel reduction projects in LAHCFD. LAHCFD has implemented or is in planning phase of implementation of these recommended projects with adjustments appropriate to the local community.

**Strategic Goal: FR 11:** Create Sustainable programs for creating Defensible Space at the parcel Level.

**Project Description LAH FR11.1:** Develop Defensible Space Programs: Community Chipping, Drive up Chipping, At Home Chipping, Fire Safe Neighborhoods, and tree removal.

**Location and land ownership:** Private homes and structures throughout the County WUI.

**Method:** Use readily available Defensible Space Literature; Encourage homeowners to have courtesy inspections by local fire agencies and PG&E

**Serves to:** Increase the likelihood that a structure will survive a major wildfire

**Timeline:** Annual - Late Spring

**Note:** District is providing this program and services.

**LAH FR1:** Develop Task Force to seek funding sources for homeowners to reduce hazard trees

**Serves to:** Reduce concerns voiced at community workshops regarding costs of tree removal for hazard reduction

**Timeline:** Spring 2020

**Note:** District is providing Home Ignition Zone Surveys for residential and neighborhood services.

**LAH FR2:** Establish fuel breaks around neighborhoods identified as at risk.

**Method:** Shaded fuel break treatments as well as accumulated brush removal. May include hiring private contractors.

**Serves to:** Slow the spread of fire from open space lands Reduce the intensity of possible flame fronts.

**Timeline:** Winter 2019

**Note:** District contracts for construction of shaded fuel breaks. Shaded fuel break project on Page Mill Road now in progress.

**Strategic goal EQ3:** Organize a community group made up of residents and agency personnel to develop materials and communicate relevant defensible space messages. Could coordinate with fire departments or FireSafe Council.
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Note: District partners for Community Outreach and Education services with Santa Clara County FireSafe Council, Santa Clara County Fire District and sponsors and provides its own District conducted workshops and classes to LAH CERT (Community Emergency Response Team) members and residents. Topics include: Personal Emergency Preparedness, Emergency First Aid, Evacuation Preparedness, CERT Refresher courses, and emergency readiness programs when requested by local groups and surrounding agencies.

Table 4.3. Recommended Firefighting Capability Projects in LAHCFD
Strategic goal: FC13: Develop a coordinated approach between fire jurisdictions and water supply agencies to identify needed improvements to the water distribution system, initially focusing on areas of highest wildfire hazard.

LAHFC13.1. Project Description: Develop a coordinated approach between fire jurisdictions and water supply agencies to identify needed improvements to the water distribution system, initially focusing on areas of highest wildfire hazard and lowest hydrant flow.

Fire Department/Agency: County Fire, CAL FIRE, Fire Safe Council, Cal Water, Purissima Hills Water District
Benefits of the Project to the community: Improve fire-fighting response if water is more readily available or closest locations could be identified on a GIS map on a tablet/computer. Within 2 years

Note: District agrees with the statement and Project recommendation by the County Consultant who prepared Annex 4. District has completed projects with the water purveyors to increase water hydrant fire flow for firefighters to combat fires and wildland fire events and to increase pipeline resiliency in event of earthquake or disaster. Additional projects with these stated goals are pending.

Strategic goal FC8: Where road systems are antiquated and do not provide for proper evacuation or two-way flow, require removal of obstructions or upgrade to minimum 2 lanes road system over time

LAHFC8.1 Widening roads. Benefits all fire agencies. Facilitates evacuation and response times. Hurdle would be the number of private roads in the planning area.

Note: District is attending to this goal with construction of shaded fuel breaks. Roads are thereby effectively widened to allow ingress and egress of emergency vehicles and allow escape and evacuation routes as well as provide areas for ground and aerial crews to stage and combat fire events.

Strategic goal FC11: Investigate and potentially install Fire Detection Robots to alert departments of a fire start in remote areas.
LAHFC11.1 Project Description: Early Warning Wildfire Detection System on open space lands.
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Benefits: This benefits the areas covered by the cameras. Fire can be detected early, data is recorded and can be used for later analysis, and fires in progress can be monitored.

Note: District has this project as a future opportunity to explore with agencies.

Additional projects identified on the LAHCFD-CWPP Annex 4 are:

- **LAH-S17.1**: Establish and support new FireWise communities group. Give residents ownership of the fire problem, provide resources and information necessary to inform and prepare the community for fire.

- **LAH SI16**: Develop FireSafe educational programs

  Note: Education and outreach programs are always in progress, review and in a continuous improvement cycle.

c. **District’s Addendum to CWPP Annex 4**

The Addendum was authored by District staff as a guidebook to explain the LAHCFD-CWPP Annex 4. The Addendum targets CWPP principles, related District programs and communicates fire safe and mitigation principles to foster self-reliance and resilient residents and neighborhoods.

Sections from the Addendum that support program alignment with LAHCFD-CWPP Annex 4 are below:

- The Addendum to the LAHCFD-CWPP Annex 4 provides suggestions and information to residents and the public and discusses:
  - Factors that contribute to and influences spread of wildfire
  - Self-reliance measures by residents and building managers for wildfire protection and pre-planning actions to enhance safety of persons and property
  - Programs and Projects supported by the Los Altos Hills County Fire District to achieve its mission of protection of persons and property from wildfire and disaster

Safe and proper evacuation of people (residents, workers, and visitors), pets and livestock are very critical component of preparation for wildland urban interface (WUI) fires. Evacuations are the primary jurisdictional responsibility of law enforcement with assistance from fire and other agencies. However, there will likely be a shortage of public safety responders to assist in the evacuation or other stages of a fire during a serious emergency event. Residents must be prepared to react in event of wildfires by pre-planning and building knowledge and skills to be self-reliant in event of any disaster that strikes the community.
The wildland fire environment consists of four (4) factors that influence the spread of wildfire:
➢ Fuels
➢ Topography
➢ Weather
➢ Bio-physical Factors

Understanding how these factors interact to produce a range of fire behavior is fundamental to determining treatment strategies and priorities in the WUI.

In the wildland environment, vegetation is synonymous with fuels. When sufficient fuels for continued combustion are present, the level of risk for those residing in the WUI is heightened.

Fire spreads in three ways:

1. Surface fire spread—the flaming front remains on the ground surface (in grasses, shrubs, small trees, etc.) and resistance to control is comparatively low.
2. Crown fire—the surface fire “ladders” up into the upper levels of the forest canopy and spreads through the tops (or crowns) independent of or along with the surface fire, and when sustained is often beyond the capabilities of suppression resources.
3. Spotting—embers are lifted and carried with the wind ahead of the main fire and ignite in receptive fuels. If embers are plentiful and/or long range (>0.5 mile), resistance to control can be very high. Spotting is often the greatest concern to communities in the path of a wildland fire. In areas where homes are situated close to timber fuels and/or denser shrubs and trees, potential spotting from woody fuels to adjacent fuels should be acknowledged.

Homes are more likely to survive a wildfire due to use of fire-resistant building materials and designs, and vegetation clearance around the dwelling, than by a reliance on fire suppression resources i.e. firefighter availability to stop the fire.

Pre-planning to lower risk of wildfire spread on property:
➢ remove flammable vegetation from around buildings
➢ construct the building of fire-resistant material

However, it must be noted that a lack of access to water supply, and roads which are too narrow to allow transport of water by fire apparatus to structures threatened by wildfire, will complicate the suppression of wildfire and the protection of structures.

Many methods are available to mitigate the available burnable fuel hazard, whether buildings or native or ornamental vegetation. Mitigations typically refer to reducing the amount of hazardous vegetation available to burn or the expected intensity of the fire when it does burn. Providing defensible space around
structures is one example of reducing the hazard through the mitigation effort of removing and/or thinning of flammable vegetation. Structural mitigations include replacing wooden shake shingle roofs or preventing embers from entering attics through improved vent systems.

Most structure ignitions are from flying embers landing on flammable components of the building and setting the building on fire.
➢ The single most vulnerable area for flying ember caused ignition is wooden roofs and wooden siding
➢ Flammable vegetation burning adjacent to structures and igniting the building through direct flame contact is the second most common source of ignition
➢ The third source is from radiant heat from burning (vegetation or other burning buildings) close to the structure. Burning structures can be the most significant cause of flying ember and radiant heat generator. Embers can ignite neighboring structures, or if closer than 30 feet the radiant heat is likely to ignite the adjacent building.

WUI Defensible Space: The definition of defensible space, via state and local codes, is maintenance by homeowners, and enforcement, as needed, by fire agencies are common practice of wildfire risk mitigation. The California State Board of Forestry issued General Guidelines for Creating Defensible Space in 2008, following a change in PRC 4291 that expanded defensible space clearance requirements from 30 to 100 feet around buildings and structures in State Responsible Areas. Building codes are intended to improve the resilience of a building to ignition from either direct flame contact or from airborne embers. In incidents in which the rate of wildfire spread, and the number of homes at risk from the wildfire, exceeds fire suppression capacity. This resilience may determine whether the building survives.

The guidelines note, some aspects about WUI defensible space, are often overlooked:
➢ Greater defensible space may be needed due to local conditions, such as slope and fuel density
➢ Fuel reduction has more to do with disrupting fuel continuity so that the spread of fire is impeded, rather than creating a denuded zone around a home. For example, pruning the lower limbs of trees create a break between ground fuels and tree canopies, reducing the chances that a fire will move from a ground fire to a crown fire.
➢ Communities may wish to develop defensible space areas that are greater than 100 feet for even better protection. State and local codes only set a minimum distance.
➢ Defensible space also provides a safer environment in which firefighters can work. This environment is more than vegetation clearance; defensible space also involves emergency vehicle access, water supply, and visible street signs and addresses.
Flammable vegetation: Ornamental landscape, particularly in foundation plantings, can expose buildings to ignition. Many ornamental plants are very flammable especially when in flower beds with flammable mulches, which serve as a receptive bed for flying embers. Plants ignite and expose siding and under eave area to direct flame contact. Reducing the loading of hazardous fuels should reduce fire intensity. This can be achieved through community-wide defensible space compliance, proper landscape plantings and maintenance of open space or common owned lands in planned unit developments, and community fuel breaks. Vegetation fuel reduction projects require compliance with all federal, state, or local environmental protection laws.

Property hygiene: Property hygiene is the presence of clutter, debris piles, firewood stacks, lumber, or other flammables within the 100-foot defensible space zone. If the community characteristics is generally poor property hygiene, the risk of fire spreading is greater. Good property hygiene reduces fire spread.

ENCOURAGEMENT TO RESIDENTS AND THE PUBLIC Residents are encouraged to prepare and pre-plan with their families an evacuation plan, alternate evacuation routes, assembled GO-Bags to quickly grab at notice of evacuation, plans for pet and livestock evacuation and a communication plan to find and gather family members once an evacuation is in process. Firefighters and emergency responders will be responding to fighting wildfires and providing emergency medical assistance to victims. It’s critical that residents are aware of how to evacuate and have already ensured that their property is in the best condition, utilizing principles of property hygiene, to withstand wildfire and their property is in a defensive condition when firefighters arrive.

TRAINING AND WORKSHOPS FOR RESIDENTS AND THE PUBLIC Santa Clara County Fire Department hosts and presents workshops to assist residents in all aspects of preparation and evacuation as well as workshops on creating defensive space on property and how to harden and condition property, homes and buildings for resistance to wildfire and to be defensible if firefighters arrive.

FIRE PROTECTION AND PREVENTION PROGRAMS AVAILABLE FROM LAHCFD Los Altos Hills County Fire District (LAHCFD) funds multiple programs and projects aimed at reducing the risk of wildfire. These programs and projects provide resources and support residents’ efforts and abilities to become self-reliant in evacuation. Courses instruct residents on how to create defensible spaces on property so that structures are more resilient from devastations of wildfire.

In addition, LAHCFD provides an Emergency Services Manager (ESM) who is available to support and assist in the organization of the LAH CERT Program (Los Altos Hill Citizen Emergency Response Team). LAH CERTs are a team of volunteers available to be deployed in event of emergency, earthquake or wildfire.
and available to assist with after-incident recovery efforts. The ESM also provides support and assistance to the ham radio volunteers who provide communication support in event of emergency. These resident volunteer teams meet, learn, train and drill together as a service to their community.

LAHCFD Programs are governed by the LAHCFD Board of Commissioners and are provided to residents and the public in an effort to support the District’s mission. This mission is to protect lives and property from fires, natural disasters, and hazardous material incidents for the prevention of fires through protection, prevention and education programs.

Please refer to the Fire District website at www.lahcfd.org for addition information about fire protection Residential Programs, training and workshops that are available to residents. Information on how to train and become a LAH CERT and/or ham volunteer and member are also available on the LAHCFD website.

In Summary
LAHCFD is dedicated to support all these many initiatives, programs and efforts to help ensure protection of persons and property from the devastations of wildfires and to foster the ability to respond in the event of disaster.

LAHCFD is working in partnership with the Santa Clara County Fire Department, Town of Los Altos Hills and other local agencies and personnel in its mission to provide fire prevention, protection and safety to persons and property within its jurisdiction and to the greater Bay Area region. (End of selected materials from Addendum)
Section 5: Fire District’s Compliance with State and Local Procurement Requirements

(Responding to Draft Audit: Section 5. “Fire District Compliance with State and Local Procurement Requirements”)

I. Background

The District is governed by Health & Safety Code §13800, et seq. and in 1980 the Board of Supervisors delegated all of its authority to the District’s Commission to manage the affairs of the District, provided that the Commission may not initiate litigation without prior approval from the Board of Supervisors. The Health & Safety Code expressly states the powers of a fire district, which include, the power to “enter into and perform all necessary contracts…” The District continues to operate under the Health & Safety Code and under the Board of Supervisors delegation, in all matters, including its contracting, purchasing policies, and procedures.

a. Authority to Solicit and Enter into Contracts

The District’s has the authority to solicit and enter into certain contracts. That authority is regulated by Public Contract Code § 20812, which provides that if the District’s final budget is in excess of One Million Dollars ($1,000,000), the District may either follow the contracting and purchasing procedures which apply to the county government of its principal county or it may follow the procedures for fire districts that have a final budget of less than One Million Dollars ($1,000,000), which are set out on Public Contract Code § 20812(c). Since the District operates on a budget in excess of One Million Dollars ($1,000,000) it has opted to utilize the Board of Supervisors of County of Santa Clara policies on soliciting and contracting for certain projects.

b. Board of Supervisors Policy for Contracting and Procurement

At the time of the adoption of the District’s Procurement Policy, the Santa Clara County’s Policy on Contracting and Bidding was set forth in Chapter 5 of its Policy Manual (“Policy Manual”), with the most recent version dated January 15, 2016. The Policy Manual provided that solicitation of services and goods and related services must be conducted by one of three types of procurement (1) Formal Competitive Procurement; (2) Informal Competitive Procurement; and (3) Non-Competitive Procurement.

i. Formal Competitive Procurement

The formal competitive procurement requirements of the Policy Manual may be satisfied through conducting either (a) Formal Bidding, or (b) Competitive Negotiated Procurement.

Formal Bidding. A competitive process in which prospective vendors respond to a solicitation for bids, for example, an Invitation to Bid (ITB). ITBs are issued to the

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54 California Health and Safety Code § 13861(f).
55 Id.
56 County Policy Manual Chapter. 5.6.3.
57 Id.
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lowest responsive bidder and generally used when there is no substantial difference between the products or services that meet the specifications, and the only real difference between the submissions is the price. **Competitive Negotiated Procurement.** A procurement process in which prospective vendors respond to a solicitation for pricing and other information, and the negotiation of contract terms occurs prior to contract award, for example, Request for Proposals (RFP).\(^{58}\) RFPs are used when the end-product is unique, the customer knows what they want, but the methods and specifications aren’t readily available. Thus, price isn’t the only decided factor. Quality and experience are heavily weighed.

The Policy Manual directs the County Executive’s Office of Countywide Contracting Management (OCCM) and the Procurement Department to develop a process for review and approval of RFPs before the RFPs are issued.\(^{59}\) Since the Board of Supervisors delegated all of its authority the Commissioners, except for the authority to initiate litigation, OCCM review goes to the Commission. County Counsel has confirmed in writing to the District that the District is not required to go through OCCM review, due to the delegation from the Board of Supervisors to the Commission.\(^{60}\)

**ii. Informal Competitive Procurement**

Procurement of up to a total contract value of $100,000 in goods and related services and non-professional services where the procurement is made in accordance with the policies and procedures set forth by the Director of Procurement. Informal competitive procurement must be obtained by advance approval from the Director of procurement. Since the Commission has been delegated this authority, the Commission acts as the Director of Procurement.

**c. Different Rules for Public Works Contracts**

The Policy Manual dedicates Chapter 5.7 to the unique requirements for public works contracts, including establishing a separate policy for soliciting and contracting related to public works. The County has adopted the Uniform Public Construction Cost Accounting Act, which along with the Public Contract Code, guide the preparation and bidding of the County’s public works contracts. The District has also opted to become subject to the California Cost Accounting Act. Under the current California Cost Accounting Act contracts for public projects may be procured as follows:

1. Those of sixty-thousand dollars ($60,000) or less may be procured by negotiated contract or purchase order.\(^{61}\)
2. Those of two-hundred thousand dollars ($200,000) or less may be procured by utilizing informal bidding procedures.\(^{62}\)
3. Those that exceed two-hundred thousand dollars ($200,000) must utilize formal bidding procedures.\(^{63}\)

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\(^{58}\) Id.

\(^{59}\) Policy Manual Section 5.6.5.1 (A)(1)(a).

\(^{60}\) December 15, 2017 email to District’s legal counsel from County Counsel.

\(^{61}\) Public Contract Code § 22032(a).

\(^{62}\) Public Contract Code § 22032(b).

\(^{63}\) Public Contract Code § 22032(c).
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II. Auditor’s Recommendation 5.1

Reduce the risk of inconsistent or noncompliant contracting, contracting for prohibited services, by bringing the Fire District’s contracting under the purview of the County Director of Procurement with review by County Counsel as to form and legality. The County Procurement Director should bring the Fire District’s contracting and procurement practices into compliance with State law, County policies and the County Ordinance Code, including ending the Fire District’s unauthorized use of private counsel.

III. District Response to Recommendation 5.1

Disagree.

IV. Executive Summary

As set forth in the District’s Response to the Draft Audit, it is in the best interest of the District and its residents for the District to maintain its local control so that the District is able to continue providing services to District residents in support of the District’s purpose (see Sections 1, 2 and 4) and for the District to utilize outside counsel to enable procurement of those services (see Section 3)\(^{64}\). The District’s position is that its practices and policies for procurement comply with local and state requirements. However, the District continues to welcome suggestions from the County with regard to those practices and policies, as it has in the past. A loss of local control over its ability to procure goods and services will effectively result in a loss of local control and inhibit District’s ability to continue programs that ensure current and long-term fire protections for the District and its residents.

V. Support for District’s Response to Recommendation 5.1

a. District’s Procurement Policy Complies with State and Local Laws
The District’s Procurement Policy is a guideline for the Commission to use, along with guidance from legal counsel. The Policy itself states that “None of the following procedures are intended to conflict with law.” If any part of the Policy does conflict with the law, the Commission is under no obligation to comply with the policy. The District’s procurement of contracts has always been in compliance with all State and local procurement requirements.

b. The RFP Issued and Awarded to Vendor A for the Rolling Tree Removal Program Complied with County Procurement Policies
The Draft Audit incorrectly states that for the District to comply with Chapter 5 of the County Procurement Policy when awarding the Rolling Tree Removal RFP, the District “would have been required to award the contract to the lowest bidder, which in

\(^{64}\) Recommendation 5.1 references “contracting for prohibited services” but beyond this reference in the Recommendation, Draft Report does not allege, define, or discuss “prohibited services.”
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this case was not Vendor A...." When procuring the RFP and issuing the award for the District’s Rolling Tree Program to Vendor A, the District utilized the County’s Policy for Formal Competitive Procurement procedures since the contract value exceeded $100,000. Formal Competitive Procurement allows for both Requests for Proposals, which are not required to be issued to the lowest bidder, and Invitations to Bid, which are required to be issued to the lowest responsible bidder. For the reasons described below, the District selected use of a Request for Proposal as the method to proceed with the issuance of the Rolling Tree Removal project. The County’s Formal Competitive Procurement Procedures do not require the District to issue an award to the lowest responsible bidder with an RFP. The options available to agencies following the County’s Formal Competitive Procurement requirements are:

1. “The formal competitive procurement requirements of this policy may be satisfied through conducting either (1) Formal Bidding, or (2) Competitive Negotiated Procurement.” For the Rolling Tree Program, the District opted to utilize Competitive Negotiated Procurement.

2. “Competitive Negotiated Procurement refers to a procurement process in which prospective vendors respond to a solicitation for pricing and other information, and the negotiation of contract terms occurs prior to contract award, for example, a Request for Proposals (RFP).” Competitive Negotiated Procurement is differentiated from Formal Bidding because Formal Bidding is “a competitive procurement process in which prospective vendors respond to a solicitation for bids, for example, an Invitation to Bid (ITB).”

3. Unlike ITBs, RFPs are not required to be issued to the lowest bidder. In fact, RFPs are often times issued when the selection of a proposer cannot be made solely on the basis of the lowest price. It is used to procure the most cost-effective solution based upon evaluation of criteria in the RFP. The criteria in the RFP provide content guidelines and established viability criteria to facilitate evaluation and promote informed decision making. As the Draft Audit correctly identifies, the District’s Rolling Tree Program evaluation criteria included, “firm profile, background, experience, & financial stability.” These factors were considered critical to the Commission for a successful Rolling Tree Removal Program.

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65 Draft Audit at Page 56.
66 It is important to note that although the Rolling Tree Removal project is not a “public works” project for procurement purposes, it is still subject to the requirement for payment of prevailing wage set forth in Labor Code § 1771 and therefore the District required within the RFP that proposers pay prevailing wage.
67 County Policy Section 5.6.3.
68 County Policy Section 5.6.3
69 Id.
70 Draft Audit cites to County Policy “Chapter 5- Section (B)(2)” in support of its position that the RFP was required to be issued to the lowest bidder. Nowhere in the entire Chapter 5 Policy does it state that an RFP must be awarded to the lowest bidder. This is not surprising as RFPs are not intended to be issued to lowest responsible bidders, instead Invitations to Bid are the mechanism used when the agency must award to the lowest responsible bidder.
At the District’s April 17, 2018, meeting, the Commission discussed the RFP process for the 2018 Rolling Tree Removal Program, and set the date for the RFPs to be submitted on April 27, 2018. At the District’s next meeting on May 15, 2018, the Commission discussed the written RFP assessment and checklist in depth including the individual scores shown for each category for each proposer. Ultimately, the Commission determined that Vendor A was the best choice based on considerations, including that Vendor A has a strong history of positive feedback from homeowners for quality and communications, which it matched by District experience with strong communications and past experience in meeting contract requirements for timing. Another factor weighed by the Commissioners is that Vendor A is a local contractor, thereby familiar with the terrain, roads, addresses and equipment needed for accessing properties. These considerations were weighed against associated risks of the lowest responder being unknown to the District and were balanced with the respectful use of the taxpayers’ money.

c. Four District Vendors with No Formal Written Contracts
Section 5 of the Draft Audit includes two subsections “Vendor B (also referred to as Vendor 2)” and “Vendors with No Contracts” both subsections identify the four District vendors for which no formal written contracts exist. All of the vendors identified are paid by the District through a County Vendor Code, as required by the County.

   i. By Law Contracts May be Oral or Written
An important distinction should be made about the meaning of the term “contract.” Formal written documents are not required to create a contract. The County Procurement Policy states “A contract is an agreement between the County and non-County entity or individual that contains a promise or set of promises or the mutual obligations of the parties…. A document need not be titled “contract” or “agreement” to be considered a contract. Examples of contracts include, but are not limited to, a legally-binding MOU with a non-County entity, an amendment to a contract, a field purchase order, and Non-Disclosure Agreements. A document can be considered a contract even if there is no exchange of money.”\textsuperscript{71} By law, verbal agreements for certain goods and services also create binding contracts.\textsuperscript{72}

   ii. Best Practices for District Contracts
While the District welcomes recommendations from the Auditors concerning the best practice for when to issue formal written contracts, the Draft Audit does not state any specific concern for or describe potential liability resulting from lack of formal written contracts with the identified vendors, nor does it prescribe a recommendation that the District issue formal written contracts for these vendors. When deciding whether to issue a formal written contract, the District balances the time, expense, term, value of the service, and potential increase in costs for services if formal contracts are required against the potential risk of having no formal written contract in place. As an example, requiring a formal written contract for short-term services, with low to now risk and low

\textsuperscript{71} County Policy Section 5.4.5.1.A
\textsuperscript{72} California Civil Code § 1622.
value, may increase risk, time and cost, and therefore, may not be in the best interest of the District.

The below descriptions of the vendors identified in Figure 5.6 “Fire District Vendors with No Contracts” from the Draft Audit details the District’s use of each of the four vendors, and illustrates why the District proceeded without formal written contracts with these vendors. 73

**Vendor 1**: Vendor 1 prints the District’s letterhead, and prints and mails the cards issued to District residents to sign up for the District’s Brush Chipping Program. In the past the Vendor 1 also printed and mailed the cards and information on the District’s Tree Removal Program. To initiate the process, the District sends Vendor 1 a template of cards to mail and a list of resident addresses, Vendor 1 responds with the cost per unit for printing and mailing, and the District reviews, and if in agreement with pricing, authorizes proceeding with the service.

**Vendor 2**: Vendor 2 (also referred to in Draft Report as Vendor B) does design work for District products, including fire safety mailers, District logo design, and ads notifying the public of the District’s fire safety and fire prevention services. In Fiscal Year 2017-2018, the District used Vendor 2 once to design a Fire Safety Mailer. The District did not use Vendor 2 in Fiscal Year 2018-2019.

**Vendor 3**: Vendor 3 was used to print and mail the Fire Safety Mailers designed by Vendor 2 in Fiscal Year 2017-2018. The District provided Vendor 3 with a list of District resident addresses, and Vendor 3 responded with the price per unit for printing and mailing, which the District reviewed and upon approval, authorized proceeding with the services.

**Vendor 4**: Vendor 4, an individual, worked with the District’s Clerk to organize the District’s historic records in preparation to submit the records for scanning and indexing. Vendor 4 applied for a Vendor Code with the County and was approved in June 2018. Vendor 4 only performed services for the District in July, October, and November of 2018. In total payments to Vendor 4 did not exceed $1,200.00.

d. District’s Legal Counsel is Responsible for Preparation and/or Review of All District Formal Written Contracts

The Draft Audit identifies a concern that the District’s contracts “are not signed by the District’s contracted attorney” and “suggests that they were not reviewed for legal matters” despite the Draft Audit calling out that the Auditors were “advised that the documents were prepared by Fire District’s private contracted attorney.” 74 The specific example used by the Auditors is the Agreement for Brush and Wood Chipping services, dated June 19, 2018, which was approved at the District, June 19, 2018, meeting.

The District is surprised to see this allegation appear in the Draft Audit because the Auditors never informed the District or District’s legal counsel that they questioned the

73 Although the names of Vendors are not redacted in the Draft Audit, District’s response has redacted the names to comply with the Auditor’s request to keep names and identification of parties and contractors confidential.

74 Draft Audit at page 57.
veracity of the District’s legal counsel’s statement or that the Auditors wanted additional confirmation beyond Counsel’s statement at the exit conference.

Even if the Auditors choose to ignore the District’s legal counsel’s direct statement that it did in fact prepare the contract, documents previously produced to the Auditors prove the District’s position.

1. The unique footer used at District’s legal counsel’s firm to identify location of documents on the firm’s computer drive is located on the document in question. The Draft Audit states that “neither his personal name nor his firm’s name appear anywhere in the footer” and that there was “no evidence that they relate to the contracted attorney’s computer.” Attachment 5.2 to the Draft Audit is the Conflict of Interest letter (discussed in more detail below), from the District’s legal counsel’s firm, on its letterhead. The footer on the Conflict of Interest letter, appearing on District’s legal counsel’s firm letterhead, matches the format of the footer shown in Figure 5.5 of the Draft Audit.

2. As set forth in the meeting minutes from the District’s June 19, 2018, meeting, District’s legal counsel explained the impact of adopting the Resolution 18-15, which terminated the existing Brush and Wood Chipping Contract, and explained the purpose and impact of approving the June 19, 2018, Brush and Wood Chipping Contract. These minutes evidence the District’s legal counsel’s review of the Agreement. The meeting minutes were provided to the Auditors and are posted on the District’s website.

As explained to the Auditors, like many other public agencies, in light of important legal considerations and in good faith and due diligence, the District’s legal counsel reviews all contracts, but only signs agreements where the other party or parties involved also have their legal counsel sign the Agreement. Examples of this are the Agreements between the District and Santa Clara County Fire, which are signed by all counsel.

e. District’s Legal Counsel’s Firm’s Representation of Vendor A in Non-District Related Matters

District’s legal counsel’s law firm represents Vendor A in matters not related to the District. District’s legal counsel has consistently been transparent to both Vendor A and the District about the firm’s representation of the other. In compliance with California Rules of Professional Conduct, the firm issues Conflict of Interest letters to both parties. The most recent Conflict of Interest letter was circulated and signed in July 2019.

For the reasons and support set forth in the District’s Response to Recommendation 3.1, the District’s legal representation by outside counsel is permitted under the Board of Supervisors delegation of authority in 1980. The District has public records, in the form of historic meeting minutes, summarizing discussions between the District and County Counsel from 1992 regarding County Counsel’s recommendation to the District to retain outside legal counsel. The District accepted this advice and retained contract 75 Draft Audit at page 57.
76 There is no legal requirement for attorneys to sign Agreements.

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legal counsel. The District’s ability to protect the District from potential legal liability while running its day to day operations, and to consult for legal advice without conflicting agendas that may emerge between County Counsel and the interests of the District would be jeopardized. The District’s ability to continue District operations and run the programs that ensure fire protection and safety to District residents would be severely limited without outside counsel. Additional details to support this position are set forth in the District’s Response to Recommendation 3.1.

VI. Auditor’s Recommendation 5.2

Regularly scan and store its official records – including bids for contracts- in an electronic database or other central repository, and ensure that they are not held at contractors’ residences or private offices or not retained at all.

VII. District’s Response to Recommendation 5.2

Partially Agree.

VIII. Executive Summary

Disagreement with Recommendation 5.2 because the content of Auditor’s recommendations based on assumptions not supported by the facts as explained in the District’s Response. District records are reviewed and scanned into an electronic database and are not retained in any party’s personal office. The District was only able to produce this Response while working remotely because the District records are organized and electronically accessible.

IX. Support for District’s Response to Recommendation 5.2

a. District’s Non-Digitalized Historic Records Stored at El Monte Fire Station Until 2017 Digitalization Project

When the Management Auditors conducted their analysis of the District (August 2018 through December 2018) a large portion of the District’s historical (pre-2008) records were kept in a storage room at the El Monte Fire Station. Those records included resolutions, ordinances, contracts, maps, contractor agreements, agendas, minutes, correspondence, newspaper articles and publications, surveys and studies, insurance and warranties, invoices, and financial information dated 1939 through 2008.

b. 2008 Contract to Start the Digitalization of District Records

In 2008, the District contracted with an independent Records Management consultant for services of records review and retention. Records reviewed were: resolutions, ordinances, contracts, contractor agreements, agendas and packet materials, minutes, email correspondence, insurance and warranties, and invoices through June 2012. These records were scanned and retained for access on the Clerk’s District-owned laptop. Every two years since 2008, an independent Records Management consultant reviews records with the Clerk to create a “Records Retention Schedule” (in compliance
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with Government and California public records requirements) and determines, along with the District’s Legal Counsel, which records are destroyed and which are retained. The retained hardcopies were kept in the storage room at El Monte Station.

c. **2017 Contract to Digitalize All District Records, Including Historic Records**

In November 2017, the District passed a Resolution to enter into an agreement that would allow the District to start planning for electronic storage of all the District’s records (including historic documents dating back to 1939). The process to review, organize and index the historic records spanned from June 2018 through September 2018. In August 2018, the District’s non-essential projects were put on hold to allow the District’s limited staff to focus on responding to requests from Auditors. In May 2019 the District provided the indexed historic files to its contractor for scanning which was completed in June 2019. District records are now easily accessible by District staff through a cloud storage system. No District records are retained at private residences, and only hardcopies of invoices are kept at the private office of the District’s Financial Consultant. All other hardcopies of records are kept in the storage room and District’s office space, both located at the El Monte Fire Station.

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77 A detailed description of the Audit timeline of events is provided in the Introduction section of this Response.
Conclusion

The District’s Response is produced with every effort to address the recommendations in the Draft Audit, state facts to support the District’s responses which disagree with those recommendations, and to state the District’s case for the value and continuation of local control through the delegation of authority.

The District stands on its eighty-one-year history of contributions and dedication of its current and prior Board of Commissioners. The District is proud to be a good steward of District taxpayers’ dollars, to have created no debt or liabilities that burden government, and to responsibly practice governance of local control for the benefit of its constituents. The District values its collaboration with Los Altos Hills, SCCFD, surrounding agencies and Special Districts, local clubs, organizations and stakeholders, and most importantly with the residents and community.

The District’s concern each day is for the well-being and safety of residents. The District strives to provide programs, prevention and protection to the community in events of disaster, fire and wildfire and fulfill its mission. Fire protection programs that improve fire safety in communities are more urgent now due to growing limitations of State resources and budget reductions in surrounding agencies that reduce fire suppression and emergency resources. Prevention is key and when disaster occurs, much of the result is because prevention failed. The District fire safety prevention programs and disaster preparedness are key proactive measures. The District endeavors to exercise due diligence and to be forward thinking and to meet each challenge with positive solutions for the betterment of the community.

I. Draft Audit Relies on Old Programs and Information

The recommendations within the Draft Audit rely on stale information. The Draft Audit use multiple old District projects and agreements in support of its Recommendations. For example, Section 1 of the Report discusses four projects; half of those projects occurred more than a decade ago. The most recent project referenced in Section 1 is now six (6) years old. A majority of the discussion within Section 2 of the Draft Audit focuses on the District’s retired Dead or Dying and Eucalyptus Tree Removal Program. With the assistance of the District’s first General Manager, that the tree removal program evolved into the District’s Integrated Hazardous Fuel Reduction Program which is based on the LAHCFD-CWPP Annex 4 guidelines and Fire Science Principles. The Draft Audit fails to provide an accurate portrayal of the District from 2016 to present.

The District understands from the Auditors that once the Auditors receive the District’s written response to the Draft Audit, the Auditors format the revised draft and attach the District’s written response in its entirety before releasing the entire response. The District also understands from the Auditors that the content of the Draft Report will not change before release to the public. It is noteworthy that the Draft Audit does not contain a Conclusion. Further, the Draft Audit states that “[d]epending on the outcome

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CONCLUSION

of [previously referenced legal] review, [the Auditors] may or may not issue and publish an addendum to this report at a future date.” The District is unable to respond to unknown recommendations and statements, and therefore the District can only address those Recommendations, statements and information available to it at the time the Draft Audit was received by the District.

II. Retaining Local Control is in the Best Interest of Residents and Community

The premise of local control is a premier value throughout the District’s Response. The history of the Los Altos Hills community demonstrates the community’s commitment to local government and supports the autonomy of a Special District dedicated solely to Fire and Disaster preparedness, prevention, protection, and response.

Most recently, the District’s immediate action in response to the current public health emergency demonstrates the importance of the District’s relationships with the public and constituents. The District Board of Commissioners demonstrated the ability to marshal solutions and understand how to organize, identify and proactively address the emerging needs. Local control delegated to the Board of Commissioners allowed the District to timely respond to the urgent and rapidly changing events.

a. District Response to Current Public Health Emergency

1. On March 17, 2020, the District successfully held its first public meeting, the March Regular Commission meeting, by teleconference in immediate response to the public health emergency and Santa Clara County Shelter in Place Order issued just one day prior. At that meeting, an emergency agenda item was added for the Commission to determine the District’s Essential Governmental Functions, in compliance with the County Shelter in Place Order. Action taken authorized continued operations, without delay, of the District’s fire fuel reduction programs and emergency programs, a vital decision with fire season approaching.

2. During the weeks of the critical PPE (Personal Protective Equipment) shortage, a donor contacted the District and the District worked with the donor to immediately facilitate conveying 1,000 N95 masks to County paramedics and El Monte Fire Station personnel.

3. When public classes for emergency preparedness were cancelled by SCCFD in light of the public health emergency, District staff immediately consulted with partner agencies to develop and schedule video streaming classes. The classes address the urgent need for District residents to prepare their families and properties in advance of fire season and review procedures and skills for emergency preparedness, readiness and self-resilience.

4. With implementation of the Shelter in Place, District staff recognized the need to support LAH CERT and HAM volunteers to gauge needed outreach services to the District’s residents. Starting in April and scheduled through the Shelter in Place period, District staff convenes and conducts weekly video conference
check-in sessions with LAH CERTs and Town of Los Altos Hills Emergency Communications Committee members for wellness checks and to gather needs of the community. Refreshers on CERT skills and activity are reviewed during these weekly Check-ins.

The ability of the District to respond to the current public health emergency event and on-going Shelter in Place Orders without delay and with urgency to address the community’s needs, demonstrates the importance, seriousness and impact of local control. Revoking that control will profoundly deter the District’s ability to provide its residents with strong services needed to ensure a community highly susceptible to major fire events and its ability to timely respond to emergencies and disasters. Retaining local control allows the District to continue with its organized, prepared and immediate response to fire safety and emergency protection of the District and its residents.

The services to the community that the District provides through its fire resiliency programs and for emergency and disaster preparedness cannot be performed with the same quality, expedience, and cost efficiency, while maintaining positive community relationships, without local control. The District Response emphasizes the importance of District programs to support firefighting infrastructure and initiate fire prevention programs that align with fire risks and the local CWPP Annex 4. The District recognizes that impacts are shared regionally, and therefore mitigations and benefits should be shared regionally. In that light, the District will continue to act locally and look for opportunities to work with other local agencies for the benefit of the regional community.

The connectivity between the District, local agencies, and the community is a fundamental component to the success of these programs. This connectivity builds cohesiveness between the District, local agencies and District residents which is essential to ensure that residents, their properties and the community are prepared for a fire, wildfire, emergency or disaster event.

b. Impact of Consolidation of Fire Districts within Santa Clara County

In 2010, and now again in 2020 reports, the County proposes consolidation of the fire districts within the County’s jurisdiction. The methodologies and complexities of consolidation were contested in past years and are even more complex and would be contested today. As evidenced by District’s strong financial position, cost savings, and limited staff, the efficiency of the District is apparent. Since District operations are already run in an efficient manner, more cannot be done by consolidating the District to make it part of a larger organization.

Consolidation leads to fire protection decisions on a global, not local, level and these decisions cannot be attuned to needs of local constituents. Actions in response to global, not local decisions, disrupt local operations and replace sensitivities to local needs with regulations, policies, bureaucracy and a list of higher priorities that leave the local constituents without responsiveness. Consolidation would, by its nature, replace
CONCLUSION

the value of local control with the mechanisms of large and distant bureaucratic governance.

The impact of the County Board of Supervisors accepting these recommendations would be dire not only to the District’s Board of Commissioners ability to perform its mission, but also to the Los Altos Hills and the surrounding agencies that collaborate with the District. The dire effects would cascade to residents who depend on the District for vital fire and disaster protection services, emergency preparedness, community education and LAH CERT support. Revocation of the delegation of authority and commensurate loss of local control would lead to significant harm to residents of the District. In the end of this sequence of potential events by the revocation of the delegation of authority, the residents of the District would be significantly harmed by loss of its local control.

There is strong support in the community for the District to continue operation under the Board of Supervisors’ delegation of authority, thereby maintaining local control. The District has shown the ability to adapt and be flexible (including and especially since 2016), and this will propel the District into the future. The District is positioned to meet the threats and challenges of providing community public safety with positive solutions.
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: Cheryl Solov, Management Audit Manager
SUBJECT: Management Audit - S. Santa Clara County Fire District

RECOMMENDED ACTION
Receive Management Audit of the South Santa Clara County Fire District and forward to the Board of Supervisors for consideration. (Referral from August 21, 2020 Board of Supervisors meeting, Item No. 154)

CHILD IMPACT
The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT
The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS
The recommended action will have no/neutral sustainability implications.

ATTACHMENTS:
- SSCCFD FGOC Recommendations Matrix (PDF)
- Mgt Audit - South Santa Clara County Fire District(PDF)
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| 1.1 | Formulate the boundary drop agreement the arrangement with Morgan Hill for the 50 percent funding of the engine company at Station 1. (Priority 2) | SCCFD: Partially Agree  
A formal agreement would memorialize the existing arrangement. The Three-Department Operational Agreement requires the approval of three governing bodies to make changes to policy. Currently cost of fuel and personnel are already split administratively. Outstanding costs that are not shared are related to maintenance, repair and upkeep of the District Engine. Another alternative would be to have a separate agreement to share costs that is just between the District and City of Morgan Hill. | As directed by FGOC. |
| 1.2 | Consider an arrangement with Morgan Hill for the costs of a portion of Engine 67’s maintenance, repair, and upkeep. (Priority 2) | SCCFD: Partially Agree  
A formal agreement would memorialize the existing arrangement. The current arrangement already divides the costs of operation between the two departments. The one outstanding cost that is not captured today as part of the shared costs to operate the apparatus and the Station 1 location, is cost of maintenance, repair and upkeep of the apparatus. | As directed by FGOC. |
| 1.3 | Use information from the Standards of Cover study to assess the boundary drop agreement and whether further adjustments to compensations arrangements are appropriate. (Priority 2) | SCCFD: Agree  
The Final Draft of the Standards of Coverage provided by Citygate Associates, LLC was delivered in November 2019 and it supports the concept that further strengthening of the cooperative relationship in writing ensures the business practices of the current cooperative relationship are memorialized. | Approve on consent. |
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| 2.1 | Develop a five-year financial plan and annual update to the financial plan that evaluates the District’s options to increase revenues and contain expenditures, including potentially consolidating fire prevention and communications operations with the cities of Morgan Hill and Gilroy. (Priority 2) | SCCCFD: Agree  
A 5-year financial plan and annual update to illustrate the District financial position is appropriate. Options to increase revenues are being researched now with County Counsel, in an anticipation that a revenue measure will be proposed to the voters in 2020. All opportunities to create efficiency in administration and operations is appropriate. Morgan Hill and District Fire operations, support and dispatch already are co-located. In some cases, the inefficiency of prevention/inspection/building is outside the scope of the Fire District and would require support from other governing bodies. Supervisory responsibility or oversight in a single office, Fire Marshal for example, may help create efficiencies, but each of the three governed entities has different business practices to address fire engineering and risk reduction. Staff will need to remain focused on the differences between the different jurisdictions, communications with local jurisdictions; dedicated staff will still be needed to address each jurisdiction. |
| 2.2 | Consider options for increasing revenues, including a ballot measure to increase parcel or other special taxes to pay for fire protection services. (Priority 2) | SCCCFD: Agree  
District Staff is currently in communication with County Counsel and the Registrar of Voters Office in preparation to propose a revenue measure in 2020. There are many cost-savings efficiencies in the current staffing model, but growth and demand for services is out-pacing revenues. The creation of a mobile equipment replacement fund and capital/facilities replacement fund also need to be addressed to ensure that there is sustainability in the future of the Districts replacement of apparatus and fire stations. Sufficient revenues are not available to fund the replacement funds today. Future increases in revenues through a revenue measure would be used to fund mobile and facility replacement. |
| 2.3 | Consider options for consolidating fire districts in the County, as further recommended in Section 4, Recommendation 4.1 of this report. (Priority 2) | SCCCFD: Partially Agree  
Consolidation to streamline government should be reviewed regularly. The consolidation of departments alone will not solve the financial challenges of the District. The suppressed assessed value and consideration of a change to address shortfalls in revenue should be addressed by the District Board of Directors. While the Williamson Act helps sustain valuable agricultural land in South County, it has had a negative impact on public safety services revenue. As a measure to help prop up the loss of revenue, considering there is still a strong need for public safety services, the County should consider other revenues to offset the loss. Consolidation of the Fire Districts in the County is not a certain fix to address service levels. The outcome of the consolidation and level of services are not known. |
### Section 3: Multi-Year Capital Planning and Asset Management

*The South Santa Clara County Fire District’s Board of Commissioners should:*

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| 3.1 | Request the District Fire Chief to provide the timeline to complete the detailed categorization of assets, and submit the completed categorization of assets to the Board of Commissioner’s for review and endorsement. (Priority 3) | **SSCCFD:** Agree  
An accountability of assets is essential. While we have personnel that are in contact regularly with all District assets, having a formal inventory is important for recordkeeping and accounting/auditing. District staff will investigate a cloud based solution to address the inventory of assets and from accurate asset accounting can build a durable goods replacement policy. | Approve on consent. |
| 3.2 | Develop a financing plan for the repair, replacement, and expansion of District facilities and other capital assets. (Priority 3) | **SSCCFD:** Partially Agree  
A formal approved plan would be used as a roadmap to identify current needs and future projects to allocate revenues to address repair, replacement and expansion of current facilities. In 2014 the District hired Taussig and Associates to develop a growth impact study from which the District Board of Directors approved amendments to the existing Development Impact Fee Structure. As part of the study the District Staff created a facility and capital asset replacement plan. Further work using the information in that document could be used to create a more defined replacement strategy. | As directed by FGOC. |
| 3.3 | Develop financial policies that include policies relating to debt issuance and drawing on reserves. (Priority 3) | **SSCCFD:** Partially Agree  
District should enhance its financial policies to include addressing the subject of debt issuance. District already has policies to address drawing on reserves. | As directed by FGOC. |
| 3.4 | Direct the Fire Chief to complete an annual inspection to validate a sample of the inventory in order to ensure the existence and condition of assets. (Priority 3) | **SSCCFD:** Agree  
As stated above an accountability of assets is essential. While we have personnel that are in contact daily with all District assets, having a formal inventory is necessary. District Staff will be investigating potential solutions to address this and propose them to the District Board of Commissioners. A request will be made to the Fire Chief by the Commission to inventory all assets of the District to review with existing inventory documents and update the list of District assets. | Approve on consent. |
### Section 4: Santa Clara County Areas without Year-Round Fire/ Emergency Medical Services

The **Santa Clara County Board of Supervisors** should:

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<td>4.1</td>
<td>Evaluate options to ensure adequate year-round fire protection and first responder coverage to residents of unincorporated areas of the County, including potential consolidation and expansion of four existing fire districts to better allocate resources across the unincorporated areas. (Priority 2)</td>
<td><strong>SSCCFD:</strong> Agree</td>
<td>Approve on consent.</td>
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**SSCCFD:** Agree

All property in the County should be under the protection of a local fire protection jurisdiction. The subject has been reviewed by County in the past. This is not a District program issue, but since the District responds for the county to areas not in a fire district, it will have a positive effect on the District.

### Section 5: Coordination and Funding of Fire Risk Mitigation Services

The **Santa Clara County Board of Supervisors** should:

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<td>5.1</td>
<td>Direct County Administration and County Counsel to examine consolidation of the three Fire Districts under its authority to more effectively and efficiently provide fire prevention and emergency medical services. This assessment should also explore the potential benefits and drawbacks to the expansion of District boundaries. (Priority 1)</td>
<td><strong>SSCCFD:</strong> Agree</td>
<td>Approve on consent.</td>
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**SSCCFD:** Agree

The County Board of Supervisors should evaluate the consolidation of the three fire districts and annexation of areas of the County that are not in a fire protection district. Disparate revenues exist in each of the districts and no revenue is received for areas that are not in a fire protection district. Reallocation of revenues from one area of the County to other areas that receive less or no revenue for fire services is likely to be challenging. The public may be challenged to see the benefit of reallocation of revenues from existing districts to other areas of the County with less revenue.

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<td>5.2</td>
<td>Direct County Administration and County Counsel to examine establishment of a Joint Powers Authority for the purpose of coordinating various fire and non-fire agencies to commence fire prevention activities Countywide. (Priority 1)</td>
<td><strong>SSCCFD:</strong> Agree</td>
<td>Approve on consent.</td>
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**SSCCFD:** Agree

Regardless of jurisdiction, all areas of the county are at risk of large damaging fires. Mega-Fires have become all too common in California and Santa Clara County is no exception to the risk. It’s not a matter of if, but when. Fires have no regard for jurisdictional boundaries; to provide a governing body to address the recent adoption of the Countywide Community Wildfire Protection Plan, the institution of a joint powers authority (JPA) would bring all stakeholders together to address risk mitigation across the County. The authority could assess its participants for revenue to address projects, seek grants for revenue as a unified force with other entities in the County and work to address resiliency projects based on JPA established policy.
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<td>5.3</td>
<td>Direct County Administration and County Counsel to examine re-allocation of a modest percentage of the $220 million of annual Public Safety Sales Tax revenues from exclusively law enforcement needs to the proposed fire-prevention Joint Powers Agreement to fund construction of defensible space or other mitigating work. (Priority 1)</td>
<td>SSCCFD: Agree. Public Safety Sales Tax revenue is not provided to the county fire departments, but is used to provide enhanced services for Sheriff and District Attorney’s Office. A modest increase to the revenues and an incremental increase of future revenues will help to address fire risk to life and property. The measure was passed with public safety (fire) as a focus and fire has not received any revenue from the tax in Santa Clara County. The allocation could be used to staff the JPA and allocated to community risk reduction projects, reducing the risk for large fires.</td>
<td>Approve on consent.</td>
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**Section 6: Lack of Independent Review of Cal Fire Invoices**

The South Santa Clara County Fire District’s Board of Commissioners should:

| 6.1 | Request the County’s Office of Budget Analysis in the County Executive’s Office to review and approve Cal Fire invoices before invoices are sent to the Controller’s Office for payment. (Priority 3) | SSCCFD: Agree. A procedure has already been implemented and will be memorialized to ensure that review and separation of duties in the CAL FIRE Administration are in place; review by the Office of Budget Analysis as well as the District Board of Commissioners will ensure oversight of invoicing by CAL FIRE to the District. The current process includes several steps:  
- Human Resources staff enter employee information from State Controller’s Office into the timekeeping/payroll system;  
- Field supervisors approve employee created timesheet information after auditing;  
- Timekeeping information is reviewed by personnel prior to issuance of payroll;  
- An analyst reviews all entries and audits against the schedule (just like the supervisor);  
- A CAL FIRE chief officer reviews and approves the report. The report is forwarded to CAL FIRE Departmental Accounting Office in Sacramento for review and creation of the invoice to South Santa Clara County Fire District  
- The analyst reviews the invoice and processes the County payment voucher which is then reviewed/approved by a CAL FIRE chief officer and forwarded to County Controller for processing.  

The new process includes the following additional steps:  
- County Executive OBA will review all of invoice and time report documentation prior to the voucher being sent to County Finance.  
- Any concerns in the documentation will be communicated between OBA and the Fire Chief or designee; and  
- Related Documents will be provided to the District Board of Commissioners at their regular bi-monthly meeting for review, comment and correction if needed.  
- District Board of Commissioners will approve expenditures of the District at their regular meeting | Approve on consent. |
Management Audit of the County of Santa Clara
South Santa Clara County Fire District

Prepared for the Board of Supervisors of the County of Santa Clara

December 19, 2019

Prepared by the Board of Supervisors Management Audit Division
County Administration Building, East Wing, 10th Floor
70 West Hedding Street
San Jose, CA 95110

(408) 299-6435
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December 19, 2019

Supervisor Dave Cortese, Chair
Supervisor Cindy Chavez, Vice Chair
Board of Supervisors’ Finance and Government Operations Committee
70 West Hedding Street
San Jose, CA 95110

Dear Supervisors Cortese and Chavez:

We have completed the Management Audit of the South Santa Clara County Fire District. This audit was part of the Management Audit Division’s Fiscal Year 2018-19 work plan by the Board of Supervisors of the County of Santa Clara, pursuant to the Board’s power of inquiry specified in Article III, Section 302(c) of the Santa Clara County Charter.

This audit was conducted in conformity with generally accepted government auditing standards as set forth in the 2011 revision of the “Yellow Book” of the U.S. Government Accountability Office.

The purpose of the audit was to examine the administration, finances, and management practices of the South Santa Clara County Fire District, and to identify opportunities to increase the efficiency, effectiveness and economy of the District. This report on the Management Audit of the South Santa Clara County Fire District details six findings and 15 recommendations, of which nine were directed to the Fire District’s Board of Commissioners and six were directed to the Board of Supervisors. In her response, the Fire District’s Board of Commissioners Chair agreed or partially agreed with all the recommendations.

If implemented, the recommendations in this report would, among other improvements:

- More clearly define the operational and funding agreement between the Fire District and City of Morgan Hill to ensure that Morgan Hill continues to support Fire Station 1 staffing, and funds a portion of Engine 67 (stationed at Fire 1) maintenance, repair, and upkeep to account for Morgan Hill’s benefit from Engine 67.
Better plan for the Fire District’s future financial condition through (a) development of a long term financial plan that evaluates the District’s options to increase revenues and contain expenditures, including potential consolidation of fire prevention and communications functions with the cities of Gilroy and Morgan Hill; and (b) consideration of options for increasing District revenues, and consolidating fire districts in the County given the difference in tax allocations to each of Santa Clara County’s four fire districts.

Better plan for the financing of the Fire District’s repair, replacement, and expansion of facilities and assets, including categorizing all assets and developing policies on issuing debt and drawing on reserves.

Better ensure adequate year-round fire protection and first responder coverage to residents of unincorporated areas of the County, including potential merger and expansion of four existing fire districts to better allocate resources across the unincorporated areas.

Provide for more uniform mitigation of fire risks and provision of fire prevention services among the four existing fire districts and in uncovered areas of the County through (a) forming a Joint Powers Authority responsible for mitigating fire risks, (b) considering consolidating existing fire districts under the Board of Supervisors authority, and (c) allocating a portion of public safety sales tax revenue to fire safety.

We would like to thank the Fire District Board of Commissioners, Cal Fire representatives, and City staff for the assistance provided during this audit process. We also appreciate the time and input of various peer jurisdictions and staff of other departments and agencies, both County and non-County, who responded to our survey and interview requests.

If you have any questions regarding this report, please call me at (408) 299-6435.

Respectfully submitted,

Cheryl Solov
Management Audit Manager

Cc:
Supervisor Susan Ellenberg
Supervisor S. Joseph Simitian
Supervisor Mike Wasserman
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Finding 1: Fire District Responses to Morgan Hill Incidents

In 2016, the South Santa Clara County Fire District (District) and the cities of Gilroy and Morgan Hill entered into a boundary drop agreement in the closest appropriate available District, Morgan Hill, or Gilroy resource responds to emergencies, regardless of the geographic jurisdiction. Both the District and Morgan Hill contract with the California Department of Forestry and Fire Protection (Cal Fire) to provide fire and emergency medical services. The two fire departments operate jointly under a single command and organizational structure, allowing for coordination and sharing of resources. The District, Morgan Hill, and Gilroy are planning to conduct a Standards of Cover study to evaluate fire services and improve coordination in South County.

Under the boundary drop agreement, the District and Morgan Hill respond to calls within the other district's jurisdiction. In 2018 South Santa Clara County Fire District responded to 2.6 times the number of emergency incidents in Morgan Hill than the city of Morgan Hill responded to incidents in the District. In particular, Engine 67, which is owned and maintained by the District, at Station 1 spent 58 percent of its total annual hours and 66 percent of its total annual runs responding to Morgan Hill in 2015. In calendar year 2018, Engine 67 made 1,397 runs to Morgan Hill, which accounted for 72 percent of its total 1,949 annual runs, an increase from 2015, when 66 percent of Engine 67's total annual runs were to Morgan Hill. To account for this level of response, the engine company staffing at Station 1 is partially funded by Morgan Hill and partially funded by the District. However, this funding arrangement is not formalized in any agreement between Morgan Hill and the District, and does not account for costs incurred by the District in the form of fuel, maintenance and repair, and general wear and tear on the engine. As a result, the District's expenditures to respond to incidents in Morgan Hill under the boundary drop agreement exceed benefits that the District receives from Morgan Hill responses to incidents in the District.

The District should formalize in the boundary drop agreement the arrangement with Morgan Hill for the 50 percent funding of the engine company at Station 1 and consider an arrangement with Morgan Hill to reimburse the costs of a portion of Engine 67's maintenance, repair, and upkeep. The District should also use the Standards of Cover study to assess the boundary drop agreement and whether further adjustments to compensations arrangements are appropriate.

Formalization of the funding arrangement at Station 1 will ensure that Morgan Hill continues to support Station 1 staffing under future cooperative agreements. An arrangement with Morgan Hill for the funding of a portion of Engine 67's maintenance, repair, and upkeep will offset some of those costs to the District and account for Morgan Hill's benefit from Engine 67.
Finding 2. South Santa Clara County Fire District Future Financial Uncertainty

The South Santa Clara County Fire District’s actual revenues in FY 2017-18 were $5.8 million, of which nearly 85 percent were the property tax allocation to the District. The District’s actual expenditures in FY 2017-18 were $5.2 million, of which 87 percent were for the cooperative agreement with Cal Fire.

While the District had sufficient revenues in FY 2017-18 to pay for expenditures for fire services, the District’s future revenue growth may not be sufficient to cover increases in expenditures. The District’s FY 2017-18 property tax allocations of $89 per person are lower than in the other fire districts in the County, which range from $226 per person in the Saratoga Fire District to $1,000 per person in the Los Altos Hill Fire District, or more than 10x the allocation of the South Santa Clara County Fire District. The District’s property tax allocation is lower per person than other County fire districts because more than 40 percent of the District’s land is agricultural which is taxed at a lower rate; the District’s tax allocation may be further constrained in future years by the Farmland Security Zone Program, if implemented, which further reduces taxes on certain agricultural lands. Also, the District’s future revenues under its first responder contract with the County are not guaranteed upon expiration of the County’s current agreement for ambulance services in June 2019.

The District’s expenditures to Cal Fire, its most significant expense, are projected to increase by 13 percent over the next five years, largely due to increases in staff salary and benefit costs and in the number of Cal Fire staff allocated to the agreement. The growth in expenditures and constraint in revenues makes the future financial stability of the District uncertain.

To better plan for its future financial condition, the District’s Board of Commissioners needs to develop a long term financial plan that evaluates the District’s options to increase revenues and contain expenditures, including potential consolidation of fire prevention and communications functions with the cities of Gilroy and Morgan Hill. The Board of Supervisors should consider options for increasing District revenues, and consolidating fire districts in the County given the difference in tax allocations to each of Santa Clara County’s four fire districts.

The Board of Commissioners will require support from District staff to develop and update the long range financial plan. While the cooperative agreement between the District and Cal Fire provides for an increase in analytical support staff in future years, the costs funding such staff in FY 2019-20 to support financial planning would likely be offset by other salary savings. Potential consolidation of fire prevention and communication resources with the cities of Morgan Hill and Gilroy will streamline these services and control costs.
Finding 3. Multi-Year Capital Planning and Asset Management

The South Santa Clara County Fire District's capital assets consist of one fire station, fire engines, command vehicles, water tenders and specialized vehicles, and fire suppression and emergency medical equipment. Under the cooperative agreement between the District and Cal Fire, the District and Cal Fire are each responsible to maintain and replace their property and equipment.

The District has limited financial resources to replace assets when needed. In the five-year period between FY 2012-13 and FY 2013-14, the District spent $1.2 million on replacing vehicles and other fire suppression apparatus, using lease financing. A consultant’s study estimates an additional $10.3 million in capital repair and replacement costs between 2015 and 2035.

The District does not have an asset management plan to account for repair and replacement of existing assets, the associated costs, and potential funding sources. Cal Fire is in the process of categorizing all District inventory and assets and estimating annual costs to replace assets at the end of their useful life, but has not yet completed the categorization. Even with the completion of the categorization of assets and replacement costs, the District will not have a plan to match funding with asset repair and replacement. The District also does not have a process for validating their inventory of materials and equipment. While Cal Fire is responsible for maintaining their own capital assets as well as District vehicles and equipment under the cooperative agreement, the cooperative agreement does not address planning for asset repair and replacement and the associated funding. Nor does the cooperative agreement address responsibility for District assets not defined in the agreement, even though the District has no staff other than Cal Fire staff. The lack of an asset management plan and inventory validation puts the District at risk of unexpected costs for inventory loss or unplanned asset failure.

The South Santa Clara County Board of Commissioners should request the District Fire Chief to provide the timeline to complete the detailed categorization of assets, and submit the completed categorization of assets to the Board of Commissioner’s for review and endorsement. The Board of Commissioners should also develop a (1) financing plan for the repair, replacement, and expansion of District facilities and other capital assets; and (2) financial policies that include policies relating to debt issuance and drawing on reserves. The Board of Commissioners should further request the District Fire Chief to complete an annual inspection to validate a sample of the inventory in order to ensure the existence and condition of assets.

The Board of Commissioners will require support from District staff to develop a financing plan for capital asset repair and replacement. Managing inventory and planning for asset repair and replacement will reduce costs for inventory loss or unexpected asset failure.
Executive Summary

Finding 4. Santa Clara County Areas without Year-Round Fire/ Emergency Medical Services

The County of Santa Clara has a population of approximately 1.9 million people, 1.7 million of whom live in one of the County's fifteen incorporated towns and cities and approximately 0.2 million (11 percent) of whom reside in unincorporated County areas. Of the County's 1,310 square miles, 943 square miles (72 percent) are unincorporated. The County has four fire districts that cover some portions of the County's unincorporated areas, as well as some cities.

County residents who reside within a city or within a fire district receive full-time, professional fire protection and emergency services from a local fire protection agency. However, approximately 543 square miles and 33,000 residents in Santa Clara County reside within neither a city nor a fire district, and therefore are not covered by any local government fire protection organization. These uncovered areas lie outside the jurisdiction of any local government fire protection district in unincorporated areas of the County. As a result, these areas, which have fire risks ranging from low to extreme fire risk and hazard, do not have year-round fire protection coverage. While the California Department of Forestry and Fire Protection (Cal Fire) is responsible for wild-land areas in the State Responsibility Area, which covers most of the unincorporated area of the County, no agency is responsible for structure fires or first responder coverage.

A survey of other large and populous California counties found that it is unusual to have large areas of the county that are not covered by any local government fire protection organization.

The Santa Clara County Board of Supervisors should evaluate options to ensure adequate year-round fire protection and first responder coverage to residents of unincorporated areas of the County, including potential merger and expansion of four existing fire districts to better allocate resources across the unincorporated areas.

A formal evaluation of options to ensure year-round fire protection and first responder coverage to residents of unincorporated areas of the County would require County staff resources, and potentially consultant resources. If the Santa Clara County Board of Supervisors were to determine that merging and expanding the existing four fire districts into one countywide district was preferred, the County would incur costs to obtain approval from the Local Agency Formation Commission (LAFCo), which governs special districts in Santa Clara County, and voter approval of the residents of the areas in question. The benefit of such a merger and expansion would be to better allocate property tax dollars across the County, while streamlining the governance and operations of fire districts.
Finding 5. Coordination and Funding of Fire Risk Mitigation Services

The Board of Supervisors is the board of directors and is responsible for the oversight and coordination of three of the County's four fire districts. In addition, fire services within the County are provided by 10 cities and by the State.

As a practical matter, a response to a large fire would be a Countywide or regional response. However, mitigation of fire risks is based on jurisdictional boundaries established when the County was home to a smaller population and when fire risk overall was lower. There is no central coordination of the numerous fire services within the County with respect to mitigating overall fire risks. Although the County agency receives dedicated sales tax funds for public safety – including “fire protection” – it allocates these monies entirely to law enforcement, although the rate of violent and property crimes in Santa Clara County decreased by 40 percent and 56 percent respectively since implementation of the public safety sales tax in 1993. Fifteen of the 20 largest fires in California history have occurred since 2000. Despite a population of nearly two million people residing in the County today, and the increased risk of large fires spreading into urbanized areas, there are hundreds of square miles of the County – including areas of high fire risk – still are not covered by any fire agency. Through its three fire Districts, the County Board of Supervisors oversees almost $95 million of annual property tax revenues that are paid by County residents to the Fire Districts. Yet there is no multi-District assessment and prioritization of risks based on objective measures; each District addresses risks within its boundaries with the resources that are available. The boundaries of existing Districts are not necessarily related to fire risk, and some Districts may not use funds consistent with risk mitigation. The absence of a comprehensive approach to mitigation increases the potential for major fires throughout the County, including in fire districts, cities, and open spaces.

The Board of Supervisors should direct the County Administration in conjunction with County Counsel to present proposals for fire risk-mitigation models for the County. The Board should consider consolidating all of the existing districts under its authority and assess the feasibility of expanding district boundaries. Additionally, the Board should assess whether a multi-agency approach, such as development of a County-wide fire-risk mitigation Joint Powers Authority – akin to the multi-agency model that already exists for emergency services interoperability – could be implemented. The Board should also consider re-allocating a modest portion of public safety sales tax revenue to mitigation of fire risk.

Implementation of these recommendations would potentially improve the efficiency and effectiveness of existing fire services and reduce the damage from major fires.

The California Department of Forestry and Fire Protection (Cal Fire) provides fire protection services and administration services to the South Santa Clara County Fire District (District) under cooperative agreements. Cal Fire invoices the District on a quarterly basis for actual services rendered. When Cal Fire submits an invoice for payment to the District, District administrative staff process and code the invoice, and the District’s Fire Chief reviews and approves the invoice for payment. Once the invoice has been approved by the Chief, District staff prepare a payment voucher cover sheet and send the invoice to the County Finance Agency for entry into SAP, the County’s accounting system, for payment.

Because all of the District’s administrative staff are provided by Cal Fire under the cooperative agreement between Cal Fire and the District, the individuals approving the Cal Fire invoices to the District are Cal Fire employees. The District has no non-Cal Fire employee who can review the invoice details, including level and type of services, equipment, staffing levels, and rates, to ensure that the invoice is within the terms of the agreement approved by the Board of Supervisors. As a result, Cal Fire functions as both the vendor and invoice approver.

To ensure adequate oversight, the District’s Board of Commissioners should Request the County’s Office of Budget Analysis in the County Executive’s Office to review and approve Cal Fire invoices before invoices are sent to the Controller’s Office for payment.

The District would incur new costs for Office of Budget Analysis to review and approve Cal Fire invoices, which are expected to be minimal. The District currently pays for Office of Budget Analysis staff time as an indirect overhead/support service cost per the Countywide Cost Allocation Plan, which was $10,623 in FY 2018-19. The estimated additional Office of Budget Analysis cost allocation is estimated to be between $1,200 to $2,400 per year, based on 16 to 32 hours per year of staff time to review and approve Cal Fire invoices.

The benefit to the District of an independent, third-party review of Cal Fire invoices would be the assurance of adequate oversight of Cal Fire invoices to the District.
INTRODUCTION

This Management Audit of the South Santa Clara County Fire District was added to the Management Audit Division’s Fiscal Year (FY) 2018-19 work plan by the Board of Supervisors, pursuant to the Board’s power of inquiry specified in Article III, Section 302(c) of the County of Santa Clara Charter. The Board added this audit after considering the annual County-wide audit risk assessment conducted by the Management Audit Division in accordance with Board policy.

PURPOSE, SCOPE, AND OBJECTIVES

The purpose of the audit was to examine the administration, finances, and management practices of the South Santa Clara County Fire District, and to identify opportunities to increase the efficiency, effectiveness and economy of the District. Work on this audit began with an entrance conference on August 18, 2018, and a draft report was issued to the South Santa Clara County Fire District on September 5, 2019.

We sent the draft audit report to the South Santa Clara County Fire District, Office of the County Counsel, and relevant sections of the draft audit report to the Deputy County Executive for review and comment.

An exit conference was held with the South Santa Clara County Fire District on September 20, 2019.

A revised (final) report incorporating feedback from the exit conferences was issued to the South Santa Clara County Fire District on October 21, 2019.

The audit’s main objectives were to assess the District’s governance, administrative, and management practices, including:

- Role of the District Board of Commissioners in overseeing District performance;
- District’s role in meeting countywide fire coverage and planning for future growth and fire risks;
- Performance of agreements with the California Department of Forestry and Fire Protection (Cal Fire) and other fire jurisdictions; and
- District’s management of District assets and planning for future financial stability.

AUDIT METHODOLOGY

In the initial phase of the management audit, we collected documents detailing (i) legal statutes governing the District; (ii) strategic, operational, and capital plans; (iii) financial performance; (iv) agreements with the County, Cal Fire, and other local fire agencies; (v) inventory and asset management; (v) recruiting, training, and retention of fire suppression staff; and (v) other assessments, audits, and documents evaluating the District’s performance. We conducted survey interviews with key District (Cal Fire) staff, County Counsel, Deputy County Executive, Central Fire District, members of the Board of Commissioners, LAFCo, and other fire agencies. We conducted site visits of the three fire stations within the District.
At the end to the initial phase, we conducted a risk assessment and identified the main areas requiring further evaluation. We conducted follow up interviews with the District Chief, Assistant Chief, Office of Budget and Analysis, and other District staff to gain a more in-depth understanding of District policies and practices. We collected additional documentation on performance of the District's cooperative agreement with Cal Fire, boundary drop agreements with Morgan Hill and Gilroy, and automatic aid agreements with other fire agencies. We collected detailed budget and other information on fire agencies within the County, and calculated square mileage and population covered by each fire agency, as well as square miles and population not covered by a fire agency.

We surveyed 10 counties in California to identify and compare practices to ensure fire protection coverage in all areas of the County. The results of this survey are provided as Attachment C on page 73.

We conducted two status updates with the District Chief and his staff on November 27, 2018, and March 28, 2019.

**Compliance with Generally Accepted Government Auditing Standards**

This management audit was conducted under the requirements of the Board of Supervisors Policy Number 3.35 as amended on May 25, 2010. That policy states that management audits are to be conducted under generally accepted government auditing standards (GAGAS) issued by the U.S. Government Accountability Office. We conducted this performance audit in accordance with GAGAS as set forth in the 2011 revision of the “Yellow Book” of the U.S. Government Accountability Office. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In accordance with these auditing standards, we performed the following procedures:

**Audit Planning** - The task plan for this audit was developed after reviewing available documentation on statutes governing the Fire District; the mission and purpose of the District; the District's service area; and other available District information.

**Entrance Conference** – We held an entrance conference with the District Fire Chief, Assistant Fire Chiefs, and president of the Board of Commissioners to introduce the audit team, describe the audit program and scope of review, and to respond to questions. We provided a letter of introduction from the Board of Supervisors, the audit work plan and a request for background information at the entrance conference.

**Pre-Audit Survey** - Audit staff reviewed documentation and other materials to obtain an overall understanding of the District’s operations, and to isolate audit areas that warranted more detailed assessments.
Field Work – We conducted detailed field work after completion of the pre-audit survey, which included: (a) interviews of District staff, including the Fire Chief, Assistant Fire Chiefs, staff responsible for asset management, training, fire prevention, and other activities; (b) interviews with representatives from fire agencies and districts in Santa Clara County; (c) analyses of budget, inventory, aid to other jurisdictions, and other data; (d) tours of the three fire stations; (e) detailed mapping of fire coverage in Santa Clara County; and, (f) peer benchmarking to identify how other governments organize and execute their facilities maintenance function.

Draft Report – On September 5, 2019, we provided a draft report on our audit findings and recommendations to the District Fire Chief. We also provided the draft report to County Counsel.

Exit Conference – We held an exit conference with the District Fire Chief and Assistant Fire Chief on September 20, 2019 to discuss the report findings, conclusions and recommendations, and to make fact-based corrections and clarifications as appropriate. Following these meetings, we provided a revised draft to the District Fire Chief and President of the Board of Commissioners on October 21, 2019 for use in preparing their formal written responses.

Final Report - We issued the final report on December 19, 2019. Written responses attached to the final report.

South Santa Clara County Fire District

The South Santa Clara County Fire District ("District") is a dependent district of the County of Santa Clara, authorized under the State’s Health and Safety Code 13800 – 13970 and responsible for fire protection and emergency medical services within the District. The County Board of Supervisors serves as the board of directors of the District; the Supervisor representing District 1, which incorporates the South Santa Clara Fire District, appoints the seven-member commission to oversee the District.1

District Area

The South Santa Clara County Fire District covers approximately 289 square miles of unincorporated areas in southern Santa Clara County, with a population of approximately 53,784.2

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1 May 20, 2003 resolution of the Board of Supervisors.
2 Population estimate is based on 2016 American Community Survey five-year estimates.
According to the Santa Clara County Local Agency Formation Commission’s (LAFCo) Service Review in 2010, the District’s “sphere of influence” was established in 1983 and extended beyond the District’s boundaries, including areas to the west of the District adjacent to Santa Cruz County, and areas east of the District extending into Henry Coe State Park. State law defines “sphere of influence” as the service area of a local district, even if the service area is outside of the district’s boundaries. LAFCo recommended and the Santa Clara County Board of Supervisors, acting as the board of directors of the South Santa Clara County Fire District, approved annexation to the District in 2014 of 36,800 acres that were considered to be in the sphere of influence but were outside the boundaries of the District. This area was adjacent to Santa Cruz County and covered Loma Prieta, Hicks Road, and Uvas Road. The area east of the District continues to be considered within the “sphere of influence” of the District but outside of the District boundaries.

District Revenues and Expenditures

The District’s FY 2017-18 revenues were $5.8 million and expenditures were $5.2 million, as shown in Figure I.2 on page 11. Because District revenues exceeded District expenditures, the fund balance increased between FY 2014-15 and FY 2017-18 by 67 percent, from $1.6 million to $2.7 million. The District’s net revenues of $610,425 in FY 2017-18 included approximately $230,000 for equipment that was budgeted but had not yet been purchased.
Introduction

Board of Supervisors Management Audit Division

**Figure I.2: District Revenues and Expenditures FY 2014-15 to FY 2017-18**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$4,344,498</td>
<td>$4,498,980</td>
<td>$4,783,414</td>
<td>$4,949,307</td>
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<td>Development Impact Fees/ Special Revenue</td>
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<td>$42,776</td>
<td>$63,508</td>
<td>$101,072</td>
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<td>First Responder Contract</td>
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<td>$205,575</td>
<td>$215,204</td>
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<td>Other</td>
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<td>$526,113</td>
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<td>$549,136</td>
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<td><strong>Total Revenues</strong></td>
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<td>$5,273,444</td>
<td>$5,431,548</td>
<td>$5,853,316</td>
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<tr>
<td><strong>Expenditures</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cal Fire</td>
<td>$4,126,785</td>
<td>$4,296,027</td>
<td>$4,407,188</td>
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<td>Materials and Supplies</td>
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<td>$588,979</td>
<td>$609,630</td>
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<td>Capital Outlay</td>
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<td>$0</td>
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<td><strong>Total Expenditures</strong></td>
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<td><strong>Net Revenues</strong></td>
<td>$171,005</td>
<td>$172,785</td>
<td>$203,936</td>
<td>$610,425</td>
</tr>
</tbody>
</table>

*Source: Audited Financial Statements*

**Figure I.3: District Fund Balances FY 2014-15 to FY 2017-18**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance Beginning of Year</td>
<td>$1,461,031</td>
<td>$1,632,036</td>
<td>$1,804,821</td>
<td>$2,107,126</td>
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<td>Fund Balance Restatement</td>
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<td>$0</td>
<td>$98,369</td>
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<tr>
<td>Fund Balance Beginning of Year as Restated</td>
<td>$1,461,031</td>
<td>$1,632,036</td>
<td>$1,903,190</td>
<td>$2,107,126</td>
</tr>
<tr>
<td><strong>Net Revenues</strong></td>
<td>$171,005</td>
<td>$172,785</td>
<td>$203,936</td>
<td>$610,425</td>
</tr>
<tr>
<td><strong>Fund Balance End of Year</strong></td>
<td>$1,632,036</td>
<td>$1,804,821</td>
<td>$2,107,126</td>
<td>$2,717,551</td>
</tr>
</tbody>
</table>

*Source: Audited Financial Statements*

**District Revenues**

**Property Taxes**

The District is funded largely by a portion of the base 1 percent property tax.³ The assessed value of properties within the District in 2018 was $5.0 billion. Property tax revenues to the District in FY 2017-18 as of June 30, 2018 were $4.9 million, an increase of approximately 2.8 percent from prior year property tax revenues of $4.8 million.

Approximately 41 percent of the District’s land area is considered agricultural land. Under the 1965 Williamson Act, agricultural land is assessed for property tax purposes based on income generated by the land, rather than on potential market value, which results in a lower property tax levy for agricultural land. As a result, the District receives lower total property tax revenues than if all District land was assessed based on potential market value.

³ The portion of the base 1 percent property tax allocated to the District ranges from 8.1 percent ($0.081 per $1.00 in property taxes) to 10.5 percent ($0.105 per $1.00 in property taxes), depending on the Tax Rate Area.
First Responder Contract
The District has a contract with the County's Emergency Medical Services Agency in which the District provides emergency medical services (basic life support, limited advanced life support, advanced life support) on behalf of the County. These emergency medical services are pre-hospital services (excluding ambulance transport) to support or augment services provided by Rural/Metro under contract to the County. Funding to the District for emergency medical services is based on a formula that includes authorized billing charges and Consumer Price Index (CPI) adjustments.

Development Impact Fees
The Board of Supervisors authorized fees on new development in the County in 2004 to mitigate the impact of new development on County services. These development impact fees included fees to fund new fire protection facilities and equipment. The Board of Supervisors adopted legislation in 2015 to modify the South Santa Clara County Fire District's development impact fees, and to accept the District's Fire Facilities Capital Improvement Plan. The development impact fees range from $0.49 per square foot for residential development, to $0.99 per square foot for moderate commercial/industrial development and $1.48 per square foot for heavy commercial/industrial development.

District Expenditures

Cooperative Agreement with Cal Fire
The District does not have staff. Fire protection and emergency medical services are provided to the District through a cooperative agreement with the California Department of Forestry and Fire Protection (Cal Fire). Cooperative agreement expenditures in FY 2017-18 were $4.55 million.

The cooperative agreement is a standard Cal Fire agreement subject to approval by the Santa Clara County Board of Supervisors, acting as the District's board of directors. The most recent agreement was approved for five years from July 1, 2018 through June 30, 2023 for an amount of $29.1 million. Under the cooperative agreement, Cal Fire provides to the District fire suppression management and line staff, including staff qualified in advance life support, and support staff. The cooperative agreement covers Cal Fire's expenses for uniform allowances, satellite phones, and other operating expenses shared by the County and Cal Fire. Materials and supplies, debt service, and capital outlay are paid directly by the County, as shown in Figure I.2 on page 11. Cal Fire staff maintain specific District-owned vehicles identified in the cooperative agreement (fire engines, water tenders, service vehicles).

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4 The District's 2015 Fire Facilities Capital Improvement Plan provided for $11.5 million in capital and equipment repairs and replacement over 20 years through 2035, of which $1.1 million was allocated to new development to be funded by development impact fees.
Amador Plan
The California Public Resources Code Section 4144 allows local governments to enter into agreements with Cal Fire to provide year-round fire protection at Cal Fire stations that would normally be closed during the “non-fire” season. These agreements are known as the “Amador Plan”. The District has an Amador Plan with Cal Fire from January 1, 2018 through June 30, 2022 for an amount of $2.1 million. Under this agreement, Cal Fire is financially responsible for protecting natural resources and the District is financially responsible for protecting life and property during non-fire season.5

District Expenses
The District budgets for other expenses not included in the cooperative agreement, including purchase and maintenance of District vehicles and equipment and other operating expenses, and debt service on purchase of District vehicles.

Fire Suppression and Emergency Medical Services
Cal Fire has provided fire suppression services to the South Santa Clara County Fire District through a cooperative agreement since 1980. Under the current cooperative agreement, Cal Fire is responsible for fire suppression, basic and advanced life support, and dispatch services. The District staffs three fire stations, each with one engine company, and minimum staffing of three, including one paramedic.

- Morgan Hill Station 1, 15670 Monterey Street, Morgan Hill
- Masten Station 2, 10810 No Name Uno Avenue, Gilroy
- Treehaven Station 3, 3050 Hecker Pass Highway, Gilroy

In 2013, the city of Morgan Hill entered into an agreement with Cal Fire for Cal Fire to provide fire services to the city. As part of that agreement, the city of Morgan Hill and South Santa Clara County Fire District began sharing resources, including the South Santa Clara County Fire District’s Station 1 serving as the city of Morgan Hill’s third fire station. Cal Fire’s shared staffing arrangement between the South County Fire District and the city of Morgan Hill is shown in Figure I.4 on page 14.

5 The Santa Clara Unit of Cal Fire is based in Morgan Hill and co-located with the South Santa Clara County Fire District's facilities in Morgan Hill.
Emergency Dispatch

Cal Fire provides 24 hour, year-round 9-1-1 emergency dispatch coverage for emergency calls under the cooperative agreement with the South Santa Clara County Fire District. According to the agreement, Cal Fire uses an integrated Computer Aided Dispatch system to direct the closest available resources to emergency incidents.

Santa Clara County Communications provides 24 hour, year-round emergency medical dispatch services to the South Santa Clara County Fire District under an agreement with the County. The agreement defines the process for transferring emergency medical events from County Communications to the District’s emergency communications center in Morgan Hill (staffed by Cal Fire dispatchers under the cooperative agreement).

Shared Responsibility Agreements

Fire agencies in Santa Clara County and the surrounding counties share responsibilities through a number of agreements.

Mutual Aid

Fire agencies in Santa Clara County entered into a mutual aid plan in 1997. According to the plan, because no community or agency has sufficient resources to respond to all emergencies or extraordinary events, fire and rescue officials must pre-plan emergency operations to ensure efficient utilization of available resources. Mutual aid responsibilities are defined in the California Disaster and Civil Defense Master Mutual Aid Agreement between the State, the counties, cities, and fire districts. The Santa Clara County mutual aid plan defines the process for a local agency to request aid and for responding agencies to provide aid.

According to the mutual aid plan, fire agencies must first rely on their own resources prior to asking for aid. No responding agency is required to deplete its own resources in order to respond to the mutual aid request. Responding agencies are not reimbursed for mutual aid responses unless State monies become available through a governor’s disaster proclamation, or in accordance the cooperative agreement between federal forest agencies (the U.S. Forest Service, the Bureau of Land Management, the Bureau of Indian Affairs, the National Parks Service, and the U.S. Fish and Wildlife Service), California Department of Forestry, and Office of Emergency Services.

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6 Participating agencies include Central Santa Clara County Fire District (Santa Clara County Fire Department), South Santa Clara County and Saratoga Fire Districts, Moffet Fire Department, and the fire departments of the cities of Gilroy, Milpitas, Sunnyvale, Santa Clara, Palo Alto, Mountain View, and San Jose.
Automatic Aid

The South Santa Clara County Fire District has ongoing agreements with other fire agencies to provide reciprocal aid in the event of fires or emergencies requiring the respective fire agencies’ response. These reciprocal agreements (automatic aid agreements) are with the Pajaro Valley Fire District (Santa Cruz County), city of Hollister (San Benito County), Santa Cruz County Fire Department, and the city of San Jose, including responses to emergency calls on Highway 101. Each automatic aid agreement defines the service area and specific level of emergency response to be provided by each party to the agreement.

According to the agreement between the District and Santa Cruz County, because the District is not likely to respond equally to Santa Cruz County, Santa Cruz County invoices the District for $10,000 in services each year. The agreements between the District and Pajaro Valley Fire District and the city of Hollister do not allow for compensation.

Boundary Drop

The South Santa Clara County Fire District had automatic aid agreements with the cities of Gilroy and Morgan Hill dating back to 1992 and 1994 respectively. In 2016 the District entered into a boundary drop agreement, replacing the prior automatic aid agreements, with Gilroy and Morgan Hill with the purpose of eliminating geographic boundaries and streamlining delivery of service to provide the most efficient emergency response service. Under the boundary drop agreement, the closest appropriate available resource responds to emergencies, regardless of the geographic jurisdiction. The boundary drop agreement defines location and responses for each of the three fire agencies, and describes minimum service levels to be provided by each of the three fire agencies.

Because the agreement anticipated that the city of Gilroy would provide more responses to the District than the District would provide to the city of Gilroy, the District is to provide 25 days of Battalion Chief coverage to the city of Gilroy.

Emergency Responses under the Shared Responsibility Agreements

Overall, the South Santa Clara County Fire District responded to more emergency events in other agencies’ jurisdictions between 2015 and 2018 than other fire agencies responded to the District, largely due to responses to the city of Morgan Hill. The South Santa Clara County Fire District responded to 1,330 emergency events in the city of Morgan Hill in 2015, increasing to 1,544 in 2018. The city of Morgan Hill responded to 389 emergency events in the District in 2015, increasing to 594 in 2018, as shown in Figure I.5 and Figure I.6 on page 17.

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7 The District also provides automatic aid to Gilroy and Morgan Hill under a boundary drop agreement.
Figure I.5: Emergency Response Provided to South Santa Clara County Fire District by Other Local Agencies 2015 to 2018

Source: Cal Fire data for calendar years 2015, 2016, 2017, and 2018, reported to Board of Commissioners

Figure I.6: Mutual and Automatic Aid Provided by South Santa Clara County Fire District to Other Local Agencies 2015 to 2018

Source: Cal Fire data for calendar years 2015, 2016, 2017, and 2018, reported to Board of Commissioners
Responses to Incidents

In 2018 the South Santa Clara County Fire District responded to 2,064 incidents, an increase of 24 percent from 2015, as shown in Figure I.7 below. Responses to fires, which remained generally unchanged between 2015 and 2018, made up 18 percent of total responses, and responses to medical emergencies made up 62 percent of total responses. The increase in medical emergency responses was the main reason for the overall increases in responses.

**Figure I.7: Annual Responses to Incidents Calendar Year 2015 to Calendar Year 2017**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>% Change 2015 to 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure Fire</td>
<td>19</td>
<td>14</td>
<td>18</td>
<td>15</td>
<td>-21%</td>
</tr>
<tr>
<td>Vegetation Fire</td>
<td>45</td>
<td>44</td>
<td>56</td>
<td>52</td>
<td>16%</td>
</tr>
<tr>
<td>Other Fires</td>
<td>271</td>
<td>172</td>
<td>294</td>
<td>265</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>Subtotal Fires</strong></td>
<td>335</td>
<td>230</td>
<td>368</td>
<td>332</td>
<td>-1%</td>
</tr>
<tr>
<td>Public Assistance/Other</td>
<td>74</td>
<td>50</td>
<td>261</td>
<td>169</td>
<td>128%</td>
</tr>
<tr>
<td>Medical Response</td>
<td>1,257</td>
<td>914</td>
<td>1,384</td>
<td>1,563</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,666</td>
<td>1,194</td>
<td>2,013</td>
<td>2,064</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Cal Fire data for calendar years 2015, 2016, 2017, and 2018, reported to Board of Commissioners

Operational Studies and Reports

Fire Operational and Administrative Analysis

The Morgan Hill Fire Department and South Santa Clara County Fire District jointly contracted with the Center for Public Safety Management, LLC to conduct a comprehensive analysis of fire department operations provided by Cal Fire. The Fire Operational and Administrative Analysis report was released in January 2017. According to the report, “The working relationship observed between the City, District, and Cal Fire is impressive and is one of the more proficient cooperative arrangements for fire and pre-hospital emergency medical care that we have observed nationally”. The report made 13 recommendations regarding inspection, prevention, training, and other programs. Two recommendations specific to our audit scope included:

- The city of Morgan Hill and the Fire District should continue the contractual relationship with Cal Fire; and
- The city of Morgan Hill and the Fire District should initiate discussions with Cal Fire regarding options that can achieve greater efficiencies and operability in their fire and EMS dispatch operations.

Standards of Cover Study

The District’s Board of Commissioners authorized the District Fire Chief to enter into negotiations with Citygate Associates to conduct a “standards of cover” study. This study will evaluate fire and emergency medical service needs in southern Santa Clara County (including the District, Morgan Hill, and Gilroy), and address cooperative planning and financial issues in the southern County. At the time of the audit field work, the study had not yet begun.
Department Accomplishments

Audits typically focus on opportunities for improvements within an organization, program or function. To provide additional insight into the South Santa Clara County Fire District, we requested that it provide some of its noteworthy achievements. These are highlighted in Attachment D on page 81.

Recommendation Priorities

The priority rankings shown for each recommendation in the audit report are consistent with the audit recommendation priority structure adopted by the Finance and Government Operations Committee of the Board of Supervisors, as follows:

**Priority 1:** Recommendations that address issues of non-compliance with federal, State and local laws, regulations, ordinances and the County Charter; would result in increases or decreases in expenditures or revenues of $250,000 or more; or, suggest significant changes in federal, State or local policy through amendments to existing laws, regulations and policies.

**Priority 2:** Recommendations that would result in increases or decreases in expenditures or revenues of less than $250,000; advocate changes in local policy through amendments to existing County ordinances and policies and procedures; or, would revise existing departmental or program policies and procedures for improved service delivery, increased operational efficiency, or greater program effectiveness.

**Priority 3:** Recommendations that address program-related policies and procedures that would not have a significant impact on revenues and expenditures, but would result in modest improvements in service delivery and operating efficiency.

Acknowledgments

We would like to thank the South Santa Clara County Fire District Chief, Assistant Chiefs, and District staff for their assistance with this analysis, including providing data and feedback for this report. We would also like to thank the staff of the Office of Budget and Analysis for their assistance in reviewing the invoice process.
Section 1: Fire District Responses to Morgan Hill Incidents

Background
In 2016, the South Santa Clara County Fire District (District) and the cities of Gilroy and Morgan Hill entered into a boundary drop agreement in the closest appropriate available District, Morgan Hill, or Gilroy resource responds to emergencies, regardless of the geographic jurisdiction.

Both the District and Morgan Hill contract with the California Department of Forestry and Fire Protection (Cal Fire) to provide fire and emergency medical services. The two fire departments operate jointly under a single command and organizational structure, allowing for coordination and sharing of resources. The District, Morgan Hill, and Gilroy are planning to conduct a Standards of Cover study to evaluate fire services and improve coordination in South County.

Problem, Cause, and Adverse Effect
Under the boundary drop agreement, the District and Morgan Hill respond to calls within the other district's jurisdiction. In 2018 South Santa Clara County Fire District responded to 2.6 times the number of emergency incidents in Morgan Hill than the city of Morgan Hill responded to incidents in the District. In particular, Engine 67, which is owned and maintained by the District, at Station 1 spent 58 percent of its total annual hours and 66 percent of its total annual runs responding to Morgan Hill in 2015. In calendar year 2018, Engine 67 made 1,397 runs to Morgan Hill, which accounted for 72 percent of its total 1,949 annual runs, an increase from 2015, when 66 percent of Engine 67’s total annual runs were to Morgan Hill. To account for this level of response, the engine company staffing at Station 1 is partially funded by Morgan Hill and partially funded by the District. However, this funding arrangement is not formalized in any agreement between Morgan Hill and the District, and does not account for costs incurred by the District in the form of fuel, maintenance and repair, and general wear and tear on the engine. As a result, the District's expenditures to respond to incidents in Morgan Hill under the boundary drop agreement exceed benefits that the District receives from Morgan Hill responses to incidents in the District.

Recommendations
The District should formalize in the boundary drop agreement the arrangement with Morgan Hill for the 50 percent funding of the engine company at Station 1 and consider an arrangement with Morgan Hill to reimburse the costs of a portion of Engine 67’s maintenance, repair, and upkeep. The District should also use the Standards of Cover study to assess the boundary drop agreement and whether further adjustments to compensations arrangements are appropriate.

Savings, Benefits, and Costs
Formalization of the funding arrangement at Station 1 will ensure that Morgan Hill continues to support Station 1 staffing under future cooperative agreements. An arrangement with Morgan Hill for the funding of a portion of Engine 67's maintenance, repair, and upkeep will offset some of those costs to the District and account for Morgan Hill's benefit from Engine 67.
**FINDING**

**South Santa Clara County Fire District and Morgan Hill Agreements**

**Boundary Drop Agreement**

The South Santa Clara County Fire District (District) had automatic aid agreements with the cities of Gilroy and Morgan Hill dating back to 1992 and 1994, respectively. In 2016, the District, Gilroy, and Morgan Hill entered into a boundary drop agreement, replacing the automatic aid agreements, with the purpose of eliminating geographic boundaries to provide the most efficient emergency response service. Under the boundary drop agreement, the closest appropriate available District, Morgan Hill, or Gilroy resource in the area of the three jurisdictions will respond to emergencies, regardless of the geographic jurisdiction. The boundary drop agreement defines location and responses for each of the three fire agencies, and describes minimum service levels to be provided by each of the three fire agencies. The boundary drop agreement was recognized as a best practice in the 2017 Fire Operational and Administrative Analysis of the District and Morgan Hill conducted by the Center for Public Safety Management, LLC.

Because the agreement anticipated that Gilroy would provide more responses to the District than the District would provide to Gilroy, the District provides provide 25 days of Battalion Chief coverage to Gilroy under the agreement. There is no provision in the boundary drop agreement for any compensation arrangement between the District and Morgan Hill.

**Cal Fire Agreements**

Both the District and Morgan Hill contract with the California Department of Forestry and Fire Protection (Cal Fire) to provide fire and emergency medical services, and the two fire departments operate jointly under a single command and organizational structure. The District's Fire Chief is also Morgan Hill's Fire Chief, as well as the Unit Chief for Cal Fire's Santa Clara Unit. This arrangement allows for significant coordination and sharing of resources between Morgan Hill and the District. The 2017 Fire Operational and Administrative Analysis study concluded that services provided by Cal Fire are cost effective and less expensive than if Morgan Hill and/or the District were to individually attempt to staff their own fire departments.

**Resource Allocation Between Morgan Hill and the District**

Cal Fire operates out of five fire stations under its cooperative agreements with Morgan Hill and the District. The District has three stations: Station 1 in Morgan Hill, owned by Cal Fire and serving as both the unit headquarters for Cal Fire and the District's headquarters; Station 2 in Gilroy, owned by the District, and Station 3 in Gilroy, leased by the District. Morgan Hill owns Stations 4 (“El Toro”) and 5 (“Dunne Hill”). Station 1 functions as the District's main station, and District engines and other apparatus are housed in and dispatched from Station 1. The engine company at Station 1 is partially funded by Morgan Hill and partially funded by the District.

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8 The District also has an Amador agreement with CAL FIRE for the year-round staffing of CAL FIRE Station 31 on Pacheco Pass Highway in the south eastern area of the District, which would otherwise be closed during “non-fire” season.
As shown in Figure 1.1 below, in 2018 South Santa Clara County Fire District responded to 2.6 times the number of emergency incidents in Morgan Hill than the city of Morgan Hill responded to incidents in the District.

**Figure 1.1: Responses by the District to Morgan Hill Compared to the Responses by Morgan Hill to the District 2015 to 2018**

<table>
<thead>
<tr>
<th>Number of Responses by Calendar Year</th>
<th>CY 2015</th>
<th>CY 2016</th>
<th>CY 2017</th>
<th>CY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Responses to Morgan Hill</td>
<td>1,330</td>
<td>1,488</td>
<td>1,650</td>
<td>1,544</td>
</tr>
<tr>
<td>Morgan Hill Responses to District</td>
<td>383</td>
<td>432</td>
<td>517</td>
<td>594</td>
</tr>
<tr>
<td>Ratio of Responses</td>
<td>3.47%</td>
<td>3.44%</td>
<td>3.19%</td>
<td>2.60%</td>
</tr>
</tbody>
</table>

Source: Cal Fire data for calendar years 2015, 2016, 2017, and 2018, reported to Board of Commissioners

Note: The number of responses by Morgan Hill and the District are for responses in accordance with the boundary drop agreement.

According to discussions with the District Fire Chief and Assistant Fire Chief, the number of hours involved in an emergency response, as well as the number of responses, is an indicator of service levels. The 2017 Fire Operational and Administrative Analysis of the District and Morgan Hill analyzed workload distribution between the District and Morgan Hill under the boundary drop agreement between January and December 2015. As shown in Figure 1.2 below, based on the 2017 Fire Operational and Administrative Analysis, the District made up 45 percent of the hours responding to emergencies and Morgan Hill made up 40 percent.

**Figure 1.2: Percent of Hours by Station Responding to Incidents in Morgan Hill and District, January-December 2015**

<table>
<thead>
<tr>
<th>Station</th>
<th>Apparatus Owned By</th>
<th>Company Staffing</th>
<th>Percent of Hours by Jurisdiction</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Morgan Hill</td>
<td>District</td>
</tr>
<tr>
<td>1</td>
<td>District</td>
<td>50% District, 50% Morgan Hill</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>2</td>
<td>District</td>
<td>100% District</td>
<td>4%</td>
<td>78%</td>
</tr>
<tr>
<td>3</td>
<td>District</td>
<td>100% District</td>
<td>7%</td>
<td>67%</td>
</tr>
<tr>
<td>4</td>
<td>Morgan Hill</td>
<td>100% Morgan Hill</td>
<td>78%</td>
<td>18%</td>
</tr>
<tr>
<td>5</td>
<td>Morgan Hill</td>
<td>100% Morgan Hill</td>
<td>67%</td>
<td>29%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>40%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Source: 2017 Fire Operational and Administrative Analysis, page 36

Note: The hours data is for all hours responding to incidents, including but not limited to boundary drop and automatic aid responses.
According to the 2017 Fire Operational and Administrative Analysis, Station 1 was the busiest station, and Engine 67, which is owned by the District and operated out of Station 1, made the most runs. Engine 67, which is owned and maintained by the District, at Station 1 spent 58 percent of its total annual hours and 66 percent of its total annual runs responding to Morgan Hill in 2015, as shown in Figure 1.3 below.

**Figure 1.3: Percent of Hours and Runs by Engine 67, Station 1, Responding to Incidents in Morgan Hill and District, January-December 2015**

<table>
<thead>
<tr>
<th>Station 1 Apparatus Owned by District</th>
<th>Percent of Hours by Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Morgan Hill</td>
</tr>
<tr>
<td>Engine 67</td>
<td>50% District</td>
</tr>
<tr>
<td></td>
<td>50% Morgan Hill</td>
</tr>
<tr>
<td>Reserve Engines &amp; Water Tender</td>
<td>100% District</td>
</tr>
<tr>
<td>Total (weighted)</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: 2017 Fire Operational and Administrative Analysis, page 36

In calendar year 2018, Engine 67 made 1,397 runs to Morgan Hill, which accounted for 72 percent of its total 1,949 annual runs, an increase from 2015, when 66 percent of Engine 67’s total annual runs were to Morgan Hill.

To account for the high number of runs and hours provided to Morgan Hill by the District Engine 67 from Station 1, half of the engine company in Station 1 is funded by Morgan Hill. However, unlike the provision in the boundary drop agreement in which the District compensates Gilroy for the difference in the number of runs and hours provided by Gilroy to the District by assigning District battalion chief days to Gilroy, the boundary drop agreement does not provide for Morgan Hill to compensate the District for the excess runs.

The shared staffing of Engine 67 does not fully compensate the District for the number of runs and hours spent by the District in responding to Morgan Hill incidents. Nor is there a formal shared staffing agreement between the District and Morgan Hill, although the shared staffing of Engine 67 is included in the respective cooperative agreements between Cal Fire and the District and Morgan Hill. The District and Morgan Hill should formalize the shared staffing in the boundary agreement to ensure future agreements with Cal Fire continue to account for the shared responsibility for responding to incidents from Station 1.
Unaccounted for costs of Engine 67

Although one-half of Station 1 Engine 67 staffing is funded by Morgan Hill, the District pays for the costs of maintenance and repairs. Between 2015 and 2017, Engine 67 averaged 12,454 miles annually, as shown in Figure 1.4 below.

![Figure 1.4: Engine 67 Annual Mileage](image)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine 67 annual mileage</td>
<td>12,974</td>
<td>13,348</td>
<td>11,041</td>
<td>12,454</td>
</tr>
</tbody>
</table>

Source: South Santa Clara County Fire District

The percentage of Engine 67's annual mileage spent responding to calls in Morgan Hill is unknown. However, more than 70 percent of Engine 67's runs in 2018 were to Morgan Hill, as noted above, indicating that the District incurs uncompensated maintenance and repair costs for Engine 67 responses to Morgan Hill. The formal shared staffing agreement, recommended above, should also include sharing of costs for maintenance and repair of Engine 67.

Opportunity to Address Shared Resources in Standards of Coverage Study

The District, Morgan Hill, and Gilroy are conducting a Standards of Cover study to evaluate fire services and coverage in the southern part of Santa Clara County. Among other information, the study will assess fire station location and staffing, the financial condition of the jurisdictions, and whether adjustments to fire station location or operations should be made to increase efficiency, improve coordination, and lower response times and costs. This Standards of Cover study will inform the District's relationships with Gilroy and Morgan Hill, and all three jurisdictions should use its findings to address regionalization, improve coverage, and further integrate fire services in the southern part of the County. In particular, the District should use the information to assess the boundary drop agreement and whether further adjustments to compensations arrangements are appropriate.

CONCLUSION

The joint operation of the Morgan Hill and District fire departments allows for increased efficiency and facilitated communications, planning, and the sharing of resources. However, our analysis of each fire department's responses to the other jurisdiction show that the District responds to more emergency calls on behalf of Morgan Hill and incurs more total response hours than Morgan Hill. In addition to formalizing the sharing of staffing for Engine 67 at Station 1 in the boundary drop agreement, the District should negotiate sharing of costs for maintenance and repair of Engine 67.
RECOMMENDATIONS

The South Santa Clara County Board of Commissioners should:

1.1 Formalize in the boundary drop agreement the arrangement with Morgan Hill for the 50 percent funding of the engine company at Station 1. (Priority 2)

1.2 Consider an arrangement with Morgan Hill for the costs of a portion of Engine 67's maintenance, repair, and upkeep. (Priority 2)

1.3 Use information from the Standards of Cover study to assess the boundary drop agreement and whether further adjustments to compensations arrangements are appropriate. (Priority 2)

SAVINGS, BENEFITS, AND COSTS

Adjustments to the boundary drop agreement will incur costs in the form of staff administrative time. Formalization of the funding arrangement at Station 1 will ensure that Morgan Hill continues to support Station 1 staffing under future cooperative agreements. An arrangement with Morgan Hill for the funding of a portion of Engine 67's maintenance, repair, and upkeep will offset some of those costs to the District and account for Morgan Hill's benefit from Engine 67.
Section 2: South Santa Clara County Fire District Future Financial Uncertainty

**Background**
The South Santa Clara County Fire District's actual revenues in FY 2017-18 were $5.8 million, of which nearly 85 percent were the property tax allocation to the District. The District's actual expenditures in FY 2017-18 were $5.2 million, of which 87 percent were for the cooperative agreement with Cal Fire.

**Problem, Cause, and Adverse Effect**
While the District had sufficient revenues in FY 2017-18 to pay for expenditures for fire services, the District's future revenue growth may not be sufficient to cover increases in expenditures. The District's FY 2017-18 property tax allocations of $89 per person are lower than in the other fire districts in the County, which range from $226 per person in the Saratoga Fire District to $1,000 per person in the Los Altos Hill Fire District, or more than 10x the allocation of the South Santa Clara County Fire District. The District's property tax allocation is lower per person than other County fire districts because more than 40 percent of the District's land is agricultural which is taxed at a lower rate; the District's tax allocation may be further constrained in future years by the Farmland Security Zone Program, if implemented, which further reduces taxes on certain agricultural lands.

The District's expenditures to Cal Fire, its most significant expense, are projected to increase by 13 percent over the next five years, largely due to increases in staff salary and benefit costs and in the number of Cal Fire staff allocated to the agreement. The growth in expenditures and constraint in revenues makes the future financial stability of the District uncertain.

**Recommendations**
To better plan for its future financial condition, the District's Board of Commissioners needs to develop a long term financial plan that evaluates the District's options to increase revenues and contain expenditures, including potential consolidation of fire prevention and communications functions with the cities of Gilroy and Morgan Hill. The Board of Supervisors should consider options for increasing District revenues, and consolidating fire districts in the County given the difference in tax allocations to each of Santa Clara County's four fire districts.

**Savings, Benefits, and Costs**
The Board of Commissioners will require support from District staff to develop and update the long range financial plan. While the cooperative agreement between the District and Cal Fire provides for an increase in analytical support staff in future years, the costs funding such staff in FY 2019-20 to support financial planning would likely be offset by other salary savings. Potential consolidation of fire prevention and communication resources with the cities of Morgan Hill and Gilroy will streamline these services and control costs.
FINDING

District Revenues and Expenditures

The District's FY 2017-18 revenues were $5.9 million and expenditures were $5.2 million, as shown in Figure 2.1 below. Between FY 2014-15 and FY 2017-18, District revenues increased by 19 percent and expenditures increased by 10 percent. Because District revenues were more than District expenditures, and because revenues increased at a faster rate than expenditures, the District's fund balance increased by 67 percent between FY 2014-15 and FY 2017-18.

Figure 2.1: Actual District Revenues and Expenditures, FY 2014-15 to FY 2017-18

<table>
<thead>
<tr>
<th></th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$4,344,498</td>
<td>$4,498,980</td>
<td>$4,783,414</td>
<td>$4,949,307</td>
</tr>
<tr>
<td>Development Impact Fees/Special Revenue</td>
<td>$16,913</td>
<td>$42,776</td>
<td>$63,508</td>
<td>$101,072</td>
</tr>
<tr>
<td>First Responder Contract</td>
<td>$231,154</td>
<td>$205,575</td>
<td>$215,204</td>
<td>$253,801</td>
</tr>
<tr>
<td>Other</td>
<td>$335,271</td>
<td>$526,113</td>
<td>$369,422</td>
<td>$549,136</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$4,927,836</td>
<td>$5,273,444</td>
<td>$5,431,548</td>
<td>$5,853,316</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cal Fire</td>
<td>$4,126,785</td>
<td>$4,296,027</td>
<td>$4,407,188</td>
<td>$4,550,890</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>$503,721</td>
<td>$588,979</td>
<td>$609,630</td>
<td>$525,182</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$126,325</td>
<td>$215,653</td>
<td>$210,794</td>
<td>$130,816</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$36,003</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$4,756,831</td>
<td>$5,100,659</td>
<td>$5,227,612</td>
<td>$5,242,891</td>
</tr>
<tr>
<td><strong>Net Revenues</strong></td>
<td>$171,005</td>
<td>$172,785</td>
<td>$203,936</td>
<td>$610,425</td>
</tr>
</tbody>
</table>

Source: Audited financial statements

Figure 2.2: Actual District Fund Balances, FY 2014-15 to FY 2017-18

<table>
<thead>
<tr>
<th></th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance Beginning of Year</td>
<td>$1,461,031</td>
<td>$1,632,036</td>
<td>$1,804,821</td>
<td>$2,107,126</td>
</tr>
<tr>
<td>Fund Balance Restatement</td>
<td>$0</td>
<td>$0</td>
<td>$98,369</td>
<td>$0</td>
</tr>
<tr>
<td>Fund Balance Beginning of Year as Restated</td>
<td>$1,461,031</td>
<td>$1,632,036</td>
<td>$1,903,190</td>
<td>$2,107,126</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>$171,005</td>
<td>$172,785</td>
<td>$203,936</td>
<td>$610,425</td>
</tr>
<tr>
<td>Fund Balance End of Year</td>
<td>$1,632,036</td>
<td>$1,804,821</td>
<td>$2,107,126</td>
<td>$2,717,551</td>
</tr>
</tbody>
</table>

Source: Audited financial statements
As shown in Figure 2.1 and Figure 2.2 on page 28, the District's main revenue source is property taxes and its main expenditure is payments to Cal Fire for fire protection services. In FY 2017-18, property taxes accounted for 85 percent of the District's revenue, and payments to Cal Fire accounted for 87 percent of the District's expenditures. Because these two line items represent a large portion of the District's revenues and expenditures, future changes in property tax revenue or Cal Fire expenditures have the potential to affect the District's long-term financial stability.

Future Revenues Constraints and Expenditure Increases

The District is facing low property tax revenue, potential future constraints on property tax revenue, and the potential loss of first responder contract revenue. At the same time, Cal Fire cooperative agreement expenditures are expected to increase between FY 2018-19 and FY 2021-22. As a result, the future financial stability of the District is uncertain.

Low District Property Tax Revenues Compared to Other County Fire Districts

The District's main revenue source is property taxes from a portion of the 1 percent property tax levied on properties within the District.9 The District's property tax revenue increased on average by 4.4 percent per year or $201,603 each year between FY 2014-15 and FY 2017-18.

As shown in Figure 2.3 below, the District's FY 2017-18 property tax allocations per population and per square mile are lower than in the other fire districts in the County. The District's allocation is $89 per resident (compared to $1,000 per resident in the Los Altos Hills Fire District) and $16,503 per square mile (compared to $916,207 per square mile in the Los Altos Hills Fire District). See Attachment A on page 69 for the methodology used to calculate square miles, population, and budgets of fire agencies and fire districts in the County.

Figure 2.3: County Fire Districts' Populations, Area, and Budgets in FY 2017-18

<table>
<thead>
<tr>
<th>County Fire District</th>
<th>Population Estimate a</th>
<th>Square Miles a</th>
<th>FY 2017-18 Tax Allocation b</th>
<th>Allocation/Population</th>
<th>Allocation/Square Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Altos Hills Fire Dist.</td>
<td>10,722</td>
<td>11.7</td>
<td>$10,719,618</td>
<td>$1,000</td>
<td>$916,207</td>
</tr>
<tr>
<td>Central Fire Dist.</td>
<td>180,836</td>
<td>124</td>
<td>$79,062,615</td>
<td>$437</td>
<td>$637,602</td>
</tr>
<tr>
<td>Saratoga Fire Dist.</td>
<td>31,813</td>
<td>24.3</td>
<td>$7,180,799</td>
<td>$226</td>
<td>$295,506</td>
</tr>
<tr>
<td>South County Fire Dist.</td>
<td>53,784</td>
<td>289.5</td>
<td>$4,777,593</td>
<td>$89</td>
<td>$16,503</td>
</tr>
</tbody>
</table>

*Population estimates were calculated using (a) 2016 American Community Survey 5-year population estimates by census tract, and (b) shapefiles of city and fire district jurisdictional boundaries, provided by Central Fire Protection District.

*Property tax allocations are from the Controller's Office, and vary slightly from the property tax revenue reported in the District's audited financial statements.

*The portion of the 1 percent property tax allocated to the District ranges from 8.1 percent ($0.081 per $1.00 in property taxes) to 10.5 percent ($0.105 per $1.00 in property taxes), depending on the Tax Rate Area.
Potential Reduction in Property Tax Revenues due to the Farmland Security Zone Program

The Williamson Act, or the California Land Conservation Act of 1965 (Government Code Section 51200 et. seq.), is a state agricultural land protection program in which local governments elect to participate. The Williamson Act Program enables the County to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. Landowners receive reduced property tax assessments in return for enrollment under a Williamson Act contract because property tax assessments of Williamson Act contracted land are based upon generated income as opposed to potential market value of the property.

Approximately 120 square miles, or 41 percent of the District's total area, is under a Williamson Act contract as of October 2018. Williamson Act parcels within the District are shown in Figure 2.4 below.

Figure 2.4: Williamson Act Parcels in South Santa Clara County Fire District October 2018

Source: County Open Data Source; Williamson Act areas calculated by HMR using Tableau

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10 The minimum term for Williamson Act contracts is ten years; however, unless notice of non-renewal is given by either party, the contract term automatically renews on each anniversary date of the contract, and as a result the actual term of Williamson Act contracts may be essentially indefinite.
Since the enactment of Senate Bill 182 in 1998, another option within the Williamson Act Program is the creation of Farmland Security Zones and contracts. Under a Farmland Security Zone contract, the landowner agrees to restrict the use of the land to commercial agricultural production for a term of 20 years, rather than 10 under a traditional Williamson Act contract, in exchange for a more substantial reduction on their assessed property tax rate. Land under a Farmland Security Zone contract is valued for property assessment purposes at 65 percent of its Williamson Act valuation or 65 percent of its Proposition 13 valuation, whichever is lower.

The Santa Clara Valley Agricultural Plan, adopted by the Board of Supervisors in January 2019, recommended establishing a Farmland Security Zone in the County. Because of the large portion of South Santa Clara County designated as agricultural land, establishing a Farmland Security Zone Program could reduce property tax revenues to the South Santa Clara County Fire District.

**Projected Increase in Cal Fire Cooperative Agreement Expenditures**

The South Santa Clara County Fire District has two agreements with Cal Fire – the cooperative agreement to provide fire and emergency services to the District, and the Amador agreement to provide fire and emergency services on behalf of the District to residents and property in the State Responsibility Area. The Board of Supervisors approved a new Amador agreement between the District and Cal Fire for 4 ½ years from January 2018 through June 2022, and a new cooperative agreement between the District and Cal Fire for 5 years from July 1, 2018 through June 2023.

The cooperative agreement budget increases by 13 percent over 5 years, from $5.5 million in FY 2018-19 to $6.2 million in FY 2022-23. The increase in expenditures is due largely to increases in staff salary and benefit costs and in the number of Cal Fire staff allocated to the agreement. In FY 2018-19, 25.5 full time positions are allocated to the agreement, and in FY 2022-23, 28.3 full time positions are allocated to the agreement.

The Amador agreement budget increases by 28 percent over 4 years from $409,703 in FY 2018-19 to $532,205 in FY 2021-22. Cal Fire staff are allocated to the agreement for six months each year from November to April – the non-fire season when Cal Fire does not provide services in the State Responsibility Area. The increase in expenditures is due largely to increases in staff salary and benefit costs and in Cal Fire staffing from three firefighter positions from January to April 2018 to five firefighter/paramedic positions beginning in November 2018.

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11 Attachment B on page 71 to this report, prepared by HMR based on shape files provided by the Central Fire Protection District, shows the overlap of the South Santa Clara County Fire District and the State Responsibility Area. The Fire District and State Responsibility Area overlap in the unincorporated areas (1) west of the cities of Morgan Hill and Gilroy and Highway 101, extending to the Santa Cruz County line; and (2) south/southeast of the cities of Morgan Hill and Gilroy and Highway 101, extending to the San Benito County line. Cal Fire is responsible for fire services to wildlands in the State Responsibility Area during the fire season, and through the Amador agreement with the District provides fire and emergency services to residents and property in the State Responsibility Area during the non-fire season.

12 The agreement is for 4 ½ years from January 2018 (one half of FY 2017-18) through FY 2021-22. The agreement budget between January 2018 and June 2018 is approximately $159,000. The budget in the first full fiscal year of the agreement in FY 2018-19 is $409,703.
First Responder Revenues

In December 2010, the Board of Supervisors approved an agreement with Rural/Metro of California for the provision of advanced life support first response and advanced life support emergency ambulance transportation services in the County. In addition, fire departments in the County could contract directly with the County's Emergency Medical Services Agency to provide first responder emergency medical services, and the agreement specified that Rural/Metro would pay $5 million annually in first responder fees, as long as the fire department holds a valid agreement with the County to provide emergency medical services. In 2011, the District entered into an agreement with the County's Emergency Medical Services Agency to provide non-transport emergency advanced life support first response services in order to support and/or augment the services provided by Rural/Metro. (Gilroy, Milpitas, Morgan Hill, Mountain View, San Jose, Santa Clara, Sunnyvale, and Central Fire Protection District have also entered into first responder agreements with the County.) As shown in Figure 2.1 on page 28, the District received $253,801 in FY 2017-18 for providing first responder services.

The Board of Supervisors approved the seventh amendment to the agreement in June 2019, increasing the total amount of first responder fees that Rural/Metro would pay in FY 2019-20 to $6.1 million.

Higher Per Capita Budget for Other Fire Agencies in Santa Clara County

A survey of the adopted budgets of other cities and fire services agencies in Santa Clara County shows that the District has a lower budget per square mile and per population than other agencies in the County. South Santa Clara County Fire District's budget in FY 2018-19 of $120 per person is lower than the countywide average of $307 per person, as shown in Figure 2.5 on page 33.
### Figure 2.5: County-wide Survey of Fire Jurisdictions, Populations, Areas, and Budgets

<table>
<thead>
<tr>
<th>Legal Jurisdiction</th>
<th>Population Estimate</th>
<th>Square Miles</th>
<th>Budget For Jurisdiction</th>
<th>Budget/Population</th>
<th>Budget/Square Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cities With Fire Depts.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sunnyvale</td>
<td>157,652</td>
<td>22.2</td>
<td>$36,979,747</td>
<td>$235</td>
<td>$1,665,754</td>
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<tr>
<td>Santa Clara</td>
<td>126,986</td>
<td>18.2</td>
<td>$47,356,831</td>
<td>$373</td>
<td>$2,602,024</td>
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<tr>
<td>San Jose</td>
<td>957,001</td>
<td>180.4</td>
<td>$230,278,660</td>
<td>$241</td>
<td>$1,276,489</td>
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<tr>
<td>Palo Alto</td>
<td>Stanford Univ.</td>
<td>78,199</td>
<td>29.9</td>
<td>$32,131,365</td>
<td>$411</td>
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<tr>
<td>Mountain View</td>
<td>75,115</td>
<td>12.1</td>
<td>$27,825,777</td>
<td>$370</td>
<td>$2,299,651</td>
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<tr>
<td>Morgan Hill</td>
<td>32,378</td>
<td>12.9</td>
<td>$6,758,182</td>
<td>$209</td>
<td>$523,890</td>
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<tr>
<td>Milpitas</td>
<td>55,960</td>
<td>13.5</td>
<td>$21,510,345</td>
<td>$384</td>
<td>$1,593,359</td>
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<tr>
<td>Gilroy</td>
<td>28,352</td>
<td>16.5</td>
<td>$11,324,707</td>
<td>$465</td>
<td>$799,856</td>
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<tr>
<td><strong>Contracting Cities</strong></td>
<td></td>
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<tr>
<td>Campbell</td>
<td>52,074</td>
<td>6.1</td>
<td>$8,591,974</td>
<td>$165</td>
<td>$1,408,520</td>
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<tr>
<td>Los Altos</td>
<td>32,050</td>
<td>6.5</td>
<td>$7,127,000</td>
<td>$222</td>
<td>$1,096,462</td>
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<td><strong>Fire Districts</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>South County Fire Dist.</td>
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<td>289.5</td>
<td>$6,428,429</td>
<td>$120</td>
<td>$22,205</td>
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<td>Central Fire Dist.</td>
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<td>Los Altos Hills Fire Dist.</td>
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<td>11.7</td>
<td>$11,142,998</td>
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<td>Saratoga Fire Dist.</td>
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<td><strong>Total</strong></td>
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<td><strong>767.8</strong></td>
<td><strong>$574,327,362</strong></td>
<td><strong>$307</strong></td>
<td><strong>$749,017</strong></td>
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</tbody>
</table>

Note: Total population and square mileage represent only areas covered by municipal fire departments or fire districts, not the total population of Santa Clara County. The cities of Cupertino, Los Gatos, Monte Sereno, and Saratoga and the Town of Los Altos Hills are covered by fire districts.

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**a:** Except where indicated, population estimates were calculated using (a) 2016 American Community Survey 5-year population estimates by census tract, and (b) shapefiles of city and fire district jurisdictional boundaries, provided by Central Fire Protection District.

**b:** Except where indicated, the jurisdiction’s budget reflects the adopted fire department/agency FY 2018-19 operating budget. To avoid double-counting contract revenue and contract expenditures in the total sums, and to ensure correspondence between expenditures and jurisdictional boundaries, amounts paid to a jurisdiction for contract services by another jurisdiction were subtracted from the budget of the jurisdiction providing coverage. (For example, Campbell pays Central Fire Protection District to provide its fire services, and that expenditure is included both as a contract cost in Campbell’s budget and as salaries/equipment costs in Central Fire Protection District’s budget. To avoid double-counting this expenditure, Central Fire Protection District’s budgeted revenue from the City of Campbell was subtracted from its FY 2018-19 adopted operating budget.)

**c:** The Palo Alto Fire Department contracts with Stanford University to cover the university campus, which is unincorporated. To reflect this coverage, Palo Alto’s population estimate and square mileage figures include the covered parts of Stanford University in addition to the legal jurisdictional area of the city of Palo Alto. Accordingly, the Department’s budgeted revenue from Stanford University has not been subtracted from its budget.
In total, cities and fire districts in Santa Clara County budgeted $574,327,362 for fire services in FY 2018-19. As can be seen in Figure 2.5 on page 33, the South Santa Clara County Fire District has the lowest budget per population ($120 per capita, with a County-wide range of $120 to $1,039) and per square mile ($22,205 per square mile, with a County-wide range of $22,205 to $2,602,024). County-wide, the average expenditure of public fire service agencies is $307 per capita and $749,017 per square mile.

CONCLUSION

In the past four fiscal years the District’s revenues have been able to cover its expenses, allowing the District’s fund balance to increase by 67 percent between FY 2014-15 and FY 2017-18. However, the long-term financial stability of the District is uncertain because the District’s future revenues may not be sufficient to cover its future expenses.

To better plan for its future financial condition, the District’s Board of Commissioners needs to develop a long term financial plan that evaluates the District’s options to increase revenues and contain expenditures. Ballot measures to increase revenues to fund fire services through parcel or other special taxes could be successful with support from the County Executive and the Board of Supervisors.

Managing expenditures through sharing resources with other fire districts in the County and with the cities of Morgan Hill and Gilroy would be a first step in increasing the cost effectiveness of fire protection services. The 2017 Fire Operational and Administrative Analysis report\(^\text{13}\) recommended that the city of Morgan Hill and the District consider consolidating fire prevention and communications operations. According to our discussion with the District Fire Chief, increased sharing of communications operations with the cities of Morgan Hill and Gilroy are a feasible first step in greater sharing of resources.

Given the large difference in property tax allocations to each of Santa Clara County’s four fire districts, as shown in Figure 2.3 on page 29, the Board of Supervisors should consider options for consolidating fire districts in the County. As an example, the Sonoma County Board of Supervisors, in response to the devastation of the 2017 fires, approved a fire deployment plan in August 2018 to consolidate 39 fire agencies in unincorporated areas.

\(^{13}\) Fire Operational and Administrative Analysis, prepared by the Center for Public Safety Management LLC for the Morgan Hill Fire Department and South Santa Clara County Fire District, January 2017.
RECOMMENDATIONS

The South Santa Clara County Fire District’s Board of Commissioners should:

2.1 Develop a five-year financial plan and annual update to the financial plan that evaluates the District’s options to increase revenues and contain expenditures, including potentially consolidating fire prevention and communications operations with the cities of Morgan Hill and Gilroy. (Priority 2)

The Santa Clara County Board of Supervisors should consider:

2.2 Options for increasing revenues, including a ballot measure to increase parcel or other special taxes to pay for fire protection services. (Priority 2)

2.3 Options for consolidating fire districts in the County, as further recommended in Section 4, Recommendation 4.1 of this report. (Priority 2)

SAVINGS, BENEFITS, AND COSTS

The Board of Commissioners will require support from District staff to develop and update the long range financial plan. The cooperative agreement between the District and Cal Fire provides for 0.5 FTE Associate Governmental Program Analyst position beginning in FY 2021-22, who could provide analytical support to the Board of Commissioners. Funding this position at half-time in FY 2019-20 and FY 2020-21 would cost an estimated $35,000 to $40,000 per year, which could be paid for from salary savings.14

The recommendation to develop long range plans allows the Board of Commissioners to better plan for revenue shortfalls and expenditure increases. Potential consolidation of fire prevention and communication resources with the cities of Morgan Hill and Gilroy will streamline these services and control costs.

A formal evaluation of potentially consolidating existing fire districts in the County would require County staff resources, and potentially consultant resources. If the Santa Clara County Board of Supervisors were to determine that consolidating the existing four fire district into one countywide district, the County would incur costs to obtain LAFCo and voter approval for the consolidation. The benefit of such a consolidation would be to better allocate property tax dollars across the County, while streamlining the governance and operations of fire districts

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14 According to discussions with Fire District staff, positions are budgeted at top step but generally filled at a lower step, resulting in annual salary savings.
Section 3: Multi-Year Capital Planning and Asset Management

Background
The South Santa Clara County Fire District's capital assets consist of one fire station, fire engines, command vehicles, water tenders and specialized vehicles, and fire suppression and emergency medical equipment. Under the cooperative agreement between the District and Cal Fire, the District and Cal Fire are each responsible to maintain and replace their property and equipment.

The District has limited financial resources to replace assets when needed. In the five-year period between FY 2012-13 and FY 2013-14, the District spent $1.2 million on replacing vehicles and other fire suppression apparatus, using lease financing. A consultant's study estimates an additional $10.3 million in capital repair and replacement costs between 2015 and 2035.

Problem, Cause, and Adverse Effect
The District does not have an asset management plan to account for repair and replacement of existing assets, the associated costs, and potential funding sources. Cal Fire is in the process of categorizing all District inventory and assets and estimating annual costs to replace assets at the end of their useful life, but has not yet completed the categorization. Even with the completion of the categorization of assets and replacement costs, the District will not have a plan to match funding with asset repair and replacement. The District also does not have a process for validating their inventory of materials and equipment. While Cal Fire is responsible for maintaining their own capital assets as well as District vehicles and equipment under the cooperative agreement, the cooperative agreement does not address planning for asset repair and replacement and the associated funding. Nor does the cooperative agreement address responsibility for District assets not defined in the agreement, even though the District has no staff other than Cal Fire staff. The lack of an asset management plan and inventory validation puts the District at risk of unexpected costs for inventory loss or unplanned asset failure.

Recommendations
The South Santa Clara County Board of Commissioners should request the District Fire Chief to provide the timeline to complete the detailed categorization of assets, and submit the completed categorization of assets to the Board of Commissioner’s for review and endorsement. The Board of Commissioners should also develop a (1) financing plan for the repair, replacement, and expansion of District facilities and other capital assets; and (2) financial policies that include policies relating to debt issuance and drawing on reserves. The Board of Commissioners should further request the District Fire Chief to complete an annual inspection to validate a sample of the inventory in order to ensure the existence and condition of assets.

Savings, Benefits, and Costs
The Board of Commissioners will require support from District staff to develop a financing plan for capital asset repair and replacement. Managing inventory and planning for asset repair and replacement will reduce costs for inventory loss or unexpected asset failure.
**FINDING**

**South Santa Clara Fire District’s Capital Assets**

The South Santa Clara County Fire District's capital assets consist of fire stations, fire engines, command vehicles, water tenders and specialized vehicles, and fire suppression and emergency medical equipment. Under the cooperative agreement between the District and Cal Fire, the District and Cal Fire are each responsible to maintain, operate, and replace their property and equipment. The cooperative agreement, however, specifically provides for Cal Fire to maintain vehicles owned by the District, consisting of six engines, two water tenders, two service vehicles, and four pick-up trucks and sports utility vehicles.

The District operates three fire stations:

- Station 1 (Morgan Hill) is located in the city of Morgan Hill and owned by Cal Fire, and shared by the District and the Morgan Hill Fire Department, which each have cooperative agreements with Cal Fire.
- Station 2 (Masten) is located within and owned by the District.
- Station 3 (Treehaven) is located in the City of Gilroy and leased by the District from the City of Gilroy.

The District is responsible to maintain Station 2, Masten Station, which is owned by the District. Under the lease agreement between the District and Gilroy Gardens for Station 3, the Treehaven Station, the District is responsible for basic repairs, the HVAC system, the hot water heater, and the maintenance and replacement of plumbing fixtures and floor coverings, while the landlord is responsible for preexisting contamination, structural repair, and parking lot repair. In addition if the tenant wishes to alter the property, the lease allows them to do so with written consent. Cal Fire is responsible for paying for Station 1 upgrades and repairs as specified in the cooperative agreement.

**Spending for Replacement of Vehicles and Other Equipment**

The District generally pays for replacement of vehicles and other equipment through lease financing. Between 2012 and 2018, the District funded approximately $1.2 million in equipment purchases through lease financing, as shown in Figure 3.1 on page 39.

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15 Cooperative Agreement Between Cal Fire and the South Santa Clara County Fire District, p. 8 and p.37
16 Cooperative agreement between Cal Fire and South Santa Clara County Fire District,
17 Lease between SSCCFD and Gilroy Gardens p. 3 and p. 4
18 Under lease financing agreements, the lender purchases the equipment and leases the equipment to the District in exchange for annual lease payments, consisting of principal and interest.
Figure 3.1: Equipment Purchases Through Lease Financing
FY 2012-13 to FY 2017-18

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-contained breathing apparatus</td>
<td>$323,260</td>
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<td></td>
</tr>
<tr>
<td>Vehicle</td>
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<td></td>
<td>$507,388</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Pumper apparatus</td>
<td></td>
<td></td>
<td></td>
<td>$274,546</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Copier</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$8,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$385,457</strong></td>
<td><strong>$0</strong></td>
<td><strong>$781,934</strong></td>
<td><strong>$8,400</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
<td><strong>$1,175,79</strong></td>
</tr>
</tbody>
</table>

Source: Audited Financial Statements

The District paid an average of $170,755 per year on principal and interest for the lease financing agreements between FY 2014-15 and FY 2017-18, as shown in Figure 3.2 below.

Figure 3.2: Lease Financing Agreement Principal and Interest Payments
FY 2014-15 to FY 2017-18

<table>
<thead>
<tr>
<th></th>
<th>FY 2014-15</th>
<th>FY 2015-16</th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
<th>Annual Average Payment</th>
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<td>Principal</td>
<td>$111,652</td>
<td>$186,042</td>
<td>$184,869</td>
<td>$112,848</td>
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<tr>
<td>Interest</td>
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<tr>
<td><strong>Total Payment</strong></td>
<td><strong>$126,325</strong></td>
<td><strong>$215,353</strong></td>
<td><strong>$210,794</strong></td>
<td><strong>$130,546</strong></td>
<td><strong>$170,755</strong></td>
</tr>
</tbody>
</table>

Source: Audited Financial Statements

Planning for Capital Assets’ Repair and Replacement

In order to plan for expanded fire facilities to provide fire protection for new commercial and residential development in the District, the District contracted with a consultant in 2015 to evaluate potential imposition of development impact fees on new development. The consultant prepared the South Santa Clara County Fire District Development Impact Fee Justification Study, which included a formal needs assessment. The study identified anticipated capital needs and upgrades necessary to maintain existing services and meet new service demands caused by new development. The study included projections of new development within the district provided by Santa Clara’s Planning and Development Department. Projections included estimates of growth in housing, commercial, and industrial development.
The study outlined 14 facility and equipment needs over the 20-year period from 2015 to 2035, which included renovation of Station 2, relocation costs for Station 3, potential construction of an additional fire station, and replacement of engines and water tenders, replacement of command vehicles, and other needs. The study estimated costs to the District over 20 years to renovate or replace District facilities and equipment of $10.3 million, of which $1.1 million is to be paid for by development impact fees.19

In addition to the facility and equipment needs identified in the South Santa Clara County Fire District Development Impact Fee Justification Study, Cal Fire is in the process of categorizing all District inventory and assets and estimating annual costs to replace assets at the end of their useful life. Cal Fire has not yet completed the categorization of District inventory and assets, and the estimation of annual replacement costs, but has completed a similar categorization and cost estimation for the Morgan Hill Fire Department under the cooperative agreement between Morgan Hill and the Department. The new inventory of District assets will include the cost of smaller needs (e.g. mattresses, dish washer, freezers, hoses, etc.) as well as larger facility and equipment needs (e.g. re-flooring, painting, replacing roofs, replacing engines, etc.), and identify the year that the asset in question should be replaced.

The District’s Equipment and Materials Inventory

In defining capital asset management best practices the Government Finance Officers Association (GFOA) recommends that agencies have a complete inventory and periodic measurement of all capital assets that includes: the asset description, location, warranty information, maintenance history, date placed in service, original value, and anticipated useful life. The District maintains a detailed inventory of vehicle status and repairs, and inspects vehicles daily. The District uses Cal Fire’s policy on managing vehicles (including engines, other fire apparatus, and passenger vehicles), and updated the District’s policy on vehicle replacement in 2018.

The District does not have a documented policy on maintaining inventory of other equipment and materials, although the District has maintained an inventory of durable goods (e.g. refrigerators, hoses, medical equipment, rescue equipment, etc.) for many years. The District does not have a process for validating their inventory of materials and equipment. The County’s Controller-Treasurer Department requires that County departments conduct an annual physical inventory certification to verify the existence and condition of their fixed assets, defined as equipment over $5,000 in value.20 While the District is not required to follow this policy, the District should adopt a similar policy to conduct an annual inventory certification of materials and equipment. The annual inventory certification safeguards against the risk of misappropriation of District materials and equipment, and may decrease long term costs from loss of materials and equipment.

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19 Taussig Study p.13. According to the study, the district anticipates spending $2.5 million for building a station, replacing Station 1, to be jointly used by Cal Fire and Morgan Hill, which will potentially be located on Uvas Road. The district would incur costs of $1.25 million for this project. In addition, the study anticipates the district may spend $2.5 million to relocate the Treehaven Station (Station 3). Both projects are contingent upon the Standards of Cover study which will be undertaken in the near future.

Best Practices in Multi-year Capital Planning

GFOA identifies several steps in developing a multi-year capital plan as outlined below:

1. **Identify needs** - Identifying needs includes planning for the life cycle of an asset including the cost to operate, maintain, administer, and renew/replace the asset. Using development projections, strategic plans, and regional plans to identify current and future service needs and account for any necessary changes.

2. **Determine the financial impact of needs** - In building a plan, agencies should consider what the timing and scope of projects will be, identify the appropriate approach to estimating costs and revenues, identify funding for projects, adjust cost estimates with inflation, and determine how lifecycle costs impact the overall budget of an agency.

3. **Prioritize capital requests** - Evaluate capital needs based on priorities such as legal requirements/mandates, health and safety, asset preservation, service/asset expansion/addition.

4. **Develop a comprehensive financial plan** - In building a multi-year financing plan agencies should ensure the proposed capital plan is achievable given the expected available resources in the identified time frame. Agencies should anticipate expected revenue and expenditure trends, prepare cash flow projections, consider and estimate funding amounts from all appropriate funding alternatives, consider sources and uses for debt service, evaluate affordability of financing strategy, and ensure the stability/reliability of identified funding strategies.

While the District’s *Development Impact Fee Justification Study* identified the District’s need to repair, replace, and expand District facilities and equipment over the 20 year period from 2015-2035, and the associated costs, the District needs to take further steps to plan for capital asset repair and replacement. Cal Fire has begun a more detailed categorization of District assets, including identifying when assets need to be repaired or replaced and the annual cost of repair and replacement, although this categorization was not completed at the time of the audit. Cal Fire should inform the District’s Board of Commissioners of the timeline to complete the detailed categorization of assets, and submit the completed categorization of assets to the Board of Commissioner’s for review and endorsement. The Board of Commissioners should also develop a financing plan for the repair, replacement, and expansion of District facilities and other capital assets.

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Matching Needs with Financing

The District has limited sources to finance major capital repair and replacement projects. The District does not have the ability to impose assessments on properties within the District or issue bonds to finance projects. The District has generally financed major equipment purchases through lease financing agreements, as noted above. In FY 2017-18, the District spent $36,003 from operating revenues for capital outlay.

As noted in Figure 3.2 on page 39 in the Introduction to this report, the District’s fund balance in FY 2017-18 was $2.7 million. Of the $2.7 million fund balance at the end of FY 2017-18, $302,239 was restricted for expansion of Fire District facilities, and $2.4 million was unrestricted. The District’s policy is to maintain an unrestricted fund balance of 20 percent of the previous year’s actual expenditures. Based on the District’s policy, the District would need to retain $1.0 million of the $2.4 million in unrestricted fund balance, making $1.4 million available for capital repair and renovation. The District has not defined criteria under which they are able to draw on unrestricted fund balance in order to meet the District’s needs. In addition, the District does not have a policy on debt, providing guidelines on issuing debt and how much debt the District can accumulate.

While the District’s Development Impact Fee Justification Study developed a short list of anticipated capital needs through 2035 that included estimated costs, the study did not identify funding sources or clarify a schedule of when the costs would be incurred. The District needs to develop a financing plan for the capital needs identified in the study, as recommended by the GFOA. The financing plan should incorporate the categorization of the District’s materials and equipment inventory and capital assets and associated annual costs for repair and replacement, currently being prepared by Cal Fire. The financing plan should account for inflation over time.

CONCLUSION

While the South Santa Clara County Fire District has taken initial steps to develop an asset management plan, the District needs to further develop the plan to prioritize and schedule major capital repair and replacement projects, and match these projects and schedules to funding sources.

22 According to discussions with District representatives, while the District could conduct a study on the feasibility of seeking voter approval for a parcel tax to pay for capital repairs and renovation, the District considers it unlikely that the study would find a parcel tax to be feasible.
RECOMMENDATIONS

The South Santa Clara County Board of Commissioners should:

3.1 Request the District Fire Chief to provide the timeline to complete the detailed categorization of assets, and submit the completed categorization of assets to the Board of Commissioner’s for review and endorsement. (Priority 3)

3.2 Develop a financing plan for the repair, replacement, and expansion of District facilities and other capital assets. (Priority 3)

3.3 Develop financial policies that include policies relating to debt issuance and drawing on reserves. (Priority 3)

3.4 Direct the Fire Chief to complete an annual inspection to validate a sample of the inventory in order to ensure the existence and condition of assets. (Priority 3)

SAVINGS, BENEFITS, AND COSTS

The Board of Commissioners will require support from District staff to develop a financing plan for capital asset repair and replacement. The District staff have already begun to categorize assets and the associated costs of replacement. Developing a financing plan and identifying financing sources for asset repair and replacement will require additional staff report. As noted in Section 2 of this report, additional analytical staff resources to assist with financial planning would cost an estimated $35,000 to $45,000 per year, which could be funded through salary savings. Both Cal Fire and the County have policies on debt, reserves, and inventory that can be used to develop District policies. Managing inventory and planning for asset repair and replacement will reduce costs for inventory loss or unexpected asset failure.
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**Background**

The County of Santa Clara has a population of approximately 1.9 million people, 1.7 million of whom live in one of the County's fifteen incorporated towns and cities and approximately 0.2 million (11 percent) of whom reside in unincorporated County areas. Of the County’s 1,310 square miles, 943 square miles (72 percent) are unincorporated. The County has four fire districts that cover some portions of the County’s unincorporated areas, as well as some cities.

**Problem, Cause, and Adverse Effect**

County residents who reside within a city or within a fire district receive full-time, professional fire protection and emergency services from a local fire protection agency. However, approximately 543 square miles and 33,000 residents in Santa Clara County reside within neither a city nor a fire district, and therefore are not covered by any local government fire protection organization. These uncovered areas lie outside the jurisdiction of any local government fire protection district in unincorporated areas of the County. As a result, these areas, which have fire risks ranging from low to extreme fire risk and hazard, do not have year-round fire protection coverage. While the California Department of Forestry and Fire Protection (Cal Fire) is responsible for wildland areas in the State Responsibility Area, which covers most of the unincorporated area of the County, no agency is responsible for structure fires or first responder coverage.

A survey of other large and populous California counties found that it is unusual to have large areas of the county that are not covered by any local government fire protection organization.

**Recommendations**

The Santa Clara County Board of Supervisors should evaluate options to ensure adequate year-round fire protection and first responder coverage to residents of unincorporated areas of the County, including potential merger and expansion of four existing fire districts to better allocate resources across the unincorporated areas.

**Savings, Benefits, and Costs**

A formal evaluation of options to ensure year-round fire protection and first responder coverage to residents of unincorporated areas of the County would require County staff resources, and potentially consultant resources. If the Santa Clara County Board of Supervisors were to determine that merging and expanding the existing four fire districts into one countywide district was preferred, the County would incur costs to obtain approval from the Local Agency Formation Commission (LAFCo), which governs special districts in Santa Clara County, and voter approval of the residents of the areas in question. The benefit of such a merger and expansion would be to better allocate property tax dollars across the County, while streamlining the governance and operations of fire districts.
FINDING

Fire Jurisdictions and Providers in Santa Clara County

The County of Santa Clara has a population of approximately 1.9 million people, 1.7 million of whom live in one of the County's fifteen incorporated towns and cities and 0.2 million (11 percent) of whom reside in unincorporated County areas. Of the County's 1,310 square miles, 943 (72 percent) are unincorporated. The County has four fire districts that cover some portions of the County's unincorporated areas, as well as some cities.

In the County, some cities and fire districts provide their own fire services through municipal fire departments, some cities are included in fire districts that provide fire services, and some cities contract for services with other fire service providers, including other local fire agencies and the California Department of Forestry and Fire Protection (Cal Fire). Figure 4.1 on page 47 outlines the jurisdictional responsibility for and the service providers of fire protection services in the County. As shown on page 47, approximately 543 square miles and 33,000 residents in Santa Clara County are within neither a city nor a fire district, and therefore are not covered by any local government fire protection organization. These uncovered areas lie outside the jurisdiction of any local government fire protection district in unincorporated areas of the County.

Although they have no formal government jurisdiction within the County, several private non-profit volunteer fire companies are also involved in planning and response to emergencies in their communities:

- The Uvas Volunteer Fire Department (Morgan Hill area within the District's boundaries);
- The Casa Loma Volunteer Fire Association (Croy area within the District's boundaries);
- The Spring Valley Volunteer Fire Department (San Jose/Milpitas area); and
- The Stevens Creek Volunteer Fire Department (Cupertino area).

In addition, the area of Moffett Field under federal jurisdiction is covered by the NASA/Ames Fire Department.

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23 As of December 2018, a portion of the unincorporated area of the Stanford University campus is covered by the Palo Alto Fire Department under a contract between the Department and the University. This area covered by the Palo Alto Fire Department is excluded from the uncovered area calculation.
### Section 4: Santa Clara County Areas without Year-Round Fire & Emergency Medical Services

#### Figure 4.1: Responsible Jurisdictions and Fire Protection and Emergency Services Providers

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Service Provider</th>
<th>Population</th>
<th>Square Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Campbell</td>
<td>Central Fire Protection District (contract)</td>
<td>52,074</td>
<td>6.1</td>
</tr>
<tr>
<td>City of Gilroy</td>
<td>Gilroy Fire Department</td>
<td>28,352</td>
<td>16.5</td>
</tr>
<tr>
<td>City of Los Altos</td>
<td>Central Fire Protection District (contract)</td>
<td>32,050</td>
<td>6.5</td>
</tr>
<tr>
<td>City of Milpitas</td>
<td>Milpitas Fire Department</td>
<td>55,960</td>
<td>13.5</td>
</tr>
<tr>
<td>City of Morgan Hill</td>
<td>Cal Fire (contract)</td>
<td>32,378</td>
<td>12.9</td>
</tr>
<tr>
<td>City of Mountain View</td>
<td>Mountain View Fire Department</td>
<td>75,115</td>
<td>12.1</td>
</tr>
<tr>
<td>City of Palo Alto</td>
<td>Stanford University a</td>
<td>Palo Alto Fire Department</td>
<td>78,199</td>
</tr>
<tr>
<td>City of San Jose</td>
<td>San Jose Fire Department</td>
<td>957,001</td>
<td>180.4</td>
</tr>
<tr>
<td>City of Santa Clara</td>
<td>Santa Clara Fire Department</td>
<td>126,986</td>
<td>18.2</td>
</tr>
<tr>
<td>City of Sunnyvale</td>
<td>Sunnyvale Department of Public Safety</td>
<td>157,652</td>
<td>22.2</td>
</tr>
<tr>
<td>Santa Clara County Central Fire Protection District b</td>
<td>Central Fire Protection District, San Jose Fire Department (contract) c</td>
<td>180,836</td>
<td>124</td>
</tr>
<tr>
<td>Los Altos Hills County Fire District d</td>
<td>Central Fire Protection District (contract)</td>
<td>10,722</td>
<td>11.7</td>
</tr>
<tr>
<td>Saratoga Fire Protection District e</td>
<td>Central Fire Protection District (contract)</td>
<td>31,813</td>
<td>24.3</td>
</tr>
<tr>
<td>South Santa Clara County Fire Protection District f</td>
<td>Cal Fire (contract)</td>
<td>53,784</td>
<td>289.6</td>
</tr>
</tbody>
</table>

**Totals within legal jurisdiction of local fire protection agency**

<table>
<thead>
<tr>
<th>Population</th>
<th>Square Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,872,922</td>
<td>767.8</td>
</tr>
</tbody>
</table>

**County-wide totals, including unincorporated areas**

<table>
<thead>
<tr>
<th>Population</th>
<th>Square Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,906,074</td>
<td>1,310.5</td>
</tr>
</tbody>
</table>

**Totals outside of legal jurisdiction of local fire protection agency**

<table>
<thead>
<tr>
<th>Population</th>
<th>Square Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>33,152</td>
<td>542.7</td>
</tr>
</tbody>
</table>

Population and square mileage estimates were calculated using (a) 2016 American Community Survey 5-year population estimates by census tract, and (b) shapefiles of city and fire district jurisdictional boundaries, provided by Central Fire Protection District.

a The Palo Alto Fire Department contracts with Stanford University to cover the university campus, which is unincorporated. To reflect this coverage, Palo Alto's population estimate and square mileage figures include the covered parts of Stanford University in addition to the legal jurisdictional area of the city of Palo Alto.

b Santa Clara County Central Fire Protection District includes the cities of Cupertino, Los Gatos, Monte Sereno, part of the City of Saratoga, and some unincorporated areas.

c Central Fire Protection District also includes the area of Moffett Field, which is under federal jurisdiction and covered by the federal government by the NASA Ames Fire Department.

d Los Altos Hills County Fire District includes the Town of Los Altos Hills and some unincorporated areas.

e Saratoga Fire Protection District includes part of the City of Saratoga and some unincorporated areas.

f South Santa Clara County Fire Protection District includes unincorporated areas in the southern part of the County.
Uncovered Areas of the County

As shown in Figure 4.1 on page 47, in total, local government fire protection organizations in the County of Santa Clara serve approximately 768 square miles and 1,872,922 people in the County. Approximately 543 square miles and 33,152 people are not covered by any local government fire protection organization. These uncovered areas lie outside the jurisdiction of any local government fire protection district in unincorporated areas of the County, in (a) the eastern part of the County in the areas known as the Mt. Hamilton area, San Antonio Valley, and Pacheco Pass; (b) portions of Almaden Valley; and (c) portions of the Stanford University campus. Figure 4.2 below displays these uncovered areas.

The Composite Risk/Hazard Assessment completed for the 2016 Santa Clara County Community Wildfire Protection Plan (CWPP) modeled fire risk based on fire behavior parameters and fire occurrence density. The CWPP’s final Composite Risk/Hazard Assessment for the county classifies areas of the county into low, moderate, high, and extreme fire risk categories. As shown in Figure 4.2 below, the uncovered areas in Santa Clara County have fire risks ranging from low to extreme fire risk and hazard, due to the area’s varying topography and aspect that results in a patchwork of vegetation types and fuel conditions.

Figure 4.2: Areas of Santa Clara County Without Year-Round Fire Coverage

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24 See Attachment A on page 69 for the methodology used to calculate square miles, population, and budgets of fire agencies and fire districts in the County.

25 For a complete description of the Composite Risk/Hazard Assessment, sources, and methodology, refer to the 2016 Santa Clara County Community Wildfire Protection Plan.
Most of these uncovered areas, including the Mt. Hamilton area, San Antonio Valley, Pacheco Pass, and the Almaden Valley area (but excluding Stanford University and small parcels of federally owned land near Henry Coe State Park), are designated State Responsibility Areas by Cal Fire. Cal Fire has jurisdictional responsibility for wildland fire protection in State Responsibility Areas and staffs fire stations in these areas during declared fire season, generally between April and November of each year. However, no agency has jurisdictional responsibility for non-wildland fire emergencies, including structure fires and emergency medical services, in these areas.

Large Uncovered Areas Unusual in Other California Counties

A survey of other large and populous California counties found that it is unusual to have large unprotected areas of the county that are not covered by any local government fire protection organization. The 10 counties that responded to the survey—San Diego, Orange, Riverside, San Bernardino, Alameda, Sacramento, Contra Costa, Kern, Ventura, and Stanislaus counties—have no county reporting having areas that are not covered by a fire protection and emergency medical services provider year-round and 24 hours a day, with the exception of Contra Costa County, which has approximately 20 square miles of uncovered area, or 0.2 percent of the county's area. Counties address fire protection coverage in unincorporated areas in a variety of ways, and multiple strategies are typically used within one county. Fire protection for unincorporated areas is typically funded with property taxes, although some counties supplement the funding with general fund contributions.

Special districts: As shown in Figure 4.3 on page 50, most counties use independent or dependent special districts or county service areas to provide coverage to unincorporated areas. These districts or service areas are funded with a portion of the base 1 percent property tax collected from properties within the area's boundaries. These districts either contract for fire protection services (typically from Cal Fire or a local municipal fire department) or use the property tax revenue to directly fund a district fire department. The districts may also enter into Amador agreements with Cal Fire for coverage at Cal Fire stations during “non-fire” season, from approximately November to April each year.

26 California Public Resources Code sections 4125-4128 describe State Responsibility Areas, which include (a) lands covered or partially covered by forests; (b) lands covered or partially covered by timber, brush, undergrowth, or grass; and (c) lands in areas principally used for range or forage purposes. Lands within city boundaries or in federal ownership are not State Responsibility Areas.

27 Cal Fire will respond as a “good Samaritan” or through mutual aid during fire season when they staff their fire stations. Portions of the northern part of the Mt. Hamilton and San Antonio Valley areas receive response from the Spring Valley Volunteer Fire Company, a private not-for-profit volunteer fire company. Spring Valley does not have government jurisdiction, but responds as a public benefit.

28 Counties included were any county with more than one million residents and any county that is larger than Santa Clara County in area with over 500,000 residents. The counties that were surveyed were: Los Angeles, San Diego, Orange, Riverside, San Bernardino, Alameda, Sacramento, Kern, Fresno, Ventura, Sonoma, Stanislaus, and San Joaquin counties. Los Angeles County, Fresno County, Sonoma County, and San Joaquin County did not respond to the survey.

29 Some counties have areas that, while technically covered by a local government fire protection organization, may be under-served. For example, Kern County has an area within the county in which there is just one fire station for a 750 square mile area, and San Bernardino County noted that their county also had areas they believe are inadequately covered.
The organization and size of the districts varies by county. Some counties use one large main district to cover all unincorporated areas of the county: the Alameda County Fire Department, a dependent special district, covers nearly all the unincorporated areas of Alameda County (excluding the Fairview area, which is covered by a separate special district). Other counties use a combination of multiple fire districts and/or county service areas to cover unincorporated areas: San Diego County has multiple fire protection/water districts that provide coverage to unincorporated San Diego County in parts of the county closer to urban areas, in addition to a county service area provided by the County that contracts with Cal Fire to provide fire protection and emergency medical services.

Other coverage models: The Orange County Fire Authority, a joint powers authority, covers 23 cities and the unincorporated area of Orange County. The operations of the fire authority are funded with a portion of property taxes collected by the County for the unincorporated county area and on behalf of member cities. In Kern County, the Kern County Fire Department is funded primarily by property taxes collected by the County in a special revenue fund, plus a County General Fund contribution.

Figure 4.3 below summarizes common coverage options or structures, funding sources, and examples from surveyed counties.

**Figure 4.3: Coverage Options for Unincorporated Areas and Funding Sources**

<table>
<thead>
<tr>
<th>Coverage Provider</th>
<th>Legal Structure</th>
<th>Main Funding Source</th>
<th>County Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special district fire department</td>
<td>Fire protection district or community services district</td>
<td>Property tax allocation to the district</td>
<td>San Diego, Santa Clara, Alameda, Contra Costa, Sacramento, Stanislaus</td>
</tr>
<tr>
<td>Cal Fire via cooperative agreement</td>
<td>Fire protection district</td>
<td>Property tax allocation to the district</td>
<td>Santa Clara, Alameda</td>
</tr>
<tr>
<td>Cal Fire via cooperative agreement</td>
<td>County service area</td>
<td>Property tax allocation to county service area and general fund</td>
<td>San Diego</td>
</tr>
<tr>
<td>Cal Fire via Amador agreement</td>
<td>Fire protection district</td>
<td>Property tax allocation to the district</td>
<td>Santa Clara, Contra Costa, San Diego</td>
</tr>
<tr>
<td>County fire department</td>
<td>County department (Chapter 2.26 of County Municipal Code)</td>
<td>Property taxes collected by the County held in a special fire fund; supplemental general fund contributions</td>
<td>Kern</td>
</tr>
<tr>
<td>Fire authority fire department</td>
<td>Joint powers authority</td>
<td>Property taxes collected by the County held in a special fire fund</td>
<td>Orange</td>
</tr>
</tbody>
</table>

*Source: Benchmarking survey of other California counties*

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30 Kern County’s Fire Fund is a special revenue fund used to account for those property taxes and other revenue that are designated for use for structural fire protection.
In addition to these legal jurisdictional options, other counties, including Contra Costa, Sacramento, and Stanislaus counties, also make use of joint/paid volunteer fire companies. Responses from each county on the provision of services to unincorporated areas are included in Attachment C on page 73.

CONCLUSION

The Santa Clara County Central Fire Protection District Fire Chief reported to the Board of Supervisors in April 2019 on the increasing threat of wildland fire driven by a changing climate. The Board of Supervisors adopted 2019 Legislative Policies to better address fire protection in open space areas, with a focus on increased state resources.

Uncovered areas in Santa Clara County have fire risks ranging from low to extreme fire risk and hazard. Cal Fire provides wild land fire suppression to much of the uncovered areas during fire season, but the approximately 33,000 residents of the uncovered areas lack fire coverage for structures and emergency medical response services. Other populous California counties have developed a number of legal structures to ensure fire protection and emergency medical response coverage in unincorporated areas. If the Santa Clara County Board of Supervisors were to determine the necessity of expanding fire protection and emergency medical response coverage to uncovered areas, one option is to consolidate the existing four fire districts into one district and expand district coverage to the currently uncovered areas. The benefit of such a consolidation and expansion would be to better allocate property tax dollars across the County, while streamlining the governance and operations of fire districts. This option would require coordination with Santa Clara Local Agency Formation Commission (LAFCo), which governs special districts in Santa Clara County, and voter approval of the residents of the areas in question.

RECOMMENDATIONS

The Santa Clara County Board of Supervisors should:

4.1 Evaluate options to ensure adequate year-round fire protection and first responder coverage to residents of unincorporated areas of the County, including potential consolidation and expansion of four existing fire districts to better allocate resources across the unincorporated areas. (Priority 2)

SAVINGS, BENEFITS, AND COSTS

A formal evaluation of options to ensure year-round fire protection and first responder coverage to residents of unincorporated areas of the County would require County staff resources, and potentially consultant resources. If the Santa Clara County Board of Supervisors were to determine that consolidating and expanding the existing four fire district into one countywide district, the County would incur costs to obtain LAFCo and voter approval for the consolidation. The benefit of such a consolidation and expansion would be to better allocate property tax dollars across the County, while streamlining the governance and operations of fire districts.
Section 5: Coordination and Funding of Fire Risk Mitigation Services

Background
The Board of Supervisors is the board of directors and is responsible for the oversight and coordination of three of the County’s four fire districts. In addition, fire services within the County are provided by 10 cities and by the State.

Problem, Cause, and Adverse Effect
As a practical matter, a response to a large fire would be a Countywide or regional response. However, mitigation of fire risks is based on jurisdictional boundaries established when the County was home to a smaller population and when fire risk overall was lower. There is no central coordination of the numerous fire services within the County with respect to mitigating overall fire risks. Although the County agency receives dedicated sales tax funds for public safety – including “fire protection” – it allocates these monies entirely to law enforcement, although the rate of violent and property crimes in Santa Clara County has decreased significantly since the implementation of public safety sales tax: for example, violent and property crimes reported within the Sheriff's Office jurisdiction decreased by 40 percent and 56 percent respectively. In contrast, fifteen of the 20 largest fires in California history have occurred since 2000. Despite a population of nearly two million people residing in the County today, and the increased risk of large fires spreading into urbanized areas, there are hundreds of square miles of the County – including areas of high fire risk – that are still not covered by any fire agency. Through its three dependent fire districts, the County Board of Supervisors oversees almost $95 million of annual property tax revenues that are paid by County residents to the fire districts. Yet there is no multi-district assessment and prioritization of risks based on objective measures; each district addresses risks within its boundaries with the resources that are available. The boundaries of existing districts are not necessarily related to fire risk, and some districts may not use funds consistent with risk mitigation. The absence of a comprehensive approach to mitigation increases the potential for major fires throughout the County, including in fire districts, cities, and open spaces.

Recommendations
The Board of Supervisors should direct the County Administration in conjunction with County Counsel to present proposals for fire risk-mitigation models for the County. The Board should consider consolidating all of the existing districts under its authority and assess the feasibility of expanding district boundaries. Additionally, the Board should assess whether a multi-agency approach, such as development of a Countywide fire-risk mitigation Joint Powers Authority – akin to the multi-agency model that already exists for emergency services interoperability – could be implemented. The Board should also consider re-allocating a modest portion of public safety sales tax revenue to the mitigation of fire risk.

Savings, Benefits, and Costs
Implementation of these recommendations would potentially improve the efficiency and effectiveness of existing fire services and reduce the damage from major fires.
FINDING

Increase in Fire Risk

Over the past 50 years, researchers have documented widespread increases in areas burned, the number of large fires, and the length of fire seasons throughout the Western United States.31 Within California, according to the California Department of Forestry and Fire Protection (Cal Fire), 15 of the 20 largest fires (by acres burned) in California history have occurred since 2000. In 2018, the State experienced its largest fire ever (the Mendocino Complex fire, which burned 459,123 acres in July), its seventh-largest fire (Carr Fire, also in July), and the most deadly large fire (the Camp Fire), which killed at least 85 people in November. The second-largest fire in State history (the Thomas Fire) occurred in December 2017.

The Santa Clara County population increased by 8.8 percent between 2010 and 2018. Some communities, such as Gilroy, have seen population growth exceeding 20 percent. Others, such as Saratoga, with an increase of just two percent, have grown at a rate slower than the County as a whole. These changes are shown in Figure 5.1 below, which was taken from the U.S. Census website, Census.gov.

Figure 5.1: Population Changes in the County and Selected Locations Since 2010

<table>
<thead>
<tr>
<th>Location</th>
<th>April 1, 2010</th>
<th>July 1, 2018</th>
<th>Increase</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Clara County</td>
<td>1,781,672</td>
<td>1,937,570</td>
<td>155,898</td>
<td>8.8%</td>
</tr>
<tr>
<td>City of Saratoga</td>
<td>29,993</td>
<td>30,599</td>
<td>606</td>
<td>2.0%</td>
</tr>
<tr>
<td>City of Gilroy</td>
<td>48,888</td>
<td>58,756</td>
<td>9,868</td>
<td>20.2%</td>
</tr>
<tr>
<td>Town of Los Altos Hill</td>
<td>8,057</td>
<td>8,559</td>
<td>502</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Source: U.S. Census

The growth in population, the growth in fire risk, and the addition of homes and businesses in areas that were previously not heavily populated all increase the risk of destruction from fires. As noted in Section 4, approximately 543 square miles and 33,000 residents in Santa Clara County are within neither a city nor a fire district, and therefore are not covered by any local government fire protection organization.

A fire could begin anywhere within the County, or in another County, and be spread by wind or other forces to locations within the County that are home to numerous residents and businesses. The locations and boundaries of existing political boundaries have no direct relationship to potential ignition sites or other factors that may affect fire risk.

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Wildland Urban Interface

In Santa Clara County, there are about 304 square miles along the Wildland Urban Interface, defined as the area “where homes and wildlands meet or intermingle.”\textsuperscript{32} Wildland Urban Interface is either interface or intermix. Homes in the intermix are interspersed with wildland, whereas homes in the interface are adjacent to wildland. The County’s Wildland Urban Interface areas are noncontiguous and represent about 23.3 percent of the County when they are aggregated. In 2010, there were 7,198 homes in the intermix and 32,792 homes in the interface.\textsuperscript{33}

Fire Hazard Severity Zones

In 2017, Cal Fire estimated that 88 percent of the 7,198 homes in Santa Clara County’s intermix were also in a “high” or “very high” fire hazard severity zones, defined as areas of significant fire hazard based on fuels, terrain, weather and other factors.\textsuperscript{34} In addition, Cal Fire estimated that 67 percent of the 32,792 homes in the interface were also in “high” and “very high” fire hazard severity zones.

Size, Population, and Funding of Dependent Districts in Santa Clara County Vary Widely

Of the four fire districts in Santa Clara County, three – Los Altos Hills County Fire District (Los Altos Hills), South Santa Clara County Fire District (South County) and the Santa Clara County Central Fire Protection District (Central Fire) – are dependent districts, meaning that the Board of Supervisors is their board of directors and is responsible for their oversight and coordination and owes them a fiduciary duty. The fourth district is the Saratoga Fire Protection District (Saratoga), which is independent of the County.

*How Much Property Value Results in $1 for Each District?*

The property tax allocation varies by fire district\textsuperscript{35}. In FY 2017-18, for each $903.34 of assessed property value in the Los Altos Hills County Fire District, taxpayers provided $1 of net property tax revenue. In contrast, property taxpayers in the Central Fire Protection District paid their district $1 for each $656.29 of assessed value. Property taxpayers in South County paid their district $1 for each $980.62 of assessed value. Relative to the value of their property, therefore, property owners in the Central Fire Protection District area provide more funding than do payers in either Los Altos Hills or South County.


\textsuperscript{33} Ibid.


\textsuperscript{35} As noted in Section 2 of this report, the portion of the 1 percent property tax varies by Tax Rate Area; each fire district is comprised of several Tax Rate Areas.
How Much Does Each Resident Contribute?

Property tax allocations to each fire district vary even more widely by population. The average property tax allocation per person in FY 2017-18 ranged from a high of $1,000 in Los Altos Hills to $89 in South County, as shown in Figure 2.3 on page 29 of this report. The variance among the four fire districts in Santa Clara County in property tax allocation per person does not reflect the fire risk of each fire district.

Funding Relative to Population and Land Area

South County Fire District has nearly 20 percent of the total population of the four fire districts in the County, but has less than 5 percent of the total FY 2017-18 property tax allocation to the four fire districts, as shown in Figure 5.2 below. Both Los Altos Hills County Fire District and Central Fire Protection District receive proportionately greater shares of FY 2017-18 property tax allocations compared to their population shares.

Figure 5.2: County Fire Districts’ Percentage of Total District Population and FY 2017-18 Property Tax Allocations

- Population estimates were calculated using (a) 2016 American Community Survey 5-year population estimates by census tract, and (b) shapefiles of city and fire district jurisdictional boundaries, provided by Central Fire Protection District.
- Property tax allocations are from the Controller’s Office and vary slightly from the property tax revenue reported in the Districts’ audited financial statements.

Insufficient Fire Service Coordination

Fire services in the County are coordinated among the cities, the state, and the districts, and suppression services are provided to the districts by Cal Fire or by Central Fire Protection District. While the fire jurisdictions in the County, including the four fire districts, have mutual aid and service agreements to share resources and staff when fighting fires, each jurisdiction is responsible for mitigating its own fire threats with its own resources. Addressing fire hazards across the County is not coordinated, not systematic, and does not result in the allocation of funds to the areas of highest risk or need.
Fuel Reduction Services

For example, spending by each fire district for fuel reduction services in FY 2017-18 ranged from $1.45 million in Los Altos Hills to none in South County. Los Altos Hills is the only dependent fire district with a program to remove dead or otherwise fire prone trees on private property, as shown in Figure 5.3 below. In FY 2017-18, Los Altos Hills spent nearly $1.1 million on tree removals. Saratoga spent $5,000 in the same year for that purpose. Neither Central Fire nor South County offers the service.

Three districts (Central Fire, Los Altos Hills, and Saratoga) fund a brush chipping service to reduce fuel loads on private property. However, in FY 2017-18, Los Altos Hills spent six times as much as Central Fire ($50,000) and 12 times as much as Saratoga ($25,000) on chipping. South County does not offer the service. Lastly, Los Altos Hills runs both a yard waste program and a brush goat program. The three other districts (Central Fire, Saratoga, and South County) run neither.

**Figure 5.3: Spending on Fuel-Reduction Programs by Fire District FY 2017-18**

<table>
<thead>
<tr>
<th></th>
<th>Tree Removal</th>
<th>Brush Chipping</th>
<th>Yard &amp; Waste Removal</th>
<th>Brush Goat Program</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Fire</td>
<td>-</td>
<td>$50,000</td>
<td>-</td>
<td>-</td>
<td>$50,000</td>
</tr>
<tr>
<td>Los Altos Hills</td>
<td>$1,084,844</td>
<td>$316,904</td>
<td>$33,098</td>
<td>$17,738</td>
<td>$1,452,584</td>
</tr>
<tr>
<td>Saratoga</td>
<td>$5,000</td>
<td>$25,000</td>
<td>-</td>
<td>-</td>
<td>$30,000</td>
</tr>
<tr>
<td>South County</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,089,844</strong></td>
<td><strong>$391,904</strong></td>
<td><strong>$33,098</strong></td>
<td><strong>$17,738</strong></td>
<td><strong>$1,532,584</strong></td>
</tr>
</tbody>
</table>


Through its three dependent fire districts, the County Board of Supervisors, based on FY 2017-18 allocations, oversees almost $95 million of annual property tax revenues that are paid by County residents to the districts for fire protection. Yet there is no multi-district assessment and prioritization of risks based on objective measures; each district addresses risks within its boundaries with the resources that are available. The boundaries of existing districts are not necessarily related to fire risk, and districts may not use funds consistent with risk.

The Bay Area is likely to experience a major earthquake in the next quarter century and is likely to become hotter and drier as a result of climate change. The absence of a comprehensive approach to mitigation of increasing fire risks leaves residents throughout the County, including those served by a fire district and by municipal and state fire agencies, at greater risk of being affected.
Potential Solutions

There are a variety of potential ways to increase coordination and mitigation efforts for the purpose of reducing the risk of large fires and the resulting damage in the event of a large fire. We recommend that the Board of Supervisors consider the following options, which could be carried out individually or collectively.

- **Consolidation of the existing three dependent fire districts under the Board's authority**

  Consolidation could enable the single district to better match resources to fire risks, and to consider expanding the boundaries of the single district to address areas of the County not currently directly under the jurisdiction of any fire department. The uncovered areas represent a threat to the rest of the County, including cities and existing districts. Such consolidation would not necessarily require or result in changes to existing contracts or services offered currently, although such changes may be warranted if resources are used inefficiently.

  The Board should direct the Administration and Counsel to examine consolidation of the three fire districts under its existing authority. Consolidation could enable the existing approximately $95 million of revenue to the three agencies to be deployed to the greatest needs, rather than “silo-ed” within each organization.

- **Establishment of a Joint Powers Authority (JPA) or other mechanism to empower multiple agencies to work together to identify and reduce fire threats through mitigation efforts and coordination of resources**

  A similar model now exists among numerous local agencies for emergency services “interoperability.” The Silicon Valley Regional Interoperability Authority (SVRIA) was formed through a Joint Powers Agreement established to design and fund a regional interoperable communications network known as Silicon Valley Regional Communications System (SVRCS). Our proposal is to establish a Regional Fire Prevention group through a JPA, which would facilitate efforts to create defensible space and take other preventive actions intended to reduce the potential for catastrophic fires and fire spread. The JPA would include the County, special districts, cities, fire districts, Cal Fire, and possibly other agencies that could jointly work to reduce the risks of fires occurring and reduce the effects of fires that do occur. As we envision it, the group’s focus would be to proactively reduce the factors that may result in massive fires (such as by increasing defensible space), improve the ability to fight fires (such as by making interfacing structures more resistant to burning), or impact survival of populations in the event of a large fire (such as by ensuring the adequacy of escape routes).
The Board of Supervisors should direct County Administration and County Counsel to examine the formation of a Joint Powers Authority (JPA) with all of the fire agencies within the County, including the Los Altos Hills County Fire District, and other relevant entities to improve fire prevention throughout the region. Orange County has a JPA in place for its various fire agencies, although that JPA covers all fire-related services, including fire suppression and emergency medical services. While we do not oppose the development of a JPA that would address other aspects of fire services, our recommendation is expressly to develop a JPA to address Countywide fire prevention efforts, inclusive – to the extent legally feasible – of the involvement of relevant non-fire agencies, such as open space districts, water districts, or others. In addition, the Board should direct the Administration and Counsel to examine consolidation of the three fire districts under its existing authority. Consolidation would enable the existing approximately $95 million of revenue to the three agencies to be deployed to the greatest needs, rather than “silo-ed” within each organization.

- **Reallocation of a portion of public safety sales tax revenue to address public safety threats due to fire**

Addressing the increased risks of fire can be fostered in low-cost ways, such as by improving communication. More robust efforts likely will require funds. The Board of Supervisors should consider allocation of a modest amount of public safety sales tax monies to fire protection. In FY 2018-19, the County received almost $220 million in revenue from this tax. The monies from this public safety sales tax must be spent on “public safety services” as defined by Government Code Section 30052 (b) 1:

> “Public safety services’ includes, but is not limited to, sheriffs, police, fire protection, county district attorneys, county corrections, and ocean lifeguards. ‘Public safety services’ does not include courts.”

In 1993, the County established a Public Safety Sales Tax Fund (1476) to manage these monies. Currently, the County's share of these funds is deposited into the County General Fund and effectively spent on law enforcement. None of these County monies are allocated to fire protection, and the fire districts are not eligible to receive their own, direct allocations of these tax monies. The County allocates these monies to services such as the Sheriffs Office, the District Attorney, and the Probation Department via Budget Unit 217 – Criminal Justice Support. Although the public safety sales tax revenues in Santa Clara County are allocated entirely to law enforcement, reported crimes and crime rates are down significantly, which is a trend throughout the State.

In 1993, for every 100,000 Californians, there were about 1,059 violent crimes reported that year. There have not been more than 500 violent crimes reported per 100,000 Californians since 2008. Property crime rates have also fallen significantly.

According to the Public Policy Institute of California, in 2017, there were 308.2 violent crimes and 2,310.7 property crimes per 100,000 people in the County of Santa Clara.

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36 Some cities are also eligible for a share of this sales tax revenue. The County receives the total allocation of these monies for all jurisdictions within the County from the State, and then apportions the share for each receiving city as well as its own share. This fund still exists but is used to allocate the share of funds collected by the County but remitted to eligible cities. We are not proposing changes to municipal allocations.
Crimes reported by the Sheriff’s Office to the State Department of Justice reflect these trends. Since the County established the Public Safety Sales Tax Fund in 1993, violent crimes reported by the Sheriff’s Office decreased by 40 percent and property crimes decreased by 56 percent, as shown in the two graphs that make up Figure 5.4 below.

**Figure 5.4: Number of Crimes Reported by the Sheriff’s Office Since Implementation of the Public Safety Sales Tax (1993-2018)**

Crime rates in the County were below the statewide average in 2017, according to the Public Policy Institute of California, which found that Santa Clara County had the 10th lowest rate of violent crime of the 58 California counties, and was below the statewide average for both violent crime rates and property crime rates.
In the past five years, the number of individuals incarcerated and on probation in the County of Santa Clara has declined. For example, the number of individuals on adult probation in FY 2015-16 was more than 14,000. As of September 26, 2019, that number had declined to 8,458.

In short, the risk of being the victim of a serious crime has decreased while the risk of being the victim of a major fire has increased. As previously noted, 75 percent of the largest fires in the State’s history have occurred since 2000. Our recommendation is to consider allocation of a small portion of public safety sales tax funds to address the increasing potential for a major wildfire in the County. Based on actual receipts in FY 2018-19, each one percent of these monies equals about $2.2 million. Put another way, for each one percent of these monies allocated to fire protection would increase the total, Countywide amount of funds available to the Board of Supervisors for fire protection functions by about 2.3 percent, while decreasing spending on law enforcement by a fraction of a percent.

CONCLUSION

The potential for a large, destructive fire within the County of Santa Clara is growing. The County population is also growing. There are significant resources available for addressing the increasing threat of risk from fires. However, these resources are managed by more than a dozen different agencies, and potential funding from the public safety sales tax to address fire risks is currently deployed exclusively to law enforcement needs. Meanwhile, there is no agency to actively mitigate risks in some of the most fire-prone areas of the County. As the size of fires increases, the risk that a fire that begins in a high-risk area may damage areas miles away from its origin also increases. The allocation of resources for identifying and addressing the conditions that may result in fires that may begin in one area and “travel” to other areas is not systematic or efficient. Some resources are wasted on mitigation of “low risk” areas, while areas of very high risk are entirely unaddressed. This leaves 276,700 residents and $66.3 billion of real property located in the three districts that are under the jurisdiction of the Board of Supervisors more vulnerable to fire threats. The Bay Area is likely to experience a major earthquake in the next quarter century and is likely to become hotter and drier as a result of climate change, all of which increase fire risk. The absence of a comprehensive approach to mitigation increases the potential for major fires throughout the County, including in fire districts, cities, and open spaces.

RECOMMENDATIONS

The County of Santa Clara Board of Supervisors should:

5.1 Direct County Administration and County Counsel to examine consolidation of the three Fire Districts under its authority to more effectively and efficiently provide fire prevention and emergency medical services. This assessment should also explore the potential benefits and drawbacks to the expansion of District boundaries. (Priority 1)

5.2 Direct County Administration and County Counsel to examine establishment of a Joint Powers Authority for the purpose of coordinating various fire and non-fire agencies to commence fire prevention activities Countywide. (Priority 1)

5.3 Direct County Administration and County Counsel to examine re-allocation of a modest percentage of the $220 million of annual Public Safety Sales Tax revenues from exclusively law enforcement needs to the proposed fire-prevention Joint Powers Agreement to fund construction of defensible space or other mitigating work. (Priority 1)

SAVINGS, BENEFITS, AND COSTS

Taken together, these recommendations would enable the Board of Supervisors to ensure that the funds under its authority are deployed to the greatest effect to protect the public from the growing threat of large fires and would provide a mechanism to proactively address these threats.
Section 6: Lack of Independent Review of Cal Fire Invoices

Background
The California Department of Forestry and Fire Protection (Cal Fire) provides fire protection services and administration services to the South Santa Clara County Fire District (District) under cooperative agreements. Cal Fire invoices the District on a quarterly basis for actual services rendered. When Cal Fire submits an invoice for payment to the District, District administrative staff process and code the invoice, and the District's Fire Chief reviews and approves the invoice for payment. Once the invoice has been approved by the Chief, District staff prepare a payment voucher cover sheet and send the invoice to the County Finance Agency for entry into SAP, the County's accounting system, for payment.

Problem, Cause, and Adverse Effect
Because all of the District's administrative staff are provided by Cal Fire under the cooperative agreement between Cal Fire and the District, the individuals approving the Cal Fire invoices to the District are Cal Fire employees. The District has no non-Cal Fire employee who can review the invoice details, including level and type of services, equipment, staffing levels, and rates, to ensure that the invoice is within the terms of the agreement approved by the Board of Supervisors. As a result, Cal Fire functions as both the vendor and invoice approver.

Recommendations
To ensure adequate oversight, the District's Board of Commissioners should request the County's Office of Budget Analysis in the County Executive's Office to review and approve Cal Fire invoices before invoices are sent to the Controller's Office for payment.

Savings, Benefits, and Costs
The District would incur new costs for Office of Budget Analysis to review and approve Cal Fire invoices, which are expected to be minimal. The District currently pays for Office of Budget Analysis staff time as an indirect overhead/support service cost per the Countywide Cost Allocation Plan, which was $10,623 in FY 2018-19. The estimated additional Office of Budget Analysis cost allocation is estimated to be between $1,200 to $2,400 per year, based on 16 to 32 hours per year of staff time to review and approve Cal Fire invoices.

The benefit to the District of an independent, third-party review of Cal Fire invoices would be the assurance of adequate oversight of Cal Fire invoices to the District.
Section 6: Lack of Independent Review of Cal Fire Invoices

FINDING

Cal Fire Invoice Processing

The California Department of Forestry and Fire Protection (Cal Fire) provides fire protection services and administration services to the South Santa Clara County Fire District (District) under cooperative agreements. The agreements state that Cal Fire shall invoice the District on a quarterly basis for actual services rendered. Invoices from Cal Fire to the District show detailed breakdowns of actual expenditures by type and by month, including actual personnel hours, overtime, and rates.

Cal Fire employee timesheets are approved by the employee’s supervisor. Timesheets are linked to Cal Fire’s personnel accounting program, which generates reports of actual personnel hours. These reports, called AO-17s, are printed and reviewed by a Cal Fire analyst and then the Administrative Officer or the Cooperative Program Coordinator. Once approved, the AO-17s are sent to Cal Fire’s Sacramento Departmental Accounting Office, where they are reviewed again, and then an invoice is generated. The invoice is sent back to the Cal Fire Santa Clara Unit to invoice the District. The AO-17 reports are provided as backup documentation to the invoice along with additional documentation from Sacramento.

When the invoice is submitted for payment to the District, District administrative staff process and code the invoice, and the District’s Fire Chief reviews and approves the invoice for payment. Once the invoice has been approved by the Chief, District staff prepare a payment voucher cover sheet and send the invoice to the County Finance Agency for entry into SAP, the County’s accounting system, for payment. The Controller’s Office verifies that the dollar amount of the invoice matches the dollar amount on the invoice cover sheet and that the amount has been approved for payment, but does not review invoice details and does not verify that the invoice is within the terms of the agreement approved by the Board of Supervisors.

This approval process for Cal Fire invoices to the District is different than the invoice approval process for Cal Fire invoices to the County under other agreements. When Cal Fire submits invoices for payment to the County, rather than the District, the Office of Budget Analysis in the County Executive’s Office serves as contract manager and invoice approver, and the Office of Budget Analysis ensures that the invoice is within the terms of the agreement approved by the Board of Supervisors. The Office of Budget Analysis reviews invoice details, including types of services, equipment, and staff, and asks questions if necessary. For District agreements with Cal Fire, the Office of Budget Analysis only reviews the initial agreements when they come to the Board of Supervisors for approval, but is not in the routing for reviewing or approving any invoices submitted to the District.

37 For example, the County has an agreement with CAL FIRE for the training of volunteer fire companies.
Because all of the District's administrative staff are provided by Cal Fire under the cooperative agreement between Cal Fire and the District, the individuals approving the Cal Fire invoices to the District are Cal Fire employees. In other words, Cal Fire functions as both the vendor and invoice approver. Because the Office of Budget Analysis does not review Cal Fire invoices to the District and the Controller's Office only verifies the invoice dollar amount and approvals, no non-Cal Fire individual reviews the invoice details, including level and type of services, equipment, and staffing levels and rates, to ensure that the invoice is within the terms of the agreement approved by the Board of Supervisors.

CONCLUSION

The South Santa Clara County Fire District’s invoice approval process does not conform to the County’s policy requiring segregation of duties to ensure the integrity of financial transactions. The County’s Internal Control Policy states that County entities, including special districts, should establish policies and procedures to implement control activities, including those pertaining to the segregation of duties, which are “shared responsibilities of a key process that disperses the critical functions of that process to more than one person or operating department.” For non-Cal Fire invoices, the process of invoice approval and invoice recording are segregated: a vendor prepares an invoice, the District’s administrative staff prepare the invoice for payment and the Fire Chief approves the invoice, and the County Finance Agency records and reconciles the invoice into the County’s accounting system. However, when the District receives an invoice from Cal Fire, there are no non-Cal Fire personnel in the District to review and approve the invoice. As a result, both the administrative personnel who prepare the invoice for payment and the individual who approves the invoice and validates that it is within the terms of the agreement, the District’s Fire Chief, is employed by the same agency that prepared and is paid under the invoice.

To ensure adequate oversight, the District’s Board of Commissioners should direct the District’s administrative personnel to have Cal Fire invoices reviewed and approved by the Office of Budget Analysis in the County Executive’s Office before invoices are sent to the Controller’s Office for payment.

RECOMMENDATIONS

The South Santa Clara County Fire District’s Board of Commissioners should:

6.1 Request the County’s Office of Budget Analysis in the County Executive’s Office to review and approve Cal Fire invoices before invoices are sent to the Controller’s Office for payment. (Priority 3)
SAVINGS, BENEFITS, AND COSTS

The District would incur new costs for Office of Budget Analysis to review and approve Cal Fire invoices, which are expected to be minimal. The District currently pays for Office of Budget Analysis staff time as an indirect overhead/support service cost per the Countywide Cost Allocation Plan, which was $10,623 in FY 2018-19. The estimated additional Office of Budget Analysis cost allocation is estimated to be between $1200 to $2400 per year, based on 16 to 32 hours per year of staff time to review and approve Cal Fire invoices.38

The benefit to the District of an independent, third-party review of Cal Fire invoices would be the assurance of adequate oversight of Cal Fire invoices to the District.

38 The District has two agreements with Cal Fire, and Cal Fire sends quarterly invoices for each agreement, for a total of eight agreements received by the District from Cal Fire each year. If each invoice requires two to four hours of review, Office of Budget Analysis staff time would be 16 to 32 hours. Based on an estimated position cost in FY 2018-19 of $152,000, 16 hours of staff time equals $1,169 and 32 hours of staff time equals $2,338.
This report calculates square mileage and populations for areas within Santa Clara County used in the following Figures:

“Figure 2.3: County Fire Districts’ Populations, Area, and Budgets in FY 2017-18” on page 29.

“Figure 4.1: Responsible Jurisdictions and Fire Protection and Emergency Services Providers” on page 47.

- The Santa Clara County Central Fire Protection District provided the audit team shape files from the District’s Geographic Information System (GIS). Shape files store non-topological geometry and attribute information for spatial features in a data set. The geometry for a feature is stored as a shape comprising a set of vector coordinates.

- The audit team used the shape files to calculate square mileage of fire jurisdictions and service areas for fire agencies, fire districts, and uncovered areas in the County. For fire districts, we used actual boundaries; we did not extend the estimate to “spheres of influence,” which are areas outside of a district’s official boundaries but which may be annexed by the district at a future date.

- The audit team used 2016 American Community Survey five-year population estimates developed by the U.S. Census Bureau. The American Community Survey reports population estimates by census tract, which we overlaid on the boundaries of the maps created from the shape files. Because the census tract boundaries do not specifically align with the jurisdictions in the County, we estimated population based on the proportion of the census tract that lay within the boundaries of the jurisdiction.

- The audit team combined the population and square mileage date in Tableau (a software analytics tool) to create maps showing district boundaries and uncovered areas.
Source: HMR, based on shape files provided by the Central Fire Protection District

South Santa Clara County Fire District

Combined South Santa Clara County Fire District and State Responsibility Area
San Diego

County

Population

Area

Coverage

Estimated Size of Uncovered Areas

Services to Unincorporated Areas

Funding for Unincorporated Areas

Uncovered Areas

County

Population

Area

Coverage

Estimated Size of Uncovered Areas

Services to Unincorporated Areas

Funding for Unincorporated Areas

Uncovered Areas

San Diego

3,283,665

4,207

Coverage is provided all year round. There are 10 Fire Protection Stations, Fire Protection Districts, Joint facilities, and Ambulance services. Coverage is provided from County Fire and joint facilities. The county can also draw on county resources to provide helicopter services if needed; the county owns 3 helicopters that can be used to drop water or complete hoist rescues. There are voter approved assessments by these monies. In addition, EMS services are provided through ambulance providers that are contracted through HHS. On the attached map of CSA 135, ALS service is provided from County Fire Stations, and BLS service is provided from joint facilities and CAL FIRE stations. Fire Protection Districts all provide ALS service.

Independent Fire Protection and Water Districts receive a portion of the property taxes paid through the county’s General Plan which is conducted in an essential protection area. The county can also draw on county resources to provide helicopter services if needed; the county owns 3 helicopters that can be used to drop water or complete hoist rescues. The county also has a boundary drop agreement where the closest engine remains open. By the acre to which they are funded, there are 10 Fire Protection Stations, Fire Protection Districts, Joint facilities, and Ambulance services. Coverage is provided from County Fire and joint facilities. The county can also draw on county resources to provide helicopter services if needed; the county owns 3 helicopters that can be used to drop water or complete hoist rescues. There are voter approved assessments by these monies. In addition, EMS services are provided through ambulance providers that are contracted through HHS. On the attached map of CSA 135, ALS service is provided from County Fire Stations, and BLS service is provided from joint facilities and CAL FIRE stations. Fire Protection Districts all provide ALS service.
<table>
<thead>
<tr>
<th>County</th>
<th>Population</th>
<th>Area</th>
<th>Uncovered Areas</th>
<th>Estimated Size of Uncovered Areas</th>
<th>Services to Unincorporated Areas</th>
<th>Funding for Unincorporated Areas</th>
<th>Coverage in Difficult to Reach Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange</td>
<td>3,190,400</td>
<td>791</td>
<td>No</td>
<td>Orange County Fire Authority</td>
<td>No</td>
<td>Orange County Fire Authority</td>
<td>Yes</td>
</tr>
<tr>
<td>Riverside</td>
<td>2,355,002</td>
<td>7,206</td>
<td>No</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>County</td>
<td>Population</td>
<td>Area</td>
<td>Uncovered Areas</td>
<td>Estimated Size of Uncovered Areas</td>
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<td>-----------------------------------</td>
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<td>-------------------------------------</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>2,212,220</td>
<td>20,057</td>
<td>No; The county fire department covers 19,293 of 20,160 square miles within the county. Several cities maintain their own fire companies and make up the remainder of the coverage. Additionally, many local agencies contract with the county fire.</td>
<td>None</td>
<td>The county fire agency addresses coverage in these areas with additional staffing and equipment. San Bernardino County fire is responsible for coverage in these areas.</td>
<td>San Bernardino County Fire is funded by property taxes, with augmentation by the County Board of Supervisors when needed. The county has a contract with CalFire to provide service to the Sunol area. CalFire has a fire station in Sunol that is staffed year round by the &quot;Schedule A&quot; company and additional staffing during the season to provide coverage to the area. San Bernardino County Fire is responsible for coverage in these areas.</td>
<td>There are no areas in San Bernardino County that are considered rural. EMS services are provided by the county fire agency and the County EMSA's private ambulance contractor. The county fire is responsible for emergencies on roadways and at structures. Fire responses for vegetation fires are responded to by both the county fire and CalFire. Helicopters are used for aerial support.</td>
</tr>
<tr>
<td>Alameda</td>
<td>1,629,615</td>
<td>739</td>
<td>There are no areas of the County that are considered unprotected. ACFD has a contract with CalFire to provide service to the Sunol area. CalFire has a fire station in Sunol that is staffed year round by the &quot;Schedule A&quot; company and additional staffing during the fire season for vegetation fire suppression. The ACFD also provides services to the City of Sunol through a contract with the City of Sunol. The ACFD is responsible for all unincorporated areas with the exception of Fairview. CalFire protects the State Responsibility Areas (aka watersheds) during declared fire season for vegetation fire suppression.</td>
<td>None</td>
<td>The ACFD is responsible for all unincorporated areas with the exception of Fairview. CalFire protects the State Responsibility Areas (aka watersheds) during declared fire season for vegetation fire suppression.</td>
<td>The ACFD primary funding source is property taxes (~12% ad valorem) with one supplemental benefit unit assessment for paramedic services. The ACFD also provides services to five cities and three national laboratories on a contract for service basis. This funding is used to provide services to the unincorporated areas and other areas as needed. CalFire provides additional staffing and equipment to the ACFD for fire season in Sunol. CalFire is responsible for all vegetation fires in Sunol and provides additional staffing during the fire season. The ACFD is responsible for all unincorporated areas except for Fairview. CalFire provides additional staffing during the fire season to provide coverage to these areas.</td>
<td>There are no areas in Alameda County that are considered rural. EMS services are provided by the ACFD and the County EMSA's private ambulance contractor. The ACFD is responsible for emergencies on roadways and at structures. Fire responses for vegetation fires are responded to by both the ACFD and CalFire. Helicopters may be utilized in these areas depending on the need and weather conditions.</td>
</tr>
<tr>
<td>County</td>
<td>Population</td>
<td>Area</td>
<td>Uncovered Areas</td>
<td>Estimated Area of Uncovered Areas</td>
<td>Services to Unincorporated Areas</td>
<td>Funding for Unincorporated Areas</td>
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<td></td>
</tr>
<tr>
<td>Sacramento</td>
<td>1,495,400</td>
<td>965</td>
<td>No</td>
<td>All of Sacramento</td>
<td>Fire/EMS services</td>
<td>Metro Fire is primarily funded.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>by property taxes.</td>
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Attorney's Note: 1. April 24, 2000

For Metro Fire's jurisdiction, we have fire stations in those areas that are primarily under fire protection. The service is provided by Fire District 4, which provides fire/EMS services. The Sacramento Metropolitan Fire District is a special district that provides fire/EMS services to the city of Sacramento and the community of Elk Grove. Metro Fire also has auto-aid agreements with the three other agencies in our county, so we will respond to calls throughout our service area. The majority of our service is provided by paid/volunteer departments.
<table>
<thead>
<tr>
<th>County</th>
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<th>Area</th>
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<th>Funding for Unincorporated Areas</th>
<th>Coverage in Difficult to Reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contra Costa</td>
<td>1,147,439</td>
<td>716</td>
<td>One petrochemical refinery in northern unincorporated Concord, the C&amp;H Sugar facility in Crockett, and a few islands in the Delta are outside of any governmental fire jurisdiction. Other than that, all areas of the county are covered by a Fire District, Federal Fire Department (MOTCO), or City Fire Department.</td>
<td>20 square miles</td>
<td>Crockett, East Contra Costa FPD (Volunteer fire district), and East Contra Costa FPD (paid fire district) are BLS fire first responders. All other agencies are fully paid and provide ALS fire first response for the unincorporated areas. Contra Costa County FPD provides ALS 911 Emergency Ambulance response to most of the county with the exception of the San Ramon Valley FPD and Moraga-Orinda FPD who provide their own ALS 911 Emergency Ambulance responses within their EOAs.</td>
<td>All fire protection districts are funded directly by property taxaes. KCFD has a fire fund covering the entire county. Additionally, there are protection contracts with each of the incorporated cities we protect. Additionally, Kern is a Contract County with Cal Fire. They provide seasonal funding for 15 fire stations. One station has a 150 square mile &quot;first in&quot; response area. County has two air ambulance providers (both private) and all transport is handled by private ambulances. Response times for ALS and ground ALS are regulated by Kern County EMSA Protocols. Fire has two helicopters for transport if the privates are unavailable. EMD Protocols determine the response that includes response times.</td>
<td>83.2%</td>
</tr>
<tr>
<td>Kern</td>
<td>878,744</td>
<td>8,132</td>
<td>Entire County</td>
<td>Covered all year. One additional seasonal station is staffed for fire season in a mountain community.</td>
<td>Kern County is protected by Kern County Fire. Bakersfield City has its own as does California City. KCFD has a fire fund covering the entire county. In addition, we have protection contracts with each of the incorporated cities we protect. Additionally, Kern is a Contract County with Cal Fire. They provide seasonal funding for 15 fire stations. One station has a 150 square mile &quot;first in&quot; response area. County has two air ambulance providers (both private) and all transport is handled by private ambulances. Response times for ALS and ground ALS are regulated by Kern County EMSA Protocols. Fire has two helicopters for transport if the privates are unavailable. EMD Protocols determine the response that includes response times.</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>County</td>
<td>Population</td>
<td>Area</td>
<td>Uncovered Areas</td>
<td>Estimated Size of Uncovered Areas</td>
<td>Services to Unincorporated Areas</td>
<td>Funding for Unincorporated Areas</td>
<td>Coverage in Difficult to Reach Areas</td>
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<tr>
<td>Ventura</td>
<td>847,834</td>
<td>1,843</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* local government 100% of the time in Ventura, Oxnard and Fillmore (LRA)
* The remaining 98% of the county is covered by County Fire 100% of the time
* We have a piece of US Forest that is covered by local agreement and USFS Fire during declared fire season.

60% of land mass and EMS

ALS Helicopter operated in partnership with our Sheriff's Department.
<table>
<thead>
<tr>
<th>County</th>
<th>Population</th>
<th>Area</th>
<th>Uncovered Areas</th>
<th>Estimated Size of Uncovered Areas</th>
<th>Services to Unincorporated Areas</th>
<th>Funding for Unincorporated Areas</th>
<th>Coverage in Difficult to Reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stanislaus</td>
<td>535,684</td>
<td>1,495</td>
<td>None</td>
<td>None</td>
<td>As stated above there are 12 Zip Codes above that have a fine system in place for when the ambulance providers do not meet the response times. Any fine levied is paid into a fund that is used to pay for the Ambulance Co.</td>
<td>Stanislaus County has a “Less than Countywide Fire Tax”. Only Modesto City and Turlock City have special assessments to supplement their funding. Multiple fire districts have coverage models used. Coverage models are used to ensure the area is covered by the local fire district. There is a mix between Fully Paid City Fire Departments, Fully Paid Fire Districts, Combination Departments and Fully Volunteer. CalFire has responsibility for the vegetation, fire or threats to the vegetation responses. All other responses (EMS, Vehicle Accident, Structure Response, etc.) is the responsibility of the local fire district. The SRA is covered by the CalFire, Santa Clara Unit (SCU) out of North Ops. On the Eastside the same coverage model is used however the CalFire Tuolumne Calaveras Unit (TCU) provides the responses.</td>
<td></td>
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</tbody>
</table>

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*Attachment: Mgt Audit - South Santa Clara County Fire District (102959 : Management Audit - S. Santa Clara County Fire District)*


<table>
<thead>
<tr>
<th>County</th>
<th>Population</th>
<th>Area</th>
<th>Uncovered Areas</th>
</tr>
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<tbody>
<tr>
<td>Stanislaus</td>
<td>2017 American Community Survey</td>
<td>2017 American Community Survey</td>
<td>2017 American Community Survey</td>
</tr>
</tbody>
</table>

EMS also has 100% coverage for Stanislaus County. This is provided through Three Separate Hospital Districts that provide ALS Transport Ambulance Services, an area covered by AMR through Historical Recognition for the ALS Transport Ambulance Service, and an undefined area that does not fall into any other coverage.

If there are any parts of the county that are covered by a fire or EMS service agency/provider, or that only receive coverage during declared fire season, please provide additional details:

- EMS has also has 100% coverage for Stanislaus County.
South Santa Clara County Fire District
15670 Monterey Street Morgan Hill, CA 95037 • (408) 779-2121 • www.ssocfd.com
Jake Hess, Fire Chief

Date: December 4, 2019
To: Board of Supervisors Management Audit Division
From: Joan Marfia-Lewis, Board President
South Santa Clara County Fire District Board of Commissioners
Subject: Response to the Management Audit of the South Santa Clara County Fire District

Below, please find our formal response to the Board of Supervisors Management Audit Division’s *Management Audit of the South Santa Clara County Fire District*.

Section 1: Fire District Responses to Morgan Hill Incidents

**Recommendation 1.1:** The South Santa Clara County Board of Commissioners should formalize in the boundary drop agreement the arrangement with Morgan Hill for the 50 percent funding of the engine company at Station 1.

**SSCCFD Response:** Partially Agree.

A formal agreement would memorialize the existing arrangement. The Three-Department Operational Agreement requires the approval of three governing bodies to make changes to policy. Currently cost of fuel and personnel are already split administratively. Outstanding costs that are not shared are related to maintenance, repair and upkeep of the District Engine. Another alternative would be to have a separate agreement to share costs that is just between the District and City of Morgan Hill.

**Recommendation 1.2:** The South Santa Clara County Board of Commissioners should consider an arrangement with Morgan Hill for the costs of a portion of Engine 67’s maintenance, repair, and upkeep.

**SSCCFD Response:** Partially Agree.

A formal agreement would memorialize the existing arrangement. The current arrangement already divides the costs of operation between the two departments. The one outstanding cost that is not captured today as part of the shared costs to operate the apparatus and the Station 1 location, is cost of maintenance, repair and upkeep of the apparatus.

**Recommendation 1.3:** The South Santa Clara County Board of Commissioners should use information from the Standards of Cover study to assess the boundary drop agreement and whether further adjustments to compensations arrangements are appropriate.

**SSCCFD Response:** Agree.

The Final Draft of the Standards of Coverage provided by Citygate Associates, LLC was delivered in November 2019 and it supports the concept that further strengthening of the cooperative relationship in writing ensures the business practices of the current cooperative relationship are memorialized.
Section 2: South Santa Clara Fire District Future Financial Uncertainty

 Recommendation 2.1: The South Santa Clara County Fire District’s Board of Commissioners should develop a five-year financial plan and annual update to the financial plan that evaluates the District’s options to increase revenues and contain expenditures, including potentially consolidating fire prevention and communications operations with the cities of Morgan Hill and Gilroy.

 SSCCFD Response: Agree.

 A 5-year financial plan and annual update to illustrate the District financial position is appropriate. Options to increase revenues are being researched now with County Counsel, in anticipation that a revenue measure will be proposed to the voters in 2020. All opportunities to create efficiency in administration and operations is appropriate. Morgan Hill and District Fire operations, support and dispatch already are co-located. In some cases, the inefficiency of prevention/inspection/building is outside the scope of the Fire District and would require support from other governing bodies. Supervisory responsibility or oversight in a single office, Fire Marshal for example, may help create efficiencies, but each of the three governed entities has different business practices to address fire engineering and risk reduction. Staff will need to remain focused on the differences between the different jurisdictions, communications with local jurisdictions; dedicated staff will still be needed to address each jurisdiction.

 Recommendation 2.2: The Santa Clara County Board of Supervisors should consider options for increasing revenues, including a ballot measure to increase parcel or other special taxes to pay for fire protection services.

 SSCCFD Response: Agree.

 District Staff is currently in communication with County Counsel and the Registrar of Voters Office in preparation to propose a revenue measure in 2020. There are many cost-savings efficiencies in the current staffing model, but growth and demand for services is out-pacing revenues. The creation of a mobile equipment replacement fund and capital/facilities replacement fund also need to be addressed to ensure that there is sustainability in the future of the Districts replacement of apparatus and fire stations. Sufficient revenues are not available to fund the replacement funds today. Future increases in revenues through a revenue measure would be used to fund mobile and facility replacement.

 Recommendation 2.3: The Santa Clara County Board of Supervisors should consider options for consolidating fire districts in the County, as further recommended in Section 4, Recommendation 4.1 of this report.

 SSCCFD Response: Partially agree.

 Consolidation to streamline government should be reviewed regularly. The consolidation of departments alone will not solve the financial challenges of the District. The suppressed assessed value and consideration of a change to address shortfalls in revenue should be

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addressed by the District Board of Directors. While the Williamson Act helps sustain valuable agricultural land in South County, it has had a negative impact on public safety services revenue. As a measure to help prop up the loss of revenue, considering there is still a strong need for public safety services, the County should consider other revenues to offset the loss. Consolidation of the Fire Districts in the County is not a certain fix to address service levels. The outcome of the consolidation and level of services are not known.

Section 3: Multi-Year Capital Planning and Asset Management

Recommendation 3.1: The South Santa Clara County Board of Commissioners should request the District Fire Chief to provide the timeline to complete the detailed categorization of assets, and submit the completed categorization of assets to the Board of Commissioner’s for review and endorsement.

SSCCFD Response: Agree.

An accountability of assets is essential. While we have personnel that are in contact regularly with all District assets, having a formal inventory is important for recordkeeping and accounting/auditing. District staff will investigate a cloud based solution to address the inventory of assets and from accurate asset accounting can build a durable goods replacement policy.

Recommendation 3.2: The South Santa Clara County Board of Commissioners should develop a financing plan for the repair, replacement, and expansion of District facilities and other capital assets.

SSCCFD Response: Partially agree.

A formal approved plan would be used as a roadmap to identify current needs and future projects to allocate revenues to address repair, replacement and expansion of current facilities. In 2014 the District hired Taussig and Associates to develop a growth impact study from which the District Board of Directors approved amendments to the existing Development Impact Fee Structure. As part of the study the District Staff created a facility and capital asset replacement plan. Further work using the information in that document could be used to create a more defined replacement strategy.

Recommendation 3.3: The South Santa Clara County Board of Commissioners should develop financial policies that include policies relating to debt issuance and drawing on reserves.

SSCCFD Response: Partially agree.

District should enhance its financial policies to include addressing the subject of debt issuance. District already has policies to address drawing on reserves.

Recommendation 3.4: The South Santa Clara County Board of Commissioners should direct the Fire Chief to complete an annual inspection to validate a sample of the inventory in order to ensure the existence and condition of assets.
SSCCFD Response: Agree.

As stated above an accountability of assets is essential. While we have personnel that are in contact daily with all District assets, having a formal inventory is necessary. District Staff will be investigating potential solutions to address this and propose them to the District Board of Commissioners. A request will be made to the Fire Chief by the Commission to inventory all assets of the District to review with existing inventory documents and update the list of District assets.

Section 4: Santa Clara County Areas without Year-Round Fire/ Emergency Medical Services

Recommendation 4.1: The Santa Clara County Board of Supervisors should evaluate options to ensure adequate year-round fire protection and first responder coverage to residents of unincorporated areas of the County, including potential consolidation and expansion of four existing fire districts to better allocate resources across the unincorporated areas.

SSCCFD Response: Agree.

All property in the County should be under the protection of a local fire protection jurisdiction. The subject has been reviewed by County in the past. This is not a District program issue, but since the District responds for the county to areas not in a fire district, it will have a positive effect on the District.

Section 5: Coordination and Funding of Fire Risk Mitigation Services

Recommendation 5.1: The County of Santa Clara Board of Supervisors should direct County Administration and County Counsel to examine consolidation of the three Fire Districts under its authority to more effectively and efficiently provide fire prevention and emergency medical services. This assessment should also explore the potential benefits and drawbacks to the expansion of District boundaries.

SSCCFD Response: Agree.

The County Board of Supervisors should evaluate the consolidation of the three fire districts and annexation of areas of the County that are not in a fire protection district. Disparate revenues exist in each of the districts and no revenue is received for areas that are not in a fire protection district. Reallocation of revenues from one area of the County to other areas that receive less or no revenue for fire services is likely to be challenging. The public may be challenged to see the benefit of reallocation of revenues from existing districts to other areas of the County with less revenue.

Recommendation 5.2: The County of Santa Clara Board of Supervisors should direct County Administration and County Counsel to examine establishment of a Joint Powers Authority for the purpose of coordinating various fire and non-fire agencies to commence fire prevention activities Countywide.

SSCCFD Response: Agree.
Response to the Management Audit of the South Santa Clara County Fire District
December 4, 2019
Page 5

Regardless of jurisdiction, all areas of the county are at risk of large damaging fires. Mega-Fires have become all too common in California and Santa Clara County is no exception to the risk. It’s not a matter of if, but when. Fires have no regard for jurisdictional boundaries; to provide a governing body to address the recent adoption of the Countywide Community Wildfire Protection Plan, the institution of a joint powers authority (JPA) would bring all stakeholders together to address risk mitigation across the County. The authority could assess its participants for revenue to address projects, seek grants for revenue as a unified force with other entities in the County and work to address resiliency projects based on JPA established policy.

Recommendation 5.3: The County of Santa Clara Board of Supervisors should direct County Administration and County Counsel to examine re-allocation of a modest percentage of the $220 million of annual Public Safety Sales Tax revenues from exclusively law enforcement needs to the proposed fire-prevention Joint Powers Agreement to fund construction of defensible space or other mitigating work.

SSCCFD Response: Agree.

Public Safety Sales Tax revenue is not provided to the county fire departments, but is used to provide enhanced services for Sheriff and District Attorney’s Office. A modest increase to the revenues and an incremental increase of future revenues will help to address fire risk to life and property. The measure was passed with public safety (fire) as a focus and fire has not received any revenue from the tax in Santa Clara County. The allocation could be used to staff the JPA and allocated to community risk reduction projects, reducing the risk for large fires.

Section 6: Lack of Independent Review of Cal Fire Invoices

Recommendation 6.1: The South Santa Clara County Fire District’s Board of Commissioners should request the County’s Office of Budget Analysis in the County Executive’s Office to review and approve Cal Fire invoices before invoices are sent to the Controller’s Office for payment.

SSCCFD Response: Agree.

A procedure has already been implemented and will be memorialized to ensure that review and separation of duties in the CAL FIRE Administration are in place; review by the Office of Budget Analysis as well as the District Board of Commissioners will ensure oversight of invoicing by CAL FIRE to the District. The current process includes several steps:

- Human Resources staff enter employee information from State Controller’s Office into the timekeeping/payroll system;
- Field supervisors approve employee created timesheet information after auditing;
- Timekeeping information is reviewed by personnel prior to issuance of payroll;
- An analyst reviews all entries and audits against the schedule (just like the supervisor);
- A CAL FIRE chief officer reviews and approves the report. The report is forwarded to CAL FIRE Departmental Accounting Office in Sacramento for review and creation of the invoice to South Santa Clara County Fire District.
The analyst reviews the invoice and processes the County payment voucher which is then reviewed/approved by a CAL FIRE chief officer and forwarded to County Controller for processing.

The new process includes the following additional steps:

- County Executive OBA will review of all invoice and time report documentation prior to the voucher being sent to County Finance. Any concerns in the documentation will be communicated between OBA and the Fire Chief or designee; and
- Related Documents will be provided to the District Board of Commissioners at their regular bi-monthly meeting for review, comment and correction if needed.
- District Board of Commissioners will approve expenditures of the District at their regular meeting

DEPARTMENT ACCOMPLISHMENTS

The California Department of Forestry and Fire Protection (CAL FIRE) has provided fire protection and emergency medical services to the South Santa Clara County Fire District under a cooperative agreement since the District was formed (from the old Morgan Hill Rural and Gilroy Rural Fire Districts) in 1980.

Contracting with CAL FIRE allows the District to deliver these services at a lower cost than if it were to hire its own fire department staff or contract with another local fire protection agency. In 1998 the District was one of the first agencies in South County to provide Advanced Life Support First Responder Services (Paramedic Response). This is the standard for Santa Clara County and most populated areas of California.

A 2017 Management and Operational Analysis of the District and the City of Morgan Hill (which also contracts with CAL FIRE) found that the cost of services provided by CAL FIRE is cost effective and less expensive than if the District were to stand up its own fire department. Employees can be co-funded by both entities, scaling the staffing needed to be effective for both programs. In addition, the expertise in command functions and financial oversight provided by CAL FIRE and the sharing of resources between Morgan Hill and District is a key efficiency and benefit to the District.

The cooperative agreement with CAL FIRE also allows the District to leverage CAL FIRE resources during larger or more complex incidents. It would be impossible for the District to replicate the amount and type of resources maintained by CAL FIRE, but these resources are available to the District if needed because of the District’s relationship with CAL FIRE. From a human resources (HR) perspective, all personnel items (Recruitment, retention, pay, benefits and discipline) are addressed by CAL FIRE, not the County. One significant County benefit is no unfunded liability for defined benefits of the CAL FIRE employees placed on the County.
Response to the Management Audit of the South Santa Clara County Fire District
December 4, 2019
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The CAL FIRE personnel who staff the South Santa Clara County Fire District view themselves as a part of the community and the District, rather than outside contractors, and have full and successful working relationships with other fire protection agencies in Santa Clara County and with other County agencies. These relationships are particularly critical in the District’s location in the southern part of Santa Clara County due to the area’s relative geographic isolation from other fire protection agencies.

The Cities of Gilroy and Morgan Hill and the District jointly retained a consultant to conduct a comprehensive Hazard-Risk Assessment and Standards of Cover Study (SOC) to provide a foundation for future local and regional fire service planning in south Santa Clara County. The completion of the SOC will allow the District policy makers to plan for future service level needs and take a proactive approach to local and regional planning for fire protection.

Three major subjects of the 40 findings and 10 recommendations (see Study at: www.sscffd.com/standardsofcoverage)

1) Daily Staffing Capacity. All three departments are dependent on each other to meet Effective Response Force industry standards to address multi-company calls for service. Gilroy and Morgan Hill and encouraged to staff an additional resource each as soon as possible and to each build a new station as soon as possible. The new staffing and stations would maintain same level of demand (based on increased population) od reduce demand of District resources to support the two cities.

2) Fire Station Locations of the District benefit the two cities (Morgan Hill and Gilroy). urban and suburban (Morgan Hill, Gilroy and San Martin) response “best practices” is to have a fire resource at scene within 7:30 minutes 90% of the time. Rural (District, except for the San Martin Area) performance standards are 10:30 minutes 90% of the time. Both cities are not able to meet the best practices standard even with the District’s provision of response to the cities.

3) Mutual Aid Isolation. The agencies have existing Mutual and Automatic-Mutual Aid agreements in place with adjoining fire jurisdictions (Merced County, Hollister, Aromas-Tri-County, Pajaro Valley, Santa Cruz County and San Jose City), however, the travel times for those resources (if available) is far longer than the three south county department’s resources and are not able to provide and timely effective response force to a rapidly expanding incident.

One significant recommendation in the SOC is for the District, Gilroy, and Morgan Hill to participate in a policy-level strategic planning team to evaluate potential cooperative service opportunities, which will allow all three agencies to deliver efficient and cost-effective fire services in southern Santa Clara County.
DATE: September 17, 2020

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Sylvia Gallegos, Deputy County Executive

SUBJECT: Report Back on Land Use Compact with Local Jurisdictions in San Mateo County

RECOMMENDED ACTION
Receive report from the Office of the County Executive relating to a Land Use Compact with local jurisdictions in San Mateo County. (Referral from November 5, 2019 Board of Supervisors meeting, Item No. 13)

FISCAL IMPLICATIONS
There is no new impact to the General Fund as a result of the recommended action.

REASONS FOR RECOMMENDATION
Under advisement from the November 5, 2019 Board of Supervisors meeting (Item No. 13), by motion of Supervisor Chavez, the Board directed the Administration and/or County Counsel to report to the Board with options relating to a possible Land Use Compact (Compact) with San Mateo County jurisdictions. The Board referral emanates from discussions that occurred in 2019 with jurisdictions that surround Stanford University during the Stanford General Use Permit (GUP) application process about regional impacts and benefits related to proposed development in the GUP application, which was ultimately withdrawn by Stanford University on November 1, 2019.

Executive Summary
County staff and Counsel prepared and presented key terms of a proposed Compact in meetings with the County Manager of the County of San Mateo as well as the city managers of the Cities of Palo Alto, Mountain View, and Menlo Park for their initial input and recommendations. It was acknowledged by the jurisdictions that large development projects on both sides of the Santa Clara/San Mateo County line may result in significant regional housing and traffic impacts. There was agreement about the value of convening elected
officials and administrative staff twice-a-year to establish or renew professional relationships, share challenges and best practices, but there was little sanguinity about the likelihood that any given jurisdiction would be willing or capable to engage and involve other jurisdictions in negotiations when faced with a development application with regional impacts.

**County Engagement of Local Cities and County of San Mateo**

Pursuant to the November 5, 2019 Board referral, staff met with Supervisor Chavez to clarify staff’s understanding of the major goals of the referral. After preparing a draft Land Use Compact for discussion of proposed major terms with stakeholder jurisdictions, County staff first met with Mike Callagy, the County Manager of the County of San Mateo, who previously exercised regional leadership on land use matters. Mr. Callagy expressed support for the endeavor, recognition of the benefits of regional planning and coordination, and a willingness to personally engage San Mateo County cities to participate in a process.

While the Board referral focused on jurisdictions in San Mateo County, there are cities in Santa Clara County that have large-scale development that generate regional impacts; most notably, Mountain View, the hometown of Google. Thus, in addition to meetings with the City Managers and Planning and Community Development Directors of Palo Alto and Menlo Park, County staff met with representatives of the City of Mountain View.

**Structure of a Proposed Compact**

The following reflects the latest terms that were developed in response to input received (Draft Compact attached):

- Convening a forum twice-a-year, and meetings would be triggered by a non-residential development application that would exceed one or more thresholds related to net square footage, net number of jobs, and/or net new housing.

- Meetings would revolve around a discussion of traffic and housing impacts that may result from the proposed development.

**Summary of Discussions**

There was consensus among the participants that it would be beneficial for jurisdictions on both sides of the county border to meet twice-a-year in a regular forum among elected and administration officials to build or renew interagency relationships that could be a foundation by which to facilitate improved relations when major development projects with regional impacts do arise.
There was generally an expression of caution or discouragement about the likely willingness of elected officials to engage their counterpart elected officials in a negotiation of possible community benefits associated with a specific development application. Indeed, in some cases, improving cohesion among a jurisdiction’s elected body has been and continues to be the primary aspiration, and there was acknowledgement that interagency collaboration as a goal would follow these efforts.

If a circumstance arose that a jurisdiction were desirous of engaging other jurisdictions about regional impacts and benefits, there was consensus that the regional impacts should be limited to traffic and housing because these subjects were complicated, difficult, and time-consuming discussions on their own. There was optimism about the willingness to raise awareness about development opportunities on the near horizon, discuss shared development challenges and best practices, and that these subjects could make up the framework for forums.

**CHILD IMPACT**
The recommended action will have no/neutral impact on children and youth.

**SENIOR IMPACT**
The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**
The recommended action will have no/neutral sustainability implications.

**BACKGROUND**
Under advisement from the November 5, 2019 Board of Supervisors meeting (Item No. 13), by motion of Supervisor Chavez, the Board directed the Administration and/or County Counsel to report to the Board with options relating to a possible Land Use Compact with San Mateo County jurisdictions. The Referral emanates from discussions that occurred in 2019 with jurisdictions that surround Stanford University during the Stanford General Use Permit application process about regional impacts and benefits related to proposed development in the GUP application, which was ultimately withdrawn by Stanford University on November 1, 2019.

**CONSEQUENCES OF NEGATIVE ACTION**
The report would not be received by the Committee.

**LINKS:**
• Created:  99201 : 99201

ATTACHMENTS:

• DRAFT Land Use Compact  (PDF)
LAND USE COMPACT
Proposed Framework/Deal Points

Purpose—
To establish a forum for representatives from counties and cities to discuss shared impacts and mitigations and develop shared solutions to non-residential development of a regional scale within a six-mile radius of the Santa Clara County-San Mateo County border.

Participating Counties and Cities—

County of Santa Clara
County of San Mateo
City of Mountain View
City of Palo Alto
City of Menlo Park
City of East Palo Alto
City of Redwood City
Town of Atherton
Town of Portola Valley
City of Woodside

Non-Residential Development Thresholds—
The forum shall convene when any participating county or city receives an application for non-residential development that meets any one of the following thresholds:

- Creates 500,000 net new square feet
- Creates [# TO BE DETERMINED] net new jobs
- Creates demand for [# TO BE DETERMINED] net new housing units
- Development located on a jurisdictional border.

Convening Forum—
The forum shall convene two times per calendar year. In addition, when any entity receives a non-residential development application it shall notify the other participating entities of the development application within 15 calendar days of the application being deemed complete [or submitted] and shall convene its first meeting within [INSERT #] of the date of notification. The participating entities shall continue to convene to discuss the non-residential development application until the entities agree by consensus that meetings are no longer required.

Issue Areas—
The participating entities shall engage in discussions on transportation and housing.

The discussions shall:

- Identify the impacts on transportation and housing to the region from the non-residential development application
- Identify the measures necessary to mitigate the impacts on transportation and housing
- Identify the potential sources of funding available to mitigate the impacts on transportation and housing
Dispute Resolution—

If any entity is aggrieved by the process, and by providing notice to all participating entities, a third-party mediator shall conduct a meeting with all entities to address the grievances. If no resolution is achieved, the aggrieved entity can withdraw from the forum.

Administrative Assistance—

The ________________ shall provide staffing assistance to the Compact.
DATE: September 17, 2020

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Jacqueline R. Onciano, Director, Dept. of Planning and Development

SUBJECT: Update to Rural Land Development Standards

RECOMMENDED ACTION

Receive report from the Department of Planning and Development relating to an updated proposal for Zoning Ordinance amendments to establish objective land development standards for rural unincorporated areas.

COMMITTEE RECOMMENDATIONS

Among the Agricultural Preservation Task Force¹ (Ag Task Force)/Housing, Land Use, Environment and Transportation (HLUET) Committee recommendations the Board approved on January 29, 2019 was the addition of rural residential land development standards to mitigate ongoing farmland loss in unincorporated Santa Clara County. The Ag Task Force/HLUET reviewed and recommended the adoption of rural residential development standards on October 25, 2018.

On November 21, 2019, the Department provided a report to HLUET pertaining to proposed Zoning Ordinance amendments to replace existing local-serving standards with objective land development standards for non-residential development in rural unincorporated areas. The Committee expressed support for replacing subjective standards with objective standards, conducting public outreach, and replacing “local-serving” with another framework. The Committee recommended that Administration include and consider sufficient protections for agricultural ranchlands alongside farmland and to return to HLUET with a final draft incorporating all feedback.

¹ The Ag Task Force comprised 12 members, including Supervisors Cortese and Wasserman (then Chair and Co-Chair, respectively, of the HLUET Committee), and thus also represented HLUET. Meetings of the Ag Task Force were noticed as HLUET special meetings.
FISCAL IMPLICATIONS

There are no fiscal impacts from receiving this report. Costs associated with staff time to prepare the Zoning Ordinance amendments are accounted for within the Department’s budget.

REASONS FOR RECOMMENDATION

On November 21, 2019, the Committee received a report from the Department concerning proposed land development standards for non-residential development in the rural unincorporated areas of the County, including but not limited to projects that would currently fall under the local-serving provisions (Section 2.20.090) of the Zoning Ordinance. In further evaluating the overall goals and scope of the proposed Zoning Ordinance amendments, the Department is recommending that the proposed land development standards apply to residential development in rural unincorporated areas.

As described in the November 21, 2019 HLUET report, the proposed land development standards are intended to address three interrelated challenges the Department has identified regarding the Zoning Ordinance’s existing regulatory framework: 1) the current local-serving provisions are difficult to understand and implement; 2) potential disconnect between the County policy goals of supporting agriculture and Zoning Ordinance provisions; and 3) threats to the County’s remaining agricultural areas and rural character by encroaching, incompatible land uses. While the first challenge is unique to non-residential development, the latter two are also pertinent to residential development.

The Ag Task Force/HLUET recommendations on October 25, 2018 involved pursuing two types of residential development standards: (1) a residential building footprint, with a 3,500 to 7,000 square foot limitation discussed; and (2) an overall percentage coverage cap for development that permanently disturbs the soil, similar to the Williamson Act provision, with a 10-percent coverage limitation discussed.

The Department thereby proposes developing objective land development standards for residential uses alongside its efforts to establish land development standards for non-residential uses.

Next steps

Subject to policy direction from HLUET, the Department will develop options for objective standards applicable to residential development into the concurrent effort regarding non-residential development. A resulting proposal for Zoning Ordinance amendments encompassing these recommendations will be shared with stakeholders through significant public outreach conducted before presentation to the Planning Commission for review and recommendation.

The Department has concluded that preparation of an Environmental Impact Report (EIR) for compliance with the California Environmental Quality Act is necessary. Preparation of an EIR would mean the proposal would likely reach the Planning Commission six to nine months following completion of public outreach. Following review by the Planning
Commission, the proposal for Zoning Ordinance amendments would be presented to HLUET for final review prior to consideration by the Board.

**CHILD IMPACT**

The recommended action will have no/neutral impact on children and youth.

**SENIOR IMPACT**

The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**

Establishing rural land development standards, including for residential buildings, will support the General Plan purpose of the Exclusive Agriculture zone, to preserve and encourage the long-term viability of agriculture and agricultural lands, recognizing the vital contributions agriculture makes to the economy and quality of life within the county, including innumerable environmental co-benefits like carbon sequestration, groundwater recharge, wildfire mitigation, sprawl prevention, reduction of greenhouse gas emissions, among others.

**BACKGROUND**

As explored during the development of the Santa Clara Valley Agricultural Plan (Valley Ag Plan), and as discussed at length during the subsequent convenings of the Ag Task Force, rural residential estate development on prime farmland is one of the greatest causes of farmland loss and a significant threat to the continued agricultural viability of Santa Clara Valley. The Valley Ag Plan identified that the majority of agricultural land converted by rural development has been attributed to the development of rural residential estates. Development of large estate or “ranchette” single-family residences in rural areas leads directly to the removal of agricultural properties, in addition to compromising the ability of nearby properties to remain in agricultural production. Undeveloped and actively farmed properties in unincorporated rural areas of Santa Clara County are consistently being advertised for estate home development, creating challenges for neighboring farm operations and inflating the cost of productive agricultural land to prohibitively expensive levels for working farmers and ranchers.

Excluding lots subject to Williamson Act contracts, the County does not have any limits to square footage or lot coverage for single-family residences in the rural areas. Consequently, large estate homes are often constructed on these parcels, creating a residential footprint that effectively prevents the property from ever being used for commercial agricultural purposes. While onsite housing is often a critical component to the commercial viability of an agricultural property, an estate home that is unrestricted in size and lot coverage is not compatible with the exclusive agricultural areas, as per the County’s General Plan. General Plan Policy R-RC 62 specifically states that “Residential uses in agricultural areas may be allowed for persons directly involved in on-site agricultural operations as an ancillary or supportive use of agriculture” (General Plan Excerpt attached).

At its meeting on October 25, 2018, the Ag Task Force reviewed and recommended pursuing a size limitation for residential buildings as a means of mitigating the loss of agricultural
lands and the viability of surrounding properties. The range discussed concerning building footprint limitations for residential development was 3,500 to 7,000 square feet. The Task Force also discussed and recommended a 10-percent coverage cap for development that permanently disturbs the soil, akin to the Williamson Act.

The Ag Task Force also reviewed and forwarded the consideration to limit greenfield single-family development in the Exclusive Agriculture zone when accessory to the agricultural use of the property. Other jurisdictions under threat of estate home development (e.g., Monterey County) have imposed such a restriction to development on productive farm and ranchland soils.

**CONSEQUENCES OF NEGATIVE ACTION**

If HLUET does not receive the report, the Department will revise the report as directed.

**STEPS FOLLOWING APPROVAL**

The Department requests no follow-up steps with the Clerk of the Board.

**LINKS:**
- Linked To: 98824:98824

**ATTACHMENTS:**
- General Plan Excerpt (PDF)
Implementation Recommendations

**R-RC(i) 20**
Continued local government participation in statewide Farmland Mapping Program, and application of GIS technology. [Implementors: County, cities, State]

**R-RC(i) 21**
Support preparation of a cumulative impact analysis of projected losses due to permanent conversion of South County agricultural lands to other uses. [Implementors: South Valley cities, LAFCO, County]

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**Strategy #2: Maintain Stable Long Range Land Use Patterns**

Lack of stable, reliable land use patterns makes continuation of agriculture an even more difficult challenge than it already is. In particular, it is important that policies for agricultural areas:

- prevent fragmentation of sizeable agricultural areas;
- maintain adequate minimum parcel sizes large enough to support agricultural uses; and
- allow other land uses supportive or compatible with agriculture that contribute to its long term viability.

For example, land use patterns which create the juxtaposition of agricultural operations and residential development are a disservice to both agriculture and residential property owners. More so than some types of rural commercial land uses, residential development especially can be adversely affected by the noise, dust, odors and other negative impacts of agricultural operations. Even when the agricultural land uses have been long established in an area, farm owners and operators are often subjected to claims of nuisance by neighboring homeowners, once residential development is introduced. For these reasons, further intrusion of residential and other uses that are incompatible with agriculture should be prevented. [Note: Agricultural employee housing may be allowed which is not necessarily intended for permanent occupation. Such housing should be considered as a necessary supportive use.]

However, where such inconsistencies may already exist, other approaches are needed. “Right-to-farm” legislation has been adopted by other states and localities which limit the liability agricultural land uses that predate neighboring residential land use. Adequate real estate disclosure requirements are often employed to reduce the potential for such nuisance claims. Mediation services may also reduce the potential impacts to farm owners subjected to nuisance claims. These tools may help alleviate problems for farmers in this one area of difficulty, but they should not take the place of sound land use policies that can help prevent such incompatibilities from occurring in the first place.

Finally, there has long been concern that the areas of South County considered to have the greatest long term viability for agriculture should be formally preserved from development. These generally include the areas south and east of Gilroy and other areas which could support urban buffer concepts between South County cities and the village of San Martin. However, to date, the resources and methodology for carrying out these goals have not been developed through joint planning for the areas of greatest concern. Possibilities include the concepts of purchase and transfer of development rights as compensation to landowners, provision of incentives to encourage long term preservation, and other alternatives. Studies of the feasibility of such methods should be undertaken as a joint responsibility of the cities, the County, the LAFCO, and the farming community.
**Policies and Implementation**

**R-RC 59**
Sizeable remaining areas of agricultural lands shall be preserved in large parcels in order to:
- stabilize long term land use patterns;
- allow for long term agricultural investment;
- facilitate entry of individuals into agricultural livelihoods; and
- avoid introduction of incompatible residential or other development in agriculture areas.

**R-RC 60**
Recombining of parcels in agricultural areas should be encouraged.

**R-RC 61**
Allowable land uses in exclusive agricultural areas shall be limited to:
- agriculture and ancillary uses,
- uses necessary to directly support local agriculture, and
- other uses compatible with agriculture which clearly enhance the long term viability of local agriculture and agricultural lands.

**R-RC 62**
Residential uses in agricultural areas may be allowed for persons directly involved in on-site agricultural operations as an ancillary or supportive use of agriculture.

**R-RC 63**
Farm worker housing shall be an allowable use in the zoning districts governing agricultural areas.

**R-RC 64**
As the means and resources become available, agricultural areas of greatest long term viability should be designated for long term or possibly permanent preservation from urban development. Areas such as the lands south and east of Gilroy should be considered for designation and preservation.

**Implementation Recommendations**

**R-RC(i) 22**
Maintain existing policies for minimum parcel sizes in areas designated Large- and Medium-Scale Agriculture, 40 and 20 acres respectively.

**R-RC(i) 23**
Develop criteria by which to scrutinize proposals to expand the type of non-agricultural uses permissible in areas zoned Exclusive Agriculture.

### Santa Clara County Agriculture Crop Value, 1993

<table>
<thead>
<tr>
<th>Crop</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetable Crops</td>
<td>$72,842,000</td>
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<tr>
<td>Nursery Crops</td>
<td>24,820,000</td>
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<tr>
<td>Floral Crops</td>
<td>21,408,000</td>
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<tr>
<td>Livestock &amp; Poultry</td>
<td>15,428,000</td>
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<tr>
<td>Fruits &amp; Nuts</td>
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<tr>
<td>Field Crops</td>
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<tr>
<td>Bushberries &amp; Strawberries</td>
<td>3,055,000</td>
</tr>
<tr>
<td>Seed Crops</td>
<td>2,310,000</td>
</tr>
</tbody>
</table>

**Total** $156,779,000

Evaluate the various means available for long term or possibly permanent preservation of lands designated as agricultural preserves, including:

a. transfer, purchase or dedication of development rights;

b. cumulative impact mitigation fees (Sonoma, Alameda Counties’ programs provide examples);

c. acquisition by the County’s Open Space Authority;

d. provision of incentives to encourage preservation; and

e. establishment of land trusts or land banking to hold ownership of permanently protected lands.

Support “Right to Farm” regulations.

Today, agricultural profitability is affected more by matters of international trade competition and currency rates than ever before. To the extent that local actions and policies can be useful, efforts to enhance the economic viability of agriculture should be considered an equally important aspect of agricultural preservation. These include marketing and promotional efforts, tax relief, technical support, and other areas of endeavor such as provision of affordable agricultural employee housing (see Rural Unincorporated Areas Housing Chapter).

Williamson Act contracts are used in California to conserve open space and agricultural lands by providing property tax reductions in return for agreements with landowners to keep the land in agriculture or its natural state. Once contracts are in place, landowners must apply for nonrenewal in order to become eligible to subdivide or change the use of the land to ones other than those allowed under Williamson Act contracts, also referred to as the Williamson Act Compatible Uses List. Under most situations, contracts are not fully terminated for ten years from the approval of application for non-renewal, unless a request for immediate contract cancellation is approved by the Board of Supervisors.

The following table indicates the total amount of acreage within the County overall under Williamson Act Contract in a given year and the number of acres for which applications for nonrenewal have been submitted. Since 1987-88, the acreage under non-renewal applications has increased from roughly 8,000 to 24,000 acres.

If, as trends seem to indicate, Williamson Act contracts alone do not provide sufficient incentive to preserve agricultural and other non-urban lands, then there may be little that the County can do to discourage or reverse the trend towards increased acreages in non-renewal. Requests for immediate contract cancellations may also increase. In response the County should continue to promote Williamson Act Land Conservation contracts and discourage cancellations.

Agriculture should remain a productive and important part of the overall economy of the county and the region. Increasing attention and

### Acres in Active Williamson Contracts and in Non-Renewal, 1987-1993

<table>
<thead>
<tr>
<th>Year</th>
<th>Active Contracts</th>
<th>Non-Renewals</th>
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<tr>
<td>1987-88</td>
<td>357,207</td>
<td>7,856</td>
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<tr>
<td>1988-89</td>
<td>357,133</td>
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<td>1989-90</td>
<td>357,502</td>
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<td>1990-91</td>
<td>348,373</td>
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<td>337,242</td>
<td>25,649</td>
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<td>1992-93</td>
<td>339,770</td>
<td>24,033</td>
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</table>

Source: County Assessor’s Office
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: Megan Doyle, Clerk of the Board
SUBJECT: Fish and Game Commission Recommendation for Funding for tranquilizer guns and darts

RECOMMENDED ACTION
Receive report relating to Fish and Game Commission recommendation to provide $7,450 in funding from the Fish and Game Commission Fines and Forfeitures Fund to the State of California Department of Fish and Wildlife, North Coast District, to purchase tranquilizer guns and darts for wildlife capture to reduce wildlife and human conflict, and forward to the Board of Supervisors for consideration.

FISCAL IMPLICATIONS
There are sufficient funds in the Fish and Game Fines and Forfeitures Fund managed by the Office of the Clerk of the Board. Approval of this funding request will not impact the General Fund.

REASONS FOR RECOMMENDATION
Under County Ordinance Code Section A33-80, the Fish and Game Commission “shall investigate all requests for the expending of the moneys in the County fish and game propagation fund and shall make written recommendations to the Board of Supervisors appertaining thereto. Requests may be initiated by members of the Commission or by any member of the public. Any investigation shall be for the purpose of determining whether the expenditure is in the interest of propagation and conservation of fish and game within the County. The Board of Supervisors may provide by resolution for the expenditure of funds by the Commission for specified purposes. The Commission shall investigate and shall make written recommendations to the Board of Supervisors on all other fish and game matters within the County which are declared by state law to be within the authority of the Board of Supervisors.”

The California Department of Fish and Wildlife (CDFW), formerly known as the California Department of Fish and Game, is a state agency under the California Natural Resources Agency. The Department of Fish and Wildlife manages and protects the state's fish, wildlife,
plant and native habitats. It is responsible for related recreational, commercial, scientific, and educational uses. It also works to prevent illegal poaching.

The CDFW, North Coast District has requested funds to purchase three tranquilizer guns and darts for wildlife capture to reduce wildlife and human conflict. The Fish and Game Commission reviewed and approved this request on August 17, 2020 and forwarded the request to the Board of Supervisors through the Housing, Land Use, Environment, and Transportation Committee (HLUET).

The funding request submitted by Jeff Heitzenrater, Patrol Lieutenant, CDFW, is attached for reference.

**CHILD IMPACT**

The recommended action will have no/neutral impact on children.

**SENIOR IMPACT**

The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**

The recommended action would promote the Board of Supervisors policy goal of fostering a healthy environment, protecting resources, and/or protecting public health, safety, and recreation by protecting natural habitats and ecological areas.

**BACKGROUND**

Pursuant to the California Fish and Game Code, Section 13100, et seq, funds deposited in a county fish and wildlife propagation fund shall be expended for the protection, conservation, propagation, and preservation of fish and wildlife, under the direction of the Board of Supervisors. In addition, Fish and Game Code Section 13103 establishes certain purposes for which expenditures may be made from the fund, including:

- (g) Purchase and maintain materials, supplies, or equipment for either the [CDFW]’s ownership and use or the department’s use in the normal performance of the department’s responsibilities.

Pursuant to Board Resolution adopted December 7, 1982, the Fish and Game Commission is authorized to expend up to 15 percent of allocations to the Fines and Forfeitures Fund for the purchase of equipment for use in Santa Clara County by state game wardens. As part of its oversight of the Fines and Forfeitures Fund, the Office of the Clerk of the Board tracks this share of allocations as a “hardware balance” within the fund. Should the Board authorize the purchase as requested, the funds issued would be deducted from this hardware balance.

Following a presentation from Patrol Lieutenant Heitzenrater on August 17, 2020, the Commission unanimously approved forwarding a recommendation to the Board of Supervisors through HLUET to authorize funding in the amount of $7,450.

On August 25, 2020, Patrol Lieutenant Heitzenrater advised the Deputy Clerk of the potential for the price of the requested equipment to fluctuate over the next several months. The Clerk of the Board will consult with Patrol Lieutenant Heitzenrater to review the price of the equipment prior to submitting a request to the Board of Supervisors – should the price...
increase beyond the approved amount, the Clerk will return to the Fish and Game Commission for consultation regarding whether to authorize additional funds.

**CONSEQUENCES OF NEGATIVE ACTION**

The recommendation will not be forwarded to the Board for approval.

**STEPS FOLLOWING APPROVAL**

The Deputy Clerk will notify the Fish and Game Commission and Patrol Lieutenant Heitzenrater of action taken by HLUET and will submit a Request for Appropriation Modification to the Board of Supervisors.

**LINKS:**

- Linked To: 102262 : 102262

**ATTACHMENTS:**

- Fish and Game Commission Funding Guidelines and Fish and Game Code Section 13100-13104 (PDF)
- Tranquilizer guns and darts purchase request (PDF)
County of Santa Clara
Fish & Game Commission
Funding Process and Guidelines

Submit funding request 45 days prior to Fish & Game Commission meeting date. All applications should be sent to Clerk of the Board, attn: Fish and Game Commission. At this time, the proposal will be agendized for the next Commission meeting. Proposals received after the 45-day cutoff period will be considered at the meeting following the next one scheduled.

Proposals must include:

➢ Summary of project/event
➢ Amount requested
➢ List of other funding sources
➢ What the County funds will be used for
➢ Detailed description of project/event
➢ How this project/event will benefit fish and/or game in Santa Clara County or educational benefits of the project/event
➢ Has the commission provided funds for this project/event, or to the organization in the past? If so, when and how much?

Proposals received by the Clerk should be sent to commissioners, with their agenda, no later than one week prior to meeting date for review.

If funding is approved by a majority of the members of the Commission, the funding request will be forwarded to the County Board of Supervisors for final action.

If the funding request is approved by the Board of Supervisors, the organization is expected to submit a follow-up report on the project/event detailing what the funds were used for and the outcome of the project/event. Failure to do so in a timely manner could result in the organization being required to reimburse the County for all or part of the funds and/or jeopardize future funding.

Clerk will make available, to potential recipients, a copy of the California Fish and Game Code related to what County Fish and Game Commissions can and cannot provide funds for.

Approved as to Form and Legality:

Lizanne Reynolds, County Counsel

Date: 12-8-03
FISH AND GAME CODE
SECTION 13100-13104

13100.  (a) The amounts paid to and retained in the county treasury pursuant to Sections 12009 and 13003 shall be deposited in a county fish and wildlife propagation fund and expended for the protection, conservation, propagation, and preservation of fish and wildlife, under the direction of the board of supervisors, pursuant to this chapter.

(b) All proposed expenditures from a county fish and wildlife propagation fund shall be reviewed first at a regular meeting of the county board of supervisors or its designated county fish and game commission to ensure compliance with Section 13103.

13101.  (a) The board of supervisors of any county may enter into a written agreement with the board of supervisors of one or more counties for the expenditure of any funds deposited in its fish and wildlife propagation fund pursuant to Section 13100 for any purpose authorized by Section 13103 in either, or any, of the counties for the joint benefit of both, or all, of the counties as the judgment of the boards of supervisors may direct. The purchase of real property necessary for that purpose is lawful and title thereto shall be taken in the joint names of each county which contributes funds therefor. The property may be deeded to the state upon the express condition that it shall be employed for the purposes of this chapter within the counties.

(b) The board of supervisors of one or more counties may enter into a written agreement with the department for the expenditure of any funds deposited in its fish and wildlife propagation fund pursuant to Section 13100 for any purpose authorized by Section 13103.

13102. Expenditures from the fish and game propagation fund of any county shall be subject to the provisions of Division 3 (commencing with Section 29000) of Title 3 of the Government Code.

13103. Expenditures from the fish and wildlife propagation fund of any county may be made only for the following purposes:

(a) Public education relating to the scientific principles of fish and wildlife conservation, consisting of supervised formal instruction carried out pursuant to a planned curriculum and aids to education such as literature, audio and video recordings, training models, and nature study facilities.

(b) Temporary emergency treatment and care of injured or orphaned wildlife.

(c) Temporary treatment and care of wildlife confiscated by the department as evidence.

(d) Breeding, raising, purchasing, or releasing fish or wildlife which are to be released upon approval of the department pursuant to Sections 6400 and 6401 onto land or into waters of local, state, or federal agencies or onto land or into waters open to the public.
(e) Improvement of fish and wildlife habitat, including, but not limited to, construction of fish screens, weirs, and ladders; drainage or other watershed improvements; gravel and rock removal or placement; construction of irrigation and water distribution systems; earthwork and grading; fencing; planting trees and other vegetation management; and removal of barriers to the migration of fish and wildlife.

(f) Construction, maintenance, and operation of public hatchery facilities.

(g) Purchase and maintain materials, supplies, or equipment for either the department's ownership and use or the department's use in the normal performance of the department's responsibilities.

(h) Predator control actions for the benefit of fish or wildlife following certification in writing by the department that the proposed actions will significantly benefit a particular wildlife species.

(i) Scientific fish and wildlife research conducted by institutions of higher learning, qualified researchers, or governmental agencies, if approved by the department.

(j) Reasonable administrative costs, excluding the costs of audits required by Section 13104, for secretarial service, travel, and postage by the county fish and wildlife commission when authorized by the county board of supervisors. For purposes of this subdivision, "reasonable cost" means an amount which does not exceed 15 percent of the average amount received by the fund during the previous three-year period, or ten thousand dollars ($10,000) annually, whichever is greater, excluding any funds carried over from a previous fiscal year.

(k) Contributions to a secret witness program for the purpose of facilitating enforcement of this code and regulations adopted pursuant to this code.

(l) Costs incurred by the district attorney or city attorney in investigating and prosecuting civil and criminal actions for violations of this code, as approved by the department.

(m) Other expenditures, approved by the department, for the purpose of protecting, conserving, propagating, and preserving fish and wildlife.

13104. The department may audit, or require the county to audit, expenditures by the county from its fish and wildlife propagation fund in order to determine compliance with this chapter. If, after reviewing the audit, the department determines that expenditures are not in compliance with this chapter, the department may require that all expenditures from the fund be temporarily suspended, or it may seek reimbursement of funds that the department determines, based on the audit, were expended improperly, or both.
To: Santa Clara County Fish and Game Commission
From: CDFW Lt. Jeff Heitzenrater
Subject: Tranquilizer gun purchase
Date: June 1, 2020

The California Department of Fish and Wildlife is requesting the County of Santa Clara approve the release of funds to CDFW for the purchase of three Pneu Dart Deer and Elk G2 X-Caliber Med-Long Range Premium Package tranquilizer guns (aka gauged projectors) in True Timber camouflage. The funds used will come from the monies collected by the court as a result of fines for wildlife violations. The gun kits come with a hard case, sling, CO2 cylinders, an adapter for larger cylinders, cleaning kit, needles and syringe, practice target, practice darts, regular darts of various sizes, a chest pack for carrying extra darts and a manual. Current pricing on these guns and kits are $2144.72 each for a total of $6,434.16

In addition to the guns and kits, I respectfully request additional funding for more darts, which would keep us in sufficient stock for several years. These would include 215 darts in 2cc and 3cc capacities with various needle lengths. Total price for these darts is currently $795.95. In addition, current standard shipping for everything is $174.16. Total current pricing for 3 guns / kits, 215 darts and shipping is $7404.27. With anticipated product or shipping increases in price while this request is processed, I request to round up to $7450.00.

The monies will be given to CDFW and utilized by CDFW Law Enforcement personnel to purchase the guns and kits for use in Santa Clara County. The guns will be used to capture various wildlife species such as deer, and Mt. lion when incidents such as animal injury, entanglement or wildlife / human conflict occur. Over the last 2 years, CDFW staff have responded to approximately 6-10 incidents where a tranquilizer gun was used or would have been used if available.

Currently, CDFW has no tranquilizer guns assigned to Wardens working Santa Clara County. When incidents arise, staff is recruited from other neighboring counties to respond. CDFW is currently willing to train Santa Clara County Wardens and I have recommended that at least one Warden from each county my squad covers be trained. Due to the frequency of responses in Santa Clara County, it is my hope to equip all 3 Santa Clara County Warden positions with tranquilizer guns and have those Wardens trained and certified by CDFW to use tranquilizer guns.

The tranquilizer guns will benefit CDFW and the community by allowing Wardens assigned to the county to quickly respond to and resolve incidents involving wildlife and the public. By having tranquilizer guns more readily accessible, they will not have to wait for Wardens or staff from other counties to arrive, which may save valuable time when dealing with fluid incidents involving unpredictable wildlife.

Conserving California’s Wildlife Since 1870
At the moment, I have no available record of purchases of tranquilizer guns for CDFW by the County of Santa Clara.

Thank you,

Lt. Jeff Heitzenrater
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: Jo Zientek, Director, Consumer/Environmental Protection Agency
SUBJECT: FY20 Competitive Grants Report

RECOMMENDED ACTION
Receive report from the Consumer and Environmental Protection Agency relating to competitive grants for period July 1, 2019 through June 30, 2020.

FISCAL IMPLICATIONS
There is no fiscal impact to the General Fund as a result of this action.

CONTRACT HISTORY
Not applicable.

REASONS FOR RECOMMENDATION
An annual report is required to be forwarded to HLUET Committee summarizing the details of all competitive grants received; applied for but not received; and pending approval over the last fiscal year.

The attached report provides the status of grant applications for FY20 for the Consumer and Environmental Protection Agency.

CHILD IMPACT
The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT
The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS
The recommended action will have no/neutral sustainability implications.

CONSEQUENCES OF NEGATIVE ACTION
The HLUET Committee will not receive information regarding competitive grants for FY20 from the Agency.
ATTACHMENTS:

- CEPA Grants Reporting Table (PDF)
<table>
<thead>
<tr>
<th>Fund</th>
<th>Cost Center</th>
<th>General Ledger Account</th>
<th>Program Name</th>
<th>Description of Grant Program</th>
<th>FY 2020 Budgeted Revenue</th>
<th>FY 2020 Actual Revenue</th>
<th>Variance Amount</th>
<th>Reason for Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>5670</td>
<td>4714100</td>
<td>Animal Care and Control</td>
<td><strong>Short Description:</strong> Animal Care and Control received a $7,205 grant from Banfield Foundation to fund the purchase of one autoclave machine for veterinary procedures. <strong>Length of Grant:</strong> One-time purchase.</td>
<td>$0.00</td>
<td>$7,205.00</td>
<td>$7,205.00</td>
<td>This is a grant that ACC applied for and was awarded based on the quality of the grant proposal. The receipt or amount of the grant could not be predicted in advance and is meant to enhance existing services.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Animal Care and Control</td>
<td><strong>County Match/In-Kind Services:</strong> Not applicable. <strong>Contractor:</strong> Not Applicable.</td>
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<tr>
<td>0001</td>
<td>5670</td>
<td>4714100</td>
<td>Animal Care and Control</td>
<td><strong>Short Description:</strong> Animal Care and Control received a $5,000 grant from Maddie's Fund to purchase supplies needed for the quarterly Trap-Neuter-Return workshops. <strong>Length of Grant:</strong> 1-year</td>
<td>$0.00</td>
<td>$5,000.00</td>
<td>$5,000.00</td>
<td>This is a grant that ACC applied for and was awarded based on the quality of the grant proposal. The receipt or amount of the grant could not be predicted in advance and is meant to enhance existing services.</td>
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<td></td>
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<td>Animal Care and Control</td>
<td><strong>County Match/In-Kind Services:</strong> Not applicable. <strong>Contractor:</strong> Not Applicable.</td>
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<tr>
<td>0001</td>
<td>5670</td>
<td>4714100</td>
<td>Animal Care and Control</td>
<td><strong>Short Description:</strong> Animal Care and Control received a $5,000 grant from the Petco Foundation for COVID-19 Relief to catch up on spay/neuter surgeries after clinic closures. <strong>Length of Grant:</strong> 1-year</td>
<td>$0.00</td>
<td>$5,000.00</td>
<td>$5,000.00</td>
<td>This is a grant that ACC applied for and was awarded based on the quality of the grant proposal. The receipt or amount of the grant could not be predicted in advance and is meant to enhance existing services.</td>
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<tr>
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<td>Fund</td>
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<td>5670</td>
<td>4714100</td>
<td>Animal Care and Control</td>
<td>Short Description: Animal Care and Control received a $9,000 Animal Welfare Organization grant from The Petco Foundation to provide low-cost and free spay/neuter and veterinary services to reduce the number of animals in shelters.</td>
<td>$0.00</td>
<td>$5,000.00</td>
<td>$5,000.00</td>
<td>This is a grant that ACC applied for and was awarded based on the quality of the grant proposal. The receipt or amount of the grant could not be predicted in advance and is meant to enhance existing services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Length of Grant: 1-year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>County Match/In-Kind Services: Not applicable.</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Contractor: Not Applicable.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3070</td>
<td>5670</td>
<td>4980650</td>
<td>Animal Care and Control- Spay/Neuter</td>
<td>Short Description: Animal Care and Control received a $7,500 grant from Animal Homelessness and Cruelty Fund administered by California Department of Food and Agriculture to perform 205 spay/neuter surgeries for owned pets.</td>
<td>$0.00</td>
<td>$7,500.00</td>
<td>$7,500.00</td>
<td>This is a grant that ACC applied for and was awarded based on the quality of the grant proposal. The receipt or amount of the grant could not be predicted in advance and is meant to enhance existing services.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Length of Grant: One-time</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>County Match/In-Kind Services: Not applicable.</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Contractor: Not Applicable.</td>
<td></td>
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<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td>$0.00</td>
<td>$29,705.00</td>
<td>$29,705.00</td>
<td></td>
</tr>
</tbody>
</table>
DATE: September 17, 2020

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Don Rocha, Director, Parks and Recreation Department

SUBJECT: Fiscal Year 2020 Competitive Grant Report

RECOMMENDED ACTION
Receive report from the Parks and Recreation Department relating to competitive grants for period July 1, 2019 through June 30, 2020.

REASONS FOR RECOMMENDATION
The Fiscal Year 2020 Parks and Recreation Department report on competitive grants is contained in the spreadsheet attached. In FY2020, the Department applied for $1,212,748 in competitive grants, and was awarded $828,574. Additionally, in FY2020 the Department was awarded $1,247,055 in competitive grants that were applied for in FY2019, bringing the total amount awarded in FY2020 to $2,075,629.

Grants listed as pending for FY2020 are awaiting award decisions from the grantors. Notification of remaining award decisions are not anticipated until early FY2021. Funds will not be received until the grant funded projects have been completed and a reimbursement request filed.

CHILD IMPACT
The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT
The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS
The recommended action will have no/neutral sustainability implications.

BACKGROUND
At the April 5, 2005 meeting of the Board of Supervisors (Item No. 19), the Board approved new countywide procedures relating to grant funding and reporting. These new procedures provide the Board of Supervisors with more information regarding fiscal and service impacts.
of grants that County agencies and departments apply for and receive. The procedures require an annual report to the Board of Supervisors at the end of each fiscal year. The attached report summarizes the details of all submitted competitive grant applications during the preceding fiscal year for the Parks and Recreation Department.

**CONSEQUENCES OF NEGATIVE ACTION**

If not approved, the Board of Supervisors will not have the most current information related to Parks Department grant applications.

**STEPS FOLLOWING APPROVAL**

Upon processing, the Clerk of the Board shall forward any committee recommendations to the Board of Supervisors for consideration.

**LINKS:**

- Linked To: 98712: Receive report from the Parks and Recreation Department relating to competitive grants for period July 1, 2018 through June 30, 2019.

**ATTACHMENTS:**

- Parks Grants Reporting Table for FY 2020 (PDF)
### FY 2020 Grants Report for County of Santa Clara Parks and Recreation Department

<table>
<thead>
<tr>
<th>Grantor</th>
<th>Grant Program Name</th>
<th>Project Name</th>
<th>Project Manager</th>
<th>Amount Applied For</th>
<th>Status Update: Pending/ Approved/ Denied</th>
<th>Amount Awarded</th>
<th>Competitive</th>
<th>Non-Competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>California State Parks Division of Boating and Waterways</td>
<td>Quagga and Zebra Mussel Infestation Prevention</td>
<td>Vessel Inspection Program for Anderson and Calero Reservoirs</td>
<td>Sandie Day</td>
<td>$ 400,000</td>
<td>Approved**</td>
<td>$ 400,000</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>California State Parks Division of Boating and Waterways</td>
<td>Quagga and Zebra Mussel Infestation Prevention</td>
<td>Vessel Inspection Program for Coyote and Lexington Reservoirs</td>
<td>Sandie Day</td>
<td>$ 400,000</td>
<td>Approved**</td>
<td>$ 400,000</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>California State Parks Division of Boating and Waterways</td>
<td>Quagga and Zebra Mussel Infestation Prevention</td>
<td>Vessel Inspection Program for Stevens Creek Reservoir</td>
<td>Sandie Day</td>
<td>$ 211,753</td>
<td>Approved**</td>
<td>$ 211,753</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>California State Parks Off-Highway Motor Vehicle Recreation Division</td>
<td>Grants and Cooperative Agreements Program</td>
<td>Ground Operations</td>
<td>Sandie Day</td>
<td>$ 222,805</td>
<td>Approved**</td>
<td>$ 222,805</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>California State Parks Off-Highway Motor Vehicle Recreation Division</td>
<td>Grants and Cooperative Agreements Program</td>
<td>Education</td>
<td>Sandie Day</td>
<td>$ 12,497</td>
<td>Approved**</td>
<td>$ 12,497</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>California State Parks Off-Highway Motor Vehicle Recreation Division</td>
<td>Grants and Cooperative Agreements Program</td>
<td>Ground Operations</td>
<td>Sandie Day</td>
<td>$ 358,409</td>
<td>Pending</td>
<td>$ -</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>California State Parks Off-Highway Motor Vehicle Recreation Division</td>
<td>Grants and Cooperative Agreements Program</td>
<td>Education</td>
<td>Sandie Day</td>
<td>$ 25,765</td>
<td>Pending</td>
<td>$ -</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>State of California Department of Forestry and Fire Protection</td>
<td>California Climate Investments Fire Prevention Grant Program</td>
<td>Mt. Madonna Fuel Reduction Project</td>
<td>Michael Rhoades</td>
<td>$ 828,574</td>
<td>Approved</td>
<td>$ 828,574</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

**Competitive Total** $ 2,075,629

**Non-Competitive Total** $ 93,020

**Grant Total** $ 2,168,649

* Law Enforcement Project grant awards are based on available funding and number of applicants.

**Blue highlighted fields indicate grants that were applied for in FY2019 and included on the FY2019 Report as pending, that were since awarded and approved during FY2020.
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: Jacqueline R. Onciano, Director, Dept. of Planning and Development
SUBJECT: FY 2020 Competitive Grants - Planning and Development

RECOMMENDED ACTION
Receive report form the Department of Planning and Development relating to competitive grants for period July 1, 2019 through June 30, 2020.

FISCAL IMPLICATIONS
The recommended action carries no fiscal impact to the General Fund. Grants from the State related to purchasing agricultural conservation easements or supporting agriculture through other means may involve in-kind staff time provisions or local matching requirements, which Administration would set forth in grant application approval requests.

REASONS FOR RECOMMENDATION
The Fiscal Year 2020 (FY 2020) Department of Planning and Development report on competitive grants is contained in the table attached to this legislative file. In FY 2020, the Department received $648,591 in competitive grants from the California Department of Conservation (DOC) and the California Department of Housing and Community Development (HCD).

In August 2017 (FY 2018), the Department applied for a Sustainable Agricultural Lands Conservation (SALC) Program grant from the DOC, who administers the grant through the California Strategic Growth Council (SGC). The grant amount of $100,000, was intended to develop a regional Agricultural Conservation Easement (ACE) purchasing program, i.e., refining a priority ACE acquisition plan and formulating the program’s administrative and fiscal structure.

On June 19, 2018 the Board delegated authority to the County Executive, or designee, to submit five SALC Program grant applications to the State to fund the acquisition of ACEs on five properties for conversion to an ACE in rural, unincorporated San Martin. The County and partner agency the Santa Clara Valley Open Space Authority (OSA) were awarded $15 million in SALC funding at the end of 2018 (FY 2019). The FY 2020 adopted Budget appropriated $4,980,429 to the Department to satisfy the local 25-percent match requirement.
for the $15 million grant. The grants have yet to be executed as the Department and the OSA have been working with the landowners to finalize the appraisals and easement terms. Should one or more purchases be recorded in FY 2021, the FY 2021 Competitive Grants Report for HLUET would include the pertinent grant activity information.

In FY 2019, the State issued the County the above $100,000 SALC Program Grant Agreement (Grant No. 3018-903), which the Board approved on June 18, 2019. The Grant Agreement, which carries a $10,000 local matching requirement, became effective on August 1, 2019 (FY 2020). The Department updated the scope of work to accommodate recent developments and the State approved the change of scope on August 28, 2020. Grant work will begin in FY 2021; the FY 2021 Competitive Grants Report for HLUET will accordingly include the pertinent grant activity information.

In July 2019 (FY 2020), the Department applied for a pair of two-year grants from the California Department of Conservation, funded through Proposition 68’s Working Lands and Riparian Corridors Program. Both grants were awarded in September 2019 (FY 2020). One grant ($169,468) is a partnership with San Mateo County to analyze and quantify the potential for agricultural carbon draw-down and climate resiliency by way of the Counties’ Climate Action Plans and General Plans. San Mateo County is the nominal and fiscal lead on this grant. The other grant ($164,123) is to develop a working lands component (i.e., agricultural conservation priority plan) into the San Martin Planning Area framework. Work for both grants began in March 2020 (FY 2020) and the FY 2020 Competitive Grants Report for HLUET includes the grant activity information (attached).

On December 17, 2019 (FY 2020), the Board considered recommendations from the Department relating to Senate Bill 2 (SB 2) Planning Grants Program (PGP) Funds. SB 2 (2017) is part of a 15-bill housing package aimed at addressing the State’s housing shortage and high housing costs. Specifically, SB 2 established a permanent source of revenue intended to increase the affordable housing stock in California. The Board adopted the resolution (BOS-2019-174) authorizing a grant application under the State’s HCD SB 2 PGP.

On December 20, 2019 (FY 2020) the Department applied for the SB 2 PGP grant and the grant (Grant No. 19-PGP-14027) was awarded on August 3, 2020 (FY 2021). The grant ($215,000) will fund three activities associated with the potential development of housing on County-owned property and within unincorporated areas: (a) developing and utilizing a housing prioritization analysis tool for all County-owned parcels and within urban unincorporated areas; (b) preparation of an affordable housing and farmworker housing zoning overlay for identified potential housing sites in the unincorporated area; and (c) reimbursement for housing feasibility assessment work performed for the Hub site at 1510 Parkmoor Avenue within the (incorporated) City of San José. The Parkmoor site feasibility analysis is a Facilities and Fleet Department (FAF)-funded project and therefore $54,000 of the awarded grant funds will go to FAF.
The proposed grant-funded work will act to address two of the County’s current priority focus areas: (a) an evaluation of space planning and service needs on County-owned properties, identifying opportunities for affordable housing development using Measure A funding where possible; and (b) identifying opportunities for the development of permanent farmworker housing to support the agriculture economy as identified in the Santa Clara Valley Agricultural Plan. Work for this grant will be continued through 2020 (FY 2021) and the FY 2021 Competitive Grants Report for HLUET will include the grant activity information.

**CHILD IMPACT**

The recommended action will have no/neutral impact on children and youth.

**SENIOR IMPACT**

The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**

The recommended action will have no/neutral sustainability implications.

**BACKGROUND**

On April 5, 2005, the Board of Supervisors adopted a standard procedure for annual reporting of competitive grants. This practice provides the Board with information regarding fiscal and service impacts of grants applied for and received by County departments and agencies. At the end of each fiscal year, departments and agencies are required to submit an annual report to the appropriate Board Policy Committee summarizing the details of all competitive grant activities during the fiscal year. The attached table summarizes the details of all submitted competitive grant applications during the preceding fiscal year for the Department of Planning and Development.

**CONSEQUENCES OF NEGATIVE ACTION**

Failure to receive this informational report would result in the Board not having the most current information related to the Department of Planning and Development’s grant activities.

**STEPS FOLLOWING APPROVAL**

The Department requests no post-approval steps from the Clerk of the Board.

**ATTACHMENTS:**

- DPD Grants Reporting Table FY 2020 (PDF)
## FY 2020 Competitive Grants Report

<table>
<thead>
<tr>
<th>Grantor</th>
<th>Start Date</th>
<th>Project Name</th>
<th>Project Manager</th>
<th>Grant Program Name</th>
<th>Amount of Grant Award</th>
<th>Status Approved/Denied</th>
<th>Competitive (under $250,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Department of Conservation</td>
<td>08/01/2019</td>
<td>Establish an Agricultural Conservation Easement Purchasing Program</td>
<td>Michael Meehan</td>
<td>Sustainable Agricultural Lands Program (SALC) – Strategy and Outcome Grant</td>
<td>$100,000</td>
<td>Approved</td>
<td>Y</td>
</tr>
<tr>
<td>California Department of Conservation</td>
<td>02/02/2020</td>
<td>Integrating Agriculture into Climate Mitigation</td>
<td>Avana Andrade (San Mateo County)/ Michael Meehan</td>
<td>Working Lands Riparian Corridors Program (WLRC) – Local and Regional Planning Grant</td>
<td>$169,468</td>
<td>Approved</td>
<td>Y</td>
</tr>
<tr>
<td>California Department of Conservation</td>
<td>03/01/2020</td>
<td>San Martin Farm Futures Study</td>
<td>Michael Meehan/ Bharat Singh</td>
<td>Working Lands Riparian Corridors Program (WLRC) – Local and Regional Planning Grant</td>
<td>$164,123</td>
<td>Approved</td>
<td>Y</td>
</tr>
<tr>
<td>California Department of Housing and Community Development</td>
<td>08/03/2020</td>
<td>Priority Assessment Tool, Farmworker Housing Zoning Overlay, Parkmoor Study</td>
<td>Bharat Singh</td>
<td>SB2 Planning Grants Program</td>
<td>$215,000</td>
<td>Approved</td>
<td>Y</td>
</tr>
</tbody>
</table>
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: Harry Freitas, Director, Roads and Airports
SUBJECT: Fiscal Year 2020 Competitive Grants Report

RECOMMENDED ACTION
Receive report from the Roads and Airports Department relating to competitive grants for period July 1, 2019 through June 30, 2020.

FISCAL IMPLICATIONS
There is no fiscal impact to the General Fund or the Road Fund.

REASONS FOR RECOMMENDATION
On April 5, 2005, the Board of Supervisors approved new countywide procedures relating to grant funding and reporting designed to provide the Board with more information regarding the fiscal and service impacts of grants that County agencies and departments apply for and receive, including submission of an annual report summarizing the details of all competitive grants applied for or pending over the last fiscal year.

The attached report provides the status of the Roads and Airports Department’s FY 2020 grant applications. Of the 4 grants total, one competitive grant application totaling $245,000 is pending and will be updated on the FY 2021 annual report, two competitive grants were denied. One of the four grants approved was a non-competitive grant in the amount of $350,000.

CHILD IMPACT
The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT
The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS
The recommended action will have no/neutral sustainability implications.
ATTACHMENTS:

- FY 2020 End of Year Report (PDF)
<table>
<thead>
<tr>
<th>Original Date Approved for Submittal</th>
<th>Project Name</th>
<th>Project Manager</th>
<th>Grant Program Name</th>
<th>Amount of Grant</th>
<th>Status Update: Pending/Approved/Denied</th>
<th>Competitive Under $250K</th>
<th>Competitive Over $250K</th>
<th>Non-Competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 OBA 12/3/2019</td>
<td>Pavement Management Technical Assistance Program (P-TAP) Round 21</td>
<td>Clarence Salim</td>
<td>P-TAP Round 21</td>
<td>$100,000</td>
<td>Denied 2/20/2020</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 BOS 5/13/2020</td>
<td>Alum Rock Trail Project – Phase 1</td>
<td>Ellen Talbo</td>
<td>2016 Measure B</td>
<td>$5,650,000</td>
<td>Denied</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 BOS 6/23/2020</td>
<td>TDA3 Application County Active Transportation Plan</td>
<td>Ellen Talbo</td>
<td>Transportation Development Act (TDA-3)</td>
<td>$350,000</td>
<td>Approved 6/23/2020</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: John P. Mills, Director, Employee Services Agency
SUBJECT: HLUET - Annual Extra Help Usage Report for Fiscal Year 2020

RECOMMENDED ACTION
Receive annual report from the Employee Services Agency relating to extra-help usage for agencies and departments reporting to the Housing, Land Use, Environment, and Transportation Committee.

FISCAL IMPLICATIONS
There are no fiscal implications associated with the receipt of this informational report.

CONTRACT HISTORY
Not applicable.

REASONS FOR RECOMMENDATION
To monitor and comply with the County's agreement with SEIU Local 521, this annual report is a summary of the extra-help usage for SEIU Local 521-represented classifications in agencies and departments that report to the Housing, Land Use, Environment, and Transportation (HLUET) Committee. Additionally, this report is a summary of the extra-help usage for non-SEIU Local 521-represented classifications in agencies and departments that report to the HLUET Committee.

For SEIU Local 521-represented classifications, the total allocated hours for agencies and departments reporting to the HLUET Committee for Fiscal Year 2020 was 82,913.00 hours. This annual summary shows that these departments used 72,936.34 hours, which is approximately 88.0% of the allocated hours. (This figure also accounts for a 2,060.15-hour credit for student interns.)

For non-SEIU Local 521-represented classifications, the total allocated hours for agencies and departments reporting to the HLUET Committee for Fiscal Year 2020 was 19,980.00
hours. This annual summary shows that these departments used 22,775.90 hours, which is approximately 114.0% of the allocated hours.

Attached is an annual summary of extra-help hours usage by each agency and department reporting to the HLUET Committee for Fiscal Year 2020.

**CHILD IMPACT**
The recommended action will have no/neutral impact on children and youth.

**SENIOR IMPACT**
The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**
The recommended action will have no/neutral sustainability implications.

**BACKGROUND**
On March 22, 2000, the Board of Supervisors approved a re-opener with SEIU Local 521 to reduce extra-help usage incrementally over the next three and one-half years, from January 1, 2000 through June 22, 2003.

For Fiscal Year 2020, the County's agreement with SEIU Local 521 is to maintain the reduction level from Fiscal Year 2003. A similar reduction plan is in place for non-SEIU Local 521 extra-help usage.

**CONSEQUENCES OF NEGATIVE ACTION**
The Committee would not have a current extra-help usage status report.

**STEPS FOLLOWING APPROVAL**
The Committee will forward the report to the full Board of Supervisors.

**ATTACHMENTS:**
- HLUET - SEIU Annual Extra Help Usage Report Fiscal Year 2020 (PDF)
- HLUET - NonSEIU Annual Extra Help Usage Report Fiscal Year 2020 (PDF)
<table>
<thead>
<tr>
<th>Agency/Department</th>
<th>Hours used in 1st Qtr</th>
<th>Hours used in 2nd Qtr</th>
<th>Hours used in 3rd Qtr</th>
<th>Hours used in 4th Qtr</th>
<th>50% Credit for Interns</th>
<th>Total FYTD Hours Used</th>
<th>Allocated Hours FY 2020</th>
<th>% Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer &amp; Environmental Protection</td>
<td>2,438.40</td>
<td>1,536.10</td>
<td>799.10</td>
<td>1,128.30</td>
<td>691.00</td>
<td>5,210.90</td>
<td>7,480.00</td>
<td>69.7%</td>
</tr>
<tr>
<td>Dept of Planning and Development</td>
<td>229.50</td>
<td>424.25</td>
<td>112.00</td>
<td>464.00</td>
<td>-</td>
<td>1,229.75</td>
<td>3,117.00</td>
<td>39.5%</td>
</tr>
<tr>
<td>Parks &amp; Recreation</td>
<td>29,616.78</td>
<td>13,080.60</td>
<td>11,567.11</td>
<td>13,450.35</td>
<td>1,369.15</td>
<td>66,345.69</td>
<td>72,016.00</td>
<td>92.1%</td>
</tr>
<tr>
<td>Roads &amp; Airports</td>
<td>40.00</td>
<td>110.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150.00</td>
<td>300.00</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,324.68</strong></td>
<td><strong>15,150.95</strong></td>
<td><strong>12,478.21</strong></td>
<td><strong>15,042.65</strong></td>
<td><strong>2,060.15</strong></td>
<td><strong>72,936.34</strong></td>
<td><strong>82,913.00</strong></td>
<td><strong>88.0%</strong></td>
</tr>
<tr>
<td>Agency/Department</td>
<td>Hours used in 1st Qtr</td>
<td>Hours used in 2nd Qtr</td>
<td>Hours used in 3rd Qtr</td>
<td>Hours used in 4th Qtr</td>
<td>Total FYTD Hours Used</td>
<td>Allocated Hours FY 2020</td>
<td>% Used</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------</td>
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<td>-----------------------</td>
<td>-----------------------</td>
<td>--------------------------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Consumer &amp; Environmental Protection</td>
<td>1,855.10</td>
<td>787.00</td>
<td>747.00</td>
<td>726.00</td>
<td>4,115.10</td>
<td>4,300.00</td>
<td>95.7%</td>
<td></td>
</tr>
<tr>
<td>Dept of Planning and Development</td>
<td>-</td>
<td>60.00</td>
<td>86.00</td>
<td>-</td>
<td>146.00</td>
<td>1,040.00</td>
<td>14.0%</td>
<td></td>
</tr>
<tr>
<td>Parks &amp; Recreation</td>
<td>3,340.20</td>
<td>4,031.85</td>
<td>2,846.30</td>
<td>1,894.20</td>
<td>12,112.55</td>
<td>10,700.00</td>
<td>113.2%</td>
<td></td>
</tr>
<tr>
<td>Roads &amp; Airports</td>
<td>2,578.25</td>
<td>1,635.00</td>
<td>1,473.00</td>
<td>716.00</td>
<td>6,402.25</td>
<td>3,940.00</td>
<td>162.5%</td>
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<tr>
<td>Total</td>
<td>7,773.55</td>
<td>6,513.85</td>
<td>5,152.30</td>
<td>3,336.20</td>
<td>22,775.90</td>
<td>19,980.00</td>
<td>114.0%</td>
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DATE: September 17, 2020

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Jasneet Sharma, Director, Office of Sustainability

SUBJECT: FY 2019-20 IPM Program Annual Report

RECOMMENDED ACTION

Receive the Fiscal Year 2019-2020 County of Santa Clara Integrated Pest Management Program annual report from the Office of Sustainability.

FISCAL IMPLICATIONS

There are no fiscal implications associated with receipt of this report.

REASONS FOR RECOMMENDATION

This report provides a comprehensive review of the County’s Integrated Pest Management (IPM) Program, within the Office of Sustainability (OOS) from July 1, 2019 through June 30, 2020 and highlights the program’s accomplishments, particularly initiatives taken to reduce pesticide use and advance sustainability efforts.

IPM Program Background

The County of Santa Clara IPM Program, implemented in 2002, helps protect the health and safety of County employees, public, the environment including water quality, and prevents and solves pest problems on County property with the least unintended impacts on people and their surroundings. The program eliminates or reduces pesticide applications on County property to the maximum extent feasible through available non-pesticide alternatives.

The County of Santa Clara IPM Program continues to institute effective leadership through:

- Building coalitions and partnerships
- Outreach to IPM practitioners and the public
- Increasing the predictability and effectiveness of pest management techniques
• Developing science-based pest management projects that are low-risk, sustainable, effective, and socially appropriate

2019-20 Highlights In Pesticide Use Reduction

• **Pesticide Use in Structures** – The use of reduced-risk pesticides in structures has been lowered to statistically insignificant levels. Regular site inspection followed by building occupant education, sanitation, housekeeping, and maintenance improvement, has significantly altered many pest situations that would have otherwise required pesticide applications.

• **Pesticide Use in Urban Landscapes** – Since 2008, there has been extremely limited use of pesticides in County urban landscapes.

• **Parks without Pesticide Use** – In 2002, a pilot project was launched at Ed Levin Park (1,558 acres) using reduced-risk pest management strategies to eliminate the use of all conventional pesticides. This plan was eventually extended to all 29 regional parks (52,140 acres). In Fiscal Year (FY) 2019-20, 25 parks, representing recreational, open space, and rangelands, were managed by non-chemical methods, which resulted in 99.87 percent of the total County park landscape being managed non-chemically.

• **Roadside Right-of-Way Vegetation Management** – Since 2005, a 75 percent significant reduction in acreage under chemical management (use of herbicides) to control vegetation on County rights-of-way has been achieved. The slight increase or decrease in acreage under chemical management from year to year is cyclic and need-based. Herbicide applications based on weed identification has helped the Roads and Airport Department to maintain these levels.

• **General Aviation Airports** – County airports did not use any pesticides from 2007 through FY 19-20.

• **Conventional Pesticides** – The County has phased out the use of 26 conventional pesticides, while significantly reducing the total number of pesticide applications and overall volume of reduced-risk pesticides.

2019-20 Project Highlights

• **Continued Support on Structural IPM Projects at County Facilities** - The most challenging pests in structural pest management last year included ants, cockroaches, drain flies, fleas, rats, and birds. Using a multi-pronged approach including greater emphasis on sanitation, housekeeping, maintenance, and by seeking help and cooperation from all cadres of management and building occupants, significant efforts were undertaken that yielded successful outcomes. There were numerous structural control projects undertaken in FY 2019-20 at County facilities such as Elmwood Correctional facility, County Government Center campus at Hedding Street, Juvenile
Hall and the Main Jail campus, Social Services’ Julian Street Campus, HHS main hospital campus and emergency treatment areas, New Almaden Quicksilver Mining Museum, and Valley Medical Center McKee Campus.

- **Vegetation Management** - In addition to standard ongoing management, specific FY 2019-20 vegetation management projects included, 1) a roadside survey of over 130 miles of right-of-way management on County roads; 2) the Grant Lake Dam vegetation management project; 3) a non-chemical (hand-pulling and plant seed sterilization) project from Parks Natural Resource Management division to prevent spread of invasive weeds; 4) use of living systems (cattle and goat grazing) to control invasive weeds non-chemically; and 5) physical and mechanical weed control in landscapes around buildings, developed areas of regional parks, roads and airports.

- **Urban Forestry** - OOS and IPM Program staff are now working with Our City Forest and Canopy to launch the Tree Planting and Stewardship Program to plant 1000 trees per year countywide in areas of ecological and environmental need. In addition, efforts on building cross-jurisdictional alliances (Santa Clara Valley Urban Forestry Alliance) leveraging resources, research on sustained funding sources, geo-spatial ecology-based tree placement surveys and analysis, active outreach engaging public interests (Arbor Week Activities, Canopy Outreach in North County) in tree stewardship and more are actively underway.

- **Organic and Sustainable Solutions** – In FY 2019-20 Jacobs Farms continued to apply non-chemical pest management approaches to control ground squirrels, squash bugs, field bindweed, Yellow Blotch Virus in Cilantro, Tobacco Mosaic Virus in Tomato and cucumber beetles.

County Parks Department staff, along with community volunteers, and IPM Program staff have been working to install a native plant demonstration garden at Hellyer County Park. The garden is intended to education and motivate visitors to adopt some of the conservation practices on display in this drought tolerant, native planting area that uses less fertilizer, pesticides and requires less energy and water to maintain.

**CHILD IMPACT**

The young are vulnerable to a wide range of health effects related to pesticide exposure. Activities and services conducted by the County under IPM Program intend to reduce or eliminate the use of pesticides while effectively managing pests, thus minimizing associated risks of pests and pesticides on children and youth.

**SENIOR IMPACT**

Seniors, older adults, or people with health conditions may be more sensitive to pesticides. The IPM Program intends to reduce or eliminate the use of pesticides while effectively managing pests, thus minimizing associated risks of pests and pesticides on seniors.
SUSTAINABILITY IMPLICATIONS

Several environmental issues, not just pest management are driving change towards sustainability. These include global climate change, air and water quality, water management, habitat conservation, and concerns about the waste stream. Activities and services by the County under the IPM Program supplement sustainability. The IPM approach integrates preventive and corrective measures to keep pest from causing significant problems, with minimum risk or hazard to humans and desirable components in their environment.

BACKGROUND

On May 21, 2002 (Item No. 39), the Board of Supervisors (Board) adopted the Integrated Pest Management (IPM) and Pesticide Use Ordinance. The Ordinance went into effect on June 20, 2002. As required by the ordinance, staff is to provide a quarterly status report to the Housing, Land Use, Environment, and Transportation (HLUET) Committee and then to the full Board. The frequency of reporting was revised from quarterly to annual after review and approval by HLUET on March 19, 2009 (Item No. 14).

The Technical Advisory Group (TAG) has previously agreed to proceed on the implementation priorities summarized in this report.

CONSEQUENCES OF NEGATIVE ACTION

The Housing, Land Use, Environment, and Transportation Committee will not receive the Annual IPM Program report.

ATTACHMENTS:

- FY 2019-20 IPM Program Annual Report (PDF)
County of Santa Clara
Integrated Pest Management Program
Annual Report

FY 2019-20
July 2019 through June 2020

County of Santa Clara
Office of Sustainability
Integrated Pest Management Program

‘In pursuit of positive change, embracing evolution through innovations, smart solutions and maintaining a successful culture’
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ATTACHMENT 2: PESTICIDE USE ANALYSIS BY YEAR AND BY PROJECT TYPE
A. Background

The County of Santa Clara Integrated Pest Management (IPM) Program, implemented in 2002, helps protect the health and safety of County employees, the general public, the environment, and water quality, as well as prevent and solve pest problems on County property with the least unintended impacts on people and their surroundings. The Ordinance does not apply to private property or other jurisdictions, but governs and guides the control of pests on properties owned and managed by the County, such as regional parks, roads, airports, office complexes, hospitals, correctional facilities, and animal shelters. Common IPM challenges in these locations include ants, bed bugs, flies, roaches, wasps, termites, rodents, birds, weeds, and plant diseases. The Program seeks to eliminate or reduce pesticide applications on County property to the maximum extent feasible through available non-pesticide alternatives. The Program is managed through the four tenets of IPM, Management, Research, Outreach, and Best Practices (figure 1). The IPM ordinance is overseen by the County IPM Manager and reviewed by the IPM Technical Advisory Group, the program is governed by County Ordinance Code Division B-28 - IPM and Pesticide Use.

![Figure 1](image-url)
IPM is a sustainable approach to preventing and suppressing pest problems while minimizing human health and environmental risks. IPM practitioners use a judicious blend of biological, cultural, mechanical, and chemical controls. Since established in 2002, the County IPM program continues to evolve based on science and best practices, shared knowledge, and pilot projects. As a result, the program has achieved significant progress in minimizing forest and agricultural losses from pests and reducing pesticide use to protect the public and the environment. This report covers the IPM Program’s performance on reducing pesticide and Program activities for FY 2019-20, from July 1, 2019 through June 30, 2020.

Not all pests are a problem. By continuously monitoring plant and animal populations, the County IPM Program focuses on pests that affect safety or are likely to damage locations used for public recreation and County services. Each location is individually assessed.

Treatment choices are based on level of risk, severity, timing, effectiveness, and available resources. Multiple, non-chemical integrated methods are often employed, including client awareness and outreach; pest proofing; improved sanitation and housekeeping; mulching; hand-pulling; trimming and mowing; and many more. The IPM program also provides oversight for several Countywide IPM contracts and coordinates communication and reporting with user departments. The County is a well-recognized regional, national, and international leader in ecologically sound IPM.

B. Fiscal Year 2019-2020 – Summary

1. Pesticide Usage - Summary

The long-term pesticide-use strategy is to favor non-chemical integrated methods to minimize the need for chemical applications, and supplement when necessary with the least-toxic, low environmental-impact treatments. IPM will vary each year based on the types of pests, risks, and conditions in the field.

Pursuant to the County IPM ordinance, The County has completely phased out the use of 26 high-risk conventional pesticides and has significantly reduced the total number of pesticide applications, and the volume used, of reduced-risk pesticides.
Minimal pesticide use in FY 2019-20 was maintained through the use scenarios as described below. For details please see Attachment 2, Pesticide Use Analysis by Year and by Project.

a. Pesticide Use in Structures

The use of reduced-risk pesticides in structures has been lowered to statistically insignificant levels. Regular site inspection, followed by building occupant education, sanitation, housekeeping, and maintenance (SHM) improvement, has significantly altered many pest situations that would have otherwise required pesticide applications.

b. Pesticide Use in Urban Landscapes

Since 2008, there has been extremely limited use of pesticides in County urban landscapes. Two pesticide applications were required in 2012; one to treat Magnolia scale infestation and the other to remove an unwanted Bamboo species that was compromising a pedestrian walkway. In 2018, an herbicide (triclopyr) stump treatment was needed to prevent the return of an invasive tree species (Ailanthus altissima) that was too close to a building foundation for stump grinding.

Trapping and use of carbon dioxide (CO2) are the preferred methods to capture and euthanize animals in urban landscapes. In FY 2019-20 these methods were used to remove: 54 ground squirrels from the Roads and Airport Department west yard; 11 ground squirrels, two opossums, and one raccoon from Valley Medical Center.
(VMC) facilities; 114 ground squirrels from William F. James Ranch; and 37 ground squirrels and one opossum from the Elmwood correctional facility. Also, 4.3 lbs. of CO2 were used to fumigate ground squirrel burrows at Elmwood as well.

c. Pesticide Use in Parks

In FY 2019-20, 25 of the 29 regional parks, representing recreational, open space, and rangelands, were managed completely by non-chemical methods, which resulted in 99.87 percent of the total County park landscape being managed non-chemically. Two regional parks are fully managed by external parties. Rancho San Antonio is managed by the Mid-Peninsula Regional Open Space District and Baylands Park is managed by the City of Sunnyvale. Valley Water and PG&E also have easements for vegetation control in regional parks as well. In FY 19-20 herbicide application by these external partners represented a vast majority (99.08%) of the acres chemically treated. The IPM Program continues to work with these external partners to ensure that chemical management is reduced as much as possible.

i. Parks Vegetation Management

Chemical intervention in invasive weed management projects throughout the parks system is maintained at a very low level (only 65.6 of 52,140 acres), and the emphasis remains on using non-chemical alternatives throughout park recreational areas. However, a slight increase or decrease from year to year in the acreage under chemical management is cyclic and need-based. In FY 2019-20, non-chemical means to control pests in regional parks included goat grazing on 190 acres at Ed Levin, Joseph D. Grant, and the Coyote Creek park chain.
ii. **Parks Vertebrate Pest Control**

In general, vertebrate control (e.g., raccoons, skunks, feral pigs) throughout the park system is managed non-chemically. In FY 2019-20 animal traps and CO2 were used to catch and euthanize 138 ground squirrels at Ed Levin, and a total of 59 more in other County parks. Apart from 4.3 lbs. of CO2 used as a ground squirrel burrow fumigant at Martial Cottle, no chemical rodenticide was used in any County park. The use of fumigant was required because ground squirrel infestations exceeded what is possible to control with non-chemical methods within the required economic threshold. To discourage re-infestation, remaining burrows are removed by collapsing.

iii. **Parks Aquatic Pest Management**

Since 2002, no pesticide has been used to control aquatic weeds on County-owned ponds, lakes, and creeks, except what was reported in 2006-2014 under the Arundo donax control project managed by Santa Clara Valley Water District (see figure V-1).

d. **Roadside Right-of-Way Vegetation Management**

Since 2005, the County has reduced by 75 percent the acreage under chemical management to control vegetation on County rights-of-way. During the FY 2019-20 period, the County Roads and Airport Department managed 1,073 roadside acres, of which, only 311 acres, or 29%, were managed with herbicides.

Selecting chemicals for roadside vegetation management remains challenging. As the market for least-toxic products expands, these products continue to evolve and improve, offering alternatives to conventional chemical applications. Pre-emergent, non-carcinogenic, organic, or reduced-risk herbicides may eventually be effective for weed control. However, such products are not yet proven effective and/or are not available to meet the needs of commercial-scale roadside vegetation management. Therefore, a successful ecological IPM strategy currently requires more physical labor techniques such as mowing, digging.
out, hand pulling, weed wrenching, use of living systems (cattle, goats, sheep grazing), and design improvements.

e. General Aviation Airports

County airports did not use any pesticides from 2007 through June 2020.

2. Projects - Summary

Due to the unpredictable nature of pest control, the scope and number of County IPM Program projects will vary. Some pest issues are predictable, while others are not. Some projects have a beginning and an end, while others are ongoing and will be reported on year after year. Below is a summary of IPM projects that began in FY 19-20. More detailed overviews of these new projects, as well as detailed overviews of the ongoing year-after-year projects are available in attachment 1. You may click book marks provided in this project – summary to learn more about a particular project.

a. “EYE” is for Identification

Good IPM starts with accurate pest identification—ID for short. Whether you see a pest or the evidence it leaves behind, correct ID is essential. Once you know what you are dealing with, you can determine where it is coming from, the risks it poses, and what conditions must change to eliminate it. Good ID makes IPM work. IPM Program staff continued to identify and promote effective, science-
based strategies to reduce or eliminate the impacts of pests on buildings, property, vegetation, and human health. Through daily field work, including numerous inspections and on-site supervision, a substantial percentage of County pest issues are solved non-chemically. **Bedbug Sniffer Dogs** also assist in resolving bedbug problems in buildings without using any chemicals.

b. **Structural Pest Management**

The most challenging pests in structural management last year included ants, cockroaches, drain flies, fleas, and rats. Using a multi-pronged approach including, greater emphasis on sanitation, housekeeping, maintenance, and also by seeking help and cooperation from all cadres of management and building occupants, significant efforts were undertaken that yielded successful outcomes. There are numerous examples of **structural control projects** undertaken in this reference. A few notable examples of FY 2019-20 are 1) ant, cockroach, rodent, and bird control at Elmwood Correctional facility; 2) rodent control at a demolition/construction site and the surrounding County Government Center campus at Hedding Street; 3) rodent control in and around both Juvenile Hall and the Main Jail campus; 4) bed bug control at both Social Services’ Julian Street Campus and HHS emergency treatment areas; 5) cockroach and drain fly control at HHS main hospital campus; 6) silverfish and termite control at New Almaden Quicksilver Mining Museum; 7) flea and wildlife control at VMC McKee Campus; and 8) ant and cockroach control at the Charcot campus.

c. **Vegetation Management**

The goal of vegetation management is to minimize the threat to County residents from fire, to ensure that infrastructure (roads, power lines, dams, runways, etc.) continues to operate as designed and in compliance with safety code, and to address resident’s aesthetic concerns. In addition to standard ongoing management, specific FY 2019-20 vegetation management projects included, 1) a **roadside survey** of over 130 miles of right-of-way management on County roads, including research/trials on the effectiveness of glyphosate alternatives; 2) the **Grant Lake Dam vegetation management** project, ensuring compliance with State inspection and protecting County infrastructure; 3) a non-chemical (**hand-pulling and plant seed sterilization**) project from Parks Natural
Resource Management division to prevent spread of invasive weeds; 4) use of living systems (cattle and goat grazing) to control invasive weeds non-chemically; and 5) physical and mechanical weed control in landscapes around buildings, developed areas of regional parks, roads and airports.

d. Blue-Green Algae Control

In September 2019, the County received inquiries from the public about blue-green algae in Cottonwood Lake (a no-swimming lake) in Hellyer County Park. Like True algae, Blue-green algae are a natural part of lake ecosystems and algal blooms have occurred for many centuries. However, blue-green algae are not True algae.

Blue-green algae are photosynthetic bacteria known as cyanobacteria, which can cause illness and death in humans and animals. While blue-green algae can convert sunlight into energy, they are not an important part of the food chain because most organisms prefer not to eat them. When environmental conditions are right as mentioned above, the algal population can grow quickly, and a bloom can occur. A bloom is a sudden increase in algae cells in a certain area of water. Little wind, warm water, sunlight, and plentiful nutrients - especially phosphorus - all increase the chance that a bloom will occur. Warm weather patterns and large rain events that wash agricultural and residential fertilizers (which contain phosphorus) into the water can also jump-start a bloom. Blue-green algae follows sunlight and nutrients by floating to the surface where they can form thick scum layers or mats and the surface may look bubbly or frothy.

Knowing the biology, and with a careful review of control options, algal bloom levels were significantly decreased by focusing on two key non-chemical interventions 1) by increasing in-out water flow from the lake to remove stagnant water, high levels of nutrients (nitrates and phosphates), organic matter and surface suspended algal blooms, and 2) by increasing dissolved oxygen by use of aerators to
reduce the occurrence of algae blooms by removing their food sources. More research is needed including active monitoring, prediction, and long-term solutions to keep algal blooms below risk thresholds without using chemicals in County-owned and managed water bodies.

e. Urban Forestry

Trees are dynamic ecosystems that provide critical benefits to people and wildlife. Urban forests help to filter air and water, control storm water, conserve energy, and provide animal habitat and shade. They add beauty, form, and structure to urban design.

In FY 2018-19, with Board support, OOS and IPM Program staff commenced work on an important urban forestry initiative. Using the collective wisdom of all participating stakeholders, the County “Ecology Based Tree Management Guide” was completed in Spring 2019. Staff also worked on scopes of work and contracts with two non-profit organizations, namely Our City Forest (OCF), and Canopy; two sustainable tree maintenance contracts; and one tree inventory and professional arborist advisory services contract. Initial success of this work yielded a benchmark tree inventory for County facilities sites and Parks developed areas, and identification of tree planting and public outreach goals.

In FY 2019-20, with Board’s funding commitment to plant 3000 trees over next three years and to support extensive public outreach countywide, urban forestry in Santa Clara County took a powerful stride forward. OOS and IPM Program staff successfully processed contracts related to the (Tree Planting and Stewardship Project) with the non-profit organizations mentioned above, and has already initiated this work. Urban forestry is evolving from a project to a program. We continue to meet current assigned tasks including research on sustained funding sources, building cross-jurisdictional alliances (Santa Clara Valley Urban Forestry Alliance) leveraging resources, geo-spatial ecology-based tree placement surveys and analysis, active outreach engaging public interests (Arbor Week Activities, Canopy Outreach in North County) in tree stewardship and more.

f. Organic Solutions

Using nature as a model for the agricultural system – recycling nutrients, encouraging natural predators to manage pests, increasing plant densities to block weeds – organic farming doesn’t merely substitute non-toxic materials for pesticides and fertilizers, but rather considers the farm as an integrated entity, with all parts interconnected. In 2014, the County committed to organic farming by
leasing its open space agricultural land at Martial Cottle Park to Jacobs Farm. Since then, this urban park and working farm produces flavorful, local, organic fruits and vegetables that go directly from “field to fork” and conducts important “Organic Farming Public Outreach”.

A few highlights of the non-chemical pest management approaches undertaken by Jacob Farms in FY 2019-20 include, 1) effective trapping to control over 1000 ground squirrels, 2) the parasitoid fly, Trichopoda pennipes, and natural predators (killdeers and ravens) and changing cultural practices to effectively control squash bugs, 3) physical methods to rip, chisel and cultivate field bindweed during the season, carefully moving production times and areas to control 4) Yellow Blotch Virus in Cilantro production and 5) Tobacco Mosaic Virus in Tomato production, 6) inter-planting the squash with tomatoes and beneficial crops to confuse the cucumber beetles.

**g. Other Sustainable Solutions**

In addition to the organic farm, Martial Cottle Park also has other partners with vested interest in sustainable eco-system which includes Sustainable Gardening Education by Master Gardeners of Santa Clara County, University of California Cooperative Extension Office 4-H Program that promotes hands-on, experiential learning for all youth ages 5-19, and Arboretum by Our City Forest. While these programs have their independent operations and decision-making processes, the IPM Program staff engages with them where needed to help promote the Board’s vision of sustainability and compliance to IPM Ordinance.

In addition to the external partners in sustainability as mentioned above, in June 2019, County Parks Department staff, along with community volunteers, and IPM Program staff have been working to install a native plant demonstration garden at Hellyer County Park. The garden when finished will include interpretive signage educating on the topics of hydrology, wildlife, and native plants; statues of local wildlife; and animal tracks stamped in concrete. Completion is estimated in 2021. The garden is intended to motivate visitors to understand and adopt some of the conservation practices on display in this drought tolerant, native planting area that uses less fertilizer, pesticides and requires less energy and water to maintain.
h. Education and Training

For all stakeholders involved in pest management and for building occupants, training on the importance of sanitation, housekeeping, and maintenance activities provides many benefits. However, without awareness of these benefits, ensuring necessary support for education and training will prove to be a challenge. Advocating for, and executing, IPM-related education and training is an extremely time-consuming effort, often requiring active and on-going engagement of Program staff, as well as meetings with departmental management and building occupants, field inspections, follow-up communication, presentations on burning issues in staff meetings, on-site dialogue with affected groups during field inspections, IPM awareness at facility manager’s workshops, and coordinating contractor work.

Program staff is seeking to improve efficiency and effectiveness in education and training through collaborations with external partners (e.g. UCCE, SCVURPP, OCF, Canopy, contractors, consultants and other subject matter experts), also by developing web-based tools (IPM Program website, Sustainable Landscape Management Resource Guide, Water Efficient Landscaping Ordinance Guidance), on-line presentations, webinars, videos and other training materials; and subject specific mini-workshops to engage diverse audience on regular basis.

Besides the above the County and OOS IPM staff works with the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP), to educate citizens on pesticides and how to minimize harmful impacts and prevent point source and non-point source pollution. SCVURPP provides outreach through various platforms and events e.g. Outreach to Nursery Outlets and Local Landscapers and Public, Watershed Watch Campaign advertising, Watershed Watch “Half-Off” Car Wash Event, Pumpkins in the Park, Day on the Bay, Landscape Summit 2020, Coastal Clean-up Day, Stewardship and Citizen Science Programs – Gardening Without Chemicals.

3. Future Challenges – Summary

Proper resources are required to manage pest issues non-chemically. Departments must be adequately funded, well-trained and, equipped to provide effective IPM services to County staff and residents.
Furthermore, climate change, drought, temperature shifts, extreme weather, and flooding are posing new challenges which alter ecosystems and make them more susceptible to pests, disease, and non-native plant infiltration. Additional details on all challenges are included in attachment 1. Below is a summary.

a. IPM Data Collection

**IPM Spatial Monitoring and Database Solution:** Data collection, analysis, and reporting is a critical component of proper program management and adherence to the IPM ordinance. A spatial IPM data management system is important for enhancing the County’s IPM program by providing a cost-effective and efficient system that all departments can use to eliminate paper-based data collection, reduce errors, enhance data analysis, and simplify reporting and exemption requests.

The Program dedicated a very substantial level of resources into developing this database solution in FY 19-20. The RFP process for an external vendor was completed, including scope development and scoring. Due to limitations in cross-departmental data accessibility, the selected vendor decided that they would not be able to complete this project.

The IPM program is currently planning to work with County Technology Services and Solutions to develop a solution through their in-house Microsoft Dynamics development team. Dynamics is a resource planning and customer relationship management software that can be configured to manage IPM data.

RDA has agreed to use the proposed software. FAF has determined that their department activities do not currently warrant the use of the IPM spatial mapping and data collection software. PRK will be using their own data management system which the IPM system will integrate with once fully developed.

Although the IPM program would like development, testing, and implementation to be completed during FY 20-21; resource availability, program staff bandwidth, and Dynamics team availability will determine system development timeline moving into the future.

b. The Importance of Continuing Professional Development

The availability of ongoing resources to support the continuing professional development of County staff involved in pest management, as well as in sanitation, housekeeping, and maintenance activities provides
many benefits. However, without awareness of these benefits, advocating to ensure needed support will prove to be a challenge.

c. **Rodents: Ground Squirrels and Pocket Gophers**
Controlling these pests through one department or entity alone is challenging, as pest migration from surrounding areas can continue to re-infest controlled landscapes. To execute an integrated management approach, a coordinated, cross-jurisdiction effort, including continually monitoring pest and non-target species populations throughout the year and seeking permits where needed, is warranted.

d. **Rodents: Rats and Mice**
Effective rodent control will require concerted ongoing building occupant and facility maintenance group education. Improvement in sanitation, housekeeping, and maintenance is the single most effective way to reduce rodent issues in County facilities. Adequate resources are required for employee and vendor outreach and training to educate these groups on the role that they play in keeping County facilities rodent free.

e. **Bed Bugs**
Like other states and cities, bed bugs are an emerging challenge in the County facilities. The IPM Program is responding to this re-emerging pest diligently on a case-by-case basis and using non-chemical approaches, such as conducting canine inspections to identify localized bed bug activity and using vacuums, steam, and dry heat to control bed bug activity.

f. **American and Oriental Cockroaches**
There is no conventional approach that is effective in controlling cockroaches in sewers or similar habitats. The IPM Program’s current approach to prevent infestations involves close monitoring and applying insecticide baits. While an effective bait program does not give immediate results (it may take seven or more days to be effective), baits can be effective for long-term cockroach control.
Attachment 1. Fiscal Year 2019-2020 – Details

1. Projects - Details

This section contains additional details on projects that began in FY 19-20 and also on year-after-year projects that were not included in the summary section.

a. Grant Dam Vegetation Management Project

On May 6th, 2019, an annual state inspection of the dams at Grant Lake in Joseph D. Grant County Park indicated that there was too much woody vegetation growing on the face of the dam, and too many tules growing at the waterline. The inspector required that this vegetation be removed, as the deep root systems from this vegetation could potentially compromise the structure of the dams. Mechanical removal (pulling) of the rooting systems is not an option due to the potential for damage to the dams.

These deep root systems also allow plants to re-sprout and continue to live if they are simply mechanically cut at the surface. With these circumstances, it was necessary to use an herbicide that would work systemically to kill the roots of the vegetation and be as least toxic as possible while still being effective. The application method must be in a manner that minimizes the amount and reduces environmental exposure as much as possible. The herbicide imazamox was selected for its reduced toxicity to aquatic life and for its systemic action, which would ensure that the root is killed. Vegetation was cut down, then herbicide was carefully applied only to the stumps.
The vegetation on the dams will be closely monitored in the future. The Parks Department plans to use their new asset management system to automatically schedule routine inspections and maintenance of the dams. Once the existing vegetation is completely dead, any new vegetation should be able to be removed non-chemically while it is still small.

b. Roadside Vegetation Survey Project

Part of maintaining County roads is controlling roadside vegetation. Of this control, fire-safety is an important component, including keeping backcountry roads open as fire-escape routes, and reducing potential fire-danger from human roadside activities (hot exhaust systems, cigarette butts, etc.). Also, vegetation growth in the wrong places can reduce visibility, making it more difficult to see traffic and signage. The County is also responsible for addressing complaints from County residents on aesthetic issues associated with vegetation growth. It is important to tackle these issues, but it is also important to ensure that the risks of chemical application do not outweigh the risks from alternative management strategies.

The herbicide glyphosate was extensively and effectively used in the past. However, due to its carcinogenic classification by the state, the County IPM Ordinance no longer allows for its application. Three herbicides, aminopyralid, imazamox, and flumioxazin have been identified as potential glyphosate alternatives and were tested on County Roads in late 2019. To provide County staff with tools to address potential issues with visibility and fire safety in the future, the effectiveness of these glyphosate alternatives must be evaluated.
In this effort, more than 130 miles of County roadways were surveyed in early 2020, with more than 1,200 images taken. These images were taken in stages, both before and after herbicide application. The survey will be evaluated to establish herbicide effectiveness and to monitor changes on the roadways in the future. In this capacity the survey will assist in prioritizing areas that require herbicide to maintain safe roadways and ensure that herbicide use is limited to areas that show need.

c. Cottonwood Lake Algae Control Project

In September 2019, the County received inquiries from the public about blue-green algae in Cottonwood Lake (a no-swimming lake) in Hellyer County Park. The water level at the lake was dropping because of reduced flow from Coyote Creek, leading to still, warm, dormant water, creating an ideal environment for algae to grow. The presence of blue-green algae is well known in ponds and lakes across U.S. There are many blue-green algae species, and most do not produce toxins that are harmful to people or animals; however, it is important to assess and address potentially toxic conditions.
A long-term partner agency, Valley Water, provided the County in-kind analytical support to test for algal toxins (also commonly known as cyanotoxins) at one location within Cottonwood Lake. The initial results of the test indicated high total microcystins at 50 parts per billion. Thus, per request from the County Parks Department, both agencies jointly developed a sampling plan to monitor cyanotoxin levels at the surface water of the lake for an assessment of the algal toxin levels. Algal toxins tend to congregate in slow moving or stagnant water and are not very mobile. They move up and down in the water column in response to weather conditions to photosynthesize, but wind and water current may influence their location. They may be more visible on calm, cloudy days as they rise in the water column to photosynthesize.

To avoid application of pesticides, non-chemical algae management methods were chosen. These included opening a gate valve in Coyote Creek to fill and allow water to flow through the lake and upgrading the aeration system to increase oxygenation. These non-chemical methods have reduced the growth of algae significantly. But upon testing, a small amount of blue green algae was still found in some shallow areas of the lake.

Currently, there are no state or federal regulations for cyanotoxins in recreational waters. The County follows the California Cyanobacteria Harmful Algal Bloom Network (CCHAB) guidance for action levels. The table below summarizes these action levels.
The sampling plan completed by Parks with Valley Water last year had identified a few areas (mostly shallow areas with very little water movement) that tested above “Caution Action Trigger,” level but below “Warning Tier I” level for Microcystin (three samples collected ranged from 1.2 to 4.6 ppb). All samples tested below “Caution Action Trigger” for Cylindrospermopsin and Anatoxin-a.

<table>
<thead>
<tr>
<th>CCHAB Trigger Levels for Human and Animal Health</th>
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<tbody>
<tr>
<td>Caution Action</td>
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<tr>
<td>Trigger</td>
</tr>
<tr>
<td>Total Microcystins</td>
</tr>
<tr>
<td>Cylindrospermopsin</td>
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<tr>
<td>Anatoxin-a</td>
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Note: One part per billion (ppb) is equivalent to one drop of water in an Olympic-size swimming pool.

Even though this is a no-swimming lake and an improved oxygenation system has been installed, the County has also taken the precautionary action of posting signs around the lake to communicate potential risks of algae to the public.

d. Tree Planting Services and Stewardship Program

On Feb 11, 2020 (Item No. 28), the Board of Supervisors directed OOS and the IPM Program to proceed with establishing a Tree Planting Services and Stewardship Pilot Program for public and private residents of Santa Clara County to plant and maintain 1,000 trees annually in urban areas of ecological need countywide over a three-year period through agreements with two non-profit groups: Our City Forest (OCF) and Canopy. Planted trees would help to mitigate tree canopy cover loss due to drought and urban development, reduce stormwater runoff, filter and clean air, provide shade to cool buildings, reduce urban heat islands, and help combat climate change.
Through this program, OCF will conduct urban forestry outreach to find locations for trees, as well as provide planting services and after planting support. These services are also available on an as-requested basis to County departments to facilitate compliance with mitigation requirements for County tree-removal projects and maximize efforts to expand urban forest in Santa Clara County.

Canopy will assist the County in its goal of growing the urban forest by using focused outreach efforts in the North County that leverage education and advocacy programs. Services include conducting outreach and education aimed to equip professionals from government, non-governmental agencies, and the private sector with the awareness, resources, and tools necessary to grow urban tree canopy, and that targets community members and equips them with the knowledge, skills, and hands-on training needed to take immediate action in their community to advocate for and grow and maintain the urban forest.

e. Hellyer Native Demonstration Garden

Since June 2019, County Parks Department staff, along with community volunteers, and IPM Program staff have been working to install a native plant demonstration garden at Hellyer County Park. The garden when finished will include interpretive signage educating on the topics of hydrology, wildlife, and native plants; statues of local wildlife; and animal tracks stamped in concrete. Completion is estimated in 2021.
The garden is intended to motivate visitors to understand and adopt some of the conservation practices on display in this drought tolerant, native planting area that uses less fertilizer, pesticides and requires less energy and water to maintain.

f. Invasive Weeds – Hand Pulling and Seed Sterilization Project

The Parks Department’s natural resource management division has initiated a pilot program with the purpose of testing innovative techniques to be more responsible with the way invasive plants are handled after being pulled. The seeds from invasive plants can remain viable for a long period of time, even after pulling and other treatment techniques. This prolonged viability allows populations to be more stable in the long-term and is one of the reasons that treating an area once rarely results in complete eradication. Effective control practices incorporate seed management that minimizes the ability for viable seeds to spread.

The pilot involves the use of large capacity (90 gallon) plastic barrels, originally designed to hold hazardous materials. The barrels are used to “cook” entire plants, seeds included, by adding approximately 10 gallons of water and letting them sit in the baking sun for several months. Based on trials performed by California State Parks, it can be assumed that any seeds within are no longer viable after sufficient time in the sun. This has the dual benefit of both ensuring that invasive plant propagules are not being spread, while eliminating the need for single-use plastic bags.

The following table outlines species, area treated, and treatment types that were performed during this pilot program in FY 19-20. All these efforts were recorded on the Weed Manager mapping software suite provided by an annual license with the non-profit Calflora. The license is held by Valley Water. It is made accessible to Parks as a region-wide tool via County involvement in the Santa Clara Weed Management Area, a working group which is focused on a regional approach to invasive plant management. The data provided in the table was exported from Weed Manager.
### Arbor Week Activities

A 2018 Board resolution declared March 7th to the 14th of every year to be “Arbor Week” in Santa Clara County\(^1\). This coincides with Arbor Week in California and is intended to raise awareness of how trees are a valuable economic asset and play a role in energy conservation, improving air quality, protecting water resources, providing habitat, and contributing to the overall health of residents.

In 2018, Arbor Week was celebrated with an informational tree care symposium titled “Urban Forest Management for People in a Hurry.” It was tailored towards those in city management and local government who are not directly involved in tree management, but whose work affects urban forests.

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\(^1\) Santa Clara County Board of Supervisors, February 06, 2018 (Item No. 58(j)), Office of Sustainability, “Proclamation declaring March 7-14 of each year as “Arbor Week” in Santa Clara County,” (Commendation/Proclamation 89889, Adopted 02/06/2018) available at: http://sccgov.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=9789&MediaPosition=&ID=89889&CssClass=. 
In 2019, to raise community awareness about the benefits of trees, all 60 trees in McEntee Plaza at 70 W. Hedding were labeled with “price tags” quantifying both the economic value and ecologic benefits provided by each tree and a summary of the total benefits provided by all trees in the plaza was displayed in the breezeway.

A tabling area in the breezeway of the County building at Hedding was planned for 2020. OOS would be partnering with local urban forestry non-profit, Our City Forest (OCF) to provide County staff and residents with information on trees and how to get a free tree planted. Unfortunately, this outreach was canceled due to the dangers of spreading COVID-19.

h. Santa Clara Valley Urban Forestry Alliance

The County’s environmental stewardship goals include exploring, with other local governments, agencies and partners, strategies, approach, and resource needs to build a comprehensive urban forest in Santa Clara County. OOS and the IPM Program are exploring grant opportunities to fund the establishment of the Santa Clara Valley Urban Forestry Alliance (SCVUFA).

SCVUFA will eventually include public, private, neighborhood, and non-profit stakeholders, facilitating sustained collaboration on: funding opportunities; targeted public education and outreach; expertise; adaptive policy tools such as model ordinances, guidelines, resolutions, and goals; and tools such as, tree inventories and canopy analysis. By augmenting traditional outreach methods with data-driven targeting, disadvantaged communities can be specifically encouraged to participate, embracing more than the populations and demographics that currently benefit and support urban forestry.

Expected outcomes would be, enhanced management of trees and urban green spaces, increased public awareness of the value of urban forestry, elevated recognition of urban forestry ecosystems as essential contributors to community sustainability, and stronger policy supporting urban forestry.
i. Sustainability Projects

The IPM program has evolved over the years and has adopted a variety of projects in both pest management and sustainability, as the principles of smart resource management are an important commonality in both. Many of these projects have resulted in positive outcomes that solve pest issues, reduce pesticide use, and address many of our current environmental challenges such as climate change, air and water pollution, water management, habitat conservation, and waste-stream concerns. Sustainability concepts that compliment IPM program goals include pesticide pollution prevention outreach, sustainable landscaping, healthy forests, organic agriculture, and increased collaboration between regional educational organizations and County departments to maximize outreach.

i. Sustainable Forestry Projects

Forest ecosystems are vital County “green infrastructure.” Forests contribute greatly to a high quality of life and provide important resources and services including timber, livestock grazing, water, wildlife habitat, recreational opportunities, and biomass inputs. Sadly, threats to forest health from wildfire, insects, disease, and development are increasing because of climate change and population growth. The negative impacts of deforestation can be devastating to the environment.
The most dramatic impact is the loss of habitat for millions of species. Tree loss deprives the forest of its canopy, which beneficially blocks the sun’s rays and holds in heat at night. Forest soils need to stay moist. Without sun-blocking tree cover, soil quickly dries out leading to forest losses and eventually making former forest lands barren deserts. Trees also help perpetuate the water cycle by returning water vapor to the atmosphere. Cycle disruption from tree loss leads to more extreme temperature swings that can be harmful to plants and animals. Trees absorb and sequester greenhouse gases that increase global warming. Forested lands are the County’s largest land-based carbon sink, drawing carbon from the atmosphere and storing it in wood and in forest soils. Fewer or smaller forests result in larger amounts of greenhouse gases remaining in the atmosphere—which can increase the speed and severity of global warming.

Managing County forests sustainably can help mitigate the adverse impacts of climate change and improve local conditions and quality of life. The ongoing health and fortitude of County forests will require cohesive, comprehensive, long-term strategies involving countywide restoration and sustained maintenance strategies.

ii. Water Conservation Projects

Water conservation relates to IPM program goals in several ways. Landscape weeds thrive in disturbed and poorly irrigated land. Drip and subsurface irrigation techniques that are targeted to desired landscape plant species can alleviate weed issues. Additionally, trees that have adequate water will maintain the health and vigor necessary to prevent insect and pathogen attacks.
a. County of Santa Clara Sustainable Landscape Ordinance

In 2015, the State of California enacted major changes to the Water Efficient Landscape Ordinance\(^2\), marking a groundbreaking shift toward landscape design and management practices better suited to the state's climates and conditions. New development and retrofitted landscape water efficiency standards are governed by the State Model Water Efficient Landscape Ordinance (MWELO), established to promote water efficiency and are administered by the County Department of Planning and Development. About half of California's urban water use is for landscape irrigation. Therefore, with proper landscape design, installation and maintenance, substantial water savings can be achieved. All California agencies are required to either adopt, implement, and enforce the MWELO, or adopt a more stringent ordinance.

The OOS IPM Program will continue to review opportunities to improve countywide water management for conservation, efficiency, wastewater utilization, pollution prevention, education/outreach, and operational efficiencies.

\(^2\) County of Santa Clara Sustainable Landscape Ordinance. Available at https://www.sccgov.org/sites/dpd/PlansOrdinances/Landscape/Pages/welo-background.aspx
iii. Sustainable Landscaping Projects

Many pest issues can be reduced or avoided by using sustainable landscaping practices. For example, landscape plants that are native, or otherwise well-suited for the Santa Clara Valley, will be stronger and less susceptible to pest infestation. Features such as mulch, efficient irrigation, and wildlife habitat designed into sustainable landscapes reduce the ability of pests to establish and flourish.

a. Sustainable Landscape Management Resource Guide

Guided by the County’s sustainable landscaping policy, the IPM program maintains an online resource guide to educate and promote sustainable landscape design, implementation, and maintenance. The webpage can be accessed at:


This outreach is designed to provide step-by-step sustainable gardening education for the novice, the avid, and the professional gardener. It also provides information about where to buy native plants locally and water smart landscaping including water harvesting, efficient irrigation systems, reduction of non-functional lawns, and greywater usage. The goal of this educational outreach is to encourage local communities to improve their gardening practices, to protect and enhance the natural environment, and to increase sustainable practices.
The OOS will continue to promote the use of Bay-Friendly landscaping maintenance principles and practices: landscaping locally; landscaping to reduce waste to the landfill; nurturing the soil; conserving water; conserving energy; sequestering carbon; protecting water and air quality; and creating and protecting wildlife habitat.

b. Sustainable Building/Landscape Design

Sustainable building and landscape design require a big-picture view of how choices affect facilities’ pest management efforts. Prevention of pest problems at the design level is the heart of any state-of-the-art IPM program. Pest proofing, in conjunction with sanitation efforts, provides the best long-term management and prevention of pest infestations. Relatively simple design features can substantially reduce long-term pest control costs in buildings and landscapes, while also eliminating the health and environmental impacts of pesticide use.

j. Organic Agriculture Projects

Organic farming systems rely on ecologically based practices such as cultural and biological pest management, and virtually exclude the use of synthetic chemicals in crop production. The goal is to design the production system using integrated non-chemical techniques so that pests do not find plants, are controlled by natural enemies (biological control), or their damage is kept to a minimum. Vigorous, healthy plants are more able to withstand damage caused by arthropods and disease. Therefore, a “plant positive” (as opposed to “pest negative”) approach of managing the system to enhance beneficial processes and cycles and create healthy soil and plants, is at the foundation of integrated pest management in organic systems.
The integrated non-chemical techniques used in organic farming systems are carefully planning planting and harvesting dates, providing habitats that supply resources for beneficial organisms, managing soil fertility and crop nutrients through tillage and cultivation practices, crop rotations, cover crops, and supplementing with manure, composts, crop waste material, and other allowed substances.

**i. Urban Organic Farming at Martial Cottle County Park**

In 2014, the County committed to organic farming by leasing its open space agricultural land at Martial Cottle Park to Jacobs Farm. Since then, this urban park and working farm produces flavorful, local, organic fruits and vegetables that go directly from “field to fork.”

The IPM Program, along with the County Parks Department, worked closely with Jacobs farms during the initial development of the working farm at Martial Cottle and continues to work with them on current pest management issues including: use exemptions, rodent control, orchard disease management, and departmental coordination.

The farm also includes public events and activities, ensuring the community has access to “farm life” and an education on why organic is so important. Locally grown farm produce and products include:

- strawberries
- melons
- sweet corn
- sweet peppers
- bell peppers
- shishito peppers
- beets
- Carrots
- fresh salsa
- heirloom lettuce
- arugula
- kale
- heirloom tomatoes
- cherry tomatoes
- cucumbers
- onion
- sugar snap peas
- raw honey
- edible flowers
- lavender
- cilantro
- mint
- thyme
- rosemary
- ginger
- jams
The farm has become a showcase for the latest in sustainable farming techniques, conservation, and food production, and now is moving into the “dry farming” of Heirloom and Early Girl tomatoes to conserve water. All produce is grown using IPM principles and practices which include:

- Maintaining and enhancing soil fertility and promoting optimal biological activity within the soil by building the soils with natural inputs like compost, cover crops, worms, and healthy fungi;
- Crop selection and rotation, and plant and animal residue recycling to manage nutrient cycling;
- Water management and the augmentation of beneficial insects to encourage a balanced predator–prey relationship, and promote biological diversity and ecologically-based pest management; and
- When these good management practices are unable to prevent or control crop pests, weeds and diseases, a biological or other substance allowed for use in organic farming is applied to prevent, suppress, or control pests.

ii. Major Pests, Diseases, and Responses at Martial Cottle

**Ground Squirrels**

Colonies of ground squirrels still reside in all areas of the park. Jacobs Farm estimates that they have trapped and eliminated over 1000 squirrels in FY 19-20. Due to limited tractor availability in spring 2020, Jacobs has been mostly using individual and family traps instead of the burrow blocker. Squirrels remain the largest pest challenge within Martial Cottle.

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3 Dry farming refers to crop production during a dry season, utilizing the residual moisture in the soil from the rainy season. Dry farming works to conserve soil moisture during long dry periods primarily through a system of tillage, surface protection, and the use of drought-resistant varieties.
Squash Bugs
To address an issue with squash bugs, Jacobs worked with the California Department of Food and Agriculture (CDFA) to introduce the parasitoid fly, Trichopoda Pennipes. The source of the parasitoid was the UC Davis research farm and the release was pre-approved by the County Agriculture Commissioners office. In June 2020, CDFA came out to assess and found a 19.6% parasitized rate, which is considered hugely successful. Additionally, Jacobs changed their practices to apply compost as a mulch around the seeds at planting time. This eliminated the typical squash bug escape routes from predators mainly birds such as killdeers and ravens, as pictured below.

Morning Glory/Field Bindweed
With deep rooting systems, field bindweed is the biggest weed problem at Martial Cottle. Jacobs tailors most of its crop programs around bindweed, growing smaller herbs during the winter months as the bindweed dies back and ensuring that summer crop programs are vigorous enough to out compete. Jacobs also utilizes physical methods to rip, chisel and cultivate field bindweed during the season. However, they do allow the bindweed to grow in unused portions of Martial Cottle during the summer months because repeated tractor work on non-irrigated land would pulverize
the soil. This would potentially cause blowing dust and associated poor air quality and complaints from park neighbors and pedestrians.

**Cilantro Yellow Blotch Virus**

This problem causes cilantro leaves to develop bright yellow, irregularly shaped, blotchy lesions with diffuse margins and yellowed veins. The pathogen causing this problem has not yet been characterized, but is tentatively named Cilantro yellow blotch virus. This virus was first seen in fall 2019 and is believed to be vectored by flushes of aphids migrating into Martial Cottle in the fall. Jacobs expanded nectar sources for beneficial insects and moved the fall production of cilantro to zone A, which is farther from the drainage channel between zones B and C.

**Tobacco Mosaic Virus**

This virus was first identified in Martial Cottle in 2015. The specific insect vector has not been identified, as the vector previously established in research literature isn’t present in significant numbers when the virus is active. However, during significant outbreaks, there are always spikes of native flies similar to Lygus bugs but smaller. The infections seem to start in early fall near the drainage channel between zones B and C. Jacobs is focusing the early tomato production in that area and then shifting fall tomato production across the park to zone A.

**Cucumber Beetles**

These cause damage to the butternut and spaghetti squash crops by eating the outside skin of the curing product. Cucumber beetles are difficult to control and Jacobs is using a strategy of inter-planting the squash with tomatoes and beneficial crops to confuse the cucumber beetles.
2. Program Collaboration - Details

The IPM Program continues to seek public and private alliances to strengthen IPM policies, research, best practices, and outreach. In FY 2019-20, the Program worked with various departments, agencies, and stakeholders on IPM concepts and implementation at various venues.

a. Pesticide Pollution Prevention Outreach

Numerous pesticides are used in the U.S. for production agriculture, non-production agriculture, and in the urban environments. People use insecticides, herbicides to eliminate insects and weeds and chemical fertilizers to enhance their plant growth from their gardens or buildings, but these have the potential to harm our health and the environment. While oftentimes beneficial, pesticides are also risky. Misuse of pesticides and accidents involving pesticides occur regularly. Pesticide pollution can harm the environment and non-targeted living species. Because of this, the County and OOS IPM staff works with the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP), to educate citizens on pesticides and how to minimize harmful impacts and prevent point source and non-point source pollution.

i. Outreach to Nursery Outlets and Local Landscapers and Public

SCVURPPP’s target audience for outreach has primary been the urban audience. Outreach is achieved by distributing information about how to manage pests using sustainable landscape practices, promoting structural sanitation, housekeeping and maintenance to manage or control pests. Established in 2011, SCVURPPP, of which the County is a member, continues to conduct IPM educational programs and trainings.

SCVURPPP contributed funds to, and actively participated in, the Bay Area Stormwater Management Agencies Association (BASMAA) IPM Store Partnership Program (also known as the Our Water, Our World program (OWOW)). The OWOW Program partners with retail stores and nurseries to provide less-toxic

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4 Member agencies (co-permittee) include Campbell, Cupertino, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, Sunnyvale, the County of Santa Clara, and the Santa Clara Valley Water District.
pest control information to residents at the point of purchase. This involves stocking literature racks at stores with “Less Toxic Pest Management” fact sheets and placing shelf-tags on store shelves. Shelf-tags are small product identification signs that are placed on store shelves to help customers identify less-toxic products. The OWOW Program also includes a training component where store employees are trained on IPM and selling less-toxic pest control products to customers. The website can be found here: http://ourwaterourworld.com/.

Currently, 23 local stores in Santa Clara Valley participate in the OWOW Program. The number is a decline from prior years due to COVID-19 related cancelations. OWOW program staff visited each participating to restock literature racks and update shelf-tags. OWOW program staff trained 15 employees representing two stores. These on-site trainings informed attendees about stormwater issues and IPM and supplied them with informational handouts and lists of less-toxic products. SCVURPPP continued with outreach about less-toxic pest control to residents who use, or contract for, structural or landscape pest control and landscape professionals. Information provided included: pesticide use and water quality; proper use and disposal of pesticides; IPM and IPM Certification Programs; hiring a Green Gardener and the list of trained Green Gardeners; and the OWOW Program.

ii. Advertising and Outreach Efforts

Watershed Watch Campaign advertising included a total of 870 ads (512 paid and 358 free/PSAs) on IPM topics. The ads were placed on radio stations, TV, and online media. Information provided included: less-toxic pest management and the list of Green Gardeners; IPM certification programs; and OWOW fact sheets. The list of stores selling less-toxic products was posted on the County Household Hazardous Waste Program’s website (www.hhw.org). The website also promotes proper disposal of pesticides and refers users to an appropriate nearby disposal location.
iii. Public Outreach Events

Additionally, SCVURPPP and Watershed Watch Campaign conducted IPM outreach at five events. Events were selected based upon target audience and attendance. Materials distributed at the events included the following: Less Toxic Pest Management fact sheets, “10 Most Wanted Backyard Bugs” brochure, “Draining Pools & Spas” brochure, “You are the Solution to Water Pollution” brochure, “Clean Cars & Clean Creeks” brochure, “Mercury in Fish” brochure, and giveaways (e.g. flyswatters, drawstring backpacks, and temporary tattoos). The flyswatters had the Watershed Watch website and hotline number and the words “The Original Earth-Friendly Pest Control” printed on them. The bean bag toss game for children was used at most of the events. Event staff distributed approximately 1,700 outreach materials and giveaways.

Watershed Watch “Half-Off” Car Wash Event

This event was held twice, at two different carwashes. Target audience was car wash customers and the target message was proper car washing to prevent stormwater pollution. For both events, estimated attendance was 135, with 36 flyers distributed.

Pumpkins in the Park

This event was held in October in Guadalupe River Park. Target audience was families with children and the target messages were less-toxic pest control, litter prevention, and proper disposal of hazardous household waste to prevent stormwater pollution. Estimated attendance was 13,000 to 15,000, with 281 brochures and 315 giveaways.

Day on the Bay

This event was held at Alviso Marina County Park. Target audience was families with children and the target messages were less-toxic
pest control and litter prevention to prevent stormwater pollution, as well as and mercury in fish consumption advisory. Estimated attendance was 10,000, with 190 brochures and 393 giveaways.

**Landscape Summit 2020**

This event was held at Valley Water headquarters. Target audience was landscape professionals and the target messages were less-toxic pest control to prevent stormwater pollution and the Green Gardener program. Estimated attendance was 105, with 115 brochures and 9 giveaways.

SCVURPPP also supports the involvement of Santa Clara Valley residents by providing advertising support for two events. Due to shelter-in-place mandates a third event, National River Cleanup Day, was canceled in FY 19-20. Also, several citizen involvement and stewardship programs are conducted as part of the SCVURPPP-funded Watershed Watchers Program at the Don Edwards San Francisco Bay Wildlife Refuge.

**Coastal Cleanup Day**

This event was held at various locations throughout the County and was coordinated by the Creek Connections Action Group. A total of 2,166 volunteers participated in cleaning 46 sites in Santa Clara County, and removed approximately 53,296 pounds of trash and recyclables. SVURPPP provided funding for local advertising.

**Stewardship and Citizen Science Programs – Gardening Without Chemicals**

The event was held at Don Edwards Wildlife Refuge. Stewardship programs are conducted in partnership with corporate groups, schools, and not-for-profit organizations. Participants pick up trash, and work in the Refuge garden planting native plants, pulling non-native plants, and mulching. Citizen science programs monitor the effects of climate change and the results of the stewardship activities on plants and wildlife. Stewardship programs reached a total of 358 attendees, including 2 preschool children, 169 elementary school students, 9 middle school students, 42 high school students, and 136 adults.

SCVURPPP funded a South Bay Green Gardens website (www.southbaygreengardens.org) to educate residents, landscape construction maintenance professionals, and municipal staff on sustainable landscaping techniques, as well as the Green Gardener Program, which trains gardeners to reduce urban runoff and stormwater pollution from landscape maintenance activities. Eighteen participants completed the Green Gardener training and 14 Green Gardeners were re-certified. The Green Gardeners site is: http://www.mywatershedwatch.org/residents/green-gardener-program/.
b. Sustainable Gardening Education

Besides organic farming, Martial Cottle park’s community education center is a showcase for ongoing education through cooperative partners such as University of California Cooperative Extension (UCCE), Our City Forest, the City of San Jose’s Community Garden Program, Master Gardeners of Santa Clara County, 4-H Youth Development, Small Farm Program and Composting Education Program. Each of these community partners operate parcels at the park and offer opportunities for the public to tour, take a class, attend a workshop or volunteer. Each partner helps to uphold the vision of the Cottle Lester family to inform and educate the public about agriculture in Santa Clara Valley.

The Martial Cottle Park’s Master Gardener program extends research-based knowledge and information on home horticulture, pest management, and sustainable landscape practices to County residents. In the summer of 2015, Master Gardeners began working on a four-acre parcel covered in weeds. Since then they have developed a native garden, 51 raised beds for research and ornamental plants, a farm stand, a barn with rain catchment, and pathways into the parcel, a 72-foot solar light greenhouse. The greenhouse is used to grow most of the plants for Master Gardener projects throughout Santa Clara County. Many of the vegetables, flowers, herbs, and plant seedlings grown on-site are sold at Spring and Fall garden markets. Other plants are used for research and teaching purposes.

*UC Master Gardeners are a primary resource for the dissemination of gardening information from the University of California to the Santa Clara County community.*
In FY 2019-20, UCCE hosted 11 field workshops, events, and classes in several Santa Clara County cities on a wide array of IPM topics such as weed management, IPM and beneficial insects, vertebrate pests, and pollinators. On any given weekend, there are a variety of workshops, tours, volunteer days, and special events, including the Spring Celebration and Fall Festival, happening at Martial Cottle Park and residents are encouraged to visit during open hours.

c. Organic Farming Community Outreach at Martial Cottle

Community outreach about farming activities at Martial Cottle is extensive. Jacobs Farms responds directly to park visitors’ questions about farming practices including all public inquiries received through the visitor center, by phone, and by email. Questions about practices are answered in a timely manner and Jacobs works with neighbors and park users to increase effectiveness of control methods and reduce any inconveniences that farming operations cause.

In 2019, a neighbor complained that he was having similar issues with the squash bugs on his zucchini as Jacobs was with their hard squash crop. The neighbor was invited over to discuss and ended up helping Jacobs release the previously mentioned parasitoid at the farm. The neighbor was given parasites for his yard as well. Social media is also used to inform the public about farming practices and activities.
d. Review of Built Environments - From the Eyes of an IPM Professional

Pest prevention recommendations at the design and/or retrofit stage of construction can help improve indoor air quality and save money over the life of the building, but they require architects and builders to rethink their design strategies in a more holistic fashion. This rethinking is needed both for established design approaches, such as the standard acoustical gaps in ceilings that can also serve as rodent or cockroach hotels, and for emerging approaches, such as the promotion of living walls that have unknown impacts on pest infestations. In other examples, tactics needed to conserve energy such as sealing, and weatherization will likely harmonize well with tactics for designing-out pests.

Facility sanitation, housekeeping and maintenance, and the role of building occupants in preventing pest attraction, harborage, and breeding is critical. The complex cultural and sociological components of office complexes indirectly and, in some cases, directly causes pest populations to proliferate. This requires concerted efforts towards on-going customer (building occupants and facility maintenance group) education - for them to help themselves resolve these pesky issues. This includes segregating food storage away from workspace, eating food only in designated breakrooms (not in workspaces), and daily removing garbage from receptacles etc., thus eliminating conditions that lend to the proliferation of pests.

The IPM Program provides regular structural and build environment advisory services with greater emphasis on good operational management practices (e.g., sanitation, housekeeping and maintenance), policies, procedures, and protocols (often known as Best Management Practices (“BMPs”)) in existing facilities for reducing and/or preventing and controlling pests. Implementing these practices and identifying gaps in implementation is an ongoing effort that is a regular part of IPM program staff’s
everyday duties. Through daily field work, including numerous inspections and on-site supervision, a substantial percentage of County structural pest issues are solved non-chemically.

A few notable examples of FY 2019-20 are 1) ant, cockroach, rodent, and bird control at Elmwood Correctional facility; 2) rodent control at a demolition/construction site and the surrounding County Government Center campus at Hedding Street; 3) rodent control in and around both Juvenile Hall and the Main Jail campus; 4) bed bug control at both Social Services’ Julian Street Campus and HHS emergency treatment areas; 5) cockroach and drain fly control at HHS main hospital campus; 6) silverfish and termite control at New Almaden Quicksilver Mining Museum; 7) flea and wildlife control at VMC McKee Campus; and 8) ant and cockroach control at the Charcot campus.

3. Education and Training - Details

County parks, roads, and urban landscape employees involved in IPM activities participate in an annual IPM training program. In FY 2019-20, 69 County employees working in pest (primarily weed) management activities were trained. Trainings in roadside vegetation management included: biological, mechanical, chemical control methods; factors that influence herbicide application; effective mechanical removal of grasses; re-vegetation and native seeding; and using living systems. Trainings in invasive weed management included: top weeds of Santa Clara County; mapping weeds; understanding the source; evaluating progress; control methods; and plant suggestions for out competing weeds. Trainings in pesticide applicator safety included: personal protective equipment, chronic vs, acute toxicity, safe handling of pesticides, heat related illness, environmental hazards of pesticides, laws and regulations, and label and SDS reviews.
Seven County FAF landscape maintenance staff also attended Recycled Site Supervisor Training and three staff attended Bay Friendly Landscape Maintenance Training.

OOS IPM Program staff attended educational workshops, certification courses, and meetings with other Bay Area IPM personnel to learn about and discuss current issues, alternative IPM methods, new products, best management practices, and the science behind IPM. IPM Program staff also attended the PestWorld 2019 and the 2019 Entomological Society of America conferences, the 2019 California Invasive Plant Council symposium, the 2020 Purdue Pest Management Conference, and the International Society of Arboriculture’s (ISA) “New Insects and Disease Problems in Trees” webinar, as well as completion of the International Society of Arboriculture’s Urban Forestry online learning course.

4. Use of Living Systems to Help Manage Pests - Details
   a. Bioremediation of Drains to Control Flies

Grease and organic buildup in drains are primary feeding and breeding sites for drain flies/small flies. County facilities use bioremediation to eliminate these fly breeding sites. It is an innovative technology, which uses microorganisms (Bacillus genus) and enzymes injected into drain lines. These microorganisms digest fat, oil, and grease and convert them into water and carbon dioxide, which helps to minimize fly breeding sites and food sources. Use of this living system can be expanded to keep our facilities drainage systems clean.
b. Sniffer Dogs to Aid in Bed Bug Control

Like other states and cities, bed bugs are an emerging challenge in County facilities. In the past few years, some of our facilities have been affected by the resurgence of bed bug activity, causing anxiety among County staff. The most difficult and important step in eliminating bed bugs is early detection and identification to correctly recognize these blood-feeding pests. While adult bed bugs can be easy to see, bed bug eggs (which are white) and nymphs (which are virtually colorless) are nearly microscopic.

The IPM Program is responding to this re-emerging pest diligently on a case-by-case basis, using non-chemical approaches such as conducting canine inspections to help identify localized bed bug activity, and using vacuums, steam, and dry heat to control bed bug activity.

A dog can quickly locate bed bug trouble spots, ensuring that treatments can efficiently target and eliminate bed bug infestations. A canine bed bug inspection can also be used to follow-up after treatment to ensure that all bed bugs have been killed. Coordination at all levels (departments and contractors) has helped achieve the desired results. The IPM Program plans to continue to use canines (intelligent living system) for pest detection.

c. Cattle Grazing

Carefully managed selective grazing in County parks is used to manage and promote perennial native grasses and wildflower stands. Grazing is used to reduce non-native grasses and invasive species such as yellow star-thistle, Italian thistle, other broadleaf weed infestations, which compete with native annual wildflowers and grasses. Grazing is also used to reduce fire fuel loads and minimize wildfire risks from invasive weeds and plants such as coyote brush, chamise or greasewood and California sage, that encroach into grasslands.
d. Goat Grazing

Goats can be used to reduce or eradicate invasive plants in areas where cattle cannot roam, or to eat plants that cattle avoid. Goats eat primarily yellow star-thistle in fields where Santa Clara County has serious infestations. Goats can also clear creek corridors and grasses around old buildings, protecting these properties from wildfire.

e. Barn Owls

Barn owls have long provided a natural way to control destructive gophers and ground squirrels. Supplying habitat for these predators is another excellent IPM technique to control rodents. Barn owls occupy nesting boxes year-round. A family of owls will consume several thousand rodents in a year. Therefore, owls can help keep rodent populations at a manageable level, preventing spiking to the point where other measures become necessary. Owl boxes at Martial Cottle park continue to house owls to aid ground squirrel and gopher control.
5. IPM Data Collection - Details

a. IPM Spatial Monitoring and Database Solution

Data collection, analysis, and reporting is a critical component of proper program management and adherence to the IPM ordinance. A spatial IPM data management system is important for enhancing the County’s IPM program by providing a cost-effective and efficient system that all departments can use to eliminate paper-based data collection, reduce errors, enhance data analysis, and simplify reporting and exemption requests.

The Program dedicated a very substantial level of resources into developing this database solution in FY 19-20. The RFP process for an external vendor was completed, including scope development and scoring. Due to limitations in cross-departmental data accessibility, the selected vendor decided that they would not be able to complete this project.

The IPM program is currently planning to work with County Technology Services and Solutions to develop a solution through their in-house Microsoft Dynamics development team. Dynamics is a resource planning and customer relationship management software that can be configured to manage IPM data.

RDA has agreed to use the proposed software. FAF has determined that their department activities do not currently warrant the use of the IPM spatial mapping and data collection software. PRK will be using their own data management system which the IPM system will integrate with once fully developed.

Although the IPM program would like development, testing, and implementation to be completed during FY 20-21; resource availability, program staff bandwidth, and Dynamics team availability will determine system development timeline moving into the future.
b. Tree Inventory

A tree inventory facilitates proactive tree management decisions in both maintenance and planting. Knowing the size, species, condition, and age of trees gives an overall picture of what the forest needs now, and what it will need in the future. It allows better tracking of pest issues, and it quantifies the benefits provided by trees as well.

In 2019, the County contracted with Davey Resource Group for tree inventory services, which documents the trees and their condition. The County purchased inventory services for all trees on 38 FAF-managed sites as well as trees in “use-areas” at 29 County parks (“use-areas” are those which receive the most interaction with people, such as restrooms, picnic areas, parking lots, and buildings).

Completed in July 2019, the inventory counted 19,054 County-managed trees, with a total leaf surface area of 2.3 million square feet. The total annual value of the benefits provided by these trees is estimated to be $3,083,000. The calculated benefits also include, 1,828,000 lbs. of CO2 avoided, 4,162,000 lbs. of CO2 sequestered, 29,415,000 gallons of water saved, 2,535,000 kWh of energy saved, and air pollutants reduced by 6,744 lbs. The average annual rainfall interception rate per tree ranges from a low of 102 gallons to a high of 1,481 gallons based on tree size, rainfall amounts, and foliation period.

Understanding the benefits that trees provide can give County residents and departments a better understanding of the value provided by trees and help them to budget maintenance and planting resources in a manner that can develop a healthy, pest-free urban forest.
6. Future Challenges - Details

a. Emerging Trends
To minimize conventional pesticide application, IPM is increasingly data-driven, strategic, and creative. Targeted sites often require phased, multiple methods, with higher levels of monitoring, analysis and integrated ecologically sound non-chemical solutions. County pesticide applications continue to decline, being reserved for critical use when other options are unfeasible. As mentioned previously, selecting less-toxic chemicals for roadside vegetation management is challenging. With emerging facts and observations of deleterious impacts on human health and to the environment, these hidden costs are difficult to enumerate in economic terms, exacerbating the challenge to approve or not to approve pesticide use against their difficult-to-measure risks. Proper resources are required to manage pest issues non-chemically. Departments must be adequately funded, well-trained and, equipped to provide effective IPM services to County staff and residents. Furthermore, climate change, drought, temperature shifts, extreme weather, and flooding are posing new challenges which alter ecosystems and make them more susceptible to pests, disease, and non-native plant infiltration.

b. The Importance of Continuing Professional Development
The availability of ongoing resources to support the continuing professional development of County staff involved in pest management, as well as in sanitation, housekeeping, and maintenance activities provides many benefits. However, without awareness of these benefits, advocating to ensure needed support will prove to be a challenge.

In addition to staff proficiencies and knowledge being kept up to current standards, new information and techniques are introduced. The skillsets of County employees are kept relevant and modern. Outdated methods and materials are replaced. This is particularly important in the world of pest control, as knowledge of safe pesticide application and non-chemical alternatives can change rapidly as new research is published.
County employees become better equipped to identify and manage pest control issues. This fosters proactive management, which saves money, eliminates facility downtime, and ultimately leads to a safer environment for employees and residents.

Finally, professional development can provide a sense of accomplishment and value. It can offer a platform for career advancement and can encourage increased job satisfaction. It is an upgrade to an employee’s skillset, but ongoing upgrades require ongoing investment.

c. Rodents: Ground Squirrels and Pocket Gophers

Maintaining a site-specific gopher and squirrel-free buffer area around critical infrastructure (airport taxiways and runways, levees, earthen dams, canals, roadways, berms, bridge abutments) is critical. In some cases, regulations require zero tolerance for grounds squirrels, and may warrant on-going control. Available non-chemical control includes using a combination of methods - trapping, explosive burrow collapsing, deep-ripping to destroy burrows, slurry filling to block burrows, fencing, and predators. Chemical control options at our disposal include burrow fumigation using carbon monoxide, carbon di-oxide, and/or phosphene gas. Rodenticides (poison baits) are not used on County-owned and managed facilities.

Ground squirrels work hard on their burrows and do not readily give them up. They continue to improve their burrows through multiple years and generations, creating complex systems that can be anywhere from 3 to 135 feet long and 2 to 4 feet deep. It has been observed that when burrows are abandoned, new squirrels will re-infest the area and occupy the old burrows. Squirrel populations in these areas (when left unattended) that persist at high densities over time are more likely to make longer and more interconnected burrows and can cause damage or sudden failure.
Controlling these pests through one department or entity alone is challenging, as pest migration from surrounding areas can continue to re-infest controlled landscapes. In additional, while controlling these pests, protecting potential habitat for any endangered or threatened species needs to be taken into consideration. To a execute an integrated management approach, a coordinated, cross-jurisdiction effort, including continually monitoring pest and non-target species populations throughout the year and seeking permits where needed, is warranted. IPM Program staff is exploring opportunities to engage cross-jurisdiction stakeholders to address these issues.

d. Rodents: Rats and Mice

Increased rat and mouse activity in buildings pose another challenge due to a variety of reasons including construction that disturbs rodent burrows; or poor sanitation, housekeeping, and maintenance (SHM). The complex cultural and sociological behaviors of people inhabiting buildings indirectly, and in some cases directly, cause rodent populations to proliferate. Effective rodent control will require concerted ongoing building occupant and facility maintenance group education to help resolve these pesky issues. Improvement in SHM is the single most effective way to reduce rodent issues in County facilities. Adequate resources are required for employee and vendor outreach and training to educate these groups on the role that they play in keeping County facilities rodent free.

Rodent prevention includes segregating food storage away from workspaces, eating food only in designated breakrooms (not in workspaces) and removing garbage daily from receptacles, thereby eliminating the conditions that lead to rodent proliferation. The IPM Program is working closely with the
structural IPM contractor to identify these conditions on a case-by-case basis and is seeking help from the departments and the facilities maintenance group to resolve rodent and associated ecto-parasite issues.

e. Bed Bugs

Like other states and cities, bed bugs are an emerging challenge in the County facilities. The IPM Program is responding to this re-emerging pest diligently on a case-by-case basis and using non-chemical approaches, such as conducting canine inspections to identify localized bed bug activity and using vacuums, steam, and dry heat to control bed bug activity. There were three bed bug inspections at County facilities in FY 19-20. Coordination at all levels has helped achieve desired results, but funding will be required for ongoing customer education and control efforts.

g. American and Oriental Cockroaches

Managing American cockroaches is not easy. They prefer warm and humid environments, readily live outdoors under mulch and other vegetative covers, and are common in irrigation boxes, sewers, steam tunnels, and masonry storm drains. Occasionally they forage from sewers and other areas into the ground
floor of buildings. These intrusions in many County buildings have become more common in the last four years due to drought conditions because sewers and exterior grounds were running dry.

There is no conventional approach that is effective in controlling cockroaches in sewers or similar habitats. The IPM Program’s current approach to prevent infestations involves close monitoring and applying insecticide baits. While an effective bait program does not give immediate results (it may take seven or more days to be effective), baits can be effective for long-term cockroach control. The primary keys to controlling cockroaches are sanitation and exclusion. Cockroaches are likely to reinvade if a habitat is suitable to them (i.e., food, water, and shelter are available); therefore, the conditions that promoted the infestation must be changed.

Also, the County Structural IPM Contractor is currently exploring an experimental opportunity to apply a fungus that is capable of infecting and killing American cockroaches into sewers. The use of an entomopathogenic biopesticide would be under a research permit issued by the U.S. Environmental Protection Agency and the California Department of Pesticide Regulation. This approach is already used in Europe.

The product, Mycokil, is a bio-pesticide with the fungus Beauveria bassiana. This fungus is an insect specific pathogenic fungus found in every corner of the globe. This strain of B. Bassiana in Mycokil came from Europe and has been found to be more effective on American cockroaches. The product is in the final stage of gathering field data to support EPA registration. For now, Mycokil is labelled to fog into sewer manholes to treat American cockroaches only. If successful, a new product may soon be available to the American market to address this issue.
### S-2. Structural Pest Control - Dry Pesticide Use: 2010-2020

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- 2. Structural Pest Control - Dry Pesticide Use: 2010-2020

**Packet Pg. 388**
S-3. Termite Control Pesticide Use: 2010-2020

POUNDS


Vikane (lb)
R-1. Roadside Acreage Under Herbicide Management: 2005-2020

ACRES


0 500 1000 1500 2000 2500

Acres 2164 1644 574 426 236 255 343 172 301 274 260 337 352 0 311

R-2. ANNUAL ROADSIDE ACREAGE UNDER CHEMICAL VS. NON-CHEMICAL: 2019-2020

Chemical 29%
Non-Chemical 71%
### R-3. IVM Roads - Non-Chemical: 2005-2020

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### R-4. IVM Roads - Pesticide Use: 2005-2020

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P-1. Parks Chemical Versus Non-Chemical Management: 2019-20
P-2. Pesticide Use By External Partners: 2019-20

- Milestone: Wasp Freeze II
- Lifeline
- Garlon 4
- Pendulum
- Dimension Ultra
- Cheetah Pro
- Acres Treated

- Rancho San Antonio: 0.13
- Baylands: 7.18 1.5 3.45 0.45 1.8 64.0
- Field Sports Park: 4.0

P-3. Pesticide Use By Parks Department: 2019-20

- Imox: 0.5
- Acres Treated: 0.6

Joseph D. Grant: 0.5
P-3. Number of Parks Under Pesticide Treatment
Out of 29: 2002-2020

NUMBER OF PARKS

0 5 10 15 20 25


# of Parks 27 12 11 8 7 7 9 11 7 8 5 4 3 4

P-4. 99.87% of Total Regional Park Area Managed Non-Chemically:

2019-20

Acres Under Chemical Treatment 0.13%

Acres Under Non-Chemical 99.87%
P-5. Park Acreage Under Pesticide Treatment: 2007-2020

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GALLONS
Office of Sustainability
Integrated Pest Management Program
Putting IPM into Practice through Real World Examples

2005 CA IPM Innovator Award
CA Dept of Pesticide Regulation

2009 Green California Leadership Award
Green California Summit

International IPM Symposium
2009

2012 PestWise Shining Star Award
United States Environmental Protection Agency

Exploring Sustainable Tools and Technologies For Pest and Pesticide Free Environment
DATE: September 17, 2020  
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET) 
FROM: Jasneet Sharma, Director, Office of Sustainability  
SUBJECT: 2020 Mid-Year Sustainability Highlights

RECOMMENDED ACTION
Receive report from the Office of Sustainability relating to key successes and progress on sustainability and climate action programs for January through June 2020.

FISCAL IMPLICATIONS
There are no fiscal implications associated with receiving this report.

REASONS FOR RECOMMENDATION
The Office of Sustainability (OOS) 2020 Mid-Year Sustainability Highlights Report (Mid-Year Report), issued September 2020, updates the Finance and Government Operations Committee (FGOC), Housing, Land Use, Environment, and Transportation (HLUET) Committee, and the Board of Supervisors on the County’s progress on sustainability and climate action programs, policies, activities, and Environmental Sustainability Goals (ESGs) from January 2020 through June 2020.

The 2020 Mid-Year Report includes an update on the status of the Sustainability Master Plan (SMP) and highlights notable changes or key successes on ESGs and sustainability and climate action programs across the four Priority Areas as defined in the Draft SMP:

- Climate Protection and Defense
- Natural Resources and Environment
- Community Health and Well-Being
- Prosperous and Just Economy

Climate Protection and Defense
The projects in this section highlight the County’s efforts to implement holistic, systems-based approaches to reduce greenhouse gases, increase carbon sequestration, and build
resilience to the threats of climate change and natural disasters, while facilitating cross-jurisdictional partnership and collaboration. These include:

- Energy Efficiency measures at County facilities, online Energy Codes and Standards training for building departments through BayREN and contractor recruitment to raise awareness about electrification measures and incentives offered to decarbonize multifamily and single-family homes.

- Renewable Energy Aggregate Program (REAP) Power Purchase Agreements (PPA) to increase installation of solar, energy storage and E-V charging station at County sites.

- LEED certification for the Vietnamese American Service Center in San Jose, the County’s first all-electric facility and Animal Services Center in San Martin after construction completion.

- Green Building Policy Working Group comprised of County staff to update the Green Building Policy for County Facilities and the County’s Green Building Ordinance.

- Zero Waste Policy implementation at O’Connor Hospital and upcoming release of Request for Proposals for waste services at County facilities to include use of innovative technology to meet sustainability goals and state waste disposal mandates.

- Greening County Fleet and Operations Study scheduled for completion by fall 2020 and completion of the Transportation Demand Management (TDM) Implementation Guide and the Transportation Needs Assessment (TNA) for County Clients.

- Ongoing Consulting Services for Facility Energy Planning and Resiliency and County climate risk assessment updates through Silicon Valley 2.0, including social vulnerability index and coordinated countywide action on resiliency planning to future climate impacts.

- Launch of the County Climate Coalition Learning Network to support dialogue, collaboration and information exchange.

- Partnerships between CalFire and County Departments to improve fire protection in County parks and fire response.

- Agriculture Resilience Incentive program to implement carbon farming practices, Zoning Ordinance updates to protect open spaces and agricultural areas, and technical assistance to farmers to obtain grant funding to implement conservation management practices that sequester carbon, reduce greenhouse gases and improve soil health.

Natural Resources and Environment

The projects in this section show the County’s efforts to reduce the impacts of environmental hazards, such as air and water pollution, protect and enhance the diversity and size of ecosystems and habitats across the County, connect a network of regional parks and trails to provide the opportunity for people to commune with nature, and ensure access to clean water while also promoting water efficiency, conservation, and reuse. The highlights include:
• Sustainable Landscaping Project at Charcot campus and sustainable landscaping practices training for County staff.

• Construction of additional trails to contribute to the Countywide Trails Master Plan.

• Establishment of a Tree Planting Services and Stewardship Pilot Program to promote urban forestry.

• Increase in watershed education and riparian stewardship through outreach to school-aged children and leading clean-up efforts along Penitencia Creek.

• Creation of a native plant demonstration garden at Hellyer County Park to showcase water conservation and stewardship of riparian habitats.

Community Health and Well-Being

The projects in this section show the County’s efforts to ensure residents have access to health care and affordable housing, a social safety net, resilience to future climate threats and pandemics, and opportunities for learning, employment, and culturally responsive engagement, capacity building and leadership. The highlights include:

• Aligning the Health Cities Program goals with the climate protection and community health strategies outlined in the draft SMP.

• Project with Stanford Valley Fellow to develop and apply a tool to identify the impacts of local Climate Action Plans (CAPs) on health and equity.

• Start of work to develop the County Active Transportation Plan to help reduce pedestrian and bicycle fatalities and injuries while promoting walking, biking, and use of public transportation.

• Development of a comprehensive system-wide Food, Agriculture, and Health Access Initiative that involves collaborating with public, private, and cross-systems partners.

Prosperous and Just Economy

The projects in this section highlight the County’s current efforts to cultivate green industries and jobs benefit the environment or that involve making production processes more environmentally friendly, invest in youth and historically marginalized communities, build pipelines out of poverty, promote leadership among County employee and community members, and foster collaboration. These include:

• Paid internships and academic credit for San Jose State University Environmental Studies students to support the Recycling and Waste Reduction Division and Household Hazardous Waste Programs.

• Paid job training and education for at-risk youth though contract between CalTrans and the San Jose Conservation Corps (SJCC) for litter, debris, and vegetation management in the County right-of-way.
- Involvement of California Conservation Corps and SJCC and Charter School to construct and maintain trails, help restore natural resources, and reduce the risk of wildfire in County Parks.

- Funding to Our City Forest to recruit 30 AmeriCorps positions to support the County Tree Planting and Stewardship Pilot Program over the next three years.

- Sustainable Purchasing Working group formed to guide the development of the Countywide Sustainable Purchasing Policy and to provide County agencies and departments with procurement guidelines to help standardize sustainability practices and results.

**CHILD IMPACT**

Sustainability, energy and climate action programs, projects, and activities are undertaken by the County to advance and serve the economic, environmental, and social interests of the community, including those impacting children and youth.

**SENIOR IMPACT**

Sustainability, energy, and climate action programs, projects, and activities are undertaken by the County to advance and serve the economic, environmental, and social interests of the community, including those impacting seniors.

**SUSTAINABILITY IMPLICATIONS**

The recommended action to receive and approve the 2020 Mid-year Report supports the programs, policies, and activities that balance public policy and program interests, and which advance the Board’s sustainability objectives to foster a healthy environment, protect resources and public health and safety, promote a diverse economy, and advance social equity and safety.

**BACKGROUND**

Since OOS’ establishment by the Board in August 2010 (Item No. 50), progress on the County’s sustainability initiatives was presented to FGOC and HLUET once a year in an annual report. To streamline sustainability and climate action reporting, a new reporting schedule and scope was adopted by HLUET on June 21, 2018 (Item No. 7), which includes one semi-annual (mid-year) and one annual (end-of-year) report that consolidates ESG and sustainability and climate action programs progress into one report. FGOC adopted the same reporting schedule and report scope on August 23, 2018 (Item No. 6).

At the February 13, 2020 FGOC (Item No. 9) and February 20, 2020 HLUET (Item No. 9) meetings, the Committees adopted another revised reporting schedule and report scope change which specified a mid-year sustainability highlights report for the first half of the calendar year in September, and a more comprehensive and quantitative reporting of the sustainability and climate action goals and programs for the full calendar year in March of the following year.

**CONSEQUENCES OF NEGATIVE ACTION**

Board of Supervisors: Mike Wasserman, Cindy Chavez, Dave Cortese, Susan Ellenberg, S. Joseph Simitian
County Executive: Jeffrey V. Smith
Agenda Date: September 17, 2020
The HLUET will not receive the 2020 Mid-Year Sustainability Highlights Report.

**ATTACHMENTS:**

- Midyear Sustainability Highlights_Sept2020(PDF)
2020 Mid-year Sustainability Highlights

September 2020
Office of Sustainability, County of Santa Clara
## Table of Contents

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The County of Santa Clara (County) continues to be a leader in its commitment to “building and maintaining a healthy and safe community for current and future generations through preserving natural resources and the environment, fostering a healthy economy, and meeting the basic needs of all residents with respect and cultural awareness”. Guided by the County’s Environmental Sustainability Goals (ESGs), County departments and agencies work towards developing and promoting sustainability policies and programs. The Office of Sustainability (OOS) has been developing a Sustainability Master Plan (SMP) that directly builds on the ESGs to provide a framework and roadmap with which to guide the County’s present and future sustainability goals and strategies.

The 2020 Mid-Year Sustainability Highlights includes an update on the status of the SMP and highlights notable changes or key successes on ESGs and sustainability and climate action programs across the four Priority Areas as defined in the Draft SMP for the period of January - June 2020.

- Climate Protection and Defense
- Natural Resources and Environment
- Community Health and Well-Being
- Prosperous and Just Economy

Updates and information on projects mentioned in this report were provided by the following County departments and agencies:

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<td>Department of Planning and Development</td>
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<td>Roads and Airports Department</td>
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Sustainability Master Plan
Since January 2020, OOS has made significant progress in the development of the SMP. OOS worked together with Raimi + Associates (Raimi) to gather input from different County departments and Board of Supervisors Staff through online webinars and one-on-one engagement with County staff. A Discussion Draft SMP that includes the full breadth of the County’s vision, goals and actions to promote and support implementation of the three core elements of sustainability (Economy, Environment and Equity) and the County’s sustainable policy1 was released July 2020.

The Draft SMP has been presented to the two Board of Supervisors (Board) Committees; Finance and Government Operations Committee (FGOC) AND Housing, Land Use Environment and Transportation (HLUET) Committee in June, the Board in July 2020 and the Planning Commission in August 2020.

The next steps are to build the SMP into a publicly available website to display a dashboard of data and metrics to show the County’s progress towards their sustainability goals. Currently, OOS is working with the departments to finalize the targets and key performance indicators to be presented on the dashboard. The Draft SMP can be viewed on the OOS SMP webpage2.

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2 https://www.sccgov.org/sites/osp/Pages/smp.aspx
The County of Santa Clara proactively combats climate change by accelerating local and regional solutions to achieve carbon neutrality and build community resilience. The projects in this section highlight the County's efforts to implement holistic, systems-based approaches to reduce greenhouse gases, increase carbon sequestration, and build resilience to the threats of climate change and natural disasters, while facilitating cross-jurisdictional partnership and collaboration.

CLIMATE PROTECTION AND DEFENSE

The County of Santa Clara proactively combats climate change by accelerating local and regional solutions to achieve carbon neutrality and build community resilience. The projects in this section highlight the County’s efforts to implement holistic, systems-based approaches to reduce greenhouse gases, increase carbon sequestration, and build resilience to the threats of climate change and natural disasters, while facilitating cross-jurisdictional partnership and collaboration.
Energy Efficiency
Aligns with Environmental Stewardship Goals (ESGs) Nos. 1 and 2³.

County Buildings
To advance the County’s goal of increasing energy efficiency, FAF and VMC have been working with three Energy Services Companies (ESCOs) to develop energy efficiency projects at County facilities. Ameresco and Siemens, will implement $7 million of energy efficiency measures at 1.8 million square feet of County facilities over two years. Ameresco has now completed LED lighting retrofits on 10 facilities covering over 700,000 sq. ft of space and is in the process of retrofitting another 240,000 sq. ft across 11 more facilities. In late August, Siemens will commence LED lighting retrofits on 11 facilities covering just over 900,000 sq. ft. All these efficiency retrofits will result in an estimated electricity usage reduction of 3,309,000 kWh per year.

Bay Area Regional Energy Network (BayREN)

The BayREN Codes & Standards Program continues to help local governments throughout the nine Bay Area counties improve code compliance and adopt and implement energy policies. In response to COVID-19, BayREN has shifted its operations to offer online trainings for building departments. The very first online Codes and Standards training, coordinated by OOS, was held in early May. Since then, numerous additional trainings have been held for building department staff throughout the Bay Area focusing on topics ranging from energy code changes, reach code implementation, and heat pump water.

Due to COVID-19 and the inability to hold in-person workshops, OOS has been focusing BayREN’s Home⁴ and BAMBE⁵ outreach on recruiting participating contractors and assessors to help spread the word about electrification measures and incentives offered to decarbonize multifamily and single family homes. OOS has pivoted to hosting online BayREN workshops for Santa Clara County single-family residents and multifamily property owners to learn about energy efficiency and electrification measures as well as available incentives to maximize savings and create a cleaner environment inside the home and outside.

³ ESG 1 - Ensure that 100% of light fixtures owned and operated by the County, in buildings, on streets, and in parks are at the highest energy efficiency standard.
ESG 2 - Reduce per capita energy use by 50%.
⁴ BayREN Single Family Program - https://bayrenresidential.org/
⁵ Bay Area Multifamily Building Enhancements Program - https://www.bayren.org/multifamily
Renewable Energy Aggregate Program (REAP)
Aligns with ESG No. 36.
AF also continues to work on the development of the Renewable Energy Aggregate Program (REAP) Power Purchase Agreement (PPA), which currently contemplates the installation of approximately 11.4 megawatts of solar across 13 County sites, 4.7 megawatts of energy storage capacity across 4 County sites, and the potential for E-V Charging stations at 3 County sites. In addition, FAF is evaluating the possible inclusion of micro-grid enabled technology for the contemplated solar and battery storage systems to facilitate future implementation of micro-grid systems. Onsite generation of renewable energy would result in significant electricity cost savings and allow the County to decrease its level of dependence on Renewable Energy Credits (REC) over the term of the REAP agreement.

Green Buildings
Aligns with ESG No. 47.
The Vietnamese American Service Center in San Jose will be the County’s first all-electric facility and is targeting LEED certification. Construction commenced in November 2019, with a targeted completion date of late spring 2021. The integrated design process allowed for inclusion of additional sustainability features such as bio-retention, electric vehicle charging stations, bike parking, and solar. The Animal Services Center in San Martin is also targeting LEED Silver certification. Construction commenced in July 2019, with a targeted completion date of Spring 2021. The integrated design process allowed for inclusion of sustainability features such as sustainable landscaping, solar hot water and solar ready.

6 ESG 3 - Receive 100% of our electrical power from clean renewable sources.
7 ESG 4 - Ensure that 100% of County buildings are LEED certified and require LEED standards for construction in County land use jurisdictions.
Green Building Policy Update
An ad-hoc Green Building Policy Working Group comprising staff from FAF, DPD, Parks, CEPA, and OOS has been established to discuss updating the County’s Green Building Policy for County Facilities and the Green Building Ordinance. The June 3, 2020 meeting was the first meeting between staff to discuss possible updates to strengthen the County’s Green Building Policy and Ordinance, which include consideration of CalGreen Tier 1 or 2 requirements, zero-net energy, resiliency and other conservation measures for County owned facilities and private development.

Waste Reduction
Aligns with ESG No. 5

Waste Reduction at County Facilities
The RFP for waste service of County facilities will be released in late 2020. This will allow additional time to consider the impacts and cost implications of Senate Bill 1383 requiring a 75 percent reduction in the level of organic waste disposal by 2025 and to allow haulers additional time to adjust to the impacts of COVID-19 to the waste industry. The RFP will incorporate additional sustainability goals, use of innovative technology and the option to include services of the North and South County facilities which are currently serviced through local jurisdictions franchise agreements.

FAF also initiated efforts to implement the Zero Waste Policy at O’Connor Hospital. Due to the focus on the hospital system’s COVID-19 response, the waste program implementation will resume with the new contract in place. In the meantime, staff continues to incorporate zero waste efforts as waste service calls come in from hospitals and all facilities. New bins that conform with Senate Bill 1383 were delivered and old bins were removed at James Ranch in time for the opening of the new construction. The Ranch is now separating and collecting their organic waste for composting.

Waste Reduction in Unincorporated County
For Unincorporated County, CEPA amended the Unincorporated Solid Franchise Agreements to continue to promote diversion from landfill responding to global recycling market impacts. Recycling and Reuse campaigns are also being retooled to reflect COVID impacts.

Waste Reduction through Construction Processes
RDA has implemented Cured-In-Place (CIR) processes for recycling existing asphalt concrete and using the recycled material as base material in the construction of new or replacement roadway segments during pavement rehabilitation projects. This construction method diverts waste material from the landfill and recycles it in place as a base material. This construction method will be used on the upcoming Capitol Expressway Pavement Rehabilitation project.

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8 ESG 5 - Divert 100% of county waste from landfills and convert waste to energy.
9 Senate Bill No. 1383
10 Zero Waste Policy for County Facilities and Operations – Board Policy 8.4, adopted 10-8-13
Green Transportation

*Aligns with ESG No. 8*¹¹

The Greening County Fleet and Operations Study is currently underway, with a target completion date of fall 2020. The study is evaluating the County’s fleet management operation and areas for reducing greenhouse gas emissions (GHG), both directly and indirectly (e.g., reducing non-renewable fuel sources), while improving fuel efficiency in the most practical and cost-effective manner. This study will help chart a course of action that will increase the total number of vehicles in the County fleet that run on low GHG-emitting alternative fuels.

**Employee and Client Transportation**

Recommendations from the Transportation Demand Management (TDM) Implementation Guide and the Transportation Needs Assessment (TNA) for County Clients studies were completed in early 2020 and will presented to the Board in September 2020.

To encourage public transit use, the County, through the VTA SmartPass Program, offers all employees free non-express bus and light rail access. Before the COVID-19 pandemic, the County averaged roughly 1,500 unique users per month. Since the pandemic began, SmartPass utilization has dropped to less than 100 unique users per month. The County also continues to incentivize public transit use through pre-tax commuter benefits. Over the last 3 months, the County has averaged less than 50 pre-tax users per month.

**Resiliency Planning**

**Flooding and Sea Level Rise Protection**

As a resiliency measure, RDA continues to use a construction method that consists of injecting of a rigid structural geotechnical polymer into weak foundation soils to create an adequate soil density designed to stabilize and prevent future soil erosion, slides, or general slope instability associated with climate change flooding and sea level rise. This method was recently used for settlement abatement on the intersection approaches at the San Tomas Railroad overcrossing bridge.

**Ongoing Consultant Services**

FAF is currently evaluating proposals for consultant services for Facility Energy Planning and Resiliency. Tasks for consideration under the future Professional Services Agreement(s) include micro-grid design,

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¹¹ ESG 8 - Ensure that 100% of public fleet vehicles are electric, hybrid electric or run on alternative fuels.
all-electric feasibility studies for existing County facilities, a resiliency plan for County facilities, zero-net
energy (ZNE) feasibility study, and retro-commissioning program rollout. All tasks will contribute
towards the County’s sustainability goals, specifically the decarbonization and resiliency efforts.

Silicon Valley 2.0
OOS kickstarted the project to update theSV 2.0 Climate Change Preparedness Decision Support Tool,
together with AECOM and Point Blue. Future improvements to the tool include updated climate risk
data, integration with other sustainability efforts, and its usability for County staff, other government agencies,
and the public. A social vulnerability index layer will be
developed and added to help inform resiliency and adaptation planning in the County. OOS has started re-
engaging with cities and other public agencies about coordinating resiliency planning for the region and the
improved SV 2.0 tool is being updated to support these efforts.

Wildfire Planning and Preparedness
CalFire is working with RDA and Parks to
improve fire protection and response in the
County. Parks was awarded $860,000 to
improve forest conditions and reduce the
risk of catastrophic fire at Mt. Madonna
County Park. The Mt. Madonna Fuel
Reduction Project will remove 25 acres of
highly flammable invasive eucalyptus trees
to allow the fire-resistant native forest to
regenerate. In addition, the project will
create a 2.5 mile shaded fuel break along
Pole Line Road to serve as a fire control line
and safer escape route for mountain
residents. Further, RDA is coordinating with
CalFire on an as-needed basis to share and extend the Roads Department South Yard as a staging
area for large South County fire response. RDA will also share airport space with CalFire on an as-
needed basis for the same purpose.

Farmland and Open Space Preservation
DPD has been working on updating the Zoning Ordinance to better protect and support the open
space and agricultural areas that provide manifold ecosystem services and bolstering regional
climate change resilience. DPD is exploring limitations on new development footprints and on the
allowed uses in rural areas. In support of the adopted Santa Clara Valley Agricultural Plan
implementation measures, the end goal will be to discourage farmland loss and new uses that are
incompatible with agriculture, while encouraging uses that are supportive of the agricultural area’s future viability.

Agricultural Resilience Incentive (ARI) Grant Program: On May 12, 2020, the Board approved DPD’s proposed Policies and Procedures Guide for the ARI program, which will disburse $200,000 in grant funding to working farms and ranches that drawdown atmospheric carbon to be sequestered in soil and perennial vegetation. Each grant will help to cover the costs of implementing carbon farming practices that improve the health of the soil and ecosystem diversity while pulling harmful greenhouse gases out of the air. DPD is in the process of soliciting applications and will disburse these funds in the form of grants in FY 2021 with Board approval.

State Water Efficiency & Enhancement Program (SWEEP) and Healthy Soils Program (HSP): Supported by CEPA, the University of California Cooperative Extension (UCCE) Small Farm Program (SFP) assisted 12 farmers with applying for the SWEEP grant, which provides funding to farmers interested in increasing the water and energy efficiency of their irrigation systems. In addition, UCCE SFP assisted 10 farmers with applying for the HSP grant, which provides funding to growers and ranchers to implement conservation management practices that sequester carbon, reduce atmospheric greenhouse gases, and improve soil health. All 22 growers have successfully received funding and are currently implementing these projects on their farms.

Regional Collaboration

County Climate Coalition

OOS completed its partnership with the Climate Reality Project (CRP) that was first formed to build membership for the County Climate Coalition. As of September 2020, there are 32 member counties in the Coalition. OOS launched a Coalition Learning Network on August 6, 2020, with an inaugural webinar about, “The Climate Crisis and a Just and Sustainable Recovery from COVID-19”. Supervisor Dave Cortese welcomed the webinar attendees and speakers for the panel discussion included Gary Gero, Chief Sustainability Officer from the County of Los Angeles (CA), Kathy Kuntz, Acting Director, Office of Energy and Climate Change from the County of Dane (WI), and Claire Oleksiak, Executive Director from Sustain Dane (WI).
NATURAL RESOURCES AND ENVIRONMENT

The County’s environmental policies and programs protect, enhance, and restore natural resources, in collaboration with public and private partners. The projects in this section show the County’s efforts to reduce the cumulative impacts of environmental hazards, such as air and water pollution, protect and enhance the diversity and size of ecosystems and habitats across the County, connect a network of regional parks and trails to provide the opportunity for people to commune with nature, and ensure access to clean water while also promoting water efficiency, conservation, and reuse.
Sustainable Landscaping
Aligns with ESG No. 6\textsuperscript{12}

The County’s Charcot campus in San Jose (2310 North First Street) was assessed as part of the County’s Landscape Inventory and Operational Needs Assessment, and included recommendations for sustainable landscaping at County facilities. FAF obtained funding to complete a landscape upgrade at this facility, which will feature recycled water and sustainable (drought tolerant) landscaping. The project is currently underway and estimated to be completed by early fall 2020. Additionally, seven County FAF landscape maintenance staff attended Recycled Water Site Training and three staff attended Bay Friendly Landscape Maintenance Training to better integrate sustainable landscaping practices into County operations.

Park Trails
Aligns with ESG Nos. 9\textsuperscript{13}

The Santa Clara County Parks Department (Parks) has constructed three trails that have contributed to the Countywide Trails Master Plan (CWTMP); the Almaden Trail, the Lisa Killough Trail and the Oak Cove Trail. All three are unpaved, multi-use trails located within Calero County Park. The total length of the three trails is 10.03 miles. Parks has constructed an additional 0.45 miles of unpaved trail contributing to the Saratoga to the Skyline trail, a regional trail listed in the Countywide Trails Master Plan.

\textsuperscript{12} ESG 6 - Reduce our consumption of water by 20% and recycle or beneficially reuse 100% of our waste water.

\textsuperscript{13} ESG 9 - Work with local governments and regional authorities to ensure that all existing County trails are interconnected with local and regional trails.
Urban Forestry
Aligns with ESG No. 10

At the Feb 11, 2020 meeting, the Board of Supervisors directed OOS to proceed with establishing a Tree Planting Services and Stewardship Pilot Program for public and private residents of Santa Clara County to plant and maintain 1,000 trees annually over a three-year period through agreements with two non-profit groups: Our City Forest (OCF) and Canopy.

To help combat climate change and better address the issues of urban heat islands, low canopy cover, poor air quality, and stormwater management challenges, the Board also approved a recommended shift of focus from planting mainly in County-owned and managed areas, to planting trees in urban areas of ecological need Countywide.

This program will conduct urban forestry outreach to find locations for trees and raise awareness of the benefits and importance of urban trees. It will also provide planting services and after-planting support. These services are also available on an as-requested basis to County departments to facilitate compliance with mitigation requirements for County tree-removal projects and maximize efforts to expand the urban forest.

Watershed Education and Riparian Stewardship
Aligns with ESG No. 12

In June 2020, CEPA continued discussions with SJSU CommUniverCity on partnership opportunities with the County’s Clean Water Program to provide expanded watershed education curriculum and pollution prevention outreach to school-aged children in unincorporated South County. This would include distributing watershed activity kits to students, water quality testing exercises, and class presentations. CommUniverCity is currently finalizing curriculum and program scheduling for the upcoming school years.

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14 ESG 10 - Plant 1,000 trees annually within a 15-year time frame in unincorporated urban county pockets and work with local government, agencies, non-profit organizations such as Our City Forest and Palo Alto Canopy to build a comprehensive urban forest.

15 ESG 12 - Develop educational programs and volunteer service opportunities that promote local stewardship of streams and riparian corridors and develop programs of ecologically compatible recreational use of streams and riparian corridors.
Parks put pollution prevention and riparian stewardship into practice by leading the removal of Cape Ivy at Penitencia Creek, which was done over 4 single day events from March – April 2020. Participants removed invasive plants, trash and debris in the riparian corridor filling a 20-yard dumpster. Parks is also anticipating a 2021 launch of the updated Parks’ Junior Ranger Program, for children ages 9-11, to explore history and nature with park staff.

Demonstration Garden at Hellyer Park

Aligns with ESG Nos. 6 and 12

Since June 2019, County Parks Department staff, along with community volunteers, have been working to install a native plant demonstration garden at Hellyer County Park. The garden when finished will include interpretive signage on the topics of hydrology, wildlife, and native plants; statues of local wildlife; and animal tracks stamped in concrete. Completion is estimated in 2021. The garden is intended to demonstrate the conservative benefits of a drought tolerant, native plant garden, which requires less fertilizer, pesticides, energy, and water to maintain.

A native riparian habitat area is also included in the demonstration garden. This riparian area is designed to help visitors understand the local watershed, as well as the ecological importance of the riparian habitat and its functions. It demonstrates how waterways connect ecosystems, raising awareness of how debris and pollution in our local streams and creeks can be washed out to the Bay.
COMMUNITY HEALTH AND WELL-BEING

The County strives to protect and improve the health of our community so that all people thrive in healthy and safe communities. The projects in this section show the County’s efforts as it seeks to ensure residents have access to health care and affordable housing, a social safety net, resilience to future climate threats and pandemics, and opportunities for learning, employment, and culturally responsive engagement, capacity building and leadership.
Healthy Cities Criteria
PHD’s Healthy Cities Program aims to guide cities and towns across the County to adopt and implement policies and practices that address growing health inequities, prevent chronic disease, injuries, and violence, and mitigate climate change. PHD provides cities with technical assistance, funding, recognition, and model policies to support a healthier community. PHD also releases annual Dashboards to cities, tracking their progress towards achieving priority policies and strategies. For 2020, PHD released a set of tentative medal criteria and OOS provided input on the criteria to align the Healthy Cities Program goals with the climate protection and community health strategies outlined in the Draft SMP. This is a step forward in aligning County efforts and leveraging different County programs to build a sustainable and healthy community.

Health and Equity in Climate Action Plans
PHD worked with a Stanford Valley Fellow to develop and apply a tool to identify the impacts that jurisdiction’s Climate Action Plans (CAPs) have on health and equity. Although CAPs have the positive goal of reducing GHG emissions, the different strategies may have repercussions on the communities that are most vulnerable to the effects of climate change. The tool will identify positive impacts and areas for improvement, and these will be shared with the different jurisdictions. This project supports PHD’s Strategic Plan, Healthy Cities Program and the Chronic Disease Prevention Strategic Plan.

County Active Transportation Plan
RDA is coordinating with PHD to jointly develop a County Active Transportation Plan. This plan will identify walking and bicycling facilities for capital project implementation to advance the County’s Public Health and Sustainability goals of reducing pedestrian and bicycle fatalities and injuries and promoting walking, biking and use of public transportation. RDA will release RFP bid in mid-September and officially kick off the project in October. From then RDA is aiming to complete the plan around the end of year 2022.

Linking Vulnerable Latinx Children and Families to County Parks
Through strong collaborative partnerships, PHD implements a highly successful Park Prescription Initiative to engage vulnerable high-risk families primarily from East San Jose in bimonthly interpreter led walks at County Parks. The program helps increases access to nature; understanding of environmental stewardship; social cohesiveness; resilience and health. The Park Prescription Initiative

Figure 16. Park walk (Photo credit: PHD)
is a partnership between Santa Clara Valley Open Space Authority, Santa Clara Valley Medical Center’s Pediatric Healthy Lifestyle Center, County Parks and PHD. The initiative is designed to promote the health benefits of park use to pediatric patients with chronic health concerns and build future stewards of parks and open space as part of a larger climate mitigation strategy.

System-wide Food, Agriculture, and Health Access Initiative
At its June 2, 2020 meeting (Item No. 22), the Board of Supervisors approved directing Administration to report back to the Board with a workplan and timeline to create a comprehensive system-wide Food, Agriculture, and Health Access Initiative, including convening with public, private, and cross-systems partners and inclusive of the Santa Clara County restaurant industry. On July 20, 2020, the Santa Clara County Food System Alliance (SCCFSA) and the San Francisco Bay Area Planning and Urban Research Association (SPUR) co-hosted a convening that gathered 80+ food system participant from both system partners and county departments. The convening discussed strategies, policies, ideas, and key partners for moving Santa Clara’s food system forward.

CEPA and the Office of the County Executive (CEO) recently started meetings with many county departments to better coordinate efforts around the food system. CEPA and CEO will provide a report back with recommendations to the Board of Supervisors meeting on September 1, 2020.
PROSPEROUS AND JUST ECONOMY

To build a just and prosperous economy, the County cultivates green industries and jobs that produce goods and provide services that benefit the environment or that involve making production processes more environmentally friendly, invests in youth and historically marginalized communities, build pipelines out of poverty, promote leadership among County employee and community members, and foster collaboration among cities and regional agencies. The projects in this section highlight the County’s current efforts.
Green Workforce and Job Training
 Aligns with ESG No. 11

CEPA contracts with SJSU Environmental Studies program to provide paid student internships and academic credit for students providing support to the Recycling and Waste Reduction Division (RWRD) and Household Hazardous Waste (HHW) Programs. This increases students’ exposure and awareness of green jobs and the different environmental programs the County offers.

CEPA also continues to oversee a contract between CalTrans and the San Jose Conservation Corps (SJCC) for litter, debris, and vegetation management in the County right-of-way. Through the life of the contract (2017-2022) the County CalTrans program is estimated to provide SJCC with over 225,000 hours of paid job training and education for approximately 200 at-risk youth, ages 18-27 who desire training and completion of their high school diploma of G.E.D.

Parks continues to involve the California Conservation Corps (CCC) and SJCC and Charter School in the construction and maintenance of trails, the restoration of natural resources, and in projects that reduce the risk of wildfire. Recent collaboration include work on the Oak Cove Trail at Calero County Park, the Saratoga to Skyline Trail at Sanborn Park, forest health and tree thinning at Uvas Canyon and removing old fencing and reducing flammable fuels at Coyote Canyon, as demonstrated in this YouTube video about the CCC’s work with Parks: https://www.youtube.com/watch?v=EOnm1qAAVTc

Another County program to foster the green workforce is the Tree Planting and Stewardship Pilot Program which provides funding for Our City Forest to add an additional 30 AmeriCorps positions to work with their team over the next three years and help implement urban forestry efforts throughout the County. AmeriCorps members that work with Our City Forest receive health insurance, a work stipend, and training and practical experience in tree care and urban forestry.

16 ESG 11 - Increase the available blue and white collar “clean and green workforce” course/trainings available regionally and in Santa Clara County and help place 20,000 trainees and graduates in the regional labor force by the end of 2013.
Green Procurement
In 2019 an effort was undertaken to guide a new procurement initiative, namely the institutionalizing of a Countywide Sustainable Purchasing Policy. To assist in this effort, the Vendor Outreach team in Procurement conducted a study consisting of the following: 1) a Countywide sustainability policy gap analysis; 2) a spend analysis of contracts and purchase orders issued by the Procurement Department over a five-year period; 3) two applicable vendor surveys; and 4) a sample contract analysis of contracts established and managed by the Procurement Department that pertained to sustainability. A new Sustainable Purchasing Policy working group has recently been established that comprises Procurement, OOS, and FAF. The working group is guiding the development of a Countywide Sustainability Purchasing Policy to provide County departments and agencies with simplified sustainable procurement guidelines that will help standardize and track quantifiable sustainability practices and results.

For more information, visit the Office of Sustainability Website
Contact us at sustainability@ceo.sccgov.org
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: Jo Zientek, Director, Consumer/Environmental Protection Agency
SUBJECT: FY20 Biannual Status Report - Spay/Neuter Program

RECOMMENDED ACTION
Consider recommendations from the Consumer and Environmental Protection Agency relating to the County Animal Services Center Spay/Neuter Program report.

Possible action:
   a. Receive final report.
   b. Approve discontinuing monthly reporting relating to the Spay/Neuter Program.
   c. Direct Administration to report to the Committee in May 2021 relating to programming and objectives for clinic services at the new Animal Services Center.

FISCAL IMPLICATIONS
There is no impact to the General Fund as a result of this action.

REASONS FOR RECOMMENDATION
The Housing, Land Use, Environment, and Transportation (HLUET) Committee requested that the Division of Animal Care and Control in the Consumer and Environmental Protection Agency (CEPA) provide Spay/Neuter Program status reports biannually to HLUET for July through December and the entire fiscal year. As part of the FY21 County of Santa Clara Adopted Budget, this program was terminated, and program resources were reallocated to clinic services at the new Animal Services Center, which opens first quarter of 2021.

CHILD IMPACT
The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT
The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS
The recommended action will have no/neutral sustainability implications.
BACKGROUND

In FY99, the Board of Supervisors approved funding to subsidize the cost of spay/neuter in the County of Santa Clara to reduce shelter euthanasia and prevent the birth of unplanned litters. At that time, the County Animal Shelter did not have clinic or veterinary personnel to provide this service. Therefore, the Department of Agriculture and Environmental Management launched a Countywide program to subsidize the procedure at private veterinary clinics and animal shelters equipped to perform the surgeries Countywide. More recently, the County began developing inhouse services and hired its first staff veterinarian in FY17. Since then, County Animal Shelter veterinary operations have expanded with staff completing nearly 1,500 spay/neuter requests for the public, in addition to more than 2,000 such surgeries for shelter pets in 2019. Furthermore, 2,800 spay/neuter surgeries were completed during this same period through the contracted services providers participating in the County’s Low-Cost Spay/Neuter Program.

The need for the County to provide direct spay/neuter services was further necessitated by the closure of Saint Francis of Assisi Spay/Neuter Clinic in 2019: the last remaining South County participant in the County’s Low-Cost Spay/Neuter Program, which performed approximately 25% of all the program’s surgeries. This closure left a significant service gap for affordable veterinary care in Morgan Hill, San Martin, and Gilroy, which represents one of the lower-income communities in Santa Clara County. The FY21 Adopted Budget included CEPA’s proposal to terminate the existing Low-Cost Spay/Neuter Program and reallocating those resources to fund clinic operations at the new Animal Services Center. Staff evaluation concluded that this was the most efficient use of County resources by providing more surgeries at a lower cost per surgery. This approach also facilitates focusing effort on members of the community with the greatest need for services.

Bi-annual Report for FY20

Spay/Neuter Funding

The Board approved an FY20 base budget of $211,000 for the Low-Cost Spay/Neuter Program; funding was augmented with donations and reimbursements from three participating cities. For FY20, eight contracted veterinarian clinics utilized $112,105 of Program funds. Following the closure of Saint Francis of Assisi Spay/Neuter Clinic – the Board approved allocating the $69,000 in funds allotted to the clinic: to adding 1.0 FTE Veterinarian to CEPA to fill the service gap in Gilroy, San Martin, and Morgan Hill.
### Limited No Charge Spay/Neuter Services for Large Breed Dogs

Under the Large Breed Dog Program, male large breed dogs of any age, and female large breed dogs under six months of age, are eligible for free spay/neuter services. The maximum County subsidy for a female large breed dog over six months of age is $100. Since this program began, the following numbers of surgeries have been performed:

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<tr>
<td>2012</td>
<td>261</td>
<td>2017</td>
<td>294</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Program Status

For the first half of FY20, eight veterinary clinics participated in the Program and allocated funding as shown below:

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Total Funds Utilized FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feral &amp; Stray Cats</td>
<td>$57,560</td>
</tr>
<tr>
<td>Domestic Cats</td>
<td>$13,890</td>
</tr>
<tr>
<td>Dogs</td>
<td>$40,655</td>
</tr>
<tr>
<td>Total Low-cost Spay/Neuter</td>
<td>$98,990</td>
</tr>
<tr>
<td>Large Breed Dogs</td>
<td>$13,115</td>
</tr>
<tr>
<td>Total Spay Neuter/Program</td>
<td>$112,105</td>
</tr>
</tbody>
</table>

### Program Surgeries Completed and Funds Used

Through FY20, participating clinics completed the following number of surgeries and utilized the following percentages of allocated contract funding:

<table>
<thead>
<tr>
<th>Spay/Neuter Clinic</th>
<th>Feral Cat</th>
<th>Domestic Cat</th>
<th>Dog</th>
<th>Total Surgeries</th>
<th>% Allocated Funds Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akal/ San Jose Animal Hospital</td>
<td>125</td>
<td>109</td>
<td>133</td>
<td>367</td>
<td>76.8%</td>
</tr>
<tr>
<td>Animal Medical Center</td>
<td>870</td>
<td>31</td>
<td>43</td>
<td>944</td>
<td>94.7%</td>
</tr>
<tr>
<td>The Animal Medical Clinic</td>
<td>359</td>
<td>28</td>
<td>46</td>
<td>433</td>
<td>98.7%</td>
</tr>
<tr>
<td>Humane Society of Silicon Valley</td>
<td>225</td>
<td>0</td>
<td>43</td>
<td>267</td>
<td>41.9%</td>
</tr>
<tr>
<td>Reed Animal Hospital</td>
<td>45</td>
<td>8</td>
<td>11</td>
<td>64</td>
<td>28%</td>
</tr>
<tr>
<td>SNV Alum Rock and Bloom Plaza</td>
<td>0</td>
<td>3</td>
<td>13</td>
<td>16</td>
<td>27.8%</td>
</tr>
<tr>
<td>Silicon Valley Animal Control Authority</td>
<td>6</td>
<td>216</td>
<td>226</td>
<td>448</td>
<td>59.5%</td>
</tr>
<tr>
<td>Canyon Creek Pet Hospital</td>
<td>5</td>
<td>68</td>
<td>35</td>
<td>108</td>
<td>88.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,635</strong></td>
<td><strong>463</strong></td>
<td><strong>550</strong></td>
<td><strong>2,648</strong></td>
<td><strong>69.2%</strong></td>
</tr>
</tbody>
</table>
**Animal Shelter Positive Outcome Statistics**

Animals adopted, placed with a rescue group, and those returned to their owner/guardian are considered to have achieved a positive outcome. The HLUET Committee requested that the Shelter’s positive outcome statistics be provided with this report. The Asilomar/Maddie’s Fund Report (attached) lists the activity of the Shelter during the calendar year, including the live release rate, beginning shelter animal count (or inventory), and ending shelter count. To be considered a “no-kill” shelter, the live release rate must be at least 90%.

The following are the Shelter’s live release rates:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Live Release Rate</th>
<th>Calendar Year</th>
<th>Live Release Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>72.4%</td>
<td>2015</td>
<td>93.8%</td>
</tr>
<tr>
<td>2011</td>
<td>80.2%</td>
<td>2016</td>
<td>92.8%</td>
</tr>
<tr>
<td>2012</td>
<td>89.2%</td>
<td>2017</td>
<td>92.9%</td>
</tr>
<tr>
<td>2013</td>
<td>90.3%</td>
<td>2018</td>
<td>94.3%</td>
</tr>
<tr>
<td>2014</td>
<td>90.7%</td>
<td>2019</td>
<td>94.4%</td>
</tr>
</tbody>
</table>

**CONSEQUENCES OF NEGATIVE ACTION**

The HLUET Committee and the Board of Supervisors will not receive the FY20 biannual status report on the Spay/Neuter Program and animal shelter operations, and the HLUET workplan will not reflect the termination of this program.
DATE: September 17, 2020
TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)
FROM: Consuelo Hernandez, Acting Director
SUBJECT: Supportive Housing Reports

RECOMMENDED ACTION
Consider recommendations from the Office of Supportive Housing relating to Supportive Housing System of Care reports.

Possible action:
   a. Receive monthly report relating to Supportive Housing System Dashboard.
   b. Receive semi-annual report relating to Reentry Housing Programs.

FISCAL IMPLICATIONS
There are no fiscal implications associated with this informational report.

REASONS FOR RECOMMENDATION
At its meeting on January 12, 2016 (Item No. 11), the Board of Supervisors directed the Administration to provide the Board with recurring reports or dashboards about the capacity and effectiveness of the supportive housing system for homeless individuals and families. The purpose of the reports is to communicate the impact of the County and community investments in solutions to prevent and end homelessness. On October 19, 2017 (Item No. 13), the Housing, Land Use, Environment, and Transportation Committee (HLUET) approved a monthly reporting schedule that includes a Supportive Housing System Dashboard and a semi-annual program type or subpopulation report or annual system report.

Attached is the Supportive Housing System Dashboard Report and the semi-annual Rentry Housing Report (Attachment A).

CHILD IMPACT
The recommended action will have no/neutral impact on children and youth.
SENIOR IMPACT
The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS
The recommended action will have no/neutral sustainability implications.

BACKGROUND
The supportive housing system includes Permanent Supportive Housing programs (PSH), Rapid Rehousing programs (RRH), Homelessness Prevention programs (HP) and a Crisis Response system of outreach services, emergency shelter and transitional housing. The backbone to the system of care is a coordinated entry system with a robust Homeless Management Information System (HMIS) and dedicated staff to support performance management, compliance with federal grants and system planning.

This report describes the type, content of and frequency of reports that the Office of Supportive Housing (OSH) would provide to the Board.

Types of Reports

- Supportive Housing System Report – This report describes the overall supportive housing system of care. The report’s primary function is to communicate whether different program types are contributing to an overall reduction in homelessness. For example, the report describes housing placement rates across all programs.

- System Component Reports – OSH provides four reports, one each for PSH, RRH, HP and Crisis Response strategies. The primary purpose of these reports is to summarize the effectiveness of all programs under each strategy.

- Sub-Population Reports – OSH provides reports for certain sub-populations. Currently, the only sub-population scheduled for ongoing reporting is homeless veterans. This report provides the Board with a summary of the community’s progress toward ending veteran homelessness. Unlike the System Component Reports, this report summarizes the effectiveness of the entire supportive housing system as it relates to homeless veterans, who can and are served by the full range of supportive housing programs.

Report Content

- Programmatic Capacity – Each report describes the total resources that were available to serve homeless individuals and families. Depending on the program type, the resources are categorized in different ways. For example, emergency shelter for single homeless individuals is organized into number of shelter beds whereas emergency shelter for homeless families is organized into the number of shelter units.
• Utilization – Each report provides the current and cumulative utilization rates of applicable programs. As with program capacity, utilization is described differently for different programs. For example, emergency shelter utilization is typically limited to how often shelter beds are occupied. However, for PSH programs, utilization reports consider both enrollment in services and the number of enrolled clients who are housed.

• Performance Measures – As a requirement of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, OSH and local stakeholders established performance measures by program type and for the supportive housing system. Each report includes the relevant programs’ progress toward community-approved performance measures. For example, housing retention after 12 months is a key performance measure for PSH programs.

• Demographic Information – Each report describes program participants basic characteristics including, but not limited to, ethnicity, income, gender, income source and last permanent address.

• Funding – Each report provides the total funding and sources of funding for the programs in question.

• Other – Each report includes other information such as expansion opportunities (e.g., new grant opportunities) and development activities (e.g., new permanent supportive housing projects).

**CONSEQUENCES OF NEGATIVE ACTION**

The HLUET committee would not receive the requested reports. OSH would continue providing the current reports on a monthly basis for system reporting and management purposes.

**ATTACHMENTS:**

• SH Dashboard and System Report Combined Sept 2020  (PDF)
September 1, 2020

TO: Board of Supervisors
Housing, Land Use, Environment and Transportation Committee (HLUET) Committee

FROM: Consuelo Hernandez, Office of Supportive Housing (OSH)

SUBJECT: Supportive Housing System in Santa Clara County

The Santa Clara County Continuum of Care has released the 2020-2025 Community Plan to End Homelessness. On August 25, 2020, the County Board of Supervisors endorsed the plan. The plan builds on the collective efforts of the past five years and serves as the roadmap for ending homelessness in Santa Clara County.

The 2020-2025 plan sets aggressive targets designed to reverse the current growth in homelessness and bring us one step closer to our collective goal of eliminating homelessness in Santa Clara County. By 2025, we will:

- House 20,000 people through the supportive housing system;
- Achieve a 30 percent reduction in annual inflow of people becoming homeless;
- Expand the Homelessness Prevention System and other early interventions to serve 2,500 people per year;
- Double temporary housing and shelter capacity to reduce the number of people sleeping outside; and
- Address the racial inequities present among unhoused people and families and track progress toward reducing disparities.

This report will highlight progress toward these goals as appropriate on a monthly, semi-annual, or annual basis.

The attached report highlights trends, successes, and challenges of the supportive housing system in Santa Clara County between August 2019 and July 2020. The report’s primary
function is to communicate how different programs are contributing to an overall reduction in homelessness. The supportive housing system includes housing programs that fall into five main categories: Emergency Shelter (ES), Transitional Housing (TH), Rapid Rehousing (RRH), Permanent Supportive Housing (PSH), and Homelessness Prevention (HP). Additionally, this report provides supplementary data focusing on the County’s reentry RRH programs.

**Supportive Housing System Trends and Highlights**

Appendix A highlights two new goals in the new community plan. Since January 1, 2020, we have housed 2,034 individuals (representing 1,365 households), 10% toward the goal of housing 20,000 people. The chart on the right depicts progress toward the County’s goal of a 30% reduction (3,253) in the annual inflow of people becoming homeless. Inflow for calendar year 2019 (4,647 people) is used as a baseline, since inflow over the past one year (4,042 people) was atypical due to the pandemic.

Appendix B provides program capacity and utilization for our five program categories plus the Safe Parking (SP) initiative. Program utilization averaged 83% across programs. Starting in July, we have the capacity to serve an additional 600 households via HP programs. With the impending end of the State’s eviction moratorium, we anticipate an increase in the need for HP services in the County.

Appendix C illustrates key system performance measures, benchmarks for which are determined in coordination with community partners on an annual basis. Notable trends and highlights for the reporting period include the following:

- Chart 1 depicts the number of people experiencing homelessness for the first time (inflow) compared to the number of clients enrolled in a housing program during the same period. As shown in chart 1, inflow remained at 49% of the total number of housing program enrollments – the same as percentage as last year, and down 1% from last month. We anticipate the possibility of increased inflow in the coming weeks and months with the end of the moratorium on evictions effective 9/1/2020.
- Chart 2 provides data on exits to permanent housing destinations by housing type and period. Exits to permanent housing from RRH programs increased by 5% from the same period last year (69% to 74%), landing just below the 75% benchmark.
- Chart 3 illustrates that permanent housing retention remains high at 96%, exceeding the system-wide 95% benchmark over the past year.

Appendix D presents data on housing placements and system entries by project type. The upper chart shows the number of households moving from homelessness to permanent housing, and the type of project from which they were receiving assistance. The lower chart
indicates the number of households that moved to permanent housing for the period, compared to the number of households assessed for the first time (new entries to the homeless system). The number of newly homeless residents continues to outpace the rate of housing placements. For July, first-time homeless households exceeded monthly housing placements by 19%. The continued trend in reduced inflow may be a result of the Shelter-In-Place (SIP) order initiated in mid-March. OSH will continue to monitor the inflow closely to understand the impacts of the pandemic on the homeless population, particularly the number of new households experiencing homelessness.

Appendix E illustrates data on returns to homelessness for households that were permanently housed through the supportive housing system. For the 2019 reporting period, while only 4% of households exiting PSH programs returned to homelessness within two years, households that exited to permanent housing from other types of programs returned to homelessness at higher rates. Thirty-three percent of households exiting TH programs, for example, returned to the housing system within two years. While overall outcomes suggest that most individuals and families remain stably housed, these data suggest that households enrolled in RRH, TH, and ES may need additional supports to achieve housing stability after program exit.

Reentry Programs Trends and Highlights

Appendices F through H include data related to the County’s programs for the reentry population. These include clients participating in one of one two RRH programs, and/or an emergency financial assistance program designed for those connected to the criminal justice system. Both the Reentry Minimal to RRH and the Reentry RRH Exceptions programs provide case management, housing placement, and a time-limited rental subsidy, but the Minimal to RRH program is a smaller program that provides less intensive case management and is designed for lower-acuity clients. The Emergency Assistance Program (EAP) provides one-time rental or other financial assistance.

Some trends and highlights from these programs include those listed below.

- For clients registering for services at the Reentry Resource Center (RRC) in FY 19-20, 41% (1,874) were literally homeless, staying in a shelter, or in a place not meant for human habitation (see Appendix F).
- The lower right chart in Appendix F categorizes the assistance provided to clients via the EAP program. Sixty-five percent ($144,047) of the total aid provided by the program was for rental assistance.
- The upper left chart in Appendix G shows the intervention breakdown for clients assessed at the RRC. Of the 202 individuals who completed the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT) assessment at the RRC, 53% were assessed in the PSH range, 44% in the RRH range, and 3% in the minimal
intervention range. Individuals assessed at the RRC tend to have more acute needs than the County’s systemwide homeless population, for which approximately 36% score in the PSH range and 48% in the RRH range.

- Clients participating in reentry RRH programs report disabilities (Appendix G, lower right) at a higher rate than those served in other County RRH programs: 31% of clients served in the Exceptions program reported having a mental health disability, and 33% of clients served in the Minimal to RRH program reported substance abuse. Comparatively, 17% and 10% of clients served in other County RRH programs reported suffering from mental health or substance abuse, respectively.

- Homeless individuals with recent jail or prison experience, including those on probation or parole, face multiple barriers to obtaining and maintaining housing. The County is continually working with the RRC and homeless system partners to strengthen the programs and services available to clients with involvement in the criminal justice system.
Appendix A: Community Plan Goals

Goal: Housing 20,000 People by 2025

Goal: Achieve a 30% Reduction in Annual Inflow of People Becoming Homeless

- Utilization: PSH and RRH are point-in-time utilization on July 31, 2020, TH and ES utilization are based on the month of July, and SP and HP utilization is based on the previous year.
- Program utilization is based on households enrolled in programs that are tracked in HMIS.
- PSH programs that are not tracked in HMIS include HUD Veterans Affairs Supportive Housing (VASH), consisting of 1,222 units, and other programs which comprise 79 units. PSH capacity includes 33 units which are Permanent Housing with services (no disability required).
- For Safe Parking programs, one parking space is the equivalent of one unit of capacity with an estimated 2.5 individuals per vehicle.
Appendix C: System Performance Measures

1 Total System Entries and Homelessness for the First Time

- Persons with Entries into ES, SH, TH, or PH
- Inflow: People Experiencing Homelessness for the First Time*

* “First Time” per HUD = no entries in ES, SH, TH or PH in the previous 24 months

8/1/17-7/31/18: 7,254 (52%)
8/1/18-7/31/19: 7,265 (49%)
8/1/19-7/31/20: 7,259 (49%)

Inflow:
- 8/1/17-7/31/18: 3,745
- 8/1/18-7/31/19: 3,525
- 8/1/19-7/31/20: 3,561

2 Exits to Permanent Housing Destinations

Of Persons in ES, TH, and RRH who Exited, the Percentage of Successful Exits to Permanent Housing

8/1/17-7/31/18: 3%
8/1/18-7/31/19: 7%
8/1/19-7/31/20: 4%

8/1/17-7/31/18: 72% (40% Benchmark)
8/1/18-7/31/19: 74% (75% Benchmark)
8/1/19-7/31/20: 50% (40% Benchmark)

3 Permanent Housing Retention

Percentage of People in Permanent Housing Programs (excluding Rapid Rehousing) Retaining Housing during the Reporting Year (Benchmark = 95%)

8/1/17-7/31/18: 91.3%
8/1/18-7/31/19: 95.7%
8/1/19-7/31/20: 95.9%

SYSTEM (40% Benchmark), RAPID REHOUSING (75% Benchmark), TRANSITIONAL HOUSING (75% Benchmark), EMERGENCY SHELTER (30%)
Appendix D: Housing Placements and System Entries by Month

Monthly Housing Placements from Project Types (Head of Household)

- **Permanent Supportive Housing**
- **Rapid Rehousing**
- **Transitional Housing**
- **Emergency Shelter**
- **Other**

Number of Households Placed in Housing and Households Requesting Assistance for the First Time (First VI-SPDAT Assessment)

- **Households Placed in Housing**
- **Inflow: PSH Score Range**
- **Inflow: RRH Score Range**
- **Inflow: Minimal Intervention**
- **Other**

Note: PSH housing placements include VASH.
Appendix E: Returns to Homelessness

Returns to Homelessness (Within 6 Months)
After exiting to Permanent Housing Destinations, the Percentage of People who Return to Homelessness within 6 Months
(N = Exits to PH between 8/2017 to 7/2018)

- 2017: 8%, 1%, 3%, 8%, 12%, 1%
- 2018: 7%, 1%, 3%, 8%, 18%, 2%
- 2019: 11%, 1%, 3%, 8%, 19%, 12%

Returns to Homelessness (Within 1 Year)
After exiting to Permanent Housing Destinations, the Percentage of People who Return to Homelessness within 1 Year
(N = Exits to PH between 8/2017 to 7/2018)

- 2017: 12%, 4%, 7%, 8%, 17%, 12%
- 2018: 12%, 2%, 8%, 10%, 17%, 4%
- 2019: 18%, 2%, 10%, 12%, 23%, 18%

Return to Homelessness (Within 2 Years)
After exiting to Permanent Housing Destinations, the Percentage of People who Return to Homelessness within 2 Years
(N = Exits to PH between 8/2017 to 7/2018)

- 2017: 18%, 7%, 10%, 20%, 23%, 18%
- 2018: 18%, 3%, 13%, 16%, 24%, 24%
- 2019: 23%, 4%, 15%, 33%, 30%, 31%

System (2019 N=2594), Permanent Housing (N=306), Rapid Rehousing (N=875), Transitional Housing (N=407), Emergency Shelter (N=929)
Appendix F: Reentry Resource Center (RRC) Client Housing Status and EAP Program Utilization FY19-20

Housing Status of Clients Registering for Services at the Reentry Resource Center, FY19-20

LITERALLY HOMELESS: HOMELESS SHELTER, STREET, VEHICLE, BUS STATION, MOTEL VOUCHER, ETC.

TRANSITIONAL SITUATION: HOTEL/MOTEL THAT CLIENT PAYS FOR, TRANSITIONAL HOUSING FOR HOMELESS PEOPLE, FRIENDS/FAMILY, ETC.

PERMANENT SITUATION: HOME THAT CLIENT OWNS/RENTS OR SUBSIDIZED HOUSING (RENTAL ASSISTANCE OR VETERANS ASSISTANCE)

INSTITUTIONAL SITUATION: HOSPITAL/MEDICAL FACILITY, PSYCHIATRIC FACILITY, NURSING HOME, Foster Care, SLE, ETC.

NO ANSWER

EAP - Total Amount Assisted for Type of Request (Total Spent: $222,818)

- Back Rent: $144,047
- Furniture Assistance: $43,815
- Rental Assistance: $12,750
- Security Deposit: $20,470
- Utility Assistance: $1,737

Rapid Rehousing Reentry Programs

- Annual Capacity
- Enrolled
- Housed
-Exited

HOMEFIRST RE-ENTRY RRH EXCEPTIONS

HOMEFIRST RE-ENTRY MINIMAL TO RRH

Packet Pg. 439
Appendix G: Reentry Resource Center (RRC) Assessments: Demographics and Outcomes, FY19-20

By Race and Ethnicity
- Hispanic/Latino
- Non-Hispanic/Non-Latino

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Hispanic/Latino</th>
<th>Non-Hispanic/Non-Latino</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>40</td>
<td>34</td>
</tr>
<tr>
<td>Client Doesn’t Know/ Data Not Collected</td>
<td>49</td>
<td>3</td>
</tr>
<tr>
<td>Black or African American</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Multi-Racial</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Asian</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

By VI-SPDAT Intervention Range
- Minimal Range, 6, 3%
- PSH Range, 108, 53%
- RRH Range, 88, 44%

Exit Destinations
- Permanent
- Temporary
- Unknown/Place not meant for habitation
- RE-ENTRY RRH EXCEPTIONS: 62% Permanent, 11% Temporary, 27% Unknown
- RE-ENTRY MINIMAL TO RRH: 43% Permanent, 35% Temporary, 22% Unknown

Clients with Disabilities
- Developmental: 23% Re-Entry Minimal to RRH, 31% Re-Entry RRH Exceptions
- Mental Health: 33% Re-Entry Minimal to RRH, 25% Re-Entry RRH Exceptions

Packet Pg. 440
DATE: August 20, 2020, Regular Meeting
TIME: 10:00 AM
PLACE: By Virtual Teleconference Only

MINUTES

Opening

1. Call to Order.
Chairperson Wasserman called the meeting to order at 10:01 a.m. A quorum was present via teleconference, pursuant to the provisions of Executive Order N-29-20 issued on March 17, 2020 by the Governor of the State of California.

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
<th>Arrived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Wasserman</td>
<td>Chairperson</td>
<td>Remote</td>
<td></td>
</tr>
<tr>
<td>S. Joseph Simitian</td>
<td>Vice Chairperson</td>
<td>Remote</td>
<td></td>
</tr>
</tbody>
</table>

2. Public Comment. (ID# 102620)
Two individuals addressed the Committee.

3. Approve Consent Calendar and changes to the Committee's Agenda.
Item No. 5 was added to the Consent Calendar. Item No. 7 was removed from the Consent Calendar.

3 RESULT: APPROVED AS AMENDED [UNANIMOUS]
MOVER: S. Joseph Simitian, Vice Chairperson
SECONDER: Mike Wasserman, Chairperson
AYES: Wasserman, Simitian

Regular Agenda - Items for Discussion

4. Receive report from the Parks and Recreation Department relating to the impact of dewatering of Leroy Anderson Reservoir. (Referral from March 10, 2020 Board of Supervisors meeting, Item No. 28) (ID# 101959)
One individual addressed the Committee.
Chairperson Wasserman requested that Administration report to the Committee on a quarterly basis relating to project modifications.
Vice Chairperson Simitian requested that Administration provide an off-agenda report to the Committee on date uncertain confirming the County is no longer represented as supportive of Assembly Bill 3005 following changes to the print version approved by the Board of Supervisors on May 12, 2020.

Vice Chairperson Simitian also requested that Administration provide an off-agenda report to the Committee on date uncertain relating to Board approval of a written agreement and funding, or other legally enforceable process to secure payment from the Santa Clara Valley Water District, relating to compensation for impacts to County lands prior to authorization of District work on County lands, including the tunnel project; County standing to prevent District work on non-County lands impacting County lands pending an express agreement regarding impact compensation, including pursuant to the 2018 Master Partnership Agreement; and, receipt of the District inundation study prior to County authorization to commence District work on County lands.

Finally, Vice Chairperson Simitian requested that Administration address potential impacts to the unhoused population as the project proceeds.

4 RESULT: RECEIVED

5. Receive report from the Roads and Airports Department relating to agreements executed by the County Executive or designee pursuant to authority delegated by the Board of Supervisors on January 14, 2020. (ID# 102198)

   Added to the Consent Calendar at the request of Chairperson Wasserman.

5 RESULT: RECEIVED

Consent Calendar

6. Approve minutes of the June 18, 2020 Regular Meeting.

6 RESULT: APPROVED [UNANIMOUS]
MOVER: S. Joseph Simitian, Vice Chairperson
SECONDER: Mike Wasserman, Chairperson
AYES: Wasserman, Simitian

7. Receive annual report from the Department of Planning and Development relating to the status of the County's Surface Mining and Reclamation Act Program.
   (ID# 102033)

   Removed from the Consent Calendar at the request of Chairperson Wasserman.

   Vice Chairperson Simitian requested that Administration report to the Committee on December 17, 2020 relating to the nature and sufficiency of financial assurances for the Curtner, Lehigh Permanente, Lexington, Serpa, Stevens Creek, and Freeman Quarries.

7 RESULT: RECEIVED
8. Receive Quarterly Noise Report from the Roads and Airports Department, Airports Division. (ID# 102570)

8 RESULT: RECEIVED

9. Receive report relating to Supportive Housing System of Care. (Office of Supportive Housing) (ID# 102459)

9 RESULT: RECEIVED

10. Receive report from the Consumer and Environmental Protection Agency relating to the construction and funding of a new County Animal Services Center. (ID# 102427)

10 RESULT: RECEIVED

11. Receive report from the Parks and Recreation Department relating to a proposed replacement boat dock at Vasona Lake that is compliant with the Americans with Disabilities Act. (ID# 102116)

11 RESULT: RECEIVED

Adjourn

12. Adjourn to the next regular meeting on Thursday, September 17, 2020 at 10:00 a.m. in the Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, San Jose, California, or by virtual teleconference.

Chairperson Wasserman adjourned the meeting at 11:15 a.m.

Respectfully submitted,

Peggy Doyle
Deputy Clerk