



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE 6/18/2024	(3) CONTACT/PHONE Mia Trevelyan, Administrative Analyst (805) 781-5026		
(4) SUBJECT Request to 1) review and approve the attached Oceano Community Services District Divestiture of Fire Protection Services Plan for Services (Plan for Service), outlining the County's plan to accept responsibility for fire service to the community of Oceano, if divestiture is approved by the Local Agency Formation Commission (LAFCO); 2) direct County staff to submit the Plan for Service to LAFCO; and 3) approve the attached contract with Five Cities Fire Authority in the amount of \$1,706,000 for fire and emergency services to the community of Oceano.					
(5) RECOMMENDED ACTION It is recommended that the Board: 1) review and approve the attached Oceano Community Services District Divestiture of Fire Protection Services Plan for Services (Plan for Service), outlining the County's plan to accept responsibility for fire service to the community of Oceano, if divestiture is approved by the Local Agency Formation Commission (LAFCO); 2) direct County staff to submit the Plan for Service to LAFCO; and 3) approve the attached contract with Five Cities Fire Authority in the amount of \$1,706,000 for fire and emergency services to the community of Oceano.					
(6) FUNDING SOURCE(S) OCSD Property Tax Revenue Public Facility Fees Rent Revenue General Fund (Estimated \$310,143)		(7) CURRENT YEAR FINANCIAL IMPACT TBD	(8) ANNUAL FINANCIAL IMPACT TBD	(9) BUDGETED? No	
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)					
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A			(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(14) LOCATION MAP No	(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>9/12/2023 #31</u>		
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office.					
(18) SUPERVISOR DISTRICT(S)					



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Mia Trevelyan, Administrative Analyst

DATE: 6/18/2024

SUBJECT: Request to 1) review and approve the attached Oceano Community Services District Divestiture of Fire Protection Services Plan for Services (Plan for Service), outlining the County's plan to accept responsibility for fire service to the community of Oceano, if divestiture is approved by the Local Agency Formation Commission (LAFCO); 2) direct County staff to submit the Plan for Service to LAFCO; and 3) approve the attached contract with Five Cities Fire Authority in the amount of \$1,706,000 for fire and emergency services to the community of Oceano.

RECOMMENDATION

It is recommended that the Board: 1) review and approve the attached Oceano Community Services District Divestiture of Fire Protection Services Plan for Services (Plan for Service), outlining the County's plan to accept responsibility for fire service to the community of Oceano, if divestiture is approved by the Local Agency Formation Commission (LAFCO); 2) direct County staff to submit the Plan for Service to LAFCO; and 3) approve the attached contract with Five Cities Fire Authority in the amount of \$1,706,000 for fire and emergency services to the community of Oceano.

DISCUSSION

On February 14, 2023, the County received an official notification from the Local Agency Formation Commission (LAFCO) stating that on January 11, 2023, the Oceano Community Service District (OCSD) Board of Directors voted to submit a resolution of application to LAFCO to initiate proceedings for divestiture of fire protection service. The application was filed with LAFCO on February 6, 2023, with a plan for service proposing responsibility for fire protection service be transferred to the County. LAFCO notified the County that they had begun processing the application.

On September 12, 2023, the Board of Supervisors received a report on the County's option to assume fire responsibility as named in OCSD's application of divestiture, and directed staff to develop a plan for service to provide fire service to the community of Oceano and its surrounding areas from the Five Cities Fire Authority (FCFA) Arroyo Grande and Grover Beach stations via a contract including two person staffing in the approximate amount of \$1.8 million annually, including County indirect cost, to provide an equivalent level of service to the OCSDs current service level.

County staff worked with OCSD staff, and a subcommittee comprised of two members of the district's board to

develop the attached Oceano Community Services District Divestiture of Fire Protection Services Plan for Services (Plan for Service). The Plan for Service addresses changes to tax rate areas, OCSD assets and liabilities, and fire protection service level.

Plan for Service

LAFCO uses a plan for services to evaluate the ability of an agency to provide services in a cost-effective manner, and to assess the provision of future services to a community. The Plan for Service describes the fire protection services that the County would provide to the community of Oceano in summary form.

The Plan for Service includes the following information pursuant to Government Code Section 56653:

1. An enumeration and description of the services currently provided or to be extended to the affected territory.
2. The level and range of those services.
3. An indication of when those services can feasibly be extended to the affected territory, if new services are proposed.
4. An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
5. Information with respect to how those services will be financed.

The Plan for Service (Attachment 1) addresses these topics.

Contract with Five Cities Fire Authority

Prior to exiting Five Cities Fire Authority (FCFA) JPA, Oceano fire station was partially staffed and housed one engine. On June 22, 2023, the FCFA entered into an agreement with OCSD for the FCFA to continue to provide fire and emergency medical services to OCSD for a temporary 12-month period through June 30, 2024. On June 4, 2024, FCFA approved an extension agreement through December 31, 2024, with a thirty day-notice option to terminate.

Under their current contract the FCFA staffs three engines. Two engines operate out of Arroyo Grande, and one operates from the Grover Beach station. There are no engines stationed and no fire services provided from the Oceano fire station. The FCFA currently staffs two engines with three personnel and one engine with two personnel. There is no particular FCFA engine that is dedicated to Oceano response as response is provided from resources available.

The attached contract between the County and FCFA maintains the level of service currently provided to the community of Oceano. The contract will become effective upon LAFCO approval of the District's divestiture, target date of January 1, 2025, and terminate on June 30, 2027, with two one year options to extend. The contract cost is \$1,706,000 each year with annual CIP increases.

The contract will provide for delivery of all fire protection and emergency services in Oceano out of Grover Beach and Arroyo Grande Fire Stations, at a minimum of two personnel per engine. Contract services include administration of fire services, incident response, fire safety inspections and enforcement, investigations, training and emergency management.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Administrative Office coordinated with OCSD staff and the district's subcommittee, comprised of two OCSD Board members, to develop the Plan for Service.

County Fire, Public Works, Central Services, County Counsel, and the Auditor-Controller-Treasurer-Tax Collector (ACTTC) provided information and analysis in development of the Plan for Service.

County Counsel reviewed and approved the attached services contract as to form and legal effect.

FINANCIAL CONSIDERATIONS

At the time that the Board directed staff to prepare this Plan for Service, it was estimated that the ongoing annual cost of service including both contract cost and indirect County cost, would be approximately \$1,800,000, and the annual General Fund support would be \$498,783. Due to conditions included in the Plan for Service, primarily proposed lease agreements between OCSD and the County, the annual General Fund support is estimated to be \$310,143.

The Plan for Service also includes a one-time transfer of assets and liabilities from OCSD to the County; assets are estimated to be valued at approximately \$2.5 million, and liabilities are estimated to be valued at approximately \$2.5 million. A summary of one-time and ongoing revenue and expense is attached to this item as Attachment 2.

Pending LAFCO review and approval, staff will return to the Board with items to address conditions of approval of the divestiture, and associated budget adjustment requests if necessitated.

RESULTS

Approving the attached Plan for Service and directing staff to submit the Plan for Service to LAFCO will allow LAFCO to continue the divestiture process for Oceano Community Services District. If the divestiture is approved. This is consistent with the countywide goal of a safe community.

ATTACHMENTS

- 1 Plan for Service
- 2 Summary of Revenues and Expense
- 3 Letter of Support to County
- 4 Contract with Five Cities Fire Authority for Fire and Emergency Services to the Community of Oceano