

MUNICIPAL SERVICE REVIEW AND SOI UPDATE FINAL DRAFT

*Chester Public Utility District and
Peninsula Fire Protection District*

Approved December 27, 2024

Prepared by: Policy Consulting Associates, LLC

TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
LIST OF FIGURES	2
ACRONYMS AND DEFINITIONS	3
PREFACE 5	
CONTEXT.....	5
CREDITS	5
1. EXECUTIVE SUMMARY	6
OVERVIEW	6
GOVERNANCE STRUCTURE.....	7
SOI UPDATE.....	7
2. BACKGROUND	8
LAFCO OVERVIEW.....	8
MUNICIPAL SERVICES REVIEW LEGISLATION	8
MUNICIPAL SERVICES REVIEW PROCESS	9
SPHERE OF INFLUENCE UPDATES	9
DISADVANTAGED UNINCORPORATED COMMUNITIES	11
3. CHESTER PUBLIC UTILITY DISTRICT (CPUD).....	12
AGENCY OVERVIEW.....	12
GOVERNANCE AND ACCOUNTABILITY	15
GROWTH AND POPULATION PROJECTIONS	17
DISADVANTAGED UNINCORPORATED COMMUNITIES	18
FINANCIAL ABILITY TO PROVIDE SERVICES.....	18
FIRE SERVICES OVERVIEW	24
GOVERNANCE STRUCTURE OPTIONS.....	27
CPUD DETERMINATIONS.....	29
4. SPHERE OF INFLUENCE UPDATE (CPUD).....	31
EXISTING SPHERE OF INFLUENCE BOUNDARY	31
SOI OPTIONS.....	31
RECOMMENDED SPHERE OF INFLUENCE BOUNDARY	31
PROPOSED SOI DETERMINATIONS (CPUD).....	32
5. PENINSULA FIRE PROTECTION DISTRICT (PFPD)	34
AGENCY OVERVIEW.....	34
GOVERNANCE AND ACCOUNTABILITY	36
GROWTH AND POPULATION PROJECTIONS	39
DISADVANTAGED UNINCORPORATED COMMUNITIES	40
FINANCIAL ABILITY TO PROVIDE SERVICES.....	41
FIRE SERVICE OVERVIEW.....	45
GOVERNANCE STRUCTURE OPTIONS.....	50
PFPD MSR DETERMINATIONS.....	51
6. SPHERE OF INFLUENCE UPDATE (PFPD).....	54
EXISTING SPHERE OF INFLUENCE BOUNDARY	54
SOI OPTIONS.....	54
RECOMMENDED SPHERE OF INFLUENCE BOUNDARY	54
PROPOSED SPHERE OF INFLUENCE DETERMINATIONS (PFPD).....	55

LIST OF FIGURES

FIGURE 3-1:	CHESTER PUBLIC UTILITY DISTRICT (CPUD) FIRE SERVICES SOI, 2013	14
FIGURE 3-2:	TRANSPARENCY AND ACCOUNTABILITY INDICATORS, CPUD.....	16
FIGURE 3-3:	CHESTER PUBLIC UTILITY DISTRICT FINANCIAL SUMMARY, FY 22-23	20
FIGURE 3-4:	THE CHESTER FIRE DEPARTMENT SERVICE CALLS BY TYPE, 2023	25
FIGURE 5-1:	PENINSULA FIRE PROTECTION DISTRICT (PFPD) SOI, 2013	35
FIGURE 5-2:	TRANSPARENCY AND ACCOUNTABILITY INDICATORS, PFPD	38
FIGURE 5-3:	PENINSULA FIRE PROTECTION DISTRICT FINANCIAL SUMMARY, FY 20-21.....	42
FIGURE 5-4:	PFPD FIRE FACILITIES AND EQUIPMENT	46
FIGURE 5-5:	PFPD SERVICE CALLS BY TYPE, 2023.....	48

ACRONYMS AND DEFINITIONS

AAGR:	Average Annual Growth Rate
ADA:	Automatic Deployment of Alarm
AICPA:	American Institute of Certified Public Accountants
ALS:	Advanced Life Support
CalEMA:	California Emergency Management Agency
CalPERS:	California Public Employees' Retirement System
CDP:	Census-Designated Place
CEQA:	California Environmental Quality Act
CKH:	Cortese-Knox-Hertzberg
CPUD:	Chester Public Utility District
DACs:	Disadvantaged Community
DOF:	California Department of Finance
DUCs:	Disadvantaged Unincorporated Communities
DWR:	California Department of Water Resources
EMS:	Emergency Medical Services
EMT-B:	Emergency Medical Technician-Basic
FEMA:	Federal Emergency Management Agency
FPPC:	Fair Political Practices Commission
FY:	Fiscal Year
GAAP:	Generally Accepted Accounting Principles
GASB:	Governmental Accounting Standards Board
GC:	Government code
HBFPD:	Hamilton Branch Fire Protection District
ISO:	Insurance Services Office
LAFCO:	Local Agency Formation Commission
MD&A:	Management's Discussion and Analysis
MHI:	Median Household Income
MSR:	Municipal Services Review
NFPA:	National Fire Protection Association
OPEB:	Other Post-Employment Benefits
OSHA:	Occupational Safety and Health Administration
PEMHCA:	Public Employees' Medical and Hospital Care Act

PFPD:	Peninsula Fire Protection District
PSAP:	Public Safety Answering Point
SCBAs:	Self-contained Breathing Apparatuses
SIFC:	Susanville Interagency Fire Center
SOI:	Sphere of Influence

PREFACE

Prepared for the Plumas Local Agency Formation Commission (LAFCO), this report is a Municipal Services Review (MSR) and Sphere of Influence (SOI) Update Plan covering the Chester Public Utility District (CPUD) and Peninsula Fire Protective District (PFPD). An MSR is a state-required comprehensive study of services within a designated geographic area. This MSR focuses on two special districts in Plumas County that provide fire services.

CONTEXT

Plumas LAFCO is required to prepare this MSR by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000, et seq.), which took effect on January 1, 2001. The MSR examines services provided by Chester Public Utility District (CPUD) and Peninsula Fire Protective District (PFPD), whose boundaries and governance are subject to LAFCO.

CREDITS

The authors extend their appreciation to the individuals at Chester Public Utility District (CPUD) and Peninsula Fire Protective District (PFPD) who provided the information and documents used in this report and made time for interviews and document review to ensure the accuracy of the report. Melat Assefa of Policy Consulting Associates was the primary author of this report.

1. EXECUTIVE SUMMARY

This report is a municipal service review (MSR) covering the Chester Public Utility District (CPUD) and Peninsula Fire Protective District (PFPD) prepared for the Plumas Local Agency Formation Commission (LAFCO). An MSR is a State-required comprehensive study of services that special districts or cities provide. The MSR requirement is codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.). The most recent MSR for the Districts was adopted on October 3, 2011, as part of the Lake Almanor region of Plumas County MSR.

OVERVIEW

The Chester Public Utility District (CPUD) is located on the northwestern shore of Lake Almanor in Plumas County, while the Peninsula Fire Protection District (PFPD) is situated in the northwestern corner of the County, near the Lassen County border. PFPD provides fire services to an area of approximately 17 square miles of land and water.

Prior to 2024, the Chester Fire Department offered comprehensive fire services, including fire suppression, emergency medical care, and ambulance services to the Chester fire protection service Sphere of Influence (SOI). However, due to recurring budget deficits and the failure to secure stable funding through two ballot measures, the department significantly reduced its services. Currently, the Department operates only about three days per week, providing limited emergency and medical response services but no longer transporting patients. The Chester Fire Department now heavily relies on PFPD for patient transport and coverage on nonoperational days.

PFPD reports that the expansion of the District's response area has resulted in a surge in service calls, which is straining current staffing levels. PFPD also indicates difficulties in maintaining adequate service levels and staffing due to challenges in offering competitive wages and benefits. Currently, PFPD is the only provider of Advanced Life Support (ALS) transport in the Basin.

PFPD continues to provide a full range of fire and emergency services, including fire suppression, ALS, ambulance services, dive and ice rescue, and fire prevention efforts.

Both CPUD and PFPD were last included in the 2011 Lake Almanor region of Plumas County MSR. This MSR and SOI update is prepared to provide updated information on the status of fire services provided by the Districts and identify the need for annexation.

GOVERNANCE STRUCTURE

To address the challenges in fire service delivery identified throughout this MSR, it is recommended that the Chester fire protection services area, presently served by CPUD, is annexed to PFPD. The annexation would allow PFPD to collect the current special assessment from Chester fire service area, enabling the hiring of additional full-time employees to maintain service levels.

The annexation process, governed by the Corteze-Knox-Hertzberg Local Government Reorganization Act of 2000, would involve an application, a public hearing, a protest period, and potential voter approval, depending on the level of opposition. If approved, the annexation would enhance efficiency, promote consistent service delivery in the community, and financial stability for the Districts.

Additionally, regionalization of fire services in the Lake Almanor area is recommended as alternative long-term governance option. Such reorganization would involve consolidating existing fire agencies in the Lake Almanor area into a regional fire district or creating a subsidiary district to serve a larger area beyond PFPD and Chester fire protection service SOI. While regionalization could improve efficiency and consistency across the region, it would require considerable time and coordination. The proposed annexation of Chester fire service area into PFPD could serve as a framework for future regionalization efforts, allowing other agencies in the region to collaborate more effectively on fire services.

SOI UPDATE

In an anticipation of an annexation application from PFPD and CPUD, it is recommended that the Plumas LAFCO Commission approve a zero SOI for CPUD's fire protection service area and adopt an expanded or annexable SOI for PFPD that includes the Chester Fire service area.

2. BACKGROUND

LAFCO OVERVIEW

LAFCO regulates boundary changes proposed by public agencies or individuals through approval, denial, conditions, and modification.

It also regulates the extension of public services by cities and special districts outside their boundaries. LAFCO is empowered to initiate updates to the SOIs and proposals involving the dissolution or consolidation of special districts, mergers, the establishment of subsidiary districts, and any reorganization, including such actions. Otherwise, LAFCO actions must originate as petitions or resolutions from affected voters, landowners, cities, or districts.

MUNICIPAL SERVICES REVIEW LEGISLATION

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCO to review and update SOIs every five years, or as necessary, and to review municipal services before updating SOIs.

The requirement for service reviews arises from the identified need for a more coordinated and efficient public service structure to support California's anticipated growth. The service review provides LAFCO with a tool to study existing and future public service conditions comprehensively and to evaluate organizational options for accommodating growth, preventing urban sprawl, and ensuring that critical services are provided efficiently.

Government Code §56430 requires LAFCO to conduct a review of municipal services provided in the county by region, sub-region, or other designated geographic area, or by type of service, as appropriate, for the service or services to be reviewed, and prepare a written statement of determination with respect to each of the following topics:

- Growth and population projections for the affected area;
- The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI.
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies (including needs or deficiencies related to sewers,

municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the sphere of influence).

- Financial ability of agencies to provide services.
- Status of and opportunities for shared facilities.
- Accountability for community service needs, including governmental structure and operational efficiencies; and
- Any other matter related to effective or efficient service delivery, as required by commission policy.

MUNICIPAL SERVICES REVIEW PROCESS

The MSR process does not require LAFCO to initiate changes in an organization based on service review findings, only that LAFCO identifies potential government structure options. However, LAFCO, other local agencies, and the public may subsequently use the determinations to analyze prospective changes in organization or reorganization or to establish or amend SOIs. Within its legal authorization, LAFCO may act with respect to a recommended change of organization or reorganization on its initiative (e.g., certain types of consolidations) or in response to a proposal (i.e., initiated by resolution or petition by landowners or registered voters). MSRs are exempt from the California Environmental Quality Act (CEQA) pursuant to §15306 (information collection) of the CEQA Guidelines. LAFCO's actions to adopt MSR determinations are not considered "projects" subject to CEQA.

SPHERE OF INFLUENCE UPDATES

The Commission is charged with developing and updating the SOI for each city and special district within the county. SOIs must be updated every five years or as necessary. In determining the SOI, LAFCO is required to complete an MSR and adopt the seven determinations previously discussed.

An SOI is a LAFCO-approved plan that designates an agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual boundary change proposals and are intended to encourage efficient provision of organized community services and prevent duplication of service delivery. Territory cannot be annexed by LAFCO to a city or a district unless it is within that agency's sphere.

The purposes of the SOI include the following: to ensure the efficient provision of services, discourage urban sprawl and premature conversion of agricultural and open space lands, and prevent overlapping jurisdictions and duplication of services.

LAFCO cannot regulate land use, dictate internal operations or administration of any local agency, or set rates. LAFCO is empowered to enact policies that indirectly affect land use decisions. On a regional level, LAFCO promotes logical and orderly development of communities as it considers and decides individual proposals. LAFCO has a role in reconciling differences between agency plans so that the most efficient urban service arrangements are created for the benefit of current and future area residents and property owners.

The Cortese-Knox-Hertzberg (CKH) Act requires to develop and determine the SOI of each local governmental agency within the county and review and update the SOI every five years. LAFCOs are empowered to adopt, update, and amend the SOI. They may do so with or without an application and any interested person may apply proposing an SOI amendment.

LAFCO may recommend government reorganizations to agencies in the county, using the SOIs as the basis for those recommendations.

In addition, in adopting or amending an SOI, LAFCO must make the following determinations:

Present and planned land uses in the area, including agricultural and open space lands.

- Present and probable need for public facilities and services in the area.
- Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide.
- Existence of any social or economic communities of interest in the area if the Commission determines these are relevant to the agency; and
- Present and probable need for water, wastewater, and structural fire protection facilities and services of any DUCs within the existing sphere of influence.

By statute, LAFCO must notify affected agencies 21 days before holding the public hearing to consider the SOI and may not update the SOI until after that hearing. The LAFCO Executive Officer must issue a report including recommendations on the SOI amendments and updates under consideration at least five days before the public hearing.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO is required to evaluate disadvantaged unincorporated communities (DUCs) as part of this service review, including the location and characteristics of any such communities.

The purpose of Senate Bill (SB) 244 (Wolk, 2011) is to begin to address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within DUCs. Identifying and including these communities in the long-range planning of a city or a special district is required by SB 244.

The CKH requires LAFCO to make determinations regarding DUCs when considering a change of organization, reorganization, sphere of influence expansion, and when conducting municipal service reviews. For any updates to an SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, LAFCO shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any DUC within or contiguous to the SOI of a city or special district.

CKH prohibits LAFCO from approving an annexation to a city of any territory greater than 10 acres if a DUC is contiguous to the proposed annexation, unless an application to annex the DUC has been filed with LAFCO. An application to annex a contiguous DUC shall not be required if a prior application for annexation of the same DUC has been made in the preceding five years or if the Commission finds, based upon written evidence, that a majority of the registered voters within the affected territory are opposed to annexation.

Government Code §56033.5 defines a DUC as 1) all or a portion of a "disadvantaged community" as defined by §79505.5 of the Water Code, and as 2) "inhabited territory" (12 or more registered voters), as defined by §56046, or as determined by commission policy.

3. CHESTER PUBLIC UTILITY DISTRICT (CPUD)

AGENCY OVERVIEW

The Chester Public Utility District (CPUD) was formed in 1947 as an independent special district. It was organized to provide water and wastewater services to the residents of Chester. In 2009, CPUD consolidated with Chester Fire Protection District, and consequently, took on fire protection and ambulance services.

In addition, Chester PUD is partially reimbursed from the County for providing street lighting services and administers a solid waste collection franchise for the area.

The principal act that governs the District is the Public Utility District Act.¹ The principal act empowers the District to acquire, construct, own, operate, control, or use works for supplying light, water, power, heat, transportation, telephone service, or other means of communication or means for the disposal of garbage, sewage, or refuse matter.² In addition, the District may acquire, construct, own, complete, use, and operate a fire department, street lighting system, public parks, and other recreation facilities, and provide for the drainage of roads, streets, and public places.³

Districts must apply and obtain LAFCO approval to exercise services authorized by the principal act but not already provided (i.e., latent powers) by the district at the end of 2000.⁴

Although the District is a multi-service provider, this MSR focuses on fire services.

BOUNDARIES

CPUD is located on the northwestern shore of Lake Almanor in Plumas County. The District's boundary encompasses approximately 1.75 square miles.

SPHERE OF INFLUENCE

Following a Sphere of Influence (SOI) update study for the Lake Almanor area in 2013, the most recent SOI for CPUD's fire protection service area was adopted. CPUD's fire protection

1 Public Utilities Code §15501-17501.

2 Public Utilities Code §16461.

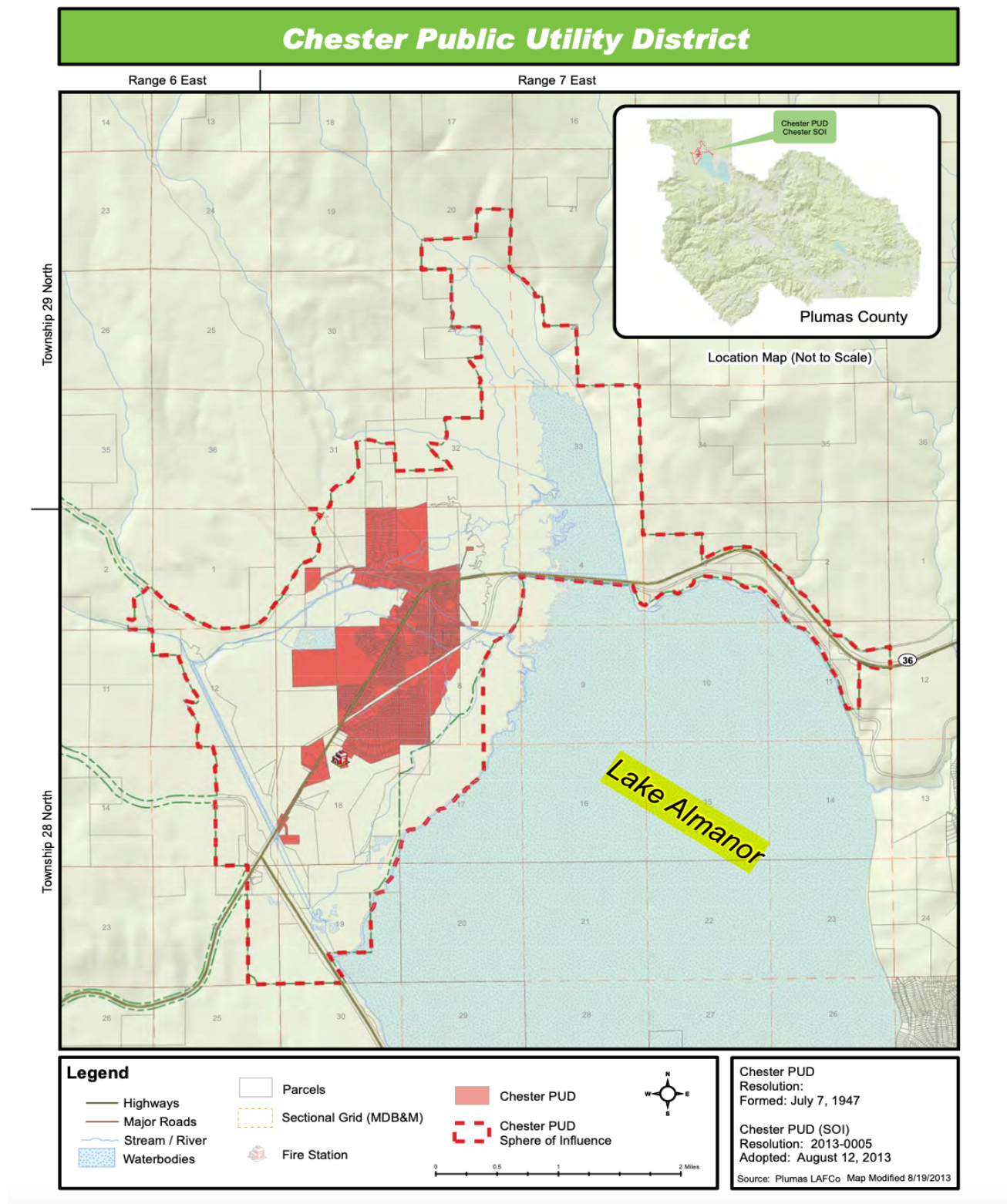
3 Public Utilities Code §16463.

4 Government Code §56824.10.

services SOI extends beyond the District's boundaries in several directions: south beyond Rogers Field Airport and State Routes 36 and 89; southwest along Chester Ski Road; west along Chester Warner Valley Road; east along Fourth Avenue and Melissa Avenue, reaching towards the southeast of SR 36 near Lake Almanor; and north of Last Chance Creek and Mud Creek.⁵

⁵ Plumas LAFCO-Sphere of Influence Updates - Adopted August 12, 2013. Lake Almanor Area Fire Protection and Emergency Services. LAFCO Resolution 2013-0005. p.12.

Figure 3-1: Chester Public Utility District (CPUD) Fire Services SOI, 2013



GOVERNANCE AND ACCOUNTABILITY

The Chester Public Utility District (CPUD) is governed by a five-member board of directors who are elected at-large to serve staggered four-year terms. Board meetings are held on the last Tuesday of every month at 5:30 p.m. in the afternoon at the district office at 251 Chester Airport Rd, Chester, CA 96020. Currently, the District does not live-stream board meetings.

According to the Brown Act (Government Code § 54956 and § 54954.2), local agencies are required to post meeting agendas at least 72 hours before regular meetings and 24 hours before special meetings in a public location and on the agency's website. Additionally, meeting minutes for any past meetings should be available on the District's website.

The District makes agendas and minutes for regular board meetings available online to the public dating back to 2020. Agendas are also posted at the District's office and post office. Additionally, agendas and minutes for special meetings from 2018 to the present can be found on the CPUD's website.

In addition to the required agendas and minutes, the District engages with residents through its website and the CPUD/Chester Fire Department Facebook page by posting updates and public notices. The District has also hosted various community meetings and workshops for the public in the past.

The District complies with financial reporting practices by making its Annual Compensation Report and Enterprise System Catalogue available on its website. However, the most recent State Controller's Office Financial Transaction Report posted is from FY 16-17. It is recommended that CPUD update the website with the latest financial transaction report.

Special districts must also have their financial statements audited annually by a certified public accountant or public accountant. The audit report must be submitted to the State Controller's Office and made available to the public. PFPD's most recent financial audit was completed for FY 22-23. It is recommended that the District make available all up-to-date financial audits and adopted budgets on the PFPD website to ensure transparency and public oversight. The District also makes available the most adopted budget for FY 22-23 and the approved FY 24-25 preliminary budget.

The Political Reform Act (Act) of 1974 prohibits public officials from using their positions to influence governmental decisions in which they have a financial interest. Every state and local agency must adopt a conflict-of-interest code to identify all officials and employees who make governmental decisions based on their positions.

To help identify potential conflicts of interest, the law requires public officials and employees in designated positions to report their financial interests in Form 700, or Statement of Economic Interests, each year, even if their economic interests have remained the same.

Ethics training is also required once every two years, beginning with an odd-numbered year (AB 1234, Chapter 700, Statutes of 2005). Training is available online at the State of California Fair Political Practices Commission (FPPC) website.

All CPUD's board members have up-to-date Form 700s and have completed ethics training. It is recommended that the District makes these documents available online.

Pursuant to the provisions of Government Code sections 87303, 87306 and 87306.5, et.seq, the District has also adopted a Conflict-of-Interest Code.

Additionally, California's Public Records Act (Government Code § 6250 et seq.) mandates that most public records, including financial records, be available to the public upon request. The District has a public record request page on its website to facilitate this process. CPUD also maintains an online record of the public record requests it has processed to provide a tracking system for the public, avoid duplication of requests, and ensure transparency.

The Chester Public Utility District (CPUD) demonstrated accountability in its disclosure of information and cooperation with the LAFCO questionnaires and other requests for information.

Figure 3-2: Transparency and Accountability Indicators, CPUD

Transparency and Accountability	CPUD
Agency website ¹ (GC §53087.8)	Yes
Contact information available on website (GC §53087.8 (a)(3))	Yes
Annual Compensation Report (GC §53891 and 53908)	Yes
Adopted budget available on website	Yes
State Controller's Office Financial Transaction Report available on website (GC §53891 and 53893)	Must be updated to reflect the most recent report
Notice of public meetings provided	Yes
Agendas posted on website (GC §54954.2)	Yes
Public meetings are live streamed	No
Minutes and/or recordings of public meetings available on website	Yes

Enterprise System Catalogue available on website (GC §6270.5 (a))	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes, but the District's website should be updated with recent financial audits and current financial transaction reports.
Staff and governing council members ethics training and economic interest reporting completed	Yes, it is recommended up to date Form 700s and ethics training certificates is uploaded to the District's website.
Adherence to open meeting requirements	Yes

GROWTH AND POPULATION PROJECTIONS

According to the 2020 Census, the Chester Public Utility District (CPUD) has a population of 2,187 people.⁶ Alternately, according to the 2010 Census, the District had a population of approximately 2,144.⁷ Accordingly, CPUD's average annual population growth rate (AAGR) from 2010 to 2020 was roughly 0.2 percent.

The Department of Finance (DOF) projects a 34 percent decline in Plumas County's population from 2020 (19,847) to 2060 (13,025). This represents an average annual growth rate (AAGR) of negative one percent, indicating an approximate one percent annual population decline from 2020 through 2060. Utilizing the County's AAGR and CPUD's 2020 population estimates, the population within the District is anticipated to decrease to approximately 1,435 by 2060.

⁶ Department of Finance. Census 2020, Incorporated Cities and Census Designated Places (CDP) by County in California.
⁷ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, p. 76.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. The intent and history of this requirement are outlined in the Background Section of this report.

A disadvantaged unincorporated community is defined as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged community's median household income definition. DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. Because income information is not available for this level of analysis, disadvantaged unincorporated communities with smaller populations that meet LAFCO's definition cannot be identified at this time.

The DWR Mapping Tool is an interactive map application that allows users to overlay the following three US Census geographies as separate data layers—Census Place, Census Tract, and Census Block Group. The specific dataset used in the tool is the US Census American Community Survey Five-Year Data: 2016 - 2020. Only those census geographies that meet the disadvantaged community (DAC) definition are shown on the map (i.e., only those with an annual median household income (MHI) that is less than 80 percent of the Statewide annual MHI). The statewide MHI for 2017-2021, according to Census Bureau data, is estimated at \$84,097, and hence, the calculated threshold of \$67,277 defines whether a community was identified as disadvantaged.

Per the DWR Mapping Tool, most of the Chester Public Utility District (CPUD) fire protection service SOI (except areas in the east along Manzanita Mountain) is considered a disadvantaged community.

FINANCIAL ABILITY TO PROVIDE SERVICES

CPUD uses major enterprise funds, a type of proprietary fund, to manage its operations. These funds account for activities that are financed and operated like private businesses, where the goal is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy,

management control, accountability, or other purpose.⁸ CPUD operates out of the following funds:

- Street Light Fund — is used to account for street lighting subsidization and related expenses.
- Water Fund — is used to account water sales, fees, property taxes, and water production, treatment, and delivery expenses.
- Sewer Fund — is used to account for sewer fees, and sewage treatment expenses.
- Fire Fund — is used to account for the property taxes and contract fire services associated with fire protection services and costs associated with providing fire protection.
- Contract Fire Revenue Fund — accounts for the reimbursement of services provided to the Office of Emergency Management to staff and operate logistical support for forest fires throughout California.
- Ambulance Fund — is used to account for the ambulance fees and costs associated with providing ambulance services.

Per the most recent financial audit completed for FY 22-23, total expenses across all CPUD funds, excluding the contract fire revenue fund, surpassed total revenue by (\$1,826,432). For the contract fire revenue fund, operating revenue exceeded expenses by \$127,716.

The audit reports \$3,795,000 in inter-fund transfers during the fiscal year. As of FY 22-23, there is a total balance of \$4,908,988 in amounts due to/from other funds (short-term inter-fund loans). It is recommended that the District ensure compliance with existing legal limitations or restrictions on the use of funds collected for specific purposes. For example, fees and rates collected under Prop 218⁹ cannot be used for purposes other than those explicitly authorized.¹⁰

Another highlight from the FY 22-23 audit is that management did not include the management's discussion and analysis (MD&A), which is required by the generally accepted accounting principles (GAAP) to supplement the basic financial statements. Although the MD&A is not part of the core financial statements, the Governmental Accounting Standards Board considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.¹¹

⁸ Chester Public Utility District, Annual Financial Report. June 30, 2023. p.12.

⁹ Proposition 218 sets out detailed rules for local governments to follow in levying or increasing fees and assessments.

¹⁰ California Constitution Article XIII C & D.

¹¹ Chester Public Utility District, Annual Financial Report. June 30, 2023. p.4.

Figure 3-3: Chester Public Utility District Financial Summary, FY 22-23

FY 22-23							
Proprietary Funds	Lighting	Water	Sewer	Fire	Contract Fire Revenue	Ambulance	Total
Operating Revenue							
Sales	-	\$584,167	\$563,440	\$237,913	\$548,403	\$340,138	\$2,274,061
Services	-	-	-	\$161,057	(\$3,321)	-	\$157,736
Miscellaneous	-	\$28,103	\$30,520	-	-	\$94,866	\$153,489
Total		\$612,270	\$593,960	\$398,970	\$545,082	\$435,004	\$2,585,286
Operating Expense							
Salaries	-	\$163,182	\$159,837	\$554,746	\$342,882	\$371,806	\$1,592,453
Benefits	-	\$143,707	\$143,564	\$338,874	\$46,123	\$299,104	\$971,372
Supplies	-	\$36,956	\$89,020	\$22,851	\$5,625	\$3,608	\$158,060
Services and Other Operating Expenses	\$28,620	\$353,067	\$342,854	\$292,166	\$22,736	\$225,509	\$1,264,952
Depreciation	-	\$82,122	\$154,600	\$59,743	-	\$700	\$297,165
Total	\$28,620	\$779,034	\$889,875	\$1,268,380	\$417,366	\$900,727	\$4,284,002
Operating Gain/(Loss)	(\$28,620)	(\$166,764)	(\$295,915)	(\$869,410)	\$127,716	(\$465,723)	(\$1,698,716)
Non-Operating Revenues / (Expenses)							
Property Taxes	-	\$72,614	\$119,381	\$430,455	-	-	\$622,440
Intergovernmental (Grants and State Homeowner Exemption)	-	\$427	\$40,001	\$1,309	-	-	\$41,737

Revenue from Use of Assets	-	\$13	\$42,308	-	-	-	\$42,321
Other Non-Operating Revenue	-	-	\$2,500	-	-	-	\$2,500
Interest Expense	-	(\$1,668)	(\$1,668)	-	-	-	(\$3,336)
Interfund Transfer In	\$35,000	-	-	\$2,410,000	-	(\$1,350,000)	\$3,795,000
Interfund Transfer Out	-	(\$35,000)	-	-	(\$3,760,000)	-	(\$3,795,000)
Total	\$35,000	\$36,386	\$202,522	\$2,841,754	(\$3,760,000)	(\$1,350,000)	\$705,662
Change in Net Position	\$6,380		(\$93,393)	\$1,972,344	(\$3,632,284)	\$884,277	(\$993,054)
Beginning	-		\$4,565,921	(\$166,601)	\$971,633	(\$1,019,611)	\$5,562,961
Ending	\$6,380		\$4,472,528	\$1,805,743	(\$2,660,651)	(\$135,334)	\$4,569,907

BALANCED BUDGET

Recurring operating deficits are a warning sign of fiscal distress. In the short term, reserves can backfill deficits and maintain services. However, ongoing deficits eventually will deplete reserves. For FY 22-23, total expenses surpassed total revenue for an operating loss of (\$1,698,716). The District's total non-operating revenue for FY 22-23 was \$705,662.

NET POSITION

An agency's "Net Position" represents the amount by which assets (e.g., cash, capital assets, other assets) exceed liabilities (e.g., debts, unfunded pension and OPEB liabilities, other liabilities). A positive Net Position indicates financial soundness over the long term.

As of FY 22-23, the District's total assets (including deferred outflows of resources) of \$14,164,568 exceed total liabilities (including deferred inflows of resources) of \$9,594,661, resulting in a positive net position of \$4,569,907.

LEASE PAYABLE

The District has entered into a lease-to-purchase agreement for a Bobcat and trailer, with a historical cost of \$87,580 and accumulated depreciation of \$1,464. The lease was financed at an annual interest rate of 2.35 percent with a quarterly payment of \$4,902. As of FY 22-23, the remaining balance on the lease is \$73,565.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (PERF C), administered by the California Public Employees' Retirement System (CalPERS), consists of two risk pools — the miscellaneous risk pool and the safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Typically, each rate plan has fewer than 100 active members. As of FY 22-23, CPUD's proportionate share of net pension liabilities was \$1,296,000 for the safety risk pool and \$854,000 for the miscellaneous risk pool. Additionally, the District reports a pension expense of \$292,000 for the fiscal year.

Per the Public Employees' Medical and Hospital Care Act (PEMHCA), as outlined in Government Code §§ 22750 - 22948, the District administers a single-employer, defined benefit Other Post-Employment Benefits (OPEB) provided through CalPERS. The District provides medical benefits, covering retirees for the duration of their lives. Eligibility requires at

least 10 years of creditable service, with a minimum age of 50 for Safety Classic members, 55 for Miscellaneous members, and 57 for Public Employees' Pension Reform Act (PEPRA) Safety members. The District contributes 50 percent of the total benefit cost for those with ten years of service, increasing to 100 percent for those with twenty years of service.

As of FY 22-23, the District reported a total OPEB liability of \$2,275,000 and recognized an OPEB expense of \$462,000.

FIRE SERVICES OVERVIEW

Prior to 2024, the Chester Fire Department provided a range of services including structural and wildland fire suppression, emergency medical care, rescue operations, hazardous material response, fire inspections, airport crash and rescue, burn permit issuance, and ambulance services. The Department offered Advanced Life Support (ALS) EMS across a roughly 1,000-square-mile area, extending into Tehama and Butte Counties, Lassen Volcanic National Park, and other distant regions where they were the closest EMS provider.

Due to ongoing funding challenges and the failure of two ballot measures intended to secure stable funding for the fire department in a special election held on May 7, 2024, the department has significantly reduced fire services.

Currently, the Chester Fire Department operates about 2.5 days per week, providing emergency response with paramedics and EMTs for on-site treatment however, no longer transporting patients. They no longer have a contract with the Local Emergency Services Authority (LEMSA) for ground transportation and rely on the Peninsula Fire Protection District for patient transport.

On the other days of the week, the District relies entirely on PFPD and occasionally receives assistance from West Shore Fire Department.

STAFF

Due to budgetary deficits, the Chester Fire Department laid off its professional firefighting staff in early 2024. Previously, staffing had seen little turnover. Currently, the Department operates with one full-time lieutenant and four reserve volunteer firefighters.

Drill nights for fire volunteers are held on the first and third Thursday evenings of the month at 6:30 pm at the Chester Fire Department unless a special drill is held elsewhere.

FACILITIES

The Chester Fire Department operates two facilities. The main facility, located at 251 Chester Airport Rd, serves as fire headquarters and is shared with the District. The facility is reportedly in good condition.¹² This facility houses one Ladder Truck, three Type 1 Fire Engines, one Type 2 Fire Engine, two ambulances, and three utility vehicles.

¹² **Good**—provides reliable operation in accordance with design parameters and requires only routine maintenance.

The second facility, located at 198 Main St, is currently unstaffed and leased as storage space to Seneca Hospital. This facility is reported to be in fair condition.¹³

DISPATCH

The County Sheriff dispatches most fire providers within the County, except for those in the northern part (including CPUD), which are served by the Susanville Interagency Fire Center (SIFC). SIFC is an Emergency Operations Command Center made up of four cooperating agencies: the U.S. Forest Service, National Park Service, Bureau of Land Management, and California Department of Forestry and Fire Protection. The Forest Service also maintains its own dispatch. SIFC uses a first responder map to determine which provider to dispatch to an incident.

SERVICE DEMANDS

The Chester Fire Department received 406 service calls in 2023, of which 75 were mutual aid calls. EMS incidents account for most calls with 305 calls or 75 percent of all calls. In comparison, motor vehicle accounts for the lowest number of calls (five calls or roughly one percent of all calls). Figure 3-4 shows calls received by type.

Figure 3-4: The Chester Fire Department Service Calls by Type, 2023

SERVICE CALLS BY TYPE					
EMS	Misc. No Emergencies	Misc. Emergencies	Fire / Hazardous Materials	Motor Vehicle	Total Calls
305	61	20	10	5	406

From 2021 to 2023, the highest number of service calls was recorded in 2023, with 406 calls, compared to 376 calls in 2021 and 343 calls in 2022. However, mutual aid calls decreased in 2023, totaling 75 calls, a drop from 131 in 2021 and 109 in 2022.

Generally, demand for services in the Almanor Basin depends on weather and tourism. During the summer months, the District experiences a high influx of visitors, which increases call volume and types of calls typical for tourist destinations. Additionally, wildland fire seasons occur in the summer, leading to a rise in fire call volume and requests for mutual aid.

¹³ **Fair**—operating at or near design levels; however, non-routine renovation, upgrading and repairs are needed to ensure continued reliable operation.

INFRASTRUCTURE NEEDS

The Department has not reported any infrastructure needs.

CHALLENGES

The Chester Fire Department has been facing financial distress, operating with a deficit of over \$1.2 million. As illustrated in the FY 22-23 audit, revenue from fire services (as accounted for in the fire, contract fire revenue, and ambulance funds) was \$1,379,056 while expenditures totaled \$2,586,473, reflecting a budget deficit of \$1,207,417.

The District also reports that the current tax base is inadequate for providing professional fire services. Additionally, changes in healthcare have decreased revenue from ambulance services due to lower reimbursements.

On December 27, 2023, the CPUD board approved two ballot measures to address the Department's fiscal challenges in providing services. Measure B offered a model where the Chester Fire Department would maintain some full-time staff while developing a volunteer operation, with a proposed additional tax of \$450 per year for each parcel within the district. Measure C proposed retaining a fully professional fire department, ensuring the Chester Fire Department kept its full-time firefighters to guarantee a 24/7 response.

Both measures were put to a special election on May 7, 2024, but neither passed, as neither received the required two-thirds approval. As such, the District is now operating about three days a week, relying heavily on the Peninsula Fire Protection District for support.

SYSTEM ADEQUACY

There are many measures of a successful fire protection service. This section focuses on the Insurance Services Office (ISO) rating for the community.

The ISO classifies fire services in the communities as an indicator of the general adequacy of coverage. Communities with the best fire department facilities, systems for water distribution, fire alarms and communications, and equipment and personnel receive a rating of 1.

The Chester Fire Department has an ISO rating of 3 and was last reviewed in 2020.

GOVERNANCE STRUCTURE OPTIONS

As previously mentioned, the Chester Fire Department has been facing significant challenges in providing adequate fire services due to a substantial financial deficit. This has resulted in a minimally staffed department and a drastic reduction in services. Consequently, the department now heavily relies on the Peninsula Fire Protection District (PFPD), located about 20 minutes away, which has increased the service call volume and workload on PFPD's staff due to the expanded response area.

To address these issues, a governance restructure is recommended, proposing the annexation of the Chester Fire Services area into the Peninsula Fire Protection District. This annexation would allow PFPD to collect the current special assessment from the Chester fire protection services area, enabling the hiring of additional full-time employees to maintain service levels. The annexation can enhance efficiency, service delivery, and financial stability for both Districts.

Annexation can be initiated by a petition from landowners or registered voters in the proposed annexation area, or through a resolution of application by the legislative bodies of the affected local agencies. The Chester Public Utility District (CPUD) and Peninsula Fire Protection District (PFPD) can also adopt a similar resolution such as the dissolution of the Chester Fire Department and its annexation to PFPD.

Under the Cortez-Knox-Hertzberg Local Government Reorganization Act of 2000, a Local Agency Formation Commission (LAFCO) cannot initiate annexation. Instead, per section 56375, LAFCO reviews and approves annexation proposals submitted by cities or special districts, ensuring compliance with state laws and promoting efficient service delivery.

A public hearing is conducted in accordance with Section 56661 to give stakeholders the opportunity to express their views. If LAFCO approves the annexation, it may impose conditions to ensure the annexation serves the community's best interests and aligns with orderly growth and development goals, as outlined in Section 56881.

After the hearing, a protest period allows registered voters or landowners to file objections. If less than 25 percent of registered voters or landowners protest, the annexation proceeds without an election. If 25 to 50 percent protest, LAFCO must hold an election where residents vote on the annexation. If more than 50 percent protest, the annexation is terminated and does not move forward.

Once final approval is granted, a Certificate of Completion is filed, and the annexation is officially recorded, enabling PFPD to begin providing services to the newly annexed area.

It is important to note that CPUD and PFPD are considering the option of annexation, and LAFCO anticipates receiving the annexation application from the Districts.

Another governance structure option is the regionalization of fire services in the Lake Almanor area. This could take various forms of reorganization including — consolidation of existing fire agencies in the area into a regional fire district or creating a subsidiary fire district to serve a larger area in the Lake Almanor community. Regionalization can enhance efficiency, ensure consistent service delivery throughout the region, and be cost-effective.

Given that the regionalization process can take considerable time and coordination, the annexation of the Chester fire service area to the PFPD could serve as a framework and an opportunity for other agencies in the region to pursue a coordinated approach for fire services.

CPUD DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

- 3-1: From 2010 to 2020, the Chester Public Utility District's (CPUD) population grew from 2,144 to 2,187, resulting in an average annual growth rate of about 0.2 percent.
- 3-2: According to the Department of Finance (DOF), countywide growth projections for Plumas County are expected to see an approximately negative one percent average annual growth rate (AAGR) from 2020 (19,847) through 2060 (13,025). Utilizing the County's AAGR and CPUD's 2020 population estimates, the population within the District is anticipated to decrease to 1,435 by 2060.

THE LOCATION AND CHARACTERISTICS OF DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AGENCY'S SOI

- 3-3: According to Census Bureau data, the statewide MHI for 2017- 2021 is estimated at \$84,097, and hence, the calculated threshold of \$67,277 (80 percent) defines whether a community is identified as disadvantaged. Per the California Department of Water Resources (DWR) Mapping Tool, most of the Chester Public Utility District (CPUD) SOI (except areas in the east along Manzanita Mountain) is considered a disadvantaged community.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

- 3-4: The Chester Fire Department has two facilities: the main facility located at 251 Chester Airport Rd, which is reportedly in good condition houses various fire and emergency vehicles; and a second, unstaffed facility at 198 Main St, leased to Seneca Hospital for storage and in fair condition.
- 3-5: The Chester Fire Department faces severe financial difficulties, with a deficit of over \$1.2 million. In an effort to address these issues and increase service adequacy, the District offered two ballot measures in a special election on May 2024: Measure B proposed a mix of full-time staff and volunteers with a \$450 annual tax increase, while Measure C aimed to retain a fully professional fire department. Both measures failed, leading to reduced operations and increased reliance on the Peninsula Fire Protection District (PFPD).
- 3-6: The Chester Fire Department is now staffed by one full-time lieutenant and four volunteer reserve firefighters. Operating roughly three days per week, the Department provides emergency response services with paramedics and EMTs but no longer transports patients. For patient transport, they Department relies on the Peninsula Fire Protection District (PFPD), as they no longer have a contract with Nor-Cal EMS, the Local Emergency Services Authority (LEMSA), for ground transportation. On days when the Chester Fire Department is not in operation, the Department depends

entirely on PFPD and occasionally receives assistance from the West Shore Fire Department.

FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

3-7: According to the FY 22-23 audit, the Chester Fire Department is facing significant financial distress, with a budget deficit exceeding \$1.2 million. Revenues from fire services were \$1,379,056, while expenditures totaled \$2,586,473. The District also notes that the current tax base is insufficient to support professional fire services, and changes in healthcare have further reduced ambulance service revenue due to lower reimbursements.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

3-8: As previously mentioned, the Chester Fire Department heavily relies on the PFPD for support and occasionally receives assistance from the West Shore Fire Department.

3-9: The District has not identified any opportunities for shared facilities.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

3-10: CPUD generally meets the requirements outlined in State laws regarding the Brown Act, website materials, and best practices to ensure easy access to significant planning documents and financial reports.

3-11: CPUD complies with financial reporting requirements by making available the Annual Compensation Report and Enterprise System Catalogue. However, it is recommended that the District updates the State Controller's Office Financial Transaction Report on its website. It is also recommended that CPUD makes available updated financial audits online.

3-12: CPUD board members have filed up-to-date Form 700 forms and completed ethics training. It is recommended that these documents be made available online to ensure transparency. The District has also adopted a Conflict-of-Interest Code and follows the Public Records Act by providing a public record request page and tracking system on its website.

3-13: CPUD demonstrated accountability in its disclosure of information and cooperation with the LAFCO questionnaires and other requests for information.

3-14: To enhance the efficiency, service delivery, and financial stability of the Chester Fire Department, annexation to the Peninsula Fire Protection District (PFPD) is recommended. Additionally, the option of regionalization of fire services in the Lake Almanor area is discussed.

4. SPHERE OF INFLUENCE UPDATE (CPUD)

EXISTING SPHERE OF INFLUENCE BOUNDARY

The Chester Public Utility District's (CPUD) fire protection services SOI extends beyond the District's boundaries in several directions: south beyond Rogers Field Airport and State Routes 36 and 89; southwest along Chester Ski Road; west along Chester Warner Valley Road; east along Fourth Avenue and Melissa Avenue, reaching towards the southeast of SR 36 near Lake Almanor; and north of Last Chance Creek and Mud Creek.

SOI OPTIONS

SOI options for CPUD's fire protection services consist of the following:

Option #1: Zero SOI — A zero SOI would indicate that LAFCO anticipates the eventual dissolution of the Chester fire department through the annexation of the Chester fire protection service area to the Peninsula Fire Protection District (PFPD) due to the identified challenges in providing services.

Option #2: Approve with no change — Given the lack of supported options, the Commission may wish to consider no changes to CPUD's fire service protection SOI.

RECOMMENDED SPHERE OF INFLUENCE BOUNDARY

It is recommended that the Commission adopt Option #1 in anticipation of receiving an application for annexation from CPUD and PFPD.

PROPOSED SOI DETERMINATIONS (CPUD)

LAFCO is required to prepare a written statement of determination with respect to the following areas when updating a special district's Sphere of Influence, as specified by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The following determinations are proposed for the Chester Public Utility District's fire protection service.

PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS

- 4-1: The Plumas County is the land use authority and hold primary responsibility for implementing growth strategies in the Chester Public Utility District (CPUD) area.
- 4-2: According to the Plumas County 2035 General Plan, the Chester fire protection service area comprises a range of land uses, including residential (single-family, multiple-family, secondary suburban, and rural), commercial, industrial, agricultural and grazing, as well as resort and recreational areas.

THE NATURE, LOCATION, EXTENT, FUNCTIONS, AND CLASSES OF SERVICES PROVIDED

- 4-3: Prior to 2024, the Chester Fire Department provided a range of services including structural and wildland fire suppression, emergency medical care, rescue operations, hazardous material response, fire inspections, airport crash and rescue, burn permit issuance, and ambulance services. The Department offered Advanced Life Support (ALS) EMS across a roughly 1,000-square-mile area, extending into Tehama and Butte Counties, Lassen Volcanic National Park, and other distant regions where they were the closest EMS provider.

PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE

- 4-4: The Chester Fire Department struggles with severe financial deficit of over \$1.2 million.
- 4-5: After two ballot measures aimed to secure stable funding failed in a special election, the Chester Fire Department significantly reduced its services and now operates

only about three days per week, providing emergency response but no longer transporting patients.

- 4-6: The Chester Fire Department no longer has a contract with Nor-Cal EMS, the Local Emergency Services Authority (LEMSA), for ground transportation. Therefore, the Department relies heavily on PFPD for ground transportation and for coverage on the Department's nonoperational days.

EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA

- 4-7: There are no communities of interest in the area of CPUD, as it provides services only within its bounds.

PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE

- 4-8: According to the California Department of Water Resources (DWR) mapping tool, most of the Chester Public Utility District (CPUD) fire protection service area, except for areas to the east along Manzanita Mountain, is considered a DAC. It is recommended that when considering the annexation of the Chester fire protection service area to PFPD, the Districts take into account the presence of DACs and the potential impacts of growth in these communities.

5. PENINSULA FIRE PROTECTION DISTRICT (PFPD)

AGENCY OVERVIEW

The Peninsula Fire Protection District (PFPD) was formed on May 7, 1964. The principal act that governs the District is the Fire Protection District Law of 1987. The principal act empowers fire districts to provide fire protection, rescue, emergency medical, hazardous material response, ambulance, and any other services relating to the protection of lives and property. Districts must apply and obtain LAFCO approval to exercise services authorized by the principal act but not already provided (i.e., latent powers) by the district at the end of 2000.¹⁴

PFPD is located in the northwestern corner of Plumas County, near the County's border with Lassen County. The Peninsula FPD encompasses Lake Almanor Country Club and Walker Ranch Community Services District, and borders Hamilton Branch Fire Protection District (HBFDP) in the northeast.

BOUNDARIES

The PFPD area boundary encompasses of 6.5 square miles. Following the formation, the District undertook one detachment in 1971 and the territory was transferred to Hamilton Branch Fire Protection District. The only annexation undertaken by the District occurred in 1996 and involved 1,230 acres of an area known as Walker Ranch.

SPHERE OF INFLUENCE

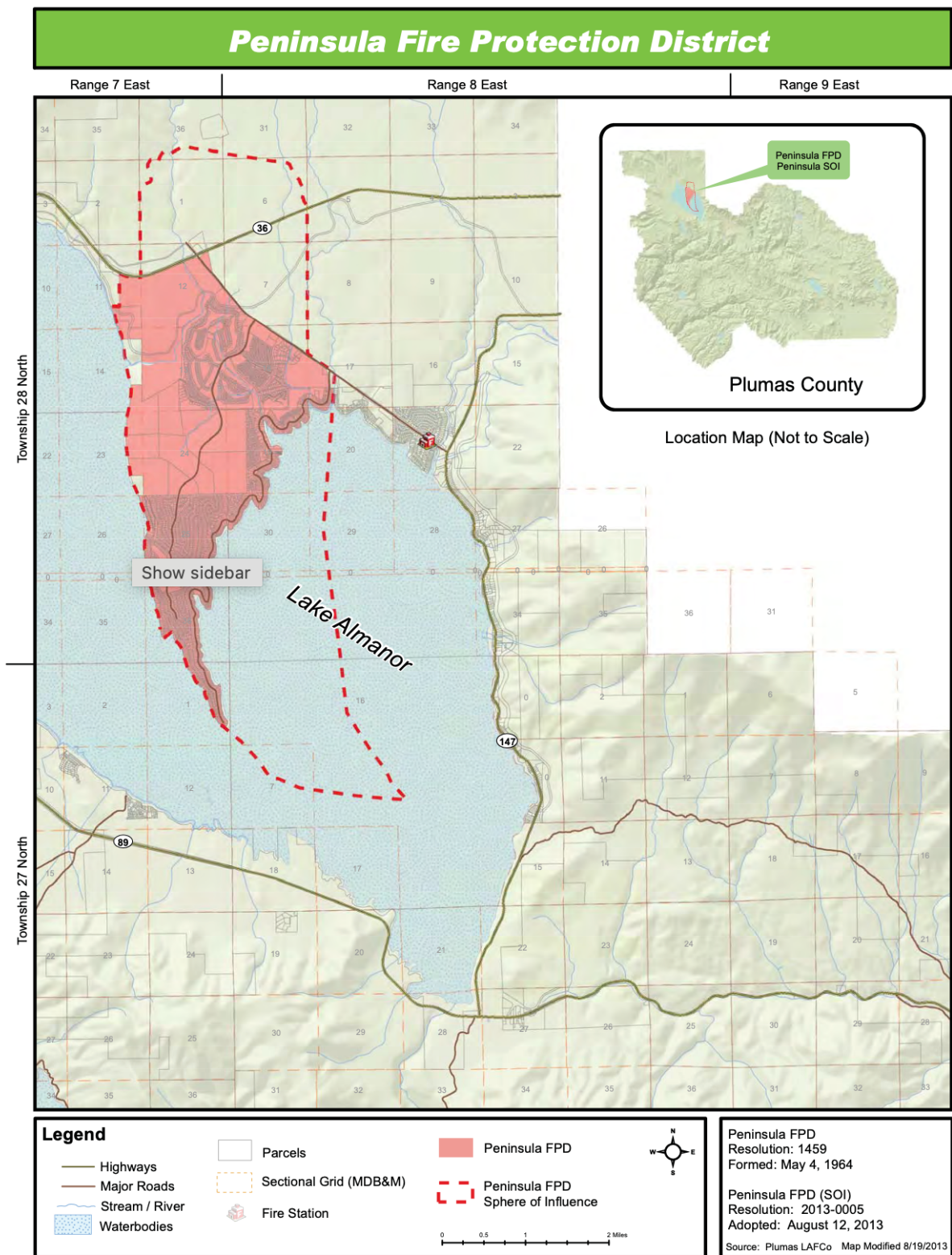
The Sphere of Influence (SOI) for PFPD was first established on August 26, 1976, and later amended on January 21, 1983. PFPD's most recent SOI was adopted in 2013.¹⁵ PFPD's current SOI extends beyond the District's boundaries to the south, including portions of Lake Almanor immediately adjacent to the District, and to the north, beyond Plumas County A13, extending north of State Route (SR) 36 and the Volcanic Legacy Scenic Byway.

PFPD currently provides fire services beyond its boundaries to approximately 17 square miles of land and water.

¹⁴ Government Code §56824.10.

¹⁵ Plumas LAFCO-Sphere of Influence Updates - Adopted August 12, 2013. Lake Almanor Area Fire Protection and Emergency Services. LAFCO Resolution 2013-0005. p.22.

Figure 5-1: Peninsula Fire Protection District (PFPD) SOI, 2013



GOVERNANCE AND ACCOUNTABILITY

The Peninsula Fire Protection District (PFPD) is governed by a five-member board of directors elected by the registered voters of the community to serve four-year terms. The PFPD board meets on the third Wednesday of each month at Edwin S. Butler Fire Hall #2, located at 801 Golf Club Road, Lake Almanor, California 96137. Currently, the District does not live-stream board meetings.

According to the Brown Act (Government Code § 54956 and § 54954.2), local agencies are required to post meeting agendas at least 72 hours before regular meetings and 24 hours before special meetings in a public location and on the agency's website. Additionally, meeting minutes for any past meetings should be available on the District's website.

The District has made agendas available online to the public for meetings as far back as 2019. However, meeting minutes are not readily accessible online and are available upon request. It is recommended that the District makes minutes available for each board meeting.

In addition to the required agendas and minutes, the District reaches its constituents through its website and Facebook page by posting various updates including fire safety tips and evacuation maps. The PFPD also provides information about emergency notification systems available to the public, such as the Integrated Public Alert & Warning System (IPAWS) and CODE RED that ensure residents are well-informed and can respond effectively during emergencies.

IPAWS is the Federal Emergency Management Agency's (FEMA) national system for local alerting, which delivers authenticated emergency and life-saving information to the public through mobile phones using Wireless Emergency Alerts. While, CODE RED is the County's emergency notification service, capable of distributing emergency messages via automated telephone calls to target areas or the entire county.

The District complies with financial reporting practices by making available the State Controller's Office Financial Transaction Report, Annual Compensation Report, and Enterprise System Catalogue on its website.

Special districts must also have their financial statements audited annually by a certified public accountant or public accountant. The audit report must be submitted to the State Controller's Office and made available to the public. PFPD's most recent financial audit was completed for FY 21-22. The District also reports that the FY 22-23 audit was recently completed and is

awaiting adoption. It is recommended that the District make available all up-to-date financial audits and adopted budgets on the PFPD website to ensure transparency and public oversight.

The Political Reform Act (Act) of 1974 prohibits public officials from using their positions to influence governmental decisions in which they have a financial interest. Every state and local agency must adopt a conflict-of-interest code to identify all officials and employees who make governmental decisions based on their positions. Those in designated positions must disclose their financial interests as specified in the agency's conflict of interest code.

To help identify potential conflicts of interest, the law requires public officials and employees in designated positions to report their financial interests in Form 700, or Statement of Economic Interests, each year, even if their economic interests have remained the same.

According to the District's Board Manual, the Board of Directors and Fire Chief positions are designated positions.¹⁶

Pursuant to the provisions of Government Code sections 87303, 87306 and 87306.5, et.seq, the District has adopted a Conflict of Interest Code.

Ethics training is required once every two years, beginning with an odd-numbered year (AB 1234, Chapter 700, Statutes of 2005). Training is available online at the State of California Fair Political Practices Commission (FPPC) website.

PFPD's board members have up-to-date Form 700s and have completed ethics training. It is recommended that the District makes these documents available online.

Public complaints may first be discussed with an on-duty supervisor with the objective of resolving the matter informally. If an individual filing a complaint is not satisfied with the outcome, the complaint is forwarded to the Fire Chief. In this case, the Chief is obligated to record the issue and outcome in writing and provide a copy to the individual who filed the complaint. If the individual is still not satisfied, the complaint may be brought to the attention of the Board by filing it in writing within ten days of receiving the Chief's decision. The Board's final decision must be in writing.

The Peninsula Fire Protection District (PFPD) demonstrated accountability in its disclosure of information and cooperation with the LAFCO questionnaires and other requests for information.

¹⁶ Peninsula Fire Protection District Plumas County, California. District Manual. Adopted August 20, 2014. Chapter 1.04. p. 6.

Figure 5-2: Transparency and Accountability Indicators, PFPD

Transparency and Accountability	PFPD
Agency website ¹ (GC §53087.8)	Yes
Contact information available on website (GC §53087.8 (a)(3))	Yes
Annual Compensation Report (GC §53891 and 53908)	Yes
Adopted budget available on website	No
State Controller's Office Financial Transaction Report available on website (GC §53891 and 53893)	Yes
Notice of public meetings provided	Yes
Agendas posted on website (GC §54954.2)	Yes
Public meetings are live streamed	No
Minutes and/or recordings of public meetings available on website	No
Enterprise System Catalogue available on website (GC §6270.5 (a))	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes, to an extent but website should be updated with recent financial audits and budgets.
Staff and governing council members ethics training and economic interest reporting completed	Yes, it is recommended up to date Form 700s and ethics training certificates is uploaded to the District's website.
Adherence to open meeting requirements	Yes

GROWTH AND POPULATION PROJECTIONS

According to the 2020 Census, the Peninsula Fire Protection District (PFPD) has a population of 817 people. This is based on the census-designated place (CDP) population for Lake Almanor Country Club CDP (451) and Lake Almanor Peninsula CDP (366).¹⁷ Alternately, according to the 2010 Census, the District had a population of approximately 775.¹⁸ Accordingly, PFPD's average annual population growth rate (AAGR) from 2010 to 2020 was roughly 0.53 percent.

The Department of Finance (DOF) projects a 34 percent decline in Plumas County's population from 2020 (19,847) to 2060 (13,025). This represents an average annual growth rate (AAGR) of negative one percent, indicating an approximate one percent annual population decline from 2020 through 2060. Utilizing the County's AAGR and PFPD's 2020 population estimates, the population within the District is anticipated to decrease to approximately 536 by 2060.

¹⁷ Department of Finance. Census 2020, Incorporated Cities and Census Designated Places (CDP) by County in California.

¹⁸ Plumas LAFCO, Municipal Service Review for Lake Almanor Region of Plumas County, October 2012, p. 150.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCO is required to evaluate disadvantaged unincorporated communities as part of this service review, including the location and characteristics of any such communities. The intent and history of this requirement are outlined in the Background Section of this report.

A disadvantaged unincorporated community is defined as any area with 12 or more registered voters, or as determined by commission policy, where the median household income is less than 80 percent of the statewide annual median.

The California Department of Water Resources (DWR) has developed a mapping tool to assist in determining which communities meet the disadvantaged community's median household income definition. DWR is not bound by the same law as LAFCO to define communities with a minimum threshold of 12 or more registered voters. Because income information is not available for this level of analysis, disadvantaged unincorporated communities with smaller populations that meet LAFCO's definition cannot be identified at this time.

The DWR Mapping Tool is an interactive map application that allows users to overlay the following three US Census geographies as separate data layers—Census Place, Census Tract, and Census Block Group. The specific dataset used in the tool is the US Census American Community Survey Five-Year Data: 2016 - 2020. Only those census geographies that meet the disadvantaged community (DAC) definition are shown on the map (i.e., only those with an annual median household income (MHI) that is less than 80 percent of the Statewide annual MHI). The statewide MHI for 2017-2021, according to Census Bureau data, is estimated at \$84,097, and hence, the calculated threshold of \$67,277 defines whether a community was identified as disadvantaged.

Per the DWR Mapping Tool, the entirety of the PFPD SOI is not considered a disadvantaged community.

FINANCIAL ABILITY TO PROVIDE SERVICES

The Peninsula Fire Protection District (PFPD) accounts for its financial transactions in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District has one kind of fund. The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. The District reports the general fund as its major governmental fund. The general fund serves as the District's primary operating fund, accounting for all financial resources except those required to be accounted for in another fund.

The District's most recent financial audit, completed in FY 20-21 highlighted the following weaknesses:¹⁹

- Lack of Segregation of Duties— An inadequate segregation of duties was identified in the areas of cash disbursements, cash receipts, grant management, and the financial reporting & closing process. Due to the number of personnel assigned to duties that involve access to the general ledger and other accounting records and who also have custody of and responsibility for handling cash and other assets, inadequate segregation of duties exists. At the time of the FY 20-21 audit the District offered mitigating factors of password protecting all computers, storing all files in locked drawers, and restricting computer access to the Chief and District Secretary.
- Financial Reporting— Similar to many other small special districts, the District lacks policies and procedures to ensure that complete and accurate financial statements, MD&A, and footnote disclosures are prepared in accordance with GAAP before the annual audit. Management relies on the auditor to recommend footnote disclosures for the financial statements and to prepare adjusting journal entries for approval to report financial information in accordance with GAAP. The District has determined that the costs of correcting this control weakness outweigh the benefits. Therefore, the District will continue to rely on the independent auditor to prepare its annual financial statements.

¹⁹ Peninsula Fire Protection District Combined Schedule of Findings and Responses June 30, 2021, p.39-44.

Figure 5-3: Peninsula Fire Protection District Financial Summary, FY 20-21

FY 20-21	
Governmental Funds (General)	
Revenues	
Property Taxes	\$1,557,837
Donations and Fundraisers	\$83,622
Charges For Current Services	\$200,313
Contract Services	\$245,600
Interest	\$9,509
Other Local Income	\$94,203
Total Revenues	\$2,191,084
Expenditures	
Salaries, Wages and Benefits	\$1,790,159
Office	\$33,848
Insurance	\$49,708
Repairs and Maintenance	\$35,377
Services and Supplies	\$64,202
Professional Services	\$13,964
Utilities	\$22,945
Debt Service (Principal + Interest)	\$45,940
Capital Outlay	\$96,993
Contingencies	-
Total Expenditures	\$2,153,136
Excess of Revenues Over (Under) Expenditures	\$37,948
Beginning Fund Balance - July 1	\$1,235,394
Ending Fund Balance - June 30	\$1,273,342

BALANCED BUDGET

Recurring operating deficits are a warning sign of fiscal distress. In the short term, reserves can backfill deficits and maintain services. However, ongoing deficits eventually will deplete reserves.

For FY 20-21, PFPD's governmental fund revenue of \$2,191,084 exceeded total expenditures of \$2,153,136 by \$37,948 or 1.76 percent.

A majority of the revenue comes from County Assessments (71 percent, or \$1,557,837), while the District's expenses are predominately related to providing general fire protection services. Charges for services increased in FY 20-21 due to higher ambulance service and strike team revenue.

NET POSITION

An agency's "Net Position" represents the amount by which assets (e.g., cash, capital assets, other assets) exceed liabilities (e.g., debts, unfunded pension and OPEB liabilities, other liabilities). A positive Net Position indicates financial soundness over the long term.

As of FY 20-21, the District's total assets (including deferred outflows of resources) of \$2,879,409 exceed total liabilities (including deferred inflows of resources) of \$1,858,088, resulting in a positive net position of \$1,021,321.

PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The District participates in a cost-sharing, multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries.

Contribution rates for the plan are determined annually by the actuary and become effective on July 1 following notice of a rate change, as established by Section 20814(c) of the California Public Employees' Retirement Law.

For the safety pension plan, the District's contribution rate for FY 20-21 was 9.13 percent, amounting to total contributions of \$96,494. The net pension liability reported for FY 20-21 was \$1,167,339, with the District's share being 0.01752 percent. The recognized pension expense for this plan was \$238,609.

Similarly, the District participates in another cost-sharing, multiple-employer defined benefit pension plan also administered by CalPERS. For the miscellaneous pension plan, the District's

contribution rate was 6.277 percent, amounting to total contributions of \$9,868. The net pension liability reported for FY 20-21 was \$53,365 with the District's share of this liability being 0.00127 percent. The recognized pension expense for this plan was \$9,868 for the year.

CAPITAL ASSETS

During FY 20-21, the District invested \$921,532 in a broad range of capital assets, including buildings, improvements, and equipment.

LONG-TERM DEBT

On December 26, 2007, the District entered into a capital lease agreement with Oshkosh Capital to purchase two new fire engines in 2008. The loan agreement has a 4.24 percent interest rate with an annual installment of \$45,940 until 2023. As of FY 20-21, the balance on the loan was \$86,355.

FIRE SERVICE OVERVIEW

The Peninsula Fire District (PFPD) provides fire suppression, ALS, ambulance services, dive and ice rescue using a 16-foot hovercraft, hazardous material emergency response, fire prevention, and fire investigation services. The District also has fire prevention efforts including educational initiatives through the PFPD website, brochures, displays, and other promotional materials.

EXTRATERRITORIAL SERVICES

The District provides management and staffing to the Hamilton Branch Fire Protection District (HBFPD). The District also provides EMS transport service throughout the Lake Almanor Basin and occasionally extends into Tehama County, including parts of Lassen National Park. Currently, the Peninsula Fire Protection District (PFPD) is the sole provider of ALS transport in the Basin.

COLLABORATION

PFPD and HBFPD have a formal automatic aid agreement according to which PFPD provides ambulance services to emergency medical aid responses within the HBFPD service area. The two districts also share resources and conduct joint training.

PFPD also maintains informal mutual aid agreements with all fire service providers in Plumas County. It also provides mutual aid statewide through California Emergency Management Agency (CalEMA) with a CalEMA Fire Engine. PFD is a member of the Almanor Basin Fire Chiefs' Association, Plumas County Fire Chiefs' Association, and Special District Association.

STAFF

The District currently has nine full-time firefighters, including five paramedic firefighters, two full-time chief officers, and one full-time administrative staff member. Additionally, the District employs two part-time administrative assistants and 12 Per Diem firefighters.²⁰ Whenever possible, PFPD hires its full-time personnel from the Per Diem pool.

²⁰ Per Diem firefighters are those who work on an as-needed basis rather than as full-time or part-time employees.

All PFPD full-time firefighters are certified as Firefighter I²¹ and Emergency Medical Technician-Basic (EMT-B) as a minimum standard. Per Diem Firefighters are required to be EMT-B certified and possess a valid wildland firefighter red card at a minimum.

The District maintains an annual training calendar managed by the District training officer, ensuring that all materials covered align with state and federal mandates for firefighters. Additionally, PFPD is developing a career development program to train staff for advancement opportunities.

FACILITIES

The Peninsula Fire Protection District (PFPD) operates from two fire stations and maintains an administrative office and a 501(c)(3) non-profit thrift shop, which supports the District. Additionally, the District has two acres of undeveloped land on Clifford Drive for the future construction of a third fire station.²²

PFPD is equipped with various equipment at its facilities:

- Station 1— type1 2015 Ford F550 transport ambulance (ALS), type 1 1999 KME Pumper, and type 4 1991 Zodiac hurricane rescue boat
- Station 2— two type 1 2008 Pierce Contender pumper, type 5 2000 Pierce mini pumper, and type 1 Ford F450 transport ambulance (ALS)
- Admin Office — 2021 Chev Tahoe command Vehicle and a 2015 Ram 2500 command vehicle

Figure 5-4: PFPD Fire Facilities and Equipment

FACILITIES AND EQUIPMENT					
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5
Name	Station 1	Station 2	Admin Office	Fire Sirens Thrift	Future Site of Station 3

²¹ Fire Fighter 1 is the first certification in the California Fire Fighter professional certification series.

²² Peninsula Fire Protection District, Request for Information Response. August 2024.

Address	497 Firehall Rd Lake Almanor CA 96137	801-A Golf Club Rd Lake Almanor CA 96137	801-C Golf Club Rd Lake Almanor CA 96137	801-B Golf Club Rd Lake Almanor CA 96137	A-13 @ Clifford Dr
Hours Staffed	24/7	24/7	9:00-5:00	9:00-1:00 on Wednesdays	N/A
Date Acquired or Built	1964	1971	1964	1964	1996
Condition ²³	Fair	Fair	Good	Good	N/A

DISPATCH

The County Sheriff dispatches most fire providers within the County, except for those in the northern part (including PFPD), which are served by the Susanville Interagency Fire Center (SIFC). SIFC is an Emergency Operations Command Center made up of four cooperating agencies: the U.S. Forest Service, National Park Service, Bureau of Land Management, and California Department of Forestry and Fire Protection. The Forest Service also maintains its own dispatch. SIFC uses a first responder map to determine which provider to dispatch to an incident.

OPPORTUNITIES FOR SHARED FACILITIES

PFPD has provided staffing and administration support to HBFPD for 15 years and reports potential for further shared administration and chief officer support at the PFPD's admin office.

²³ Facility condition definitions: **Excellent**—relatively new (less than 10 years old) and requires minimal maintenance. **Good**—provides reliable operation in accordance with design parameters and requires only routine maintenance. **Fair**—operating at or near design levels; however, non-routine renovation, upgrading and repairs are needed to ensure continued reliable operation. **Poor**—cannot be operated within design parameters; major renovations are required to restore the facility and ensure reliable operation.

SERVICE DEMANDS

PFPD received 369 service calls in 2023, of which 205 were mutual aid calls. EMS incidents account for most calls with 229 calls or 62 percent of all calls. In comparison, motor vehicle accounts for the lowest number of calls (nine calls or roughly 3 percent of all calls). Figure 5-5 shows calls received by type.

Figure 5-5: PFPD Service Calls by Type, 2023

SERVICE CALLS BY TYPE						
EMS	Misc. Emergencies	Misc. Non-Emergencies	Fire / Hazardous Materials	False Alarm	Motor Vehicle	Total Calls
229	47	36	31	17	9	369

From 2021 to 2023, the highest number of service calls was received in 2023, with 369 calls, compared to 290 calls in 2022 and 343 calls in 2021. Mutual aid calls also saw a significant increase in 2023, reaching 205, compared to 123 in 2022 and 127 in 2021. In 2023, mutual aid calls constituted over 55 percent of all service calls, a rise from 42 percent in 2022 and 37 percent in 2021.

The surge in mutual aid calls could be attributed to the Chester Public Utility District (CPUD) fire department's reduced staffing and services.

PFPD anticipates further increases in service demands due to several proposed developments in the Peninsula's open spaces, which are projected to add around 1,600 homes, retail spaces, and hotels. Developments in Bailey Creek and Fox Wood are also expected to contribute to the growing demand for services.

INFRASTRUCTURE NEEDS

The District reports that the remodeling of two bathrooms at Station 1 is needed, with an estimated cost of approximately \$25,000. This project will be financed by the District Budget and is projected to be completed within the next two years. Additionally, the District indicated that various upgrades are needed at Station 2, including Automatic Deployment of Alarm (ADA) upgrades, exterior siding replacement, and new energy-efficient windows. These upgrades are expected to be financed by grant funding and are projected to take five years.

CHALLENGES

The District reports that challenges in providing competitive wage and benefit packages pose a difficulty in maintaining service levels and meeting staffing needs. Additionally, the significant reduction of fire services provided by Chester PUD's Fire Department has increased call volume for PFPD, further straining the current staffing levels.

SYSTEM ADEQUACY

There are many measures of a successful fire protection service. This section focuses on response times and the Insurance Services Office (ISO) rating for the community.

PFPD has adopted a reflex time policy (which is the time between dispatch and the arrival of the first unit) of two minutes during daylight hours and three minutes at night. PFPD reported an average response time of 7 minutes and 34 seconds in 2023 and 6 minutes and 45 seconds in 2022, both exceeding the District's policy. In 2024, the response time increased to 14 minutes and 5 seconds, primarily due to longer response times for Chester and West Shore EMS services.

The ISO classifies fire services in the communities as an indicator of the general adequacy of coverage. Communities with the best fire department facilities, systems for water distribution, fire alarms and communications, and equipment and personnel receive a rating of 1.

Peninsula Fire Protection District (PFPD) has an ISO rating of 3 and was last reviewed in 2020.

GOVERNANCE STRUCTURE OPTIONS

The Peninsula Fire Protection District (PFPD) has indicated recent challenges in providing services due to increased call volumes and a higher workload, resulting from Chester Fire Department's reduced operation to only three days a week and PFPD being the only Advanced Life Support (ALS) transport provider in the Basin. To address these issues, the annexation of the Chester Fire Service area into PFPD is recommended.

Additionally, the option of regionalization of fire services in the Lake Almanor area is discussed.

For further details on both options, please refer to the Governance Structure Options section in Chapter 3.

PFPD MSR DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

- 5-1: From 2010 to 2020, the Peninsula Fire Protection District's (PFPD) population grew from 775 to 817, resulting in an average annual growth rate of about 0.53 percent.
- 5-2: According to the Department of Finance (DOF), countywide growth projections for Plumas County are expected to see an approximately negative one percent average annual growth rate (AAGR) from 2020 (19,847) through 2060 (13,025). Utilizing the County's AAGR and PFPD's 2020 population estimates, the population within the District is anticipated to decrease to 536 by 2060.

THE LOCATION AND CHARACTERISTICS OF DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AGENCY'S SOI

- 5-3: According to Census Bureau data, the statewide MHI for 2017- 2021 is estimated at \$84,097, and hence, the calculated threshold of \$67,277 (80 percent) defines whether a community is identified as disadvantaged. Per the California Department of Water Resources (DWR) Mapping Tool, the entirety of the PFPD SOI is not considered a disadvantaged community.

PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS AND DEFICIENCIES

- 5-4: PFPD operates two fire stations, maintains an administrative office, and runs a 501(c)(3) non-profit thrift shop supporting the District. The District also owns two acres of land on Clifford Drive for a future third fire station.
- 5-5: The District plans to remodel two bathrooms at Station 1, with an estimated cost of \$25,000, funded by the District Budget. The project is expected to be completed within two years. Additionally, the District reports that Station 2 requires several upgrades, including ADA improvements, siding replacement, and new energy-efficient windows, which are expected to be financed through grants and completed over five years.
- 5-6: The District reports that challenges in providing competitive wage and benefit packages pose a difficulty in maintaining service levels and meeting staffing needs. Additionally, the significant reduction of fire services provided by Chester PUD's Fire Department has increased call volume for PFPD, further straining the current staffing levels.
- 5-7: Although PFPD reports challenges in providing services, its ISO rating of 3 indicates that the District is delivering adequate services overall. However, it is recommended that the District address the challenges and infrastructure needs identified to sustain service quality and improve efficiency.

FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES

- 5-8: The most recent financial audit completed for FY 20-21, reflected a budget surplus and a positive net position. However, the audit identified a few areas of improvement including inadequate segregation of duties and a lack of policies and procedures to ensure comprehensive financial reporting.

STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

- 5-9: PFPD and the Hamilton Branch Fire Protection District (HBFPD) have a formal automatic aid agreement, under which PFPD provides ambulance services within the HBFPD service area. They also share resources and conduct joint training sessions.
- 5-10: PFPD has informal mutual aid agreements with all fire service providers in Plumas County and offers mutual aid statewide through CalEMA with a CalEMA Fire Engine. PFPD is also a member of several associations, including the Almanor Basin Fire Chiefs' Association, Plumas County Fire Chiefs' Association, and Special District Association
- 5-11: The District reports there is a potential for further shared administration and chief officer support with the Hamilton Branch Fire Protection District (HBFPD) at PFPD's admin office.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

- 5-12: PFPD generally meets the requirements outlined in State laws regarding the Brown Act, website materials, and best practices to ensure easy access to significant planning documents and financial reports.
- 5-13: The District has made agendas available online to the public for meetings as far back as 2019. However, meeting minutes are not readily accessible online and are available upon request. It is recommended that the District makes minutes available online for each board meeting as required.
- 5-14: The District complies with financial reporting practices by making available the State Controller's Office Financial Transaction Report, Annual Compensation Report, and Enterprise System Catalogue on its website. However, it is also recommended that the District make available all up-to-date financial audits and adopted budgets on the PFPD website to ensure transparency.
- 5-15: PFPD board members have filed up-to-date Form 700 forms and completed ethics training. It is recommended that these documents be made available online to ensure transparency. The District has also adopted a Conflict-of-Interest Code Pursuant to the provisions of Government Code sections 87303, 87306 and 87306.5, et.seq.
- 5-16: PFPD demonstrated accountability in its disclosure of information and cooperation with the LAFCO questionnaires and other requests for information.
- 5-17: PFPD is facing challenges from higher service call volumes and workload due to the Chester Fire Department's significant service reduction. To address these issues,

annexation of the Chester Fire Service area into PFPD is recommended. Additionally, the option of regionalization of fire services in the Lake Almanor area is discussed.

6. SPHERE OF INFLUENCE UPDATE (PFPD)

EXISTING SPHERE OF INFLUENCE BOUNDARY

The Peninsula Fire Protection District (PFPD) most recent SOI was adopted following an SOI update study for the Lake Almanor area in 2013. PFPD's current SOI extends beyond the District's boundaries to the south, including portions of Lake Almanor immediately adjacent to the district, and to the north, beyond Plumas County A13, extending north of State Route (SR) 36 and the Volcanic Legacy Scenic Byway.

SOI OPTIONS

SOI options for PFPD's fire protection services consist of the following:

Option #1: Approved with an expanded SOI — An expanded SOI, a sphere larger than PFPD's current SOI, that includes the Chester fire services area can be adopted. This option identifies areas PFPD is expected to annex and suggests that LAFCO anticipates the eventual dissolution of the Chester Fire Department through the annexation of the Chester fire protection service area into the Peninsula Fire Protection District (PFPD) due to the challenges identified in providing services.

Option #2: Approve with no change — Given the lack of supported options, the Commission may wish to consider no changes to PFPD's SOI.

RECOMMENDED SPHERE OF INFLUENCE BOUNDARY

It is recommended that the Commission adopt Option #1 in anticipation of receiving an application for annexation from CPUD and PFPD.

PROPOSED SPHERE OF INFLUENCE DETERMINATIONS (PFPD)

LAFCO is required to prepare a written statement of determination with respect to the following areas when updating a special district's Sphere of Influence, as specified by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The following determinations are proposed for the Peninsula Fire Protection District's fire protection service.

PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS

- 6-1: The Plumas County is the land use authority and hold primary responsibility for implementing growth strategies in the Peninsula Fire Protection District (PFPD) area.
- 6-2: According to the Plumas County 2035 General Plan, the PFPD area primarily consists of single-family residential land uses, with additional areas designated for multiple-family residential, rural residential, resort and recreation. Commercial designations are also present along the northern part of State Route (SR) 36.

PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA

- 6-3: PFPD offers a range of services including fire suppression, Advanced Life Support (ALS), ambulance services, dive and ice rescue with a 16-foot hovercraft, hazardous material response, fire prevention, and fire investigation. It also engages in fire prevention through educational initiatives on its website, brochures, and other materials. PFPD serves an area of approximately 17 square miles of land and water.

PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE

- 6-4: PFPD operates two fire stations, has an administrative office, runs a non-profit thrift shop, and owns two acres of land for a future third fire station.
- 6-5: Due to the significant reduction of fire services provided by Chester PUD's Fire Department, PFPD's call volume has increased, straining the current staffing levels.

- 6-6: The District reports that challenges in providing competitive wage and benefit packages pose a difficulty in maintaining service levels and meeting staffing needs.

EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA

- 6-7: The District provides extraterritorial services throughout the Lake Almanor Basin and occasionally extends into Tehama County, including parts of Lassen National Park.
- 6-8: Most of the CPUD fire protection service area, as identified by the California Department of Water Resources (DWR) mapping tool, is classified as a disadvantaged community (DAC). It is recommended that when considering the annexation of the Chester fire protection service area to PFPD, the Districts take into account the presence of DACs and the potential impacts of growth in these communities.

PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE

- 6-9: Per the California Department of Water Resources (DWR) Mapping Tool, the entirety of the PFPD SOI is not considered a disadvantaged community.