

**AGREEMENT TO PROVIDE FUNDING FOR RURAL FIRE PROTECTION
AND EQUIPMENT**

AGM# 518-F1511

THIS AGREEMENT is made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and the Garden Valley Fire Protection District, Mosquito Fire Protection District, Pioneer Fire Protection District, Rescue Fire Protection District, and the Fallen Leaf Lake Community Services District (herein collectively referred to as "Districts").

RECITALS

WHEREAS, between fiscal year 2000-01 and fiscal year 2008-09 the County provided supplemental funding to eight rural fire protection districts representing approximately 13% of the property tax revenue within each district's tax rate areas, the cumulative funding for all districts across nine fiscal years was \$8,569,957; and

WHEREAS, on June 2, 2009 the County adopted Resolution 111-209 which determined that the allocation of supplemental funds historically provided to the Districts for fire protection and emergency services, when considered in light of competing demands for County resources, would impair the provision of other important services and the achievement of County objectives, and thereby terminated supplemental funding; said Resolution also expressed the County's intent to work cooperatively with the Districts to explore ways to address their long term financial viability; and

WHEREAS, the County executed a Memorandum of Understanding with the Local Agency Formation Commission and funded the Fire and Emergency Services Study by Citygate Associates, LLC (hereinafter referred to as the "Citygate Report") for a high-level assessment of current fire and emergency services and potential alternatives for service delivery; and

WHEREAS, on February 15, 2011 the County executed Agreement 344-F111 in the amount of \$593,244 with the Garden Valley Fire Protection District, Georgetown Fire Protection District, Latrobe Fire Protection District, Mosquito Fire Protection District, and the Rescue Fire Protection District to provide for emergency medical services with fund balance then available through County Service Area No. 7; and

WHEREAS, on September 13, 2011 the County executed Agreement 416-F111 with the Fallen Leaf Lake Community Services District, providing \$38,690 from the County General Fund for fire protection, emergency medical services and related equipment; and

WHEREAS, on January 24, 2012 Agreement 344-F111 was subsequently extended providing an additional \$593,244 to the Garden Valley Fire Protection District, Georgetown Fire Protection District, Latrobe Fire Protection District, Mosquito Fire Protection District, and the Rescue Fire Protection District; and

WHEREAS, on April 9, 2013 the Commission of Collaborative Fire Departments gave a presentation to the Board of Supervisors regarding the current status and uncertain future of fire districts within the County, and requested the Board of Supervisors to participate in renewed discussions to find a permanent solution for sustainable fire and Emergency Medical Services funding through all El Dorado County fire districts, and

WHEREAS, on September 24, 2013 the Fire Advisory Group, consisting of two members of the Board of Supervisors, two rural fire board members, and two fire chiefs, presented its analysis of the financial condition of rural fire districts, and recommended a two-step strategy for improving fire service including short-term funding for seven rural districts, followed by a service level analysis and renegotiation of the property tax distribution; and

WHEREAS, following the September 24, 2013 presentation, the Board unanimously directed the Chief Administrative Office to return to the Board with potential funding contracts allowing dispersal of funds based on agreed financial triggers; and also directed the Chief Administrative Office to return to the Board with letters from each Fire Protection District Board in the County indicating their intent to participate in a long term, sustainable funding solution; and

WHEREAS, on March 25, 2014 the Board approved Agreement 525-F1411 providing one year of funding in the amount of \$812,385 based on the following distribution by District:

Fallen Leaf Lake CSD Fire Department	\$125,000
Garden Valley Fire Protection District	\$ 99,385
Georgetown Fire Protection District	\$300,000
Mosquito Fire Protection District	\$ 68,000
Pioneer Fire Protection District	\$150,000
Rescue Fire Protection District	\$ 70,000; and

WHEREAS, Agreement 525-F1411 by its terms required that the Districts study all options for service delivery including administrative, financial and operational reorganizations on a regional or sub-regional basis to establish long term financial sustainability for the Districts without reliance on supplemental funding from the County; and

WHEREAS, Agreement 525-F1411 provided that if in the determination of the Board of Supervisors, continued progress was made in the area of reorganization of fire services and an additional round of funding would further the progress toward that goal, the County could enter into an Agreement similar to Agreement 525-F1411; and

WHEREAS, the County requested that each of the fire districts provide the County with an update as to the progress made toward the area of reorganization of fire services; and

WHEREAS, Rescue Fire Protection District, Pioneer Fire Protection District, Mosquito Fire Protection District, Garden Valley Fire Protection District, and Fallen Leaf Lake CSD Fire Department provided letters to the County outlining the efforts taken to comply with the requirements of the terms of Agreement 525-F1411.

NOW, THEREFORE, County and Districts mutually agree as follows:

ARTICLE I

Payment of Funds: County agrees to appropriate and disburse funds in the following amounts Fiscal Year 2014-15 as follows:

Fallen Leaf Lake CSD Fire Department	\$125,000
Garden Valley Fire Protection District	\$477,000
Georgetown Fire Protection District	\$ -0-
Mosquito Fire Protection District	\$ 68,000
Pioneer Fire Protection District	\$ 75,000
Rescue Fire Protection District	\$ 70,000

Within forty-five (45) days of execution of this Agreement, County shall advance to the District the sums outlined in this Article. Districts receiving funds expressly agree that any funds paid by County under this Agreement shall not be used, directly or indirectly for any other purpose.

If any of the above Districts fail to execute this Agreement by May 29, 2015, then no disbursement shall be made to that District and the funds shall be retained by the County.

Any funds that have not been spent in accordance with the provisions of this Agreement by June 30, 2016, as solely determined by County, shall be returned to County within thirty (30) days of County's demand for same.

ARTICLE II

Source of Funds: The sole source of funds provided under this Agreement shall be from the amounts budgeted in the fiscal year 2014/2015 for such disbursement from the County General Fund. In the event that the amount budgeted in the fiscal year 2014/15 from the County General Fund for such disbursement is unable to provide all the funds under this Agreement, then the amounts to be paid to each district shall be proportionately reduced. The County shall not be required to make any payments from any other source.

ARTICLE III

Use of Funds: The funds received by the Districts shall be used exclusively for the purpose of providing fire protection including existing staffing and equipment and to implement those measures necessary to move the Districts to long term financial sustainability without the need for further County funding.

It is the intent of the County that all funds expended on existing personnel will be for firefighting positions, not for management, administrative or clerical positions. The County understands that certain firefighter positions are temporarily funded through state or federal grants, and Districts may need to use County funds to maintain current staffing levels as grants from state or federal sources expire. Districts understand that the County has no obligation or any ongoing responsibility to provide funding to the Districts for those positions which are temporarily funded by state or federal grants.

The County and Districts agree that long term financial and operational success of the fire service in the County of El Dorado requires that the Districts study all options available for service delivery. These options must include, as noted in the Citygate Report, administrative, financial and operational reorganizations on a regional or sub-regional level where economies of scale can be realized. Analysis of reorganization options shall occur in partnership with the County, but should not limit exploration of additional fire district revenue opportunities. Districts understand that it is the County's expectation that the Districts will use the funds provided under this Agreement to begin the process of implementing those measures necessary to move the Districts to financial sustainability without the need for additional County funding.

ARTICLE IV

Term: This Agreement shall become effective for each District when fully executed by the County and that District. ("Effective Date"). This Agreement provides for the payments for Fiscal Year 2014-15.

ARTICLE V

Reports Required: Within thirty (30) days of expenditure of funds for staffing or equipment, the District shall submit the following to the County:

1. A financial report, covering the term of this Agreement, that accurately and clearly shows the amounts received and expended in accordance with Article III.
2. A narrative report, including appropriate detailed information about the staffing and/or equipment that resulted from the District's acceptance of funds, which demonstrates the efficacy of the expenditures.
3. The reports shall also detail the steps taken by the Districts to achieve long term financial sustainability without the need for further County funding.

ARTICLE VI

Fire District Compliance with Applicable Law: Districts will comply with all Federal, State, and local laws and ordinances which are or may be applicable to the purchase of equipment.

ARTICLE VII

Audit: Districts will keep and maintain accurate financial accounts of all funds expended as provided under this Agreement. Said records will be kept in accordance with generally accepted accounting practices. Such accounting records shall be made available for inspection by County designee's during normal business hours at the office of each District or its financial consultant.

ARTILCE VIII

Cancellation: The County by majority vote of the Board of Supervisors, may elect to cancel this Agreement with a District by providing written notice of termination to that District. Cancellation by the County with one District shall not affect the agreement between the County and remaining Districts. A District may not cancel this Agreement after accepting funds from the County.

ARTICLE IX

No Third Party Beneficiary: Nothing in this Agreement shall be construed to create any rights of any kind or nature in any other party not a named party to this Agreement.

ARTICLE X

Changes to Agreement: This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

ARTICLE XI

Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be in duplicate and addressed as follows:

County: Chief Administrative Officer
County of El Dorado
330 Fair Lane
Placerville, CA 95667

With a copy to: County Counsel
County of El Dorado
330 Fair Lane
Placerville, CA 95667

or to such other location as the County directs.

Districts: See List of Districts attached as Exhibit A

or to such other location as the Districts direct.

ARTICLE XII

Indemnity: Each District shall defend, indemnify, and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with a Districts expenditure of funds pursuant to this Agreement. This duty of each District to indemnify and save County harmless includes the duties to defend set forth in California Civil Code section 2778.

ARTICLE XIII

Administrator: The County Officer or employee with responsibility for administering this Agreement is Pamela Knorr, Chief Administrative Officer, or successor.

ARTICLE XIV

Warrant of Authority: The parties to this Agreement represent that the undersigned individuals executing this Agreement on behalf of the respective parties have been duly authorized to sign this Agreement and perform its terms.

ARTICLE XV

Entire Agreement: This Agreement contain the entire agreement between the parties hereto with respect to the subject matter hereof, and no addition to or modification of any term or provisions shall be effective unless set forth in writing by all parties hereto. Nothing in this Agreement will be construed to create any express or implied obligation on the part of the County to provide future funding to the Districts and any such obligation is expressly denied.

ARTICLE XVI

Severability: If any phrase, sentence, clause or provision of this agreement is held invalid, the balance of the agreement shall not be affected and the agreement shall be construed to the fullest extent of the law to effectuate the terms of this agreement.

ARTICLE XVII

California Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

ARTICLE XVIII

Waivers: No waiver by any party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision.

ARTICLE XIX

Counterparts: This Agreement shall be valid upon approval by the County as to each individual District that has approved the agreement. Failure of one or more individual Districts to approve this Agreement shall not affect the validity of this Agreement with respect to the Districts that have approved the Agreement.

This Agreement and any and all other agreements, documents or certificates to be entered into by the parties with respect to the subject matter hereof, may be executed in multiple counterparts. Each such executed counterpart shall be considered an original, and taken together, shall constitute one and the same document. Any signature, notice or other communication with respect to the subject matter hereof may be given by telex, telecopy or other facsimile transmission, the transmission of which shall be concurrently or immediately followed by delivery (personal or by express mail) of any original thereof, and the party receiving a facsimile transmission shall be entitled to rely upon such facsimile to the same extent as if it were an original.

ARTICLE XXX

Venue: Any dispute resolution action arising out of this Agreement, including but not limited to litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California. Districts waive any removal rights it might have under Code of Civil Procedure section 394.

ARTICLE XXI

Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

ARTICLE XXII

Time is of the Essence: The Parties hereto acknowledge and agree that time is of the essence.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first below written.

-- COUNTY OF EL DORADO --

Date: _____

By: _____
**Brian Veerkamp, Chair
Board of Supervisors**

ATTEST:
James S. Mitrison,
Clerk of the Board of Supervisors

By: _____ Date: _____
Deputy Clerk

-- DISTRICTS --

Date: _____

By: _____

**Fallen Leaf Lake Community
Services District**

Date: _____

By: _____

**Garden Valley Fire Protection
District**

Date: _____

By: _____

Mosquito Fire Protection District

Date: _____

By: _____

Pioneer Fire Protection District

Date: _____

By: _____

Rescue Fire Protection District

EXHIBIT A

**AGREEMENT TO PROVIDE FUNDING FOR RURAL FIRE PROTECTION
AND EQUIPMENT**

List of Districts

Fallen Leaf Lake Community Services District
P.O. Box 9415
South Lake Tahoe, CA 96158

Garden Valley Fire Protection District
4860 Marshall Road
Garden Valley, CA 95633

Mosquito Fire Protection District
8801 Rock Creek Road
Placerville, CA 95667

Pioneer Fire Protection District
P.O. Box 128
Somerset, CA 95684

Rescue Fire Protection District
P.O. Box 102
5221 Deer Valley Road
Rescue, CA 95672