



AGENDA ITEM 6.C.

MEETING: April 30, 2024
TO: Trinity LAFCo Commissioners
FROM: Colette Santsche, Executive Officer
SUBJECT: Status of Post Mountain Public Utilities District Sustainability and Structure

BACKGROUND:

In August 2023, LAFCo adopted a Municipal Service Review and Sphere of Influence (MSR/SOI) Update for the Post Mountain Public Utilities District (PUD). Through the MSR/SOI process, several areas of concern were raised regarding the viability of the District, including the following:

- (1) The District has undocumented and/or inadequate minimum training certifications for all volunteer firefighters, deferred equipment maintenance and repair, and lack of volunteers and training to effectively respond to calls for service in the area, including medical;
- (2) The District lacks a dedicated funding source for road maintenance and has spent fire assessment funds and reimbursements on road maintenance activities under the assumption that roads must be cleared to access homes in the event of an emergency;
- (3) The District has consistently been unable to retain a full Board of Directors and for a substantial period of time was unable to conduct business as there were not enough members to constitute a quorum;
- (4) The District has not conducted timely audits which has resulted in Trinity County Auditor-Controller withholding assessment funds until audits can be conducted; and
- (5) The District has taken limited action to improve its financial standing and organizational structure, which includes recruitment and retention, policies and management, training and certifications, and other operational improvements, such as strengthening regional fire response, addressing key vulnerabilities, and establishing cooperative agreements with neighboring emergency service providers.

As a result of the MSR/SOI process, the Commission adopted Resolution 2023-05 which established a provisional SOI. The District was given 12 months to make progress on several items, as listed in the Resolution. If at the end of 12 months, insufficient progress has been made on these items, the Commission may adopt a zero sphere for the District and initiate proceedings for reorganization and/or dissolution of the District in accordance with Government Code Section 56375(2) or 56375.1.

As part of the provisional sphere, the District is to provide the Commission with an update every six months. Since the February 2024 Regular Commission was cancelled, staff is providing an eight-month progress report on Post Mountain PUD.

DISCUSSION:

Below is a status report on each of the 12 tasks outlined in Resolution 2023-05 Item 6. These tasks were put in place in order to address the areas of concern listed above and help increase Post Mountain PUD's ability to conduct business and provide adequate services to residents.

a. Work with the Trinity County Auditor-Controller to conduct previously uncompleted audits for the District and implement a process to ensure minimum financial requirements under Government Code Section 26909 are completed in a timely manner.

Status – The 2023 MSR documented that the District is not in compliance with GC section 26909, which requires preparation of an annual audit. The last audit conducted for the District was in May 2021 for FY 19-20. In June 2020, the District Board appointed a treasurer in an effort to improve their financial reporting. Most recently, the District Board appointed Director Blong Yang as the District Treasurer.

The District has hired Clifton Larson Allen (CLA) out of Roseville to prepare an audit that covers FY 20-21 and FY 21-22. A draft audit has recently been completed by CLA and is being reviewed by the District. GC section 26909 requires audits to be completed and filed with State Controller’s Office (SCO), the County Auditor-Controller, and LAFCo within 12 months after the close of the fiscal year(s) under examination.

The District has expressed interest in continuing biennial audits covering two-year periods. In accordance with GC section 26909(b), the district board would need to unanimously request a biennial audit and the board of supervisors would need to unanimously approve the request. It is recommended that the District coordinate with the County Auditor-Controller’s Office to determine whether another combined audit for FY 22-23 and FY 23-24 can be completed, and whether annual or biennial audits should take place thereafter.

b. Provide annual reports to the State Controller for publication.

Status – The 2023 MSR documented that while the District has been submitting annual Financial Transactions Reports (FTR) to the State Controller’s Office (SCO), they appear to be inconsistent. The State Controller’s website shows that the District has been operating at a loss for five of the last six fiscal years reviewed. As a result, it is difficult to fully understand the District’s current financial position.

Government Code section 53891 requires the FTR be submitted to the SCO within seven months after the close of the fiscal year or within the time prescribed by the Controller, whichever is later. Most recently the FTR was due to SCO by January 31, 2024. According to the District bookkeeper, the FTR was successfully submitted to SCO.

c. Prepare for and seek voter approval for a special tax or property owner approval of a special assessment to fund road maintenance services in accordance with Proposition 218 procedures.

Status – The 2023 MSR documented significant road maintenance deficiencies for Post Mountain. Currently, there District lacks a dedicated funding source for road maintenance and has relied on fire assessment funds and reimbursements for road maintenance activities under the assumption that roads must be cleared to access homes in the event of an emergency. The District retained Trinity Valley Consulting Engineers, Inc (TVCE) to perform a Rate Study for Road Maintenance. The study included a culvert inventory and a road inventory to determine the costs associated with maintaining the roads and culverts within Post Mountain. The study established an annual maintenance budget of \$180,500 with a ~3% annual escalator. Based on a total of 1,046 taxable parcels within the District, the study determined a \$173 per parcel per year charge should be levied by the District should the cost burden be shared equally among property owners.

While the study evaluates road and culvert maintenance costs, there are likely other costs associated with administering the roads program that should be considered. It is assumed the District would hire a contractor to complete the road maintenance work but may also contract with a company or individual to manage and administer the roads program (e.g., design and contract maintenance related and emergency repair projects, provide road crew design support, perform record keeping and research for the District maintained road system, handle reporting requirements for various road funding sources, and responds to public inquires).

In order to pursue levying and collecting annual special assessments for the ongoing operation, repair, maintenance, and servicing of road improvements, an Engineer's Report that evaluates the benefits associated with the improvements provided within the Assessment District, the proportional costs of the special benefits, and a discussion of the costs, if any, considered to be of general benefit (and therefore not assessed) must be clearly provided. In addition, the Engineer's Report should identify an inflationary adjustment, if proposed, that provides for the assessment to be increase each year based on the annual change in the consumer price index or construction cost index, that allows for increases in normal repair, maintenance and operating costs, without triggering the need for additional assessment ballot proceedings required by Proposition 218.

Additional consideration should also be given to the establishment of a Permanent Road Division (PRD) by Trinity County. PRDs can be established as a means for unincorporated area property owners to improve and maintain their roads. This provides a mechanism whereby property owners can collectively and voluntarily petition for the establishment of a PRD to fund improvement and maintenance of roads within the PRD boundary or subzone. If formation of a PRD is supported by a benefiting property owners, and if adequate public easements are provided over the roadway, the County Board of Supervisors may create a PRD to fund the desired improvements and/or maintenance. Funding for desired services may come in the form of a special assessment, requiring majority property owner approval (weighted according to the proportional financial obligation of the affected property) or a special tax, requiring a 2/3-majority approval of registered voters within the PRD boundary. The special assessment or tax is levied annually and is included on the property tax bill. The funds collected belong exclusively to the PRD, to be used only for the purposes authorized, and are maintained in a special account administered by the County Public Works Department.

d. Conduct community outreach and attempt to fill vacancies on its Board of Directors.

Status – The 2023 MSR documented the District's challenges in attracting and retaining board members. From fall 2022 to summer 2023, there were only two active board members which resulted in the District being unable to meet or conduct business without a quorum. On June 6, 2023, a new board member was appointed by the Board of Supervisors.

The District has indicated that they appointed another board member and has another prospective board member. According to the Elections Office, the District needs to: 1) submit meeting minutes documenting that appointments have been made for each Board member, 2) submit oaths of office for each Board member, and 3) submit Form 700's for each Board member to remain in good standing with the Elections Office.

e. Conduct Board of Director meetings at least every other month and ensure that notices, agendas, and minutes are posted in accordance with the Brown Act.

Status – The District held their first Board meeting since obtaining a quorum of active members on July 8, 2023, and has resumed monthly meetings on the 2nd Saturday of every month at 10am at the fire house.

f. Ensure that all board members file Statements of Economic Interests (Form 700), receive mandated ethics training, and submit forms/certificates to the District to keep on file.

Status – The Political Reform Act (Government Code Sections 81000-91015) requires most state and local government officials and employees to publicly disclose their personal assets and income. They must also disqualify themselves from participating in decisions that may affect their personal financial interests. The Fair Political Practices Commission (FPPC) is the state agency responsible for issuing the Statement of Economic Interest (Form 700), and for interpreting the law's provisions.

Upon election or appointment to the District Board, directors must submit a Form 700. Additionally, an annual Form 700 must be submitted by all directors which covers the dates from January 1 to December 31. The form can be accessed on the Fair Political Practices Commission's website at <https://www.fppc.ca.gov/Form700.html>.

Additionally, AB 1234 was chaptered and approved by the Governor in October 2005. This law requires all local agency officials to receive training in ethics. This training must be received within one year of assuming office and once every two years thereafter. The Fair Political Practices Commission (FPPC) has Ethics Training that can be found on the FPPC website at: <https://www.fppc.ca.gov/learn/public-officials-and-employees-rules-/ethics-training.html>

g. Conduct community outreach and attempt to obtain additional volunteer firefighters.

Status – The 2023 MSR documented staffing challenges for the volunteer fire department leading to requests to change primary responsibility for the area of responsibility to surrounding departments, including Hayfork FPD and CAL FIRE Hayfork station for fire and medical calls in the Post Mountain area, along with U.S. Forest Service and CAL FIRE if there is a wildland fire.

Currently, Post Mountain Fire has 5 volunteers, with one additional about to be voted in. All members are CPR certified and have attended multiple live trainings in Hayfork. To become Emergency Medical Responder (EMR) certified, additional training will be needed including Title 22 First Aid and online hazmat training.

Chief Dobo (Post Mountain Fire) and Chief Warshawer (Hayfork Fire) have been working closely and the support from Hayfork has been monumental. Hayfork Fire can provide skilled training and expertise that is otherwise unavailable to volunteers in Post Mountain. Post Mountain residents who are reluctant to participate may be more willing to be involved. There is an opportunity to tap into the Hmong community – they have their own de facto volunteer firefighters that respond to emergencies – and by trusting and becoming part of the official department would be a benefit to the entire community.

h. Work cooperatively with neighboring fire services providers to assess the potential for volunteers to attend regular and ongoing training so that the District can effectively respond to calls for service in the area, including medical.

Status – The 2023 MSR recommended that there should be renewed efforts by both Post Mountain and Hayfork Fire to work cooperatively to assess opportunities for shared services, including the potential for Post Mountain volunteers to attend regular and ongoing training so that the District can effectively respond to calls for service in the area, including medical. There has been much improvement with training as discussed previously. With regard to medical, Post Mountain Fire does not currently get paged out for medical calls. Once there is adequate response capacity, Post Mountain Fire should coordinate with Nor Cal EMS and Sherrif's department so that they get dispatched to medical calls. It is important that there be medical and fire response locally, so that Post Mountain volunteers can arrive first and assist on scene before additional help arrives from Hayfork.

i. Establish formal mutual aid and auto-aid agreements with neighboring emergency service providers.

Status – The 2023 MSR recommended that Post Mountain Fire should seek to establish formal mutual aid and/or auto-aid agreements with neighboring emergency service providers (Hayfork FPD and Southern Trinity Volunteer Fire Department). This was in recognition that in the past, Post Mountain and Hayfork Fire had a mutual aid agreement. According to both districts, no formal agreement is in place.

j. Obtain copies of minimum training certifications for all volunteer firefighters and records for regular training and keep them on file at the fire station.

Status – Post Mountain has indicated it is retaining training records and certifications for its volunteers.

k. Develop a program to ensure proper maintenance and repair of all District equipment as well as regular apparatus and equipment inspections, that includes tracking logs.

Status – The 2023 MSR noted that Post Mountain has two fire trucks including a 4wd engine with a 450 gallon tank (about 15 years old, acquired through a grant) and a 2wd “city” fire truck. The District also has a water tender with a 4,000 gallon tank that was donated by Hayfork Fire, one rescue, and a chiefs vehicle. It is unknown if all apparatus is in functioning order and ongoing maintenance is needed.

Post Mountain indicated there hasn’t been any maintenance or repair work recently on apparatus or equipment. An apparatus replacement plan is needed to determine the schedule for replacement. For instance, the 2wd “Type 1” fire truck should likely be replaced with a 4wd pickup-style “Type 6” engines that are especially useful in back roads in rural areas. Important consideration should also be given to the department’s water supply capacity.

It will be important for the District to create a tracking system for future implementation. It was reported that Post Mountain will receive 6 structure turnouts for its volunteers thanks to a FEMA grant coordinated by Junction City Fire and for which Hayfork Fire helped support. The structure gear has been fitted and will be delivered in the fall 2024. Each turnout costs around \$2,000 per set.

l. Conduct a review to determine the degree to which engines meet minimum ISO or CAL FIRE equipment and hose requirements, and identify deficiencies.

Status – This is still needed.

In addition, Chief Dobo expressed interest in entering into a Cooperative Fire Protection Agreement with the U.S. Forest Service Shasta-Trinity National Forest, which describes the conditions in which “mutual aid” periods are established (non-reimbursable basis) and “Assistance by Hire” for personnel, equipment, supplies or services provided (reimbursable basis). This could also be explored for CAL FIRE.

RECOMMENDATION:

Staff recommends the Commission receive the staff report and provide direction as necessary.