



EL DORADO HILLS FIRE DEPARTMENT

ANNUAL AND FIVE-YEAR FINDINGS REPORTS FOR FIRE IMPACT FEE PROGRAM

FY 2020-21

PREPARED FOR:

**BOARD OF DIRECTORS
EL DORADO HILLS COUNTY WATER DISTRICT**

PREPARED BY:

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EL DORADO HILLS COUNTY WATER DISTRICT

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EXECUTIVE SUMMARY

INTRODUCTION

The Mitigation Fee Act (Government Code Section 66000 et. seq., hereafter the "Act") requires local agencies to report certain financial information regarding their development impact fee programs every year and every fifth year. These reporting requirements are applicable to the fire impact fee ("Reportable Fee") program of the El Dorado County Water District's ("District") El Dorado Hills Fire Department ("Department") adopted by the County of El Dorado ("County") on behalf of the District.

This *Five-Year Findings Report* provides the findings required by Section 66001(d)(1) of the Act for the District's Fire Impact Fee Fund for fiscal year ending June 30, 2021. The District's last Five-Year Findings Report for their fire impact fee fund was provided for fiscal year ending June 30, 2016.

BACKGROUND

Section 66006(b) the Act requires that the following information, entitled "*Annual Report*," be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;
- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;
- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;
- an identification of an approximate date by which development of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

In addition to the Annual Report, local agencies are required, for the fifth fiscal year following the first receipt of any development impact fee proceeds, and every five years thereafter, to

comply with Section 66001(d)(1) of the Act by affirmatively demonstrating that the local agency still needs unexpended development impact fee revenue to achieve the purpose for which it was originally imposed and that the local agency has a plan on how to use the unexpended balance to achieve that purpose.

Specifically, local agencies must make the following findings, entitled "*Five-Year Findings Report*," concerning that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

In addition to the requirements set forth above, Section 66001(e) of the Act of the states that when sufficient funds have been collected to complete financing on incomplete public improvements, and the public improvements remain incomplete, the local agency shall identify, within 180 days of the determination that sufficient funds have been collected, an approximate date by which the construction of the public improvement will be commenced, or shall refund to the then-current record owner or owners of the lots or units, as identified on the last equalized assessment roll, of the development project or projects on a prorated basis, the unexpended portion of the fee, and any interest accrued thereon.

However, 66001(f) of the Act states that if the administrative costs of refunding unexpended revenues exceed the amount to be refunded, the local agency, after a public hearing, notice of which has been published and posted in three prominent places within the area of the development project, may determine that the revenues shall be allocated for some other purpose for which fees are collected and which serves the project on which the fee was originally imposed.

ANNUAL REPORT (FISCAL YEAR 2020-21)

In accordance with Government Code Section 66006(b)(1) and (2), the El Dorado Hills County Water District (the "Department") provides the following information for fiscal year 2020-21 for the El Dorado Hills Fire Department's ("Department") Fire Impact Fee Program.

BRIEF DESCRIPTION OF THE REPORTABLE FEE

The Department's fire impact fee ("Reportable Fee") will help maintain adequate service levels for fire protection in the Department. New development in the Department will increase the demand for fire protection services. The Reportable Fee will fund the construction of new or expanded fire facilities, apparatus, and equipment necessary to accommodate residential and nonresidential development in the Department.

REPORTABLE FEE AMOUNTS

The current Reportable Fees in effect at the end of fiscal year 2020-21 are shown below.

Land Use Category	Reportable Fee
Residential Single Family	\$0.99/sq. ft.
Residential Multi Family	\$1.62/sq. ft.
Residential Mobile Home	\$1.16/sq. ft.
Assisted Living Facility	\$1.63/sq. ft.
Retail/Commercial	\$1.68/sq. ft.
Office	\$2.10/sq. ft.
Industrial	\$1.54/sq. ft.
Agriculture	\$0.65/sq. ft.
Warehouse/Distribution	\$1.04/sq. ft.

REPORTABLE FEE ACCOUNT BALANCES

The balance of the Reportable Fee account at the beginning of fiscal year 2020-21 was \$10,682,188.69. At the end of fiscal year 2020-21, the balance of the Reportable Fee fund was \$11,687,837.57.

REPORTABLE FEES COLLECTED AND INTEREST EARNED

The amount of Reportable Fees collected during fiscal year 2020-21 was \$1,158,136.41. In addition, \$54,643.45 was earned in interest during the fiscal year. The total amount of Reportable Fee and interest collected during fiscal year 2020-21 was \$1,212,779.86.

USE OF REPORTABLE FEES

For fiscal year 2020-21, Reportable Fees were expended on four improvements / purchases detailed in Figure 1 totaling \$195,552.86. The County's 1% fee for administration of the fee program totaled \$11,578.12.

FIGURE 1 – USE OF REPORTABLE FEES

<u>Improvement Project</u>	<u>Total Expenditure</u>	<u>% Funded with Reportable Fee</u>
8538 Chief's Vehicle Fitting	\$34,706.34	26.5%
New Training Center (Phase 1)	\$126,677.69	75%
Mobile Data Computers	\$13,127.41	100%
New Station 91 Engine	\$79,222.58	100%
Fee Program Administration	\$11,578.12	100%

IDENTIFICATION OF INCOMPLETE IMPROVEMENTS

The Department expended \$126,677.69 of previously collected Reportable fees on project management services for the construction phase one of the new \$10.2 million Training Center. The Department anticipates construction would commence in fiscal year 2021-22 and be completed by fiscal year 2024-25.

INTERFUND TRANSFERS AND LOANS

There were no other interfund transfers or interfund loans from the Reportable Fee fund in fiscal year 2020-21.

REFUNDS

The Department issued no refund of Reportable Fees in fiscal year 2020-21.

FIVE-YEAR FINDINGS REPORT (AS OF JUNE 30, 2021)

In accordance with Government Code Section 66001(d)(1), the El Dorado Hills County Water District (the "District") affirmatively demonstrate that the El Dorado Hills Fire Department ("Department") still needs unexpended fees to achieve the purpose for which it was initially imposed and that the Department has a plan on how to use the unexpended balance to achieve that purpose.

UNEXPENDED REPORTABLE FEES

The Department's Fire Impact Fee ("Reportable Fee") fund balance as of June 30, 2021, was \$11,687,837.57.

PURPOSE OF THE REPORTABLE FEE

The purpose of the Reportable Fee, imposed and collected on new development within the District, is to help maintain adequate levels of service for fire protection in the District. New development in the District will increase the demand for fire protection services. The Reportable Fees will fund fire facilities, apparatus, and equipment necessary to accommodate growth as it occurs in the District. Specifically, the Department intends to put the unexpended Reportable fees towards the following improvements and purchases.

FIGURE 2 – IMPROVEMENTS TO BE FUNDED WITH UNEXPENDED REPORTABLE FEES

Improvement / Purchase	Estimated Cost
New Training Center (Phase 1)	\$10,200,000
New Water Rescue Boat	\$218,000
New Development Center for Firefighter Training	\$500,000
New Mechanic's Truck / Large Tools	\$225,000
Replacement BC Vehicle	\$200,000
New Two (2) Community Risk Reduction Staff Vehicles	\$75,000
Replacement of SCBAs	\$600,333
Replacement of Two (2) Pierce Type I Fire Engines	\$1,505,000
New Heavy Rescue Squad	\$900,000
Replacement of Three (3) Staff Vehicles (8501, 8502, 8503)	\$240,000
Replacement of One (1) Ladder Truck	\$1,500,000
Replacement of Two (2) Type III Fire Engines	\$800,000
New Communication Tower and Radio Infrastructure	\$7,000,000
TOTAL	\$23,963,333

Source: El Dorado Hills Fire Department

RELATIONSHIP BETWEEN THE REPORTABLE FEE AND THE PURPOSE FOR WHICH IT IS CHARGED

There is a roughly proportional, reasonable relationship between the new development upon which the Reportable Fees are charged and the need for additional fire facilities, apparatus, vehicles, and equipment by reason of the fact that development of residential and nonresidential land uses in the Department's service area will generate additional demand for fire services and fire system improvements. The fire impact fees will be used to fund these improvements, which are necessary to serve new development in the District. Each development project will add to the incremental need for additional fire protection capacity, and each new project will benefit from the expanded fire system capacity. For the new development to occur in the District, fire protection facilities, apparatus, vehicles, and equipment must be added in order to provide an adequate level of fire protection service in the District.

ANTICIPATED FUNDING TO COMPLETE FINANCING OF INCOMPLETE IMPROVEMENTS

The estimated cost of the Department's incomplete improvements and the sources and amounts of funding anticipated to complete the financing of the incomplete improvements in shown in Figure 3 on the following page.

The Department is anticipating collecting approximately \$1.2 million per year for the next seven years in Reportable Fees. The Department plans on allocating over \$3.4 million in General Fund revenue over next five fiscal years towards apparatus and vehicle replacement.

APPROXIMATE DATES OF DEPOSIT OF ANTICIPATED FUNDING

The approximate dates on which the funding anticipated to complete financing of the Department's incomplete improvements is expected to be deposited into the Reportable Fees fund is shown in Figure 4 on page 8.

FIGURE 3 - ANTICIPATED FUNDING TO COMPLETE FINANCING OF INCOMPLETE IMPROVEMENTS

Incomplete Improvement	Anticipated Funding Amount				Estimated Cost
	Expended Prior to June 30, 2021 ¹	Unexpended Reportable Fees ²	Future Reportable Fees ³	General Fund Contribution ⁴	
New Training Center (Phase 1)	\$269,708	\$7,380,292	\$2,550,000		\$10,200,000
New Water Rescue Boat		\$174,400	\$43,600		\$218,000
New Development Center for Firefighter Training		\$400,000	\$100,000		\$500,000
New Mechanic's Truck / Large Tools		\$225,000			\$225,000
Replacement BC Vehicle		\$53,000		\$147,000	\$200,000
New Two (2) Community Risk Reduction Staff Vehicles		\$75,000			\$75,000
Replacement of SCBAs		\$159,088		\$441,245	\$600,333
Replacement of Two (2) Pierce Type I Fire Engines		\$398,825		\$1,106,175	\$1,505,000
New Heavy Rescue Squad		\$450,000	\$450,000		\$900,000
Replacement of Three (3) Staff Vehicles (8501, 8502, 8503)		\$63,600		\$176,400	\$240,000
Replacement of One (1) Ladder Truck		\$397,500		\$1,102,500	\$1,500,000
Replacement of Two (2) Type III Fire Engines		\$212,000		\$588,000	\$800,000
New Communication Tower and Radio Infrastructure		\$1,699,132	\$5,300,868		\$7,000,000
TOTAL	\$269,708	\$11,687,837	\$8,444,468	\$3,561,320	\$23,963,333

Source: El Dorado Hills Fire Department

Notes:

¹ Reportable fees from the prior fee program expended prior to June 30, 2021.

² Reportable fees collected and unexpended as of June 30, 2021. Unexpended fees dedicated to phase 1 of new training center are from the prior fee program.

³ Projected reportable fees to be collected after June 30, 2021.

⁴ Anticipated funding from the District General Fund Budget that is funded generally through property taxes.

FIGURE 4 - APPROXIMATE DATES OF DEPOSIT OF ANTICIPATED FUNDING DETAILED IN FIGURE 3

Incomplete Improvement	Anticipated Deposit Date of Funding			Construction Completion / Purchase Date
	Unexpended Reportable Fees	Future Reportable Fees	General Fund Contribution	
New Training Center (Phase 1)	Balance as of June 30, 2021	FY 2021-22 and FY 2023-24		2024
New Water Rescue Boat	Balance as of June 30, 2021	FY 2021-22 and FY 2022-23		2022
New Development Center for Firefighter Training	Balance as of June 30, 2021	FY 2021-22 and FY 2022-23		2022
New Mechanic's Truck / Large Tools	Balance as of June 30, 2021	FY 2021-22 and FY 2022-23		2022
Replacement BC Vehicle	Balance as of June 30, 2021			2022
New Two (2) Community Risk Reduction Staff Vehicles	Balance as of June 30, 2021			2022
Replacement of SCBAs	Balance as of June 30, 2021		FY 2021-22 and FY 2022-23	2022
Replacement of Two (2) Pierce Type I Fire Engines	Balance as of June 30, 2021		FY 2022-23 and FY 2024-25	2025
New Heavy Rescue Squad	Balance as of June 30, 2021	FY 2022-23		2024
Replacement of Three (3) Staff Vehicles (8501, 8502, 8503)	Balance as of June 30, 2021		FY 2024	2024
Replacement of One (1) Ladder Truck	Balance as of June 30, 2021		FY 2025	2026
Replacement of Two (2) Type III Fire Engines	Balance as of June 30, 2021		FY 2025	2026
New Communication Tower and Radio Infrastructure	Balance as of June 30, 2021	FY 2023-24 thru FY 2027-28		2027

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