

*Alpine Springs County Water District  
Capital Facilities and  
Fire Mitigation Fee Expenditure Plan*



*January 13, 2012  
Placer County*

## *Summary of the Mitigation Process*

For several years the County of Placer has undergone sustained growth. Because of rigid controls from the Tahoe Regional Planning Agency (TRPA), this growth has escalated outside the Lake Tahoe basin. This increase in protection inventory and service population has served to spread existing assets of public agencies over a substantially larger service base. The Alpine Springs County Water District (the District) has experienced an increase in the amount of building inventory to protect. This development has contributed to an increase in fire protection inventory, requiring a commensurate increase in firefighting infrastructure.

Alpine Springs County Water District is faced with growing capital improvement needs that exceed property tax increments. With the advent of Proposition 218, special tax or assessments are no longer valid revenue sources to keep pace with growth, new service and infrastructure demands. The Alpine Springs County Water District is utilizing a proactive approach to continue an existing level of service and to meet the future needs of the District.

Historical data about staffing and inventory have been gathered to develop estimates of adequate staffing levels and capital inventory. This information has been used to develop a fair and equitable mitigation fund equation. The total impact is analyzed by correlation between community growth and the increased need for fire prevention and protection services. The ultimate purpose of the mitigation fees is to provide a continuing level of service rather than a remedy for past development and to hopefully arrest the degradation of service levels.

In 1986 Assembly Member Cortese recognized the need for concise legislation concerning mitigation. AB 1600 is the result of hearings. Through delay, the effective date of AB1600 was January 1, 1989. AB1600 enacted Government Code Sections 66000-66003. This in effect requires local agencies imposing mitigation fees to specify the public improvement, segregate the monies collected in special accounts, re-examine the necessity for the expanded balance after 5 years, and refund the balance with accrued interest. In addition, local agencies imposing the fee for defined facility and improvements would be authorized to adopt and annually review a specified capital facilities plan.

AB 1600 required the Alpine Springs County Water District to go through an established process to enact a reasonable relationship between a development fee and the specified improvement that it will be used for. In simple terms, the Alpine Springs County Water District cannot arbitrarily charge a mitigation fee without first showing the relationship between impact of development and the fee being charged. Through a thorough analysis in 2007 this process was met.

The final hurdle was the actual levy of fees. The California Attorney General issued the opinion that Special Districts cannot levy mitigation fees. However, the California Constitution allows Counties and Cities to levy mitigation fees. Through this process and by Resolution Placer County has allowed the Alpine Springs County Water District to realize mitigation revenues. The content of this report will outline the pending plan for those fees in the fiscal year 2011/2012, and a proposal for a mitigation fee adjustment based on a generally accepted inflationary adjustment.

## *Relationship Between Growth and Capital Facilities Plan*

Alpine Springs County Water District continues to experience growth in fire inventory, as well as population. This trend is expected to continue for years to come. This development has contributed to an increase in calls for service and increased fire potential.

The recent trend of expanding small mountain cabins to expansive resort homes is creating larger homes with larger population potential. Many of these homes are vacation rentals, which carry increased risks with transient guests unfamiliar with the unusual fire and safety risks of forested and heavy snow areas. As the demand for fire and Emergency Medical Services capability increases through infill construction and “teardown” remodels, the ability to transport personnel and apparatus will degrade proportionally. The major arterial routes are periodically congested and the projected increase in residents and visitors will only worsen the problem. The only plausible mitigation strategy is to maintain, upgrade or relocate staffed fire stations where response is timely, and to maintain enough redundancy in apparatus and equipment to act autonomously until assistance can arrive.

The continued growth will impact the District’s ability to maintain the same level of service. The impact of this growth affects three aspects of the organization: (1) Personnel required (2) Fire Stations (3) Apparatus. Capital Mitigation fees may be used for specific items as clearly stated in AB 1600. Personnel cannot be funded with these fees. Development of fire stations and purchase of apparatus are allowed.

## *Ongoing Inflation Adjustment*

Mitigation fees are adjusted annually to accommodate the impact of development (growth) on fire protection services within the District. Starting in FY 2009/2010 and for the following five years, the District will adjust mitigation fees based on the percent change in construction costs as defined in the Construction Cost Index (CCI) published by the *Engineering News-Record*. The need for the District to adjust mitigation fees annually was approved by the Placer County Board of Supervisors, and recommended in the Fire Facilities Mitigation Fee Study that established the fee in July 2007.

### *Proposed FY 2011/2012 Mitigation Fee Rate adjustment based on the generally accepted Construction Cost Index for the period October 2010 thru November 2011*

Fixed rate pricing structures are unable to keep pace with increasing costs of facilities, vehicles, and general fire protection infrastructure requirements. Thus consistent with the spirit of the enabling legislation it is the intent of the District to continue the previously approved annual inflationary index mitigation fee adjustment. The adjustment is based on the Construction Cost Index published by the *Engineering News-Record*. The CCI change for the period October 2010 thru November 2011 was 2.8%.

The below chart outlines the existing and proposed rate structure for the mitigation fee schedule.

<u>FEE SCHEDULE</u>		
CONSTRUCTION TYPE	EXISTING	NEW PROPOSED*
<b>Residential</b>	<b>\$0.98 per square foot</b>	<b><i>\$1.00 per square foot</i></b>
<b><u>Nonresidential</u></b>		
<b>Commercial</b>	<b>\$1.62 per square foot</b>	<b><i>\$1.66 per square foot</i></b>
<b>Office</b>	<b>\$2.06 per square foot</b>	<b><i>\$2.12 per square foot</i></b>
<b>Industrial</b>	<b>\$1.44 per square foot</b>	<b><i>\$1.48 per square foot</i></b>

\* proposed fees take effect 60 days after the plan is approved by the Placer County Board of Supervisors

	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
<b>Mitigation Fund Beginning Balance</b>	\$937	\$2,693	\$9,245	\$5,995	\$5,245	\$3,995	\$3,745
<b>Revenue Category</b>							
Projected annual mitigation fees revenue	\$8,133	\$6,477	\$7,000	\$8,000	\$8,000	\$9,000	\$9,000
Projected account interest	\$11	\$75	\$50	\$50	\$50	\$50	\$50
<b>Total Revenues</b>	\$8,144	\$6,552	\$7,050	\$8,050	\$8,050	\$9,050	\$9,050
<b>Expenditure Category</b>	<b>FY 09-10</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>
	<b>Actual</b>	<b>Actual</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
Storage building	\$6,388	\$0	\$300	\$300	\$300	\$300	\$300
Fire Engine chassis, build-up & equipment	\$0	\$0	\$0	\$0	\$9,000	\$9,000	\$9,000
Ambulance chassis, build up & equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mitigation Plan Update	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0
Station expansion ADA	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0
*adjusted for closing invoices							
<b>Total Expenditures</b>	\$6,388	\$0	\$10,300	\$8,800	\$9,300	\$9,300	\$9,300
<b>Mitigation Fund Ending Balance</b>	\$2,693	\$9,245	\$5,995	\$5,245	\$3,995	\$3,745	\$3,495

## *Alpine Springs County Water District Use Statement*

AB 1600 states that a District must have a statement of use to which mitigation fees are to be assigned. For the fiscal year 2011/2012, the fire mitigation fees collected within the Alpine Springs County Water District will be utilized towards the following programs:

- **Station expansion-ADA:** The District has had to increase staffing to keep up with growth. The fire station was recently remodeled and an addition put on to increase the size of the sleeping quarters. ADA requirements are still needed to complete the remodel. Starting in FY 08/09 mitigation fees will fund the ADA portion of the expansion project.
- **New Fire Engine, Type I, fully equipped:** The District currently has a Type 2 engine. The District has determined the need for a Type I engine. This was based on the need for increased pump size and ability to carry more equipment due to increased service demands.
- **New Ambulance, fully equipped:** As a result of growth and increased service demand the District identified the need for an ambulance. Currently, the ambulance housed in St56 is loaned from the North Tahoe Fire District. The District will need to provide an ambulance to serve the District in the future.
- **New Utility/Command vehicle:** The vehicle will be an SUV type vehicle outfitted for the dual purpose of incident response and command. The District currently does not have the capability to support Incident Command functions above the engine company level. This vehicle will also provide a way to transport additional manpower to emergency scenes.

# NOTICE TO PLACER COUNTY BUILDERS

## WITHIN THE

### Alpine Springs County Water District

The Alpine Springs County Water District (ASCWD) has implemented a development Fire Mitigation Fee program. **These fees will be applicable to all permit applications processed by the District after October 15, 2007.** The revenue generated by these fees is designed specifically for capital improvements.

The ASCWD has contracted with the North Tahoe Fire Protection District (NTFPD) for fire prevention services including plan reviews. The North Tahoe Fire Protection District will need a set of your plans and a copy of your building permit application in order to establish your specific fee. The fees must be paid to the North Tahoe Fire Protection District prior to issuance of your building permit.

Alpine Springs County Water District  
270 Alpine Meadows Road  
Alpine Meadows, CA 96146  
(530) 583-2342 FAX (530) 583-0228

North Tahoe Fire Protection District  
P.O. Box 5879 / 300 North Lake Blvd  
Tahoe City, CA 96145  
(530) 583-6913 FAX (530) 583-6909

#### PROPOSED FEE SCHEDULE for FY 2011/2012

<b>Fee per square foot (includes non-heated space)</b>	
<b>Residential</b>	\$1.00
<b>Nonresidential</b>	
<i>Commercial</i>	\$1.66
<i>Office</i>	\$2.12
<i>Industrial</i>	\$1.48