

LOSALTOS HILLS



CALIFORNIA

September 28, 2020

Via Email to [BoardOperations@cob.sccgov.org](mailto:BoardOperations@cob.sccgov.org) and First-Class Mail

President Chavez and Members of the Board of Supervisors  
County of Santa Clara  
70 West Hedding Street  
East Wing, 10th Floor  
San Jose, CA 95110

RE: Consideration of Los Altos Hills County Fire District Audit Report and Related Issues

Dear President Chavez and Members of the Board of Supervisors,

The Los Altos Hills City Council and Los Altos Hills community are concerned about two issues that are scheduled to come before the Board during your October 6, 2020 meeting. The first is the Management Audit of the Los Altos Hills County Fire District dated May 22, 2020 (“Audit Report”). Specifically, the Town is concerned about the Audit Report’s Recommendation 1.2 that the Board, acting in its capacity as Directors of the Los Altos Hills County Fire District Fire District (“LAHCFD” and “Fire Commission”), suspend its delegation of authority to the Fire Commission. The second issue of concern is the Board’s consideration and possible action on consolidating LAHCFD with Santa Clara County Central Fire Protection District (“Central Fire”) and South Santa Clara County Fire District (“SSCCFD”).

### **Conflation of Unrelated Issues**

As an initial matter, the Town believes that the Audit Report and consolidation of LAHCFD are unrelated. The Audit Report’s findings pertain to the use of LAHCFD funds, procurement, and alignment of programs with Central Fire and the Community Wildfire Protection Plan. Its recommendations focus, in large part, on aligning LAHCFD programs and policies with those of the County. The Audit Report does not, however, speak to the issue of consolidation.

Yet, despite the absence of any discussion in the LAHCFD Audit report related to consolidation, the two issues have been conflated. The Finance and Government Operations Committee members directed on August 27, 2020 that both issues come to the Board at the same meeting, that County Counsel’s further review of questions identified in the Audit Report not delay the Board’s consideration of consolidation, and that County Counsel prepare the documents necessary for the Board to move forward on the issue of consolidation at its October 6 meeting.

As a result, the Town is concerned that the Audit Report could be used as a pretext for pushing to consolidate LAHCFD with other dependent fire districts in the County. The Town does not support

consolidation of LAHCFD at this time, and the fact that LAHCFD has agreed to implement all of the recommendations in the audit with the exception of the potential withdrawal of delegated authority to LAHCFD Fire Commission makes it unnecessary to withdraw the delegated authority. The Town also believes that any subsequent discussion of regional fire service needs and options for service provision should be part of a deliberate and careful discussion of fire services across the County.

### **Audit Report Recommendation 1.2**

As detailed in the May 22, 2020 LAHCFD Response to Revised Confidential Draft Management Audit of the Los Altos Hills by President Mark Warren and General Manager J. Logan, LAHCFD has a long and successful history of safeguarding the incorporated and unincorporated areas within LAHCFD from the threat of fire. It currently accomplishes this by contracting with Central Fire for fire and emergency medical services and by implementing local programs tailored for our community and our terrain to reduce the threat of fire and improve disaster preparedness.

A pivotal development in the operations of LAHCFD was the hiring of its first-ever General Manager in 2018. As you know, the landscape of local government has grown increasingly complex over the years, and the addition of a dedicated chief administrator helped the Fire Commission address many of the issues identified in the Audit Report before the first draft was released. In light of the Fire Commission's commendable foresight in creating and filling the General Manager position and its continuing efforts to strengthen and improve the operations of LAHCFD, the Town does not see the need for nor does it support Recommendation 1.2 that the Board of Supervisors, acting as the LAHCFD Board of Directors, suspend its delegation of authority to the Fire Commission.

In 1980, the LAHCFD Board of Directors increased the number of seats on the Fire Commission and delegated to the Fire Commission all authority to manage the operations of LAHCFD except initiating litigation. The impetus for the delegation—the belief that the residents of LAHCFD should have control over its operations—holds true today. The thoughtful and capable commissioners appointed by you as the Board of Directors of LAHCFD understand the fire services needs of our community and our unique environment.

The actions of the Board of Supervisors, acting as the LAHCFD Board of Directors, in 1980 with respect to the Fire Commission were taken, in large part, as a result of concerns raised by the Town of Los Altos Hills ("Town") with respect to the lack of local input and local leadership regarding fire protection and emergency medical services within our city limits. In particular, the Town had grave concerns regarding the expenditures made by the existing Board of Directors that put LAHCFD in a weak financial position. At the time, the Town was considering withdrawing from LAHCFD and went so far as to adopt a Resolution of Application to the Local Agency Formation Commission of Santa Clara County ("LAFCO") for the detachment of city territory from LAHCFD. Two months later, the Board of Supervisors, acting as the LAHCFD Board of Directors, delegated broader authority to the Fire Commission and expanded its membership, and the Town opted to remain within LAHCFD.

Forty years later, the City Council and our residents share these concerns regarding the expenditure of tax dollars collected from property within the LAHCFD and the operation of our essential fire services without meaningful input and leadership from our community. The Town cannot support a reversal of the significant action taken in 1980 to give the community a voice.

If the Board desires to move forward with Recommendation 1.2, the City Council will have no choice but to consider all legal options including following in the footsteps of our predecessors and considering a reorganization of LAHCFD. The Town hopes the Board of Supervisors understands the Town's desire and need to have residents from within LAHCFD service area oversee the provision of effective fire prevention, disaster preparedness, and emergency medical services to our residents and surrounding community.

As Supervisor Simitian aptly stated during the September 17, 2020 meeting of the Housing, Land Use, Environment and Transportation Committee ("HLUET Committee"), the purpose of the County's audits are to improve government. The County's recent audit of LAHCFD achieves this purpose without fundamentally changing the leadership and local representation of LAHCFD. Specifically, the LAHCFD has agreed to implement all of the recommendations in the audit report with the exception of Recommendation 1.2. The Town believes that the substantive issues identified in the Audit Report have been adequately addressed and thus the recommendation to suspend the authority of the Fire Commission is unnecessary. The Town therefore supports the recommendations that were made on September 17, 2020 by the HLUET Committee.

### **Consolidation**

The City Council is also concerned that the Audit Report could be used as pretext for silencing the voice of the Los Altos Hills area residents on the issue of consolidation. As explained below, the Town's concern arises because, under state law, the nature of LAHCFD's participation in the LAFCO process impacts both the role that LAFCO itself will play and prescribes the relative value of the voices of voters within LAHCFD. If control of LAHCFD is wrested from the community, LAHCFD may not act in a manner that is consistent with the community's values or interests.

If the Board of Supervisors, acting in its role as the LAHCFD Board of Directors, withdraws the delegation of authority from the Fire Commission, the Board of Supervisors—rather than representatives of the Los Altos Hills community—would control the critical components of the LAFCO process designed to protect the interests of the community. The collective voice of the Los Altos Hills community would be overwhelmed by the voters in the larger Central Fire and SSCCFD.

The City Council believes, furthermore, that the issue of consolidation has been raised without a compelling public-policy rationale for doing so. During the August 27 meeting of the Finance and Government Operations Committee, the committee offered vague justifications for the proposal, such as lack of "collaboration" between the County and LAHCFD, "irregularities" disclosed in the audit report, and general support for consolidation. None of these rationales justify an action as significant as consolidation especially when the issues specifically raised in the audit are being addressed and resolved.

By contrast, the HLUET Committee discussion was more focused on the public policy rationales that may include consideration of options that would maintain and enhance fire service throughout the County. The HLUET Committee noted that consolidation was mentioned only in a report of the audit of South Santa Clara County Fire District (“SSCCFD”) and even then only as part of a recommendation that the County consider a variety of models to address the challenges faced by SSCCFD. After the HLUET Committee voted to recommend all of the Audit Report recommendations except Recommendation 1.2, Supervisor Wasserman noted he looked forward to a conversation about solutions for fire services in County, including consolidation, as well as discussing fire resources across the County. So do we.

The Town is ready for a full and open conversation about fire services and funding in our County, both as they exist today and how they can be strengthened for the future. What it cannot support is hastily moving forward with consolidating LAHCFD without first identifying the objectives and without considering a full menu of strategies available to achieve those objectives.

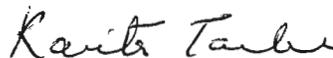
Fire protection and emergency medical services are vital to the Los Altos Hills community. The City Council has a strong interest in how these essential services are provided within our Town. The Town understands that collaboration on the future of fire services across the County will result in a better and more successful outcome. The Town also believes that it is essential to retain meaningful community input through appointed or elected local leaders.

The City Council looks forward to having the Los Altos Hills community work with LAHCFD and the Santa Clara County Board of Supervisors as this important conversation unfolds.

Warm Regards,



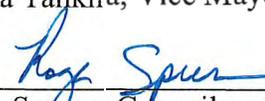
Michelle Wu, Mayor



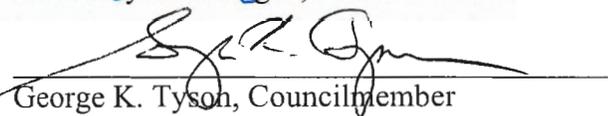
Kavita Tankha, Vice Mayor



Courtenay C. Corrigan, Councilmember



Roger Spreen, Councilmember



George K. Tyson, Councilmember

cc: Jeffrey V. Smith, County Executive Officer  
J. Logan, LAHCFD General Manager  
Carl Cahill, Los Altos Hills City Manager