

***Special Study for the  
Morongo Valley Community Services District***

**LAFCO 3253**



**LAFCO**

*for San Bernardino County*

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## **ABSTRACT**

Recently, the Morongo Valley Community Services District (“MVCSD” or “CSD”) was unable to provide effective and efficient fire and emergency medical services. As early as December 2021, its structure was not operationally or financially capable of providing effective fire and emergency medical services to the Morongo Valley community.

This special study is designed as an educational document and is primarily intended for the Morongo Valley community. It does not include specific recommendations but instead provides information on the state of the Morongo Valley Community District’s fire operations, as well as the challenges that many rural fire agencies are facing. The study does identify options for consideration which can be used by the community and the CSD to help shape a viable fire and emergency services operation in Morongo Valley.

### **Morongo Valley CSD**

In 1958, voters approved the formation of the Morongo Valley Community Services District. The CSD is an independent special district with a five-member board of directors, elected at large, and encompasses approximately 24 square miles. The major roadway in Morongo Valley is State Route 62. A high rate of accidents and fatalities on SR-62 has long been a concern and strains the fire and emergency medical response resources of the CSD.

Currently, LAFCO authorizes the CSD to provide the following functions: fire protection, park and recreation, and streetlighting. In 2001, the CSD transitioned from a volunteer staff to a mix of paid staff and reserve firefighters. In 2002, following approval of an assessment, the CSD’s fire function expanded to include advance life support (paramedic) services. Although there are industry guidelines, there are no mandatory federal or state regulations directing the level of fire service staffing, response performance, or outcomes. The level of fire protection and emergency medical services provided is a local policy decision, and communities have the level of services they desire or can afford. However, the body of regulations and guidelines on fire services provides that if services are provided at all, they must be done so with the safety of the firefighters and citizens in mind.

### **Previous Studies**

LAFCO has conducted three reviews or studies related to the MVCSD since 2012. The most recent, the *Countywide Service Review for Fire Protection/Emergency Medical Services/Dispatch*, recommended that MVCSD District coordinate with the County to: (1) seek local, state and federal grants and funding to support the Morongo Valley Fire Department and maintain local control; (2) advocate to Caltrans to decrease traffic speeds on State Route 62 to 40 MPH through the Morongo Valley business district, and (3) work with the California Highway Patrol to increase law enforcement activities along State Route 62, including enforcing any reduced traffic speeds.

### **Recent MVCSD Actions**

At its meeting of December 15, 2021, the MVCSD Board appointed an Interim Director of Operations. At that same meeting, the CSD President and one Director resigned from the CSD Board of Directors. To increase the applicant pool for vacant CSD fire vacancies, the Board also approved changes to the employment MOU which allows part-time employment

for firefighters and paramedics and permits the hiring of Emergency Medical Responders (EMRs). These recent actions came after a series of contentious Board meetings regarding the fire department’s ongoing staffing, leadership and financial challenges.

**Financial Challenges**

LAFCO has long identified the CSD’s severe fiscal constraints which continue to challenge the organization’s short-term viability and limit organizational alternatives which could permanently address service shortfalls in the long-term. The margin for error in budgeting for the CSD remains thin. Should any of the following occur, then the district’s short-term viability would be in jeopardy: (1) immediate replacement of the current fire truck, (2) OES cancels the contract or recalls the wild land fire truck, (3) any other major expense.

For example, the CSD gained \$60,042 in fund balance in FY 2017-18. If it were not for being able to send strike teams (and receive reimbursement from Cal Fire), expenditures would have exceeded revenues. According to the FY 2017-18 audit, this income covered many unanticipated expenses with repairs to aging buildings and fire equipment.

**Options**

As stated previously, there are no recommendation in this report. For consideration, LAFCO has identified four options to restructure CSD operations. All will likely require some type of additional funding (beyond the current assessment) to ensure viability.

<b>Options</b>	<b>Challenges</b>
Assumption of fire and emergency medical services by San Bernardino County Fire Protection District and its South Desert Service Zone	Will require some type of additional funding (e.g., parcel tax, etc.).  Will result in increased response times if service comes from Yucca Valley.  Will cost much more if County Fire assumes the current CSD fire station.
Assumption of fire and emergency medical services by California Department of Forestry and Fire Protection (Cal Fire)	Will require some type of additional funding (e.g., parcel tax, etc.).  Will result in increased response times if service comes from Yucca Valley.
Reduction of district fire protection level of service until it reaches a sustainable level financially, recognizing the requirement to have a full-time paid paramedic position to continue to receive its benefit assessment	Will likely continue to strain the CSD’s limited resources, jeopardize the agency’s ability to attract and retain employees, and compromise service levels over the long-term.
Provide the level of service desired by the community: paramedic and two crews, three shifts, with redundancy, proper training, and adequate equipment	Will require some type of additional funding (e.g., parcel tax, etc.)

## **SECTION 1: Purpose of Report**

### **Report Authority and Objective**

This special study is prepared by LAFCO in accordance with Government Code §56378 which permits LAFCOs to study agencies and their maximum service area and service capacities.

The recent inability to provide effective and efficient fire and emergency medical services by the Morongo Valley Community Services District (“MVCSD” or “CSD”) reached a critical level. Historically, MVCSD has had challenges providing sustainable fire and emergency medical services to the Morongo Valley community. On December 15, 2021, the MVCSD Board appointed an interim Director of Operations (Fire Chief) and restructured its hiring practices and qualifications to hire more personnel.

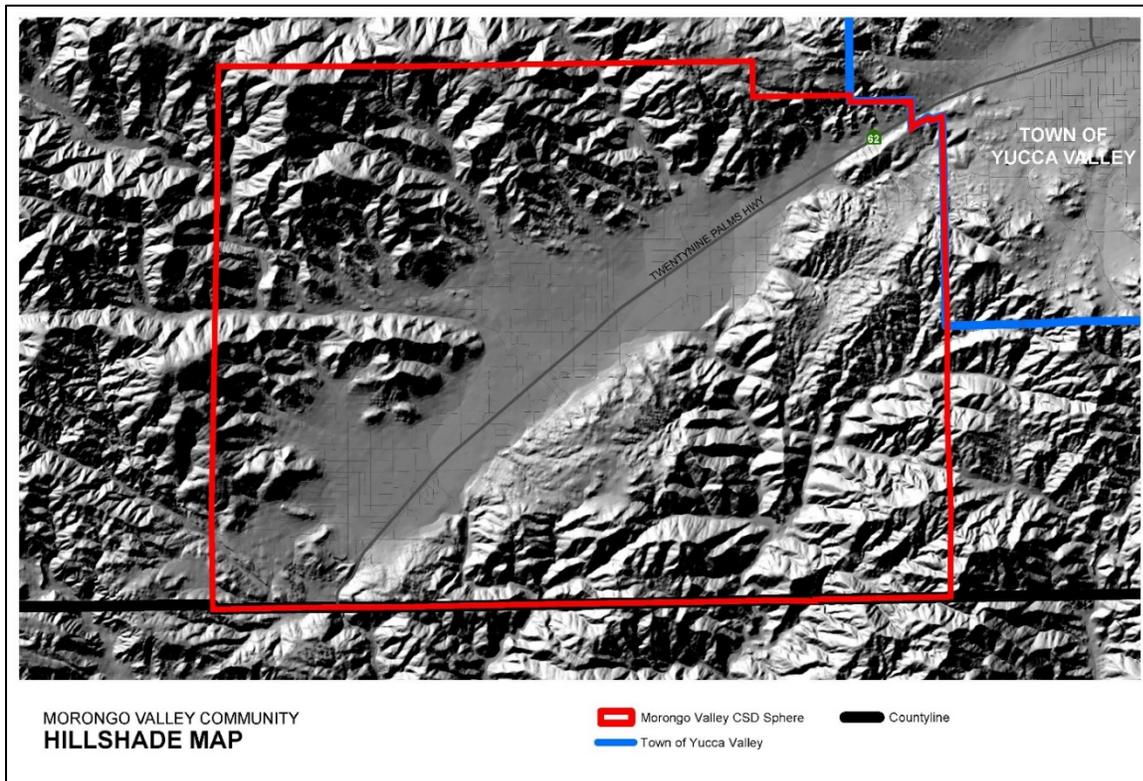
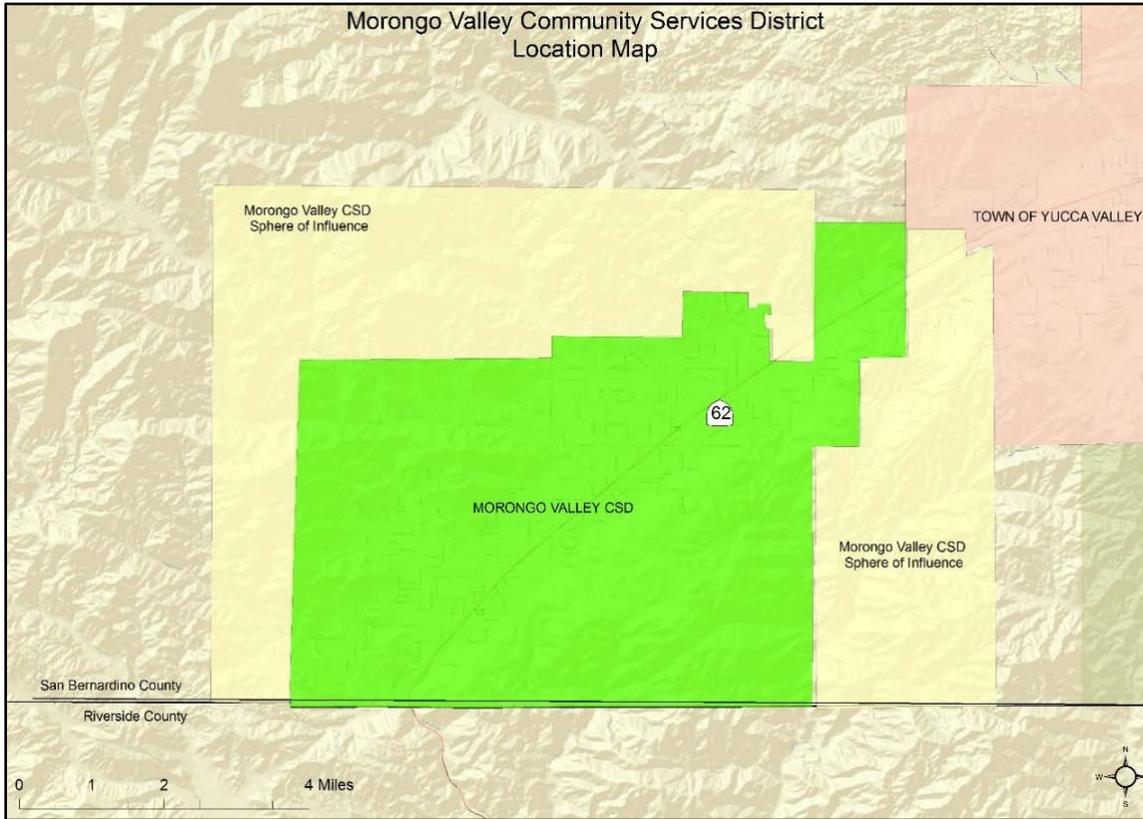
This special study is designed as an educational document and is primarily intended for the Morongo Valley community. It does not include specific recommendations but instead provides factual background and current information on the state of the CSD’s fire operations, as well as the challenges that rural fire agencies are facing. It also identifies potential options for providing fire and emergency services in the future. The information in this study can serve as a resource for discussions with the CSD and the Morongo Valley community toward the development of a long-term, fiscally sustainable solution to fire and emergency service provision within their community.

### **Location**

The special study area is located within the Commission’s defined South Desert Region at the southwestern end of the Morongo Basin, north of Palm Springs, west of Yucca Valley, south of Pioneertown and east of the San Bernardino Mountains. Morongo Valley is mountainous with scattered development on large parcels of land. Wilderness and recreational areas surround the community. Development is primarily single-family homes (on large lots ranging from 10,000 square feet to five acres) with limited commercial development. The Morongo Valley has a current estimated population of 3,900. The community has attracted many retirement-aged residents.

The major roadway in Morongo Valley is State Route 62 (“SR-62” or “Twentynine Palms Highway”) which is a two-lane State Highway. This highway serves as the main thoroughfare for more than 60,000 residents of the High Desert, traversing the communities of Morongo Valley, Yucca Valley, Joshua Tree, and Twentynine Palms. The highway also is the primary route to the Twentynine Palms Marine Corps Air Ground Combat Center, a large military base that is home to more than 13,500 troops and trains another 40,000 each year, as well as the northern gateway to the Joshua Tree National Park. A high rate of accidents and fatalities on SR-62 has long been a concern of the region and strains the fire and emergency medical response resources of the Morongo Valley CSD.

A map of the district is shown below. The second map is a relief map which illustrates the topographic constraints that form the Morongo Valley.



## **SECTION 2: What is a CSD?**

A community services district (commonly referred to as a “CSD”) is a legal subdivision of the State of California, like cities and counties. The principal act that governs CSDs is the Community Services District Law (California Government Code Sections 61000 et seq.). CSD law was initially adopted in 1951, with a major rewrite effective January 1, 2006.

Since its inception, in popular terms, a CSD was considered as a “junior city” since it closely approaches cityhood in terms of local autonomy (or “home rule”), its financial flexibility, and the diversity of its available services. However, in the 2005 rewrite of the CSD Act, the legislature broadened that definition to indicate that a CSD could be any of the following:

- (1) A permanent form of governance that can provide locally adequate levels of public facilities and services.
- (2) An effective form of governance for combining two or more special districts that serve overlapping or adjacent territory into a multifunction special district.
- (3) A form of governance that can serve as an alternative to the incorporation of a new city or,
- (4) A transitional form of governance as the community approaches cityhood.

### **Who Governs a CSD?**

A CSD is governed by a five-member board of directors elected at-large, by divisions, or from divisions (§61021 & §61025). The board of directors must be divided to serve staggered four-year terms. Directors must be registered voters residing within the district, and if elected by divisions or from divisions, then directors must be a voter of that division or proposed division. A member of the board of directors shall not be general manager, the district treasurer, or any other compensated employee of the district (§61040 & §61041).

### **Who Manages a CSD?**

The board of directors shall appoint a general manager who is directly responsible to the board of directors for the implementation of the policies established by the board of directors (§61050 & §61051).

### **What Services can a CSD Provide?**

A CSD can provide one, or any combination of, the services depending on community needs, circumstances, and financial feasibility as outlined in Government Code Section 61100. The following provides a sampling of the 33 different types of services available for delivery through a CSD:

1. Supply water for beneficial uses in the same manner as a municipal water district;
2. Collect, treat, or dispose of sewage, waste water, recycled water, and storm water services;
3. Collect, transfer, and dispose of solid waste and provide solid waste handling services;
4. **Provide for fire protection services, rescue services, hazardous material emergency response services, and ambulance services;**
5. **Acquire, construct, improve, maintain and operate recreation facilities, including but not limited to, parks and open space;**
6. **Street lighting and landscaping on public property;**
7. Mosquito abatement and vector control services, and provide for animal control services;
8. Law enforcement;
9. Security services, including but not limited to burglar and fire alarm services;
10. Provide and maintain public airports and landing places;
11. Graffiti abatement;
12. Weed and rubbish abatement;
13. Acquire, construct, improve, maintain and operate hydroelectric power generating facilities and transmission lines, consistent with the district's water supply and wastewater operations;
14. Build, operate and maintain television transistor facilities;
15. Own, operate, improve, and maintain cemeteries and provide interment services;
16. Habitat mitigation or other environmental protection purposes; and.
17. Provision of broadband service with requirements on future sale.

Once a CSD is formed, the expansion or divestiture of a function or service identified above is processed through the Local Agency Formation Commission (Government Code Section 56824.12). In addition, CSD law (Government Code Section 61107(b)) also limits the Commission's ability to approve an expansion of a latent power noting that it is prohibited from authorizing such activation if an existing local agency "already provides substantially similar services or facilities to the territory where the CSD proposes to exercise the latent power".

## **SECTION 3: Providing Fire Protection and Emergency Medical Services**

Authorized agencies provide fire protection and emergency medical services in varying manners and degrees. The items below are excerpts from LAFCO's 2020 *Countywide Service Review for Fire Protection/Emergency Medical Services/Dispatch*.

1. The reach of a fire department extends throughout the community. Fire departments provide for the health and safety of its constituents, improve the quality of life, secure economic vitality, provide business opportunity, protect the environment, promote social stability, and increase resiliency. These efforts are accomplished by providing emergency and non-emergency services such as fire protection, EMS, hazmat, technical rescue, tactical response, community risk reduction, community engagement, public education, and emergency management programs etc...
2. There are no mandatory federal or state regulations directing the level of fire service staffing, response performance, or outcomes; though, there are industry guidelines. Thus, the level of fire protection services provided are a local policy decision, and communities have the level of services they desire or can afford. However, the body of regulations and guidelines on fire services provides that if services are provided at all, they must be done so with the safety of the firefighters and citizens in mind.
3. All agencies that provide structural fire protection also provide basic medical service, and many provide advanced medical service, which is generally a paramedic. Following the initial medical response, a patient may require transportation to a hospital; some fire protection agencies are authorized to provide ambulance services while others are not.
4. The heaviest demand on the fire/emergency system is emergency medical calls. In 2016, fire departments in the United States responded to 35.3 million calls, with fire incidents being less than 4% and medical emergencies accounting for 68%. A sampling of fire agencies in San Bernardino County reveals similar percentages.

Note that while medical calls account for most of the incidents, this does not reflect the amount of time a fire agency spends on these types of calls. A significant percentage of time is spent training, preparing to respond, preventing, responding, and mitigating fire incidents.

5. Fire departments are also the responder for homelessness, substance abuse, routine access to health care, and mental health.
6. The term "fire department" in reality has evolved to an "all-hazard" department. The workload of fire departments has grown substantially.
7. Fire agencies cannot be solely responsible for eliminating hazards and reducing risks to keep fire away from homes or keep homes from igniting. The job of the community is to keep itself safe and resilient. Risk reduction and prevention efforts led by the fire

service that engages a broad range of government services and community stakeholders lessen the adverse impacts of disasters and emergencies. With available land lessening, the community needs to balance development and fire risk.

- 8.** Responsibility for, and delivery of, fire and emergency services in a county as large as San Bernardino County is complex. Some cities provide their own services. Some cities and unincorporated communities are included in fire districts, and some contract for services with other public and private providers. Most agencies utilize full-time staff using a variety of staffing models. Some remote agencies, however, are staffed by all or partial volunteer crews. The variety in type and scope of service delivery is due to many reasons, including funding availability and cost efficiency, maximizing staff resources, available apparatus and equipment, operational expertise, location and topography.
- 9.** Districts rely primarily upon property tax, special taxes, fees for service, and development mitigation fees, and have little opportunity to increase fees. The most significant financing constraints for fire services are legal requirements that limit property taxes and require voter approval of new taxes and tax increases. Because agency financial resources are primarily tied to property taxes, districts continue to be greatly affected by the Great Recession. Several agencies are exploring additional revenue sources to sustain service levels.
- 10.** Providing well-trained fire and emergency personnel in sufficient numbers to provide adequate protection for the public is a universal issue. Key factors affecting adequate staffing, include: (1) fire's evolving mission, (2) budget constraints; (3) hiring/retention/benefits for new hires; and (4) stress/demands of the job.

## **SECTION 4: Morongo Valley CSD History**

In 1958, voters approved the formation of the Morongo Valley Community Services District. The CSD is an independent special district with a five-member board of directors, elected at large, and encompasses approximately 24 square miles. The CSD's original services included parks and recreation and street lighting. In 1962, the CSD assumed fire service responsibilities using an all-volunteer staff. Currently, LAFCO authorizes the CSD to provide the following functions: fire protection, park and recreation, and streetlighting - this is memorialized in LAFCO's *Policy and Procedure Manual, Section VI (Special Districts), Chapter 3 (Listing of Special Districts within San Bernardino County LAFCO Purview – Authorized Functions and Services)*.

In 2001, the CSD transitioned from a volunteer to a mix of paid staff and reserve firefighters. In 2002, following approval of an assessment, the CSD's fire function expanded to include advance life support (paramedic) services.

The CSD has two fire stations:

- Station 461 (West Morongo Valley Station) – 11207 Ocotillo Street, Morongo Valley.  
  
This station is the main fire station and command center for the CSD. It provides office space and living quarters for the firefighters, EMTs, and paramedics.
- Station 462 (East Morongo Valley Station) – 9492 Sundown Trail, Morongo Valley.  
This station is located in the eastern section of Morongo Valley. In the past, it was used for paid call response and provided a bay for the Sheriff's Citizen Patrol unit. At present, it is used for training purposes only.

### MVCSD Agreements with Other Agencies

- Inland Counties Emergency Medical Agency

The CSD (through its Fire Department) and the Inland Counties Emergency Medical Agency ("ICEMA") entered into a non-financial agreement in 2008 authorizing the CSD to provide non-transport Advanced Life Support services within the district's boundaries and sphere of influence. The agreement automatically renews for successive two-year periods unless terminated or amended.

- County Fire

The CSD and County Fire have entered into an automatic aid/mutual aid agreement "to provide the most expeditious response to suppress fires and render other emergency services". The agreement identifies that neither party shall be obligated to reimburse the other for its response.

- Cal Fire and U.S. Forest Service

The entire Morongo Valley community is within a State Responsibility Area and is subject to the State Responsibility Area Fire Prevention Fee. Wildland fires are under the jurisdiction of the California Department of Forestry and Fire Protection (“Cal Fire”) and the U.S. Forest Service, both not subject to LAFCO jurisdiction. The closest fire stations beyond the Morongo Valley community are the Cal Fire and County Fire stations in Yucca Valley.

Other stations nearby that could also respond are County Fire’s Stations #36 (Joshua Tree Station) and #38 (Pioneer Town Station), the National Park Service Black Rock Interagency Fire Center (Station #608), and the Riverside County Fire Department Stations #36 and #37 (Desert Hot Springs Fire Stations).

### Assessment (2002)

In 2002, in response to declining numbers of volunteer firefighters and community concerns regarding lengthy response times by the ambulance service assigned to the area, the district proposed, and the electorate approved, the *Morongo Valley Fire and Rescue Assessment* pursuant to Government Code Sections 50078 et seq. The total cost of the service is allocated to each property based on the relative benefit to a property in relation to a single-family home, the type of property, and its size, adjusted for inflation capped at three per cent each year. Each year the district’s contracted engineering firm conducts a “fire suppression count”, essentially auditing the parcel list for the assessment. According to the ballot measure, the assessment provides funding to:

- Ensure a minimum of two paid fire personnel on duty 24 hours a day, 7 days a week.
- Upgrade Emergency Medical Service from EMT/Firefighter (Basic Life Support) to Paramedic/Firefighter (Advance Life Support).
- Significantly improve response times for Advance Life Support.
- Guard against possible increases in fire and home insurance by protecting the district’s fire risk rating; and
- Work towards improving fire risk rating in areas with the highest insurance rates by establishing a water haul system.

### Special Tax (2016)

The MVCSD placed a parcel tax measure on the June 7, 2016 ballot in an attempt to increase its revenues to support its existing service levels. The proposed parcel tax would have replaced the district’s three percent benefit assessment property tax with an annual \$350 parcel tax – a tax based on units, not assessed value. The measure was soundly defeated by district voters.

## **SECTION 5: Previous LAFCO Reviews and Studies**

LAFCO has conducted three reviews or studies related to the CSD since 2012.

### **2012 Service Review**

In 2012, LAFCO conducted a service review of the district and made the required determinations outlined in Government Code Section 56430. Given the information provided to LAFCO at that time, the financial ability of the agency was not a concern. As a part of the 2012 service review/sphere update, the Commission expanded the district's sphere to the west based upon discussion with the district that it provided fire and emergency response to the area under agreement with the County.

### **2015 Special Study**

On August 18, 2014, LAFCO received a complaint from a director of the Morongo Valley Community Services District. The complaint was also distributed to the Grand Jury and the Third District Supervisor. The complaint stated that since LAFCO's service review/sphere update of November 2012, the district's expenses have increased dramatically. The director requested LAFCO's assistance to review the district's operations and determine the district's ability to preserve fire protection services and avoid bankruptcy.

At the January 21, 2015 LAFCO hearing, the Commission authorized a special study of the district. The special study had a narrow focus – determining the financial sustainability of the district to perform the minimum level of services. Interviews conducted by LAFCO staff in January and April 2015 revealed management issues related to the district's operations and finances going back many years during the tenure of previous general managers. This information was not made available to LAFCO staff during the preparation of the 2012 service review. It was determined that if no changes were made, the district would exhaust all funds within two years.

At the conclusion of the 2015 special study, the district took painful measures (reduction of the general manager's salary, and others) and received additional State reimbursement revenue to barely break-even for FY 2014-15. As a part of the special study, LAFCO staff provided a forecast for the next five fiscal years (through FY 2020-21). The forecast did not show even nominal annual revenue gains – a break-even scenario. Any deviation would force the razor-thin surplus to evaporate.

Because of the findings of the special study, the Commission directed staff to monitor and update the Commission biannually for the next three years regarding the district's financial position. Updates were completed by staff in February 2016, August 2016, March 2017, and August 2017. To illustrate the ongoing monitoring, the following is a portion of the conclusion section from the staff report dated March 14, 2017:

*The district attempted to increase its revenues to accommodate its existing service levels; however, its measure for a special tax failed. The only option moving forward is to cut the expenses, thus the service level, for the delivery of fire protection and emergency medical response, is impacted. The district has worked hard to keep itself afloat and should be recognized for these efforts.*

*However, that position is tempered by staff's ongoing concern for its future. As a result of the failure of the special tax election by such a large margin, it appears to staff that the district realizes a need to move towards realistic expenditures and staffing. The current year budget appeared to be stable, but the mid-year data is indicating a return to expenditures exceeding revenues.*

## **2020 Service Review**

LAFCO made the following conclusions and recommendations related to the Morongo Valley CSD portion of LAFCO's *Countywide Service Review for Fire Protection/Emergency Medical Services/Dispatch* (the CSD's portion of the Countywide Service Review is included as Attachment #1 to this special study).

*The Morongo Valley Community Services District is the agency responsible for non-transport emergency medical services along State Route 62 (Twentynine Palms Highway) within its boundary.*

*LAFCO concludes that the large number of traffic incidents along State Route 62 strains the resources of the Morongo Valley Community Services District.*

*LAFCO recommends that the Morongo Valley Community Services District coordinate with the County of San Bernardino to move on Action Statements C.3 and C.4 from the Morongo Valley Community Action Guide, part of the Countywide Plan, regarding traffic and law enforcement.*

## **San Bernardino County's Countywide Plan**

The County's proposed *Countywide Plan* is currently under development and will serve as an update to the County's current General Plan (2007). In May 2019, the County released a draft of the *Morongo Valley Community Action Guide* for public review. The *Action Guide*, developed with input from Morongo Valley residents, lays out "focus" and "action" statements to guide the long-term look and function of the community and will be incorporated into the *Countywide Plan*. The draft *Morongo Valley Community Action Plan* includes the following community focus statements that relate to the CSD's fire function and the community's ongoing concerns regarding SR-62:

- **Action Statement C.1:** *Coordinate local fund-raising efforts and seek local, state and federal grants and funding to support the Morongo Valley Fire Department (MVFD) and maintain local control of the MVFD.*
- **Action Statement C.3:** *Advocate to Caltrans to decrease traffic speeds on State Route 62 to 40 MPH through the Morongo Valley business district.*
- **Action Statement C.4:** *Work with the California Highway Patrol to increase law enforcement activities along State Route 62, including enforcing any reduced traffic speeds.*

## **SECTION 6: Current Conditions**

### **Recent MVCSD Actions**

At its meeting of December 15, 2021, the MVCSD Board appointed an Interim Director of Operations, with a termination date of January 19, 2022, replacing the former chief due to his pending retirement. At that same meeting, the CSD president and a director resigned from the CSD Board. These recent actions of the CSD Board came after a series of contentious Board meetings regarding the fire department's ongoing staffing, leadership and financial challenges. The CSD Board discussed the option of contracting with County Fire to take over fire and emergency medical services for a 90-day period, but opted instead to allow the interim chief to restaff the existing CSD fire department.

### **Staffing Challenges**

Severe staffing shortages and fiscal constraints have plagued the MVCSD for many years. A December 12, 2021 staff report by former MVCSD Director of Operations Gary Yearsley (see Attachment #2) outlines the shifts worked by the CSD paramedic and engineer. He notes that a severe lack of department staffing has forced existing staff to work extraordinarily long hours which could compromise a worker's judgment, perception, reaction time and attention to detail. Overtime costs to cover these shifts continue to strain department finances.

MVCSD, like many other fire agencies, has struggled to hire and retain fire personnel. There are several reasons why recruiting and retention have grown more difficult. Hiring new firefighters can be a long process, complicated by local budget restrictions. Pay ranges and benefits for MVCSD fire personnel are generally below surrounding agencies which limit the number of applicants. Once hired, the department has suffered from a lack of employee retention as fire personnel become more experienced and look for employment with other fire agencies offering higher pay scales and increased benefits.

Hiring and retaining fire personnel remains a top issue facing most fire departments. The millennial generation (a prime age for potential recruits) generally has different life and work expectations. A desire for a work-life balance can be difficult to maintain with the hectic fire station work cycle. Additionally, working for the same company/agency for 30 years with a generous retirement plan does not have the same lure as with previous generations. The days of over 100 qualified applicants competing for open positions are history. Despite aggressive recruitment efforts, fire agencies today struggle to find qualified applicants to recruit and retain.

To increase the applicant pool for the vacant MVCSD fire vacancies, the Board has made changes to the employment MOU which allows part-time employment for firefighters and paramedics and permits the hiring of Emergency Medical Responders (EMRs). In a January 2022 phone interview with LAFCO staff, Interim Chief Brakebill indicated he has been successful in filling all MVCSD fire vacancies.

## **Financial Challenges**

This study is not a state-mandated service review conducted by LAFCO. A typical service review includes a broad financial review. Such a review would analyze an agency's financial ability to provide services, debt obligations, pension obligations (if any), as well as evaluate if revenues adequate to provide services. Because the purpose of this study is for use as an educational document, an in-depth financial review typical of those found in LAFCO service reviews would not be appropriate for an educational document. Rather, this study provides brief historical context to the CSD's financial challenges.

The road to recovery from the Great Recession has been especially challenging for rural communities. Due to relatively low commercial activity and housing turnover, the Morongo Valley community experienced low increases to its assessed value. In the case of Morongo Valley CSD, it took ten years for property taxes to return to 2009 levels. The District has worked hard to keep itself afloat and should be recognized for these efforts.

Since the last LAFCO report in 2017, two factors have swung in favor for the CSD. First, assessed valuation has increased after five straight years of decreases. As a result, property tax revenue and the fire assessment experienced an increase. Second, the CSD has been used in strike teams of CalFire and the U.S. Forest Service, which provides much needed revenue to support operations.

The chart below shows that the CSD has experienced significant revenue gains beginning FY 2014-15. However, that position is tempered by LAFCO's ongoing concern for the CSD's future. As LAFCO staff has stated before, but must reiterate here, the margin for error in budgeting for the Morongo Valley CSD remains thin. For example, the CSD gained \$60,042 in fund balance in FY 2017-18. If it were not for being able to send strike teams, expenditures would have exceeded revenues. According to the FY 2017-18 audit, this income covered many unanticipated expenses with repairs to aging buildings and fire equipment.

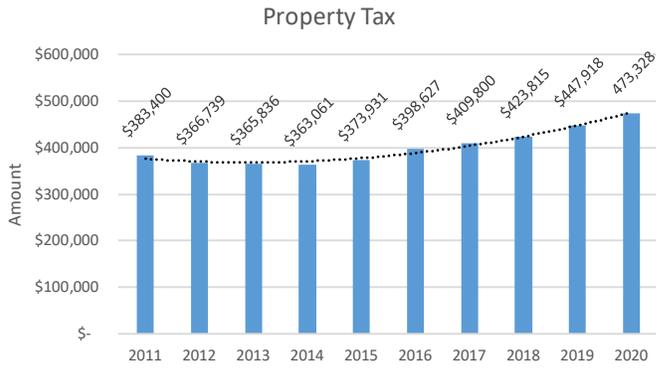
The most recent audit available for this study, FY 2019-20, underscores the significance of the strike team deployment revenues to supplement the property tax and assessment revenues in order to fund operations and maintenance. The screen shot below is from the Management's Discussion and Analysis portion of the FY 2019-20 audit:

There were many factors contributing to the decrease in net position this year. The factors that contributed to the decrease in the net position in the current fiscal year are as follows:

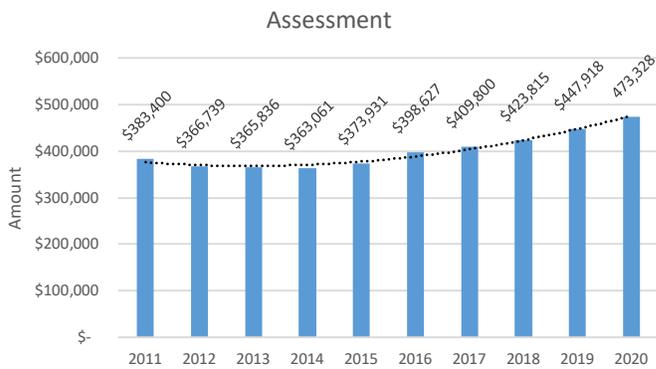
- Program income decrease from the prior year by 63% for a total of \$127,138.
- Expenses increased from the prior year by 5% for a total of \$48,579.

As of the writing of this study, the CSD's FY 2020-21 audit was not available.

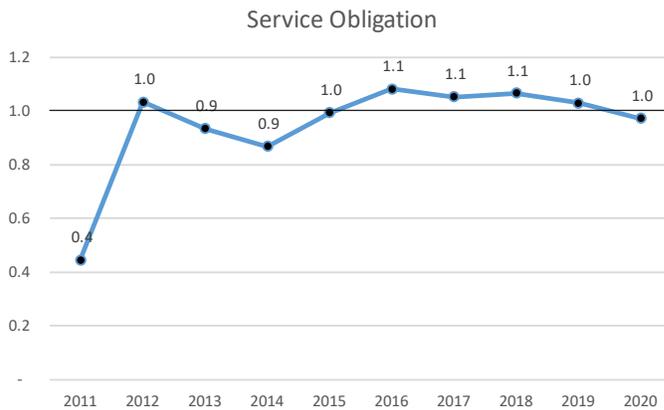
**MORONGO VALLEY COMMUNITY SERVICES DISTRICT**



This indicator is important for fire and related services as they are heavily reliant upon property tax revenues. As this revenue source is relatively stable and lags about two years behind changes in market conditions, this indicator can potentially depict the stability of an agency's revenue base.



In 2002, in response to declining numbers of volunteer firefighters and community concerns regarding lengthy response times by the ambulance service assigned to the area, the district proposed, and the electorate approved, the Morongo Valley Fire and Rescue Assessment pursuant to Government Code Sections 50078 et seq. The total cost of the service is allocated to each property based on the relative benefit to a property in relation to a single-family home, the type of property, and its size, adjusted for inflation capped at three per cent each year.



A Service Obligation ratio of one or more indicates if revenues were sufficient to pay for operations. It is calculated by operating revenues divided by operating expenditures.

Fiscal Year	Operating Revenues	Operating Expenditures	Ratio
2011	\$ 386,496	\$ 866,963	0.4
2012	\$ 712,401	\$ 689,498	1.0
2013	\$ 694,357	\$ 742,299	0.9
2014	\$ 738,663	\$ 851,053	0.9
2015	\$ 824,156	\$ 829,828	1.0
2016	\$ 941,276	\$ 869,505	1.1
2017	\$ 1,333,708	\$ 1,266,504	1.1
2018	\$ 965,924	\$ 905,882	1.1
2019	\$ 1,002,688	\$ 973,539	1.0
2020	\$ 969,987	\$ 997,048	1.0

## SECTION 7: Options

There are no easy options to provide sustainable, long-term fire and emergency medical services to Morongo Valley. It is well documented that the existing fire agency, despite good intentions, has struggled for many years to provide adequate services but has fallen short due to staffing, financial and other issues.

LAFCO staff has listed, below, several options for consideration. However, all will likely require some type of additional funding (beyond the existing 3% tax) to ensure ongoing viability. As stated previously, this report is designed to inform and educate the Morongo Valley community regarding fire and emergency medical service options. LAFCO does not include recommendations in this report. It is hoped that the information in this report provides factual information that will lead to a larger conversation among community members, the CSD Board, and potential service providers.

Morongo Valley CSD Fire/Emergency Services Options:

Options	Challenges
Assumption of fire and emergency medical services by San Bernardino County Fire Protection District and its South Desert Service Zone	Will require some type of additional funding (e.g., parcel tax, etc.). Will result in increased response times if service comes from Yucca Valley.
Assumption of fire and emergency medical services by California Department of Forestry and Fire Protection (Cal Fire)	Will require some type of additional funding (e.g., parcel tax, etc.)
Reduction of district fire protection level of service until it reaches a sustainable level financially, recognizing the requirement to have a full-time paid paramedic position to continue to receive its benefit assessment	Will likely continue to strain the CSD's limited resources, jeopardize the agency's ability to attract and retain employees, and compromise service levels over the long-term.
Provide the level of service desired by the community: paramedic and two crews, three shifts, with redundancy, proper training, and adequate equipment	Will require some type of additional funding (e.g., parcel tax, etc.)

**Attachments:**

1. Morongo Valley CSD portion of LAFCO's 2020 *Countywide Service Review for Fire Protection/Emergency Medical Services/Dispatch*
2. December 12, 2021 staff report by former CSD Director of Operations

**Sources:**

LAFCO

Fiscal Indicators Program

LAFCO 3151 – Service Review and Sphere of Influence Update for Morongo Valley CSD (2012)

LAFCO 3189 – Special Study of Morongo Valley CSD (2015) and its subsequent updates

LAFCO 3231 – Countywide Service Review for Fire Protection/Emergency Medical Services/Dispatch

Morongo Valley Community Services District

Financial Statements, FYs 2008-09 through 2019-20

Interview, 5 January 2022

Meeting Staff Reports and Minutes for November and December 2021

San Bernardino County

San Bernardino County. *Morongo Valley Community Action Guide*, Draft. Countywide Plan. May 2019.

San Bernardino County Fire Protection District

Interview, 27 December 2021

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