



[Issue](#) | [Background](#) | [Findings](#) | [Conclusions](#) | [Recommendations](#) | [Responses](#) | [Attachments](#)

Summary of A Firehouse Divided Cannot Stand

Half Moon Bay and Point Montara Fire Protection Districts

ISSUE

What can the Boards of Directors of the Half Moon Bay and Point Montara Fire Protection Districts do to provide San Mateo County coastside residents with adequate, long-term fire protection and life-safety services?

SUMMARY

In March of 2006 a memo from interim Fire Chief Pete Bonano of the Half Moon Bay Fire Protection District was made public. In the memo, Chief Bonano stated, "I'm very concerned with the Department's ability to provide a level of service consistent with the Mission of the Fire Service." Chief Bonano recommended two actions to address the situation: (1) contract out the fire service to another agency and (2) continue the current strategy of consolidation with the Point Montara Fire Protection District.

Prompted by the seriousness of Chief Bonano's allegations, the San Mateo County Civil Grand Jury (Grand Jury) began an investigation of the Half Moon Bay and Point Montara Fire Protection Districts.

The Half Moon Bay Fire Protection District (HMBFPD) covers approximately 36 square miles and includes the city of Half Moon Bay and a large unincorporated area encompassing the communities of Princeton, Miramar, and El Granada. The Point Montara Fire Protection District (PMFPD) covers approximately 10 square miles and includes the communities of Montara and Moss Beach. In 1998 the Point Montara and Half Moon Bay Fire Districts entered into a fire-services agreement whereby PMFPD outsourced all of its services to HMBFPD and HMBFPD absorbed all Point Montara personnel.

A culture of strife has existed in the HMBFPD for at least the past six years. During this time HMBFPD has been involved in five lawsuits with current or former employees; has so far paid \$707,595 in settlements and has spent \$516,280 on legal expenses. In addition, twenty-eight firefighters have retired or left HMBFPD to seek employment elsewhere, the fire chief has retired, and both a division chief and the fire inspector have quit.

The Half Moon Bay and Point Montara Fire Protection Districts constitute a single service area and the Grand Jury believes consolidation will achieve cost and service delivery efficiencies. The Grand Jury recommends that the Boards of Directors consolidate the two districts into the single Coastside Fire Protection District by December 31, 2006.

The Grand Jury recommends that the HMBFPD fire services be contracted to another fire protection agency by December 31, 2006. The Grand Jury believes that the lowest-risk solution to the Districts' problems is for the Board of Directors to subcontract fire protection services to another organization and that by subcontracting, the District would acquire the operating procedures necessary to provide reliable, consistent fire services.



A Firehouse Divided Cannot Stand

Half Moon Bay and Point Montara Fire Protection Districts

ISSUE

What can the Boards of Directors of the Half Moon Bay and Point Montara Fire Protection Districts do to provide San Mateo County Coastsider residents with adequate, long-term fire protection and life-safety services?

BACKGROUND

On March 21, 2006, an article, *Interim Fire Chief Condemns Deficiencies, Recommends Contracting Out Fire Service*, was posted on the online newspaper **Coastsider.com**.

The article included a May 21 memorandum, *Fire Department Assessment*, from interim Fire Chief Pete Bonano to the Half Moon Bay Fire Protection District Board of Directors. Chief Bonano began the memo by acknowledging concern about the Department's ability to provide a level of service consistent with its mission. He then proceeded to recommend two actions to address the situation: (1) contract out the fire service to another agency and (2) continue the current strategy of consolidation with the Point Montara Fire Protection District. In the memo Chief Bonano stated:

I'm very concerned with the Department's ability to provide a level of service consistent with the Mission of the Fire Service. The Fire Prevention program is minimal at best and is in total disarray

...

our Fire Inspector has quit, the Fire Chief retired and one Division Chief quit, one of our Administrative Secretaries is retiring in May and we need to fill vacancies in the Volunteer Firefighters ranks. This number of openings would keep any Human Resource Department (which we don't have) busy for several months.

...

Morale in the Fire Department is low resulting in a culture of lawsuits, grievances, and excessive sick leave use. On 3/14 all three stations were staffed entirely with overtime personnel. At times the Department is forced to down staff fire apparatus due to staffing

shortages. While there are many shining stars in the workforce, we have our share of firefighters who are unmotivated, disgruntled, and well versed at throwing up roadblocks.

...

How long is the organization going to bleed before we can say enough? With all of the current openings in the Department contracting out could be a viable option due to fewer positions to absorb. It's my opinion that contracting out the department would cost less and provide a higher level of service.

Prompted by the seriousness of the issues raised by Chief Bonano, the San Mateo County Civil Grand Jury (Grand Jury) began an investigation of the Half Moon Bay and Point Montara Fire Protection Districts.

The Half Moon Bay Fire Protection District (HMBFPD) started in 1889 as a volunteer fire department, became a fire district in 1926, and was reorganized in 1965. The District covers approximately 36 square miles and includes the city of Half Moon Bay and a large unincorporated area encompassing the communities of Princeton, Miramar, and El Granada. HMBFPD serves an estimated population of 20,244¹.

The Point Montara Fire Protection District (PMFPD) was formed in 1954. The District covers approximately 10 square miles and includes the communities of Montara and Moss Beach. PMFPD serves an estimated population of 4,903¹.

While Half Moon Bay and Point Montara Fire Protection Districts provide fire protection primarily to the urbanized areas of the San Mateo County Coastside, the California Department of Forestry and Fire Protection Service (CDF), under contract with the County of San Mateo, serves the rural areas immediately to the north, east, and south of the districts.

A five-member board of directors elected to four-year terms governs the HMBFPD and a three-member board of directors, also elected to four-year terms, governs the PMFPD.

In 1998 the Point Montara and Half Moon Bay Fire Districts entered into a fire-services agreement whereby PMFPD outsourced all of its services to HMBFPD, and HMBFPD absorbed all Point Montara personnel. The duration of the contract was not specified, but either party could terminate the contract by giving two years notice.

HMBFPD manages three engine companies operating from three fire stations (located in Half Moon Bay, El Granada, and Montara) and provides staff for one ambulance with a second ambulance available "on call." The engine companies and the ambulances are each staffed with at least one paramedic. There are a total of three firefighters on each engine. Fire services provided by the District include fire prevention and suppression services, emergency medical treatment, general rescue, and public education. In 2005 the District responded to a total of 2,406 calls.

When fully staffed HMBFPD employs 41 personnel: a fire chief, three division chiefs, a mechanic/fire inspector, two administrative secretaries, an administrative assistant, three

¹ 2000 Census

emergency medical technician ambulance drivers, nine captains, and 22 firefighters. Most of the line personnel are advanced life-support paramedics. In addition, active volunteers serve without compensation.

The Half Moon Bay and Point Montara Fire Protection Districts constitute a single service area, geographically isolated from the rest of San Mateo County. A small fire can require response from all local fire engines. According to National Fire Protection Association Standard 1710, 14 personnel are required to respond to a first-alarm incident. A first-alarm incident would, for example, involve a moderate-risk structure fire of a reasonably sized single-family home. As a local example, on May 3, 2006, an abandoned house at the end of Church Street in Half Moon Bay caught fire. All three Half Moon Bay engines responded, along with a CDF engine from San Mateo, the Half Moon Bay Ambulance Unit, and a Half Moon Bay Division Chief, as Incident Commander, for a total of 15 personnel plus a few members of the HMB Volunteer Fire Company².

During its investigation the Grand Jury interviewed fire chiefs, division chiefs, firefighters working for the HMBFPD, and members of the Board of Directors of both the Half Moon Bay and Point Montara Fire Protection Districts. The Grand Jury discussed with each individual the current status of the HMBFPD and three possible alternatives that might be taken by the HMBFPD to improve the current status:

1. Contract out the fire services
2. Internally rebuild the Fire Department
3. Take no action and maintain the status quo

FINDINGS

The board of directors of a fire district embodies the corporate authority of the district. Its responsibilities include:

- Setting policy.
- Determining the appropriate level of service.
- Establishing goals and objectives.
- Determining and approving budgets.
- Promoting the best interests of the District.
- Hiring an effective administrator/fire chief and holding that person accountable for the implementation of district policy, the efficient operation of the department, and fiscal responsibility.

Consolidation of the Half Moon Bay and Point Montara Fire Protection Districts:

² *Abandoned house in Half Moon Bay catches fire*, Coastsider.com, May 3, 2006

- In 2004 the San Mateo County City Managers Association commissioned a study, of the 11 cities and seven special districts that provide fire suppression services to San Mateo county residents³. The study concluded that “consolidation of fire service delivery appears to demonstrate economies of scale reductions on a cost per capita basis for service areas up to approximately 30,000 population.”
- In response to citizens’ requests, the Local Agency Formation Commission (LAFCo) accelerated its service review of the Point Montara and Half Moon Bay Fire protection Districts and on May 12, 2005, submitted a final report that stated that the area within the boundaries of the two Districts is best governed by a single consolidated fire district.⁴
- At a special joint meeting on February 8, 2006, the HMBFPD and PMFPD Board of Directors voted separately to pass resolutions for both a name and a governance model for the new consolidated district. They chose the name “Coastside Fire Protection District.” The governance model describes the method by which the combined boards would achieve the required odd number of directors and in two subsequent election cycles reduce the number to five at-large members.
- Most individuals interviewed believed that consolidation made good business sense, would be good for fire safety, and would create a more stable organization. One individual said that consolidation was a “no brainer.” Some interviewees, however, had reservations because they were concerned with HMBFPD management. .

Conflict between labor and management has existed in the HMBFPD for at least the past six years during which:

- HMBFPD has been embroiled in five lawsuits with current or former employees and has so far paid \$707,595 in settlements.
- HMBFPD has spent \$516,280 on legal fees in addition to the amounts it paid in settlements of lawsuits.
- A division chief spent six months putting together a performance and management system that firefighters and captains did not implement.
- Twenty-eight firefighters have retired or left HMBFPD to seek employment elsewhere.

The resulting instability has raised concerns about the ability of the HMBFPD to provide adequate level of services:

- The directors of the PMFPD expressed concerns with management of HMBFPD and in 2003 gave notice they would not renew their contract when it expired in 2005. Since

³ *Fire Agency Consolidation Threshold Analysis*, Management Partners, Inc.

⁴ *Municipal Service Review, Pt. Montara & Half Moon Bay Fire Districts*, May 12, 2005

May 19, 2005, HMBFPD has been providing fire service to PMFPD on a month-to-month basis.

- The HMBFPD fire marshal and fire inspector resigned.
- HMBFPD's Memorandum of Understanding (MOU), a labor agreement with its firefighters, expired on December 31, 2005.
- The HMBFPD fire chief retired in December 2005, and an interim fire chief left in April 2006.
- Nearly all individuals interviewed by the Grand Jury agreed that the problems pointed out by Chief Bonano were valid. Some agreed that the fire district's ability to provide services consistent with its mission was in jeopardy. Most agreed that action needs to be taken.

The HMBFPD Board of Directors has taken initial steps to address District problems:

- Prior to its expiration, the Board of Directors modified the MOU to change the employee retirement plan, to alter the contribution to employee health benefits, and to provide no salary increases.
- The Board of Directors has created a subcommittee to focus on the District's finances.
- The Board of Directors hired a new attorney to represent the District on March 8, 2006.
- The Board of Directors issued a Request for Proposal (RFP) in April 2006 for contracting out all or a part of the HMBFPD operations. The stated objective of the RFP is to determine if the Half Moon Bay and Point Montara communities can be better and more efficiently served by contracting with nearby agencies for fire and life-safety services. Responders were requested to address the provision of services for the Half Moon Bay and Point Montara Fire Districts independently and collectively.
- In May 2006 the RFP was mailed to 15 fire-service agencies in San Mateo County⁵. The agencies were told they have until June 15, 2006, to respond. On May 18, 2006, the Menlo Park Fire Protection District, CDF, and the San Mateo Fire Department all sent representatives to an informal bidders' conference at the HMBFPD district office.⁶

Opinions expressed by interviewees during discussion of Alternative 1, "Contract out the Fire Services":

- The Board of Directors must select a contractor that has an established reputation for effective leadership and delivery of fire protection services.

⁵ *Fire District Awaits Contract Responses*, Half Moon Bay Review, May 19, 2006

⁶ *Three Suitors Show For Fire Conference*, Half Moon Bay Review, May 24, 2006

- The Board of Directors must actively oversee the contracting agency. Contracting the fire services must not be or perceived to be simply a “takeover” of the District by another agency.
- HMBFPD already subcontracts fire prevention services to the San Mateo City Fire Department and up to 12 other services such as janitorial, legal, etc. to other service providers.
- CDF currently provides fire services to all areas that surround the HMBFPD and PMFPD.
- Water rescue is not a core service provided by the District. It can also be provided by a number of other agencies on the Coastsides such as the Harbor District, Coast Guard, or state park lifeguards. Surf rescue is a specialized skill and only nine of the 2,406 calls the District responded to in 2005 were for surf rescue.
- HMBFPD is one of three fire agencies in San Mateo County to staff an ambulance. The District now subsidizes the ambulance by about \$500,000 per year and this puts a strain on the HMBFPD budget.

Opinions expressed by interviewees during discussion of Alternative 2, “Internally rebuild the Fire Department”:

- To rebuild the department will demand a heroic leader, a supportive board, sufficient funding, and a lot of time.
- All interviewees thought it would be difficult to find a suitable fulltime permanent fire chief who was capable of rebuilding the Department.
- The District must rebuild the District’s culture and eliminate the entrenched culture of strife that exists between unionized firefighters and management
- Rebuilding is more likely to fail than succeed in any reasonable time.
- PMFPD may not want to consolidate with HMBFPD if this option is selected.

The interviewees were unanimous in their reaction to alternative 3, “Take no action and maintain the status quo”:

- Maintaining the status quo is not a viable option.

CONCLUSIONS

The Half Moon Bay and Point Montara Fire Protection Districts constitute a single service area and the Grand Jury believes consolidation will achieve cost and service delivery efficiencies

The HMBFPD has been mired in a culture of strife for at least the past six years. The District has spent more than \$1million in litigation with five of its former or current employees, and has experienced very high employee turnover. These difficulties have negatively impacted the ability of the District to provide an adequate level of service.

Now is an opportune time to significantly change the District: the union contract has expired, there are vacancies in the fire chief and one division chief positions, and the current Board of Directors is fully engaged in finding solutions that will serve the interests of the District.

It is clearly not in the best interest of the District for the HMBFPD Board of Directors to take no action and merely maintain the status quo.

The Grand Jury believes that rebuilding the department from within would be a formidable undertaking, would take a long time, and have only a modest chance of success.

The Grand Jury believes that the lowest-risk solution to the Districts' problems is for the Board of Directors to subcontract fire protection services to another organization. By subcontracting, the District could acquire the operating procedures necessary to provide reliable, consistent fire services within an established culture of cooperation. The Board would retain local control by setting goals and objectives and holding the subcontractor accountable. Furthermore, subcontracting does not preclude the Board from reexamining this decision in future years.

The HMBFPD Board of Directors needs to examine the mission of the district and should analyze the costs and benefits of some of the existing services. Not all services now performed by the District are equally important. For example, instead of staffing the ambulance with firefighters and providing for surf rescue, the District could save money by staffing the ambulance with American Medical Response (AMR) personnel and letting the Harbor District, Coast Guard, and State Park Lifeguards provide surf rescue.

The Grand Jury believes that the Boards of Directors of the Half Moon Bay and Point Montara Fire Protection Districts must now focus completely on the best interest of the District to set out a vision for the future, to establish goals and objectives, and to hold whoever manages the District accountable for achieving them.

RECOMMENDATIONS

The Grand Jury recommends that the Boards of Directors of the Half Moon Bay and Point Montara Fire Protection Districts

1. Consolidate the two districts into a single fire protection district by December 31, 2006.
2. Contract out all fire services to another fire protection agency by December 31, 2006.

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October 10, 2006

Honorable Stephen M. Hall
Judge of the Superior Court
Hall of Justice
400 County Center, 2nd Floor
Redwood City, CA 94063-1655

Re: **Response to Grand Jury Report**

Dear Judge Hall:

This letter is written in response to the Findings and Recommendations contained in the Civil Grand Jury Report on the Half Moon Bay and Point Montara Fire Protection Districts, entitled "A Firehouse Divided Cannot Stand," issued on July 10, 2006. This response is submitted only on behalf of the Board of Directors of the Half Moon Bay Fire Protection District. It is our understanding that a separate response will be provided by the Board of Directors of the Point Montara Fire Protection District.

Finding No. 1: *The board of directors of a fire district embodies the corporate authority of the district. Its responsibilities include:*

- *Setting policy.*
- *Determining the appropriate level of service.*
- *Establishing goals and objectives.*
- *Determining and approving budgets.*
- *Promoting the best interests of the District.*
- *Hiring an effective administrator/fire chief and holding that person accountable for the implementation of district policy, the efficient operation of the department, and fiscal responsibility.*

Response: Respondent agrees with this Finding.

Finding No. 2: *Consolidation of the Half Moon Bay and Point Montara Fire Protection Districts:*

- *In 2004 the San Mateo County City Managers Association commissioned a study, of the 11 cities and seven special districts that provide fire suppression services to San Mateo county residents¹. The study concluded that “consolidation of fire service delivery appears to demonstrate economies of scale reductions on a cost per capita basis for service areas up to approximately 30,000 population.”*
- *In response to citizens’ requests, the Local Agency Formation Commission (LAFCo) accelerated its service review of the Point Montara and Half Moon Bay Fire protection Districts and on May 12, 2005, submitted a final report that stated that the area within the boundaries of the two Districts is best governed by a single consolidated fire district.²*
- *At a special joint meeting on February 8, 2006, the HMBFPD and PMFPD Board of Directors voted separately to pass resolutions for both a name and a governance model for the new consolidated district. They chose the name “Coastside Fire Protection District.” The governance model describes the method by which the combined boards would achieve the required odd number of directors and in two subsequent election cycles reduce the number to five at-large members.*
- *Most individuals interviewed believed that consolidation made good business sense, would be good for fire safety, and would create a more stable organization. One individual said that consolidation was a “no brainer.” Some interviewees, however, had reservations because they were concerned with HMBFPD management.*

Response: Respondent agrees with the first three bullet points of this Finding, but cannot agree or disagree with bullet point four (i.e., *Most individuals interviewed believed that consolidation made good business sense, would be good for fire safety, and would create a more stable organization. One individual said that consolidation was a “no brainer.” Some interviewees, however, had reservations because they were concerned with HMBFPD management.*) because it has not seen or reviewed the interview information collected and reviewed by the Grand Jury to make this Finding.

Finding No. 3: *Conflict between labor and management has existed in the HMBFPD for at least the past six years during which:*

- *HMBFPD has been embroiled in five lawsuits with current or former employees and has so far paid \$707,595 in settlements.*

¹*Fire Agency Consolidation, Threshold Analysis, Management Partners, Inc.*

²*Municipal Service Review, Pt. Montara & Half Moon Bay Fire Districts, May 12, 2005*

- *HMBFPD has spent \$516,280 on legal fees in addition to the amounts it paid in settlements of lawsuits.*
- *A division chief spent six months putting together a performance and management system that firefighters and captains did not implement.*
- *Twenty-eight firefighters have retired or left HMBFPD to seek employment elsewhere.*

Response: Respondent disagrees partially with this Finding, especially in its characterization that HMBFPD has been “embroiled” in litigation. The District agrees that it has been sued by current and former employees, but all such litigation is now concluded. Respondent agrees that conflicts between labor and management have, on occasion, arisen over the course of the last six years, and some of the District's employees have left employment or retired during this same time period.

Finding No. 4: *The resulting instability has raised concerns about the ability of the HMBFPD to provide adequate level of services:*

- *The directors of the PMFPD expressed concerns with management of HMBFPD and in 2003 gave notice they would not renew their contract when it expired in 2005. Since May 19, 2005, HMBFPD has been providing fire service to PMFPD on a month-to-month basis.*
- *The HMBFPD fire marshal and fire inspector resigned.*
- *HMBFPD's Memorandum of Understanding (MOU), a labor agreement with its firefighters, expired on December 31, 2005.*
- *The HMBFPD fire chief retired in December 2005, and an interim fire chief left in April 2006.*
- *Nearly all individuals interviewed by the Grand Jury agreed that the problems pointed out by Chief Bonano were valid. Some agreed that the fire district's ability to provide services consistent with its mission was in jeopardy. Most agreed that action needs to be taken.*

Response: Respondent agrees that concerns have been expressed about the ability of the District to provide an adequate level of services, but the District believes that the services currently provided to residents within the District are adequate and the District is proud of its record in this regard. Respondent further agrees with the first four bullet points of this Finding, but cannot agree or disagree with bullet point five (5) (*Nearly all individuals interviewed by the Grand Jury agreed that the problems pointed out by Chief Bonano were valid. Some agreed that the fire district's ability to provide services consistent with its mission was in jeopardy. Most agreed that action needs to be taken.*) because it has not seen or reviewed the interview information collected and reviewed by the Grand Jury to make this Finding.

Finding No. 5: *The HMBFPD Board of Directors has taken initial steps to address District problems:*

- *Prior to its expiration, the Board of Directors modified the MOU to change the employee retirement plan, to alter the contribution to employee health benefits, and to provide no salary increases.*
- *The Board of Directors has created a subcommittee to focus on the District's finances.*
- *The Board of Directors hired a new attorney to represent the District on March 8, 2006.*
- *The Board of Directors issued a Request for Proposal (RFP) in April 2006 for contracting out all or a part of the HMBFPD operations. The stated objective of the RFP is to determine if the Half Moon Bay and Point Montara communities can be better and more efficiently served by contracting with nearby agencies for fire and life-safety services. Responders were requested to address the provision of services for the Half Moon Bay and Point Montara Fire Districts independently and collectively.*
- *In May 2006 the RFP was mailed to 15 fire-service agencies in San Mateo County³. The agencies were told they have until June 15, 2006, to respond. On May 18, 2006, the Menlo Park Fire Protection District, CDF, and the San Mateo Fire Department all sent representatives to an informal bidders' conference at the HMIBFPD district office.⁴*

Response: Respondent agrees with this Finding.

Finding No. 6: *Opinions expressed by interviewees during discussion of Alternative 1, "Contract out the Fire Services":*

- *The Board of Directors must select a contractor that has an established reputation for effective leadership and delivery of fire protection services.*
- *The Board of Directors must actively oversee the contracting agency. Contracting the fire services must not be or perceived to be simply a "takeover" of the District by another agency.*
- *HMBFPD already subcontracts fire prevention services to the San Mateo City Fire Department and up to 12 other services such as janitorial, legal, etc. to other service providers.*

³*Fire District Awaits Contract Responses*, Half Moon Bay Review, May 19, 2006

⁴*Three Suitors Show For Fire Conference*, Half Moon Bay Review, May 24, 2006

- *CDF currently provides fire services to all areas that surround the HMBFPD and PMFPD.*
- *Water rescue is not a core service provided by the District. It can also be provided by a number of other agencies on the Coastsides such as the Harbor District, Coast Guard, or state park lifeguards. Surf rescue is a specialized skill and only nine of the 2,406 calls the District responded to in 2005 were for surf rescue.*
- *HMBFPD is one of three fire agencies in San Mateo County to staff an ambulance. The District now subsidizes the ambulance by about \$500,000 per year and this puts a strain on the HMBFPD budget.*

Response: Respondent cannot agree or disagree with this Finding because it has not seen or reviewed the interview information collected and reviewed by the Grand Jury to make this Finding, but Respondent has initiated a process to examine the feasibility of contracting out fire services to CDF.

Finding No. 7: *Opinions expressed by interviewees during discussion of Alternative 2, "Internally rebuild the Fire Department":*

- *To rebuild the department will demand a heroic leader, a supportive board, sufficient funding, and a lot of time.*
- *All interviewees thought it would be difficult to find a suitable fulltime permanent fire chief who was capable of rebuilding the Department.*
- *The District must rebuild the District's culture and eliminate the entrenched culture of strife that exists between unionized firefighters and management.*
- *Rebuilding is more likely to fail than succeed in any reasonable time.*
- *PMFPD may not want to consolidate with HMBFPD if this option is selected.*

Response: Respondent cannot agree or disagree with this Finding because it has not seen or reviewed the interview information collected and reviewed by the Grand Jury to make this Finding.

Finding No. 8: *The interviewees were unanimous in their reaction to alternative 3, "Take no action and maintain the status quo":*

- *Maintaining the status quo is not a viable option.*

Response: Respondent cannot agree or disagree with this Finding because it has not seen or reviewed the interview information collected and reviewed by the Grand Jury to make this Finding.

Recommendation No. 1: *Consolidate the two districts into a single fire protection district by December 31, 2006.*

Response: Respondent agrees that the two districts should be consolidated into a single district. As noted in the Report, the consolidation process was initiated by the Boards of both Half Moon Bay and Point Montara some time ago. Considerable progress has been made and a draft Consolidation Agreement and Consolidation Plan are close to completion and execution.

However, Respondent disagrees that the entire consolidation process can or will be completed by December 31, 2006. Issues still need to be resolved with the California Public Employees Retirement System and consolidation proceedings must be conducted by the San Mateo County Local Agency Formation Commission (LAFCo). If objections to the consolidation are raised by a sufficient number of persons, there may be a need for the matter to be placed on the ballot for voter approval. Even in the absence of an election, the tentative schedule prepared by the LAFCo staff for completion of the consolidation process shows completion in or about July 2007. If an election is required, the process would not be completed until approximately January 1, 2008.

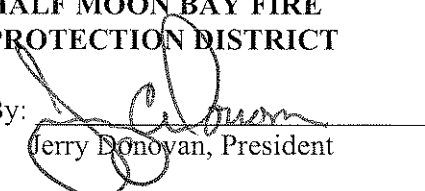
Recommendation No. 2: *Contract out all fire service to another fire protection agency by December 31, 2006.*

Response: Respondent agrees that a service contract with another agency may be necessary, but disagrees that such contract should necessarily include *all* fire services or that it will be completed by December 31, 2006. As reflected in Finding No. 5, the District has already taken action to explore the feasibility of a service contract.

The Boards of both the HMBFPD and PMFPD adopted a Letter of Intent to open negotiations with the California Department of Forestry and Fire Protection Service (CDF) for a contract to provide all fire services for both districts (or the single consolidated district). Shortly thereafter, two (2) Referendum Petitions were delivered to both districts seeking to have the Boards' motions approving negotiation with CDF and the Letter of Intent set aside or the motions submitted to the voters. It is the Board's position that these Petitions are premature and the Board has so advised Alan Davis, attorney for Local 2400; the individual who presented the Petitions to the Board. No response has been received from Mr. Davis, but it is clear that implementation of the decision to explore the possibility of a service agreement with CDF has been challenged and may lead to litigation because the Board will not be calling an election or terminating negotiations with CDF at this time. Until these issues are resolved, it would be impossible to predict the nature of any contract that might be negotiated (either with CDF or another agency) or the time frame within which this process will be completed.

Very truly yours,

**HALF MOON BAY FIRE
PROTECTION DISTRICT**

By: 
Jerry Donovan, President

October 6, 2006

Hon. Stephen M. Hall
Judge of the Superior Court
Hall of Justice
400 County Center; 2nd Floor
Redwood City, CA 94063-1655

Re: Response to Grand Jury Report

Dear Judge Hall:

This letter is written in response to the recommendations contained in the Grand Jury Report on the Half Moon Bay and Point Montara Fire Protection Districts, issued on July 10, 2006. Our response is submitted only on behalf of the Board of Directors of the Point Montara Fire Protection District. It is our understanding that a separate response will be provided by the Board of Directors of the Half Moon Bay Fire Protection District.

Recommendation No. 1: *Consolidate the two districts into a single fire protection district by December 31, 2006.*

Response: Respondent agrees that the two districts should be consolidated into a single district. This recommendation has already been implemented. As correctly noted in the Report, the consolidation process was initiated by the Boards of both districts some time ago. Considerable progress has been made and a draft Consolidation Agreement and Consolidation Plan are close to completion and execution.

However, we disagree that the entire consolidation process can or will be completed by December 31, 2006. Various issues still need to be resolved with the California Public Employees Retirement System (CalPERS) and consolidation proceedings must be conducted by the San Mateo County Local Agency Formation Commission (LAFCo). If objections to the consolidation are raised by a sufficient number of persons, there may be a need for the matter to be placed on the ballot for voter approval. Even in the absence of an election, the tentative schedule prepared by the LAFCo staff for completion of the consolidation process is around July of 2007.

Recommendation No. 2: *Contract out all fire service to another fire protection agency by December 31, 2006.*

Response: The Report does not explain the historical background showing how the management problems were created, nor does it attribute responsibility for this situation. Without an analysis of the root causes of the problems, it becomes difficult to determine an appropriate solution. In the absence of the factual grounds for the conclusions set forth in the Report, the usefulness of this document is limited.

The Report states that the existing service agreement between the Point Montara Fire Protection District and the Half Moon Bay Fire Protection District is a month-to-

month contract. This is not correct. The Service Agreement can only be terminated upon six months prior written notice by either party.

Respondent agrees that a service contract with another agency is necessary, but disagrees that such contract should necessarily include *all* fire services or that it will be completed by December 31, 2006. Actions have been implemented to explore the feasibility of a service contract with a particular provider.

Subsequent to issuance of the Grand Jury Report, the Boards of both districts adopted a letter of intent to open negotiations with the California Department of Forestry and Fire Protection Service (CDF) for a contract to provide all fire services for both districts (or the single consolidated district). Shortly thereafter, referendum petitions were delivered to both districts seeking to have this matter submitted to the voters. The outcome of these petitions is unknown at this time. It seems clear, however, that implementation of the decision to explore the possibility of a service agreement with CDF may be challenged and may lead to litigation if the Boards do not call an election or terminate negotiations with CDF. Until these issues are resolved, it would be impossible to predict the nature of any contract that might be negotiated (either with CDF or another agency) or the time when this process will be completed.

Very truly yours,

**POINT MONTARA FIRE
PROTECTION DISTRICT**

By: _____
Bruce MacKimmie, President