

**PLACER COUNTY  
OFFICE OF EMERGENCY SERVICES**

**MEMORANDUM**

**TO:** Honorable Board of Supervisors

**FROM:** Thomas M. Miller, County Executive Officer  
By Rui Cunha, Program Manager

**DATE:** December 8, 2009

**SUBJECT:** Approve advanced funding to Placer County Resource Conservation District in support of the Placer County Chipper Program on the western slope in the amount of \$52,500 and authorize the Chairman of the Board to sign two copies of the program agreement.

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**ACTION REQUESTED**

1. Approve advanced funding to Placer County Resource Conservation District (RCD) in support of the Placer County Chipper Program on the western slope in the amount of \$52,500.
2. Authorize the Chairman of the Board to sign two copies of the program agreement.
3. Authorize the County Executive Officer to execute a Memorandum of Understanding (MOU) between Placer County and RCD relating to the advanced funding for the Chipper Program.

**BACKGROUND**

The Placer County Chipper Program on the western slope has provided unlimited chipper services at no cost to residents of Placer County and all of its political sub-divisions since 1997. In addition to encouraging residents to clear properties of vegetation that could potentially pose a fire hazard, the program has helped reduce debris burning thereby reducing any impact on air quality. Lastly, as chips are frequently deposited on the property whence the vegetation came, property owners have on occasion been able to use the chips to reduce soil run-off which is a benefit to storm-drain systems. These benefits are consistent with similar local, state and federal vegetation management initiatives.

The Chipper Program was suspended in September, 2009 due to lack of funding. While the RCD applied for roughly \$300,000 in grant funding in the 2009 Western Wildland Urban Interface Grant Program and while the award was confirmed in April 2009, the RCD learned in August that funding is not expected until the March/April 2010 timeframe. The interruption in service this break in funding causes was unexpected and it has caused Placer RCD and its partners to seek alternative funding sources. In addition, correspondence with grant providers indicates that grant funding will become increasingly less consistent in the foreseeable future. As a result, the Placer County RCD Board directed its staff to pursue a "fee for service" alternative for the chipper program.

**Chipper Program Defined:**

Placer County owns and insures four Chippers and three ¾ ton pick-up trucks used by the Chipper Program. In addition Placer County provides workers compensation insurance and makes available through the Placer County jail, inmate labor, who, under supervision of Crew

Supervisors, provide necessary labor to move and load vegetation. Lastly, Placer County makes available fuel from the County garage for which it is reimbursed by the program.

The RCD provides a Program Supervisor and three Crew Supervisors with whom it has personal services contracts. In addition, the program funds administrative and maintenance support at the Bowman CAL FIRE station where, in addition to vehicle maintenance, telephonic requests for chipper services are answered and service is coordinated.

The program can operate up to three crews simultaneously during very busy periods.

#### **Other Chipper Programs - Eastern Slope:**

The North Tahoe Fire Protection District (NTFPD) provides free chipping services to NTFPD residents with two chipper crews, each crew composed of a paid supervisor and three paid seasonal employees. The program runs from late May to early November (weather permitting) and is funded through a combination of grants and a voter approved special tax. This year NTFPD began supporting the Alpine Springs County Water District (ASCWD) area at a charge of \$75 per residential parcel. However, the special tax is specific to the NTFPD area and does not support service to the ASCWD area. Overall, NTFPD expects to have completed 1600 chipping requests this year.

Truckee Fire Protection District (TFPD) provides free chipping services to TFPD residents with one chipper crew composed of a paid supervisor and one paid seasonal employee operating from late May to early November (weather permitting). TFPD also funds its program through a combination of grants and a voter approved special tax. The voter approved special tax was approved for general fire protection services and is not specific to chipper services. Therefore, the program is dependent on future grant funding for operational costs and is at risk if future grant funding is not available. Job completion data for this year was not available.

Nevada County provides chipper services via a contract with the Nevada County Fire Safe Council which provides crews based on the demand for service. The Nevada County program that started effective Oct 1, 2009 is now funded by a "suggested donation" from property owners. The suggested donation is \$50/hour, with a one hour minimum, and property owners are now submitting their "donations" along with the work order request form. It is too early to determine how this refinement will affect the demand for chipper services in Nevada County. The program will continue to rely on both donations and grant funding, and any revenues realized from donations will be used to offset future grant match requirements.

#### **FEE FOR SERVICE PROGRAM**

Placer County RCD in coordination with its partnering agencies (Placer County, CAL FIRE, Placer Air Pollution Control District, Placer County Fire Safe Alliance) is pursuing a fee-for-service program to help sustain Chipper Program operations. Under the attached program agreement Placer County RCD would agree to administer operations of the Chipper Program to include the administration of fee collection. Placer County would agree to provide equipment, access to inmate labor and access to fuel from the County garage (fuel costs are charged back to the program).

Equipment replacement would continue to depend on grant funding through the Air Pollution Control District. Chippers are replaced every five to seven years and tow vehicles (pick-up trucks) are replaced every 10-12 years. It is also assumed that some grant funding will be necessary to support select community initiatives where there is no payer, e.g., Christmas tree chipping.

Assuming no substantial reduction in demand for service, the Chipper Program requires approximately \$210,000 annually to operate. Over the past 30 months, the Program has provided service to 380 residences/month requiring an average of 250 hours of chipper operations.

Preliminary analysis shows that the program costs are projected at \$17,508 monthly. While these costs are under review, it is projected that a charge \$70 hourly for services with a 30 minute minimum charge will be necessary. This compares with Chipper rental at \$30 per hour with a four hour minimum (\$120), or contract services at between \$120 and \$180 per hour.

With the implementation of a fee for service, the program should expect a reduction in demand an impact that is not factored into the cost model. Therefore, it will be necessary for Placer County RCD to monitor costs so that reductions in demand result in reduced costs.

The chipper program could limit opportunities for private businesses that perform similar services. This limitation can be managed to mirror existing program impacts, i.e., the County program should continue to focus on smaller, residential projects that are usually less lucrative to commercial operators. These are also the projects wherein property owners are frequently more apt to use burning instead of chipping.

### **POLICY ANALYSIS**

While Placer County supports the chipper program and acknowledges the benefits that it provides, there are alternatives for property owners. These alternatives include chipper rental, contracting for services and vegetation burning. For this reason, the chipper program operations should be self sustaining and should not expect future funding augmentation.

As the program transitions to a fee for service program, and because the program benefits significantly from low labor costs due to the use of inmate labor, it is important to restrict the program to benefiting residential property owners and public properties where there is a significant benefit to the general public. It should be a program policy to encourage private business solutions to chipping services and biomass removal where these solutions are most cost effective.

Additionally, the Chipper Program has performed certain community service functions the costs for which, if continued, will not be recouped in a fee for service program. If it is the desire of Placer County RCD to continue these practices, it may be necessary to continue to seek grant funding to off set these costs.

General Fund revenues should not supplement chipper program costs for equipment or operations. These services are for the benefit of individual property owners and as a result the use of General Fund revenues could be considered a gift of public funds.

### **ADVANCED FUNDING**

In coordination with Placer County RCD, Placer County Fire Alliance, the Biomass Committee, the Western Placer Fire Chiefs Association, Placer County Air Pollution Control District, Placer County leadership and other interested parties there has been an expressed interest to resume Chipper Program services at the earliest possible time. While the new fee for service program is expected to sustain operations in the future, it is recognized that revenues will lag expenses.

It is recommended therefore that Placer County provide advanced funding to the program in the amount of \$52,500 in order for it to be able to resume service on or about January 4, 2010. This will provide initial start up cash flow while the fee for service program is initiated.

It is staff's assessment that early implementation of the Chipper Program is desirable due to downed vegetation from the recent storms and to reports of increased burning in many communities throughout the County.

The Southern Sierra Region Grant Manager for the California Fire Safe Council has indicated that the grant can reimburse costs incurred by Placer County RCD after Oct 1 2009. This will allow Placer County RCD to reimburse Placer County the funding associated with early implementation of the program.

**PROGRAM AGREEMENT**

The attached agreement between Placer County and Placer RCD institutionalizes past practices associated with the chipper program. While the program has run successfully for over 12 years, past practices have evolved without documentation. In addition the attached agreement seeks to ensure the County is able to recoup insurance costs associated with both Workers Compensation and vehicle and chipper insurance.

**FISCAL IMPACT**

Sufficient funding is available in the FY2009-10 Community and Agency Support budget in support of this action. There is no net impact to the General Fund with the reimbursement of the advanced funding.

**Attachment**

Agreement - Placer County Chipper Program on the Western Slope

# AGREEMENT

COUNTY OF PLACER  
AND THE  
PLACER COUNTY RESOURCE CONSERVATION DISTRICT  
FOR  
THE PLACER COUNTY CHIPPER PROGRAM ON THE WESTERN SLOPE

## PARTIES TO THIS AGREEMENT

The Placer County Resource Conservation District (DISTRICT) and the County of Placer (COUNTY).

## PURPOSE

The purpose of this agreement is to document responsibilities for the operation, administration and fiscal support of the Placer County Chipper Program on the Western Slope by the parties going forward. The program will operate in much the same manner as it has in the past, but it remains important to delineate those responsibilities and quantify support in order to establish a baseline from which any and all future changes may be made.

## BACKGROUND

The Placer County Chipper Program on the Western Slope has provided free, unlimited chipper services to residents of Placer County and all political sub-divisions since 1997. In addition to encouraging residents to clear their properties of vegetation that could potentially pose a fire hazard, the program has had the added benefit of reducing the requirement for burning which reduces burning's negative impact on air quality. Lastly, as chips are frequently deposited back on the properties from where the vegetation came, property owners have frequently used the chips not only as mulch, but in other areas to reduce soil run-off into storm-drain systems. These benefits are consistent with goals of Placer County and many of its political sub-divisions.

## PROVISIONS OF AGREEMENT

The Placer County Resource Conservation District will:

1. Staff, operate and maintain all assigned vehicles, chippers and related equipment at its expense.
2. Ensure the persons who operate or use a chipper are properly trained and certified in its operation.
3. Provide for all maintenance and administrative support for the program.

4. Maintain General Liability and Automobile Insurance with limits of not less than \$1,000,000 per occurrence to cover the use of the chipper and name Placer County as an additional insured.
5. Provide annual reimbursement to Placer County in the amount of \$1008 for vehicle and chipper insurance and \$1500 for workers compensation costs associated with inmate labor.

The County of Placer will:

1. Make chippers, tow vehicles and related equipment available to the Chipper Program.
2. Replace chippers and tow vehicles as grant funding for that purpose is available.
3. Provide comprehensive and collision insurance for chippers and vehicles.
4. Provide access to crew members from the County jail subject to compliance with rules associated with supervision of inmates and subject to special conditions as they arise at the jail.
5. Make available fuel at the County garage to be used by the program on a reimbursable basis.

#### **TERM**

The term of this contract begins as mutually agreed between the parties. Agreement may be cancelled for any reason by either party, however cancellation shall require a one year notice period.

#### **INDEMNIFICATION**

COUNTY shall indemnify and hold DISTRICT harmless from and defend DISTRICT against any and all claims of liability for any injury, death, or damage when such injury, death or damage is caused in part or in whole by the act, neglect, fault or omission by COUNTY, its agents, contractors, employees, inmates or invitees including all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon.

DISTRICT shall indemnify and hold COUNTY harmless from and defend COUNTY against any and all claims of liability for any injury, death, or damage when such injury, death or damage is caused in part or in whole by the act, neglect, fault or omission by DISTRICT, its agents, contractors, employees or invitees including all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the day, month and year first noted below.

**FOR THE COUNTY OF PLACER:**

\_\_\_\_\_  
F.C. "Rocky" Rockholm  
Chair, Board of Supervisors

\_\_\_\_\_  
Date

**FOR PLACER COUNTY RESOURCE CONSERVATION DISTRICT:**

\_\_\_\_\_  
Thomas Wehri  
Chair, Board of Directors

\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Mark Rathe  
Deputy County Counsel

\_\_\_\_\_  
Date

