



ORANGE COUNTY FIRE AUTHORITY

P.O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Road, Irvine, CA 92602
Brian Fennessy, Fire Chief (714) 573-6000 www.ocfa.org

May 25, 2018

VIA CERTIFIED U.S. MAIL

The Honorable Charles Margines
Presiding Judge
Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Subject: OCFA Response to 2017/18 Grand Jury Report entitled, "Orange County Fire Authority – Financial Flames on the Horizon"

Your Honor,

At its May 24, 2018, meeting, the Orange County Fire Authority's Board of Directors approved and authorized the attached responses to the Findings/Conclusions and the Recommendations to the 2017/18 Grand Jury Report entitled, "Orange County Fire Authority – Financial Flames on the Horizon" as requested.

Please feel free to let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Sherry A.F. Wentz".

Sherry A.F. Wentz, CMC
Clerk of the Authority

cc: Grand Jury Foreman Robert Niccum

Enclosure: OCFA Response to 2017/18 Grand Jury Report entitled, "Orange County Fire Authority – Financial Flames on the Horizon"



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Your Honor,

The Orange County Fire Authority (OCFA) Board of Directors reviewed the Grand Jury report, "Orange County Fire Authority – Financial Flames on the Horizon" during its public meeting held on May 24, 2018. The Board has reviewed and authorized this formal response from our agency.

We appreciate the time and effort the Grand Jury has devoted to the citizens of Orange County and we share its dedication to fair and transparent governance.

If I may be of service in the clarification of this response, please feel free to contact me at brianfennessy@ocfa.org or (714) 573-6010.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Fennessy", with a large, stylized flourish at the end.

Brian Fennessy
Fire Chief

**MINUTES
ORANGE COUNTY FIRE AUTHORITY**

Board of Directors Regular Meeting

**May 24, 2018
6:00 P.M.**

5. DISCUSSION CALENDAR

A. Response to Grand Jury Report Entitled “Orange County Fire Authority – Financial Flames on the Horizon” (F: 20.04A10)

On motion of Director Murray and second by Director Johnson, the Board of Directors voted unanimously by those present to approve and authorize the Clerk of the Authority to submit the Orange County Fire Authority’s response to the Orange County Grand Jury report entitled "Orange County Fire Authority – Financial Flames on the Horizon?" to the Presiding Judge of the Superior Court.

Grand Jury Response: “Orange County Fire Authority – Financial Flames on the Horizon”

Background & Summary

The City of Irvine and the County of Orange are two of the founding members of the OCFA Joint Powers Authority (JPA). Prior to the JPA’s formation, all fire suppression and emergency response services in Irvine were provided by the County of Orange Fire Department and paid for with the Structural Fire Fund (SFF) monies collected by the County.

The current JPA Agreement is a 20-year agreement that terminates in 2030. However, under the terms of the JPA Agreement, a member city may elect to withdraw from the JPA after the first 10 years of the contract (i.e. 2020). If a city intends to exercise this option, they must first give notice to the OCFA in 2018. The County of Orange is contractually obligated to convey all SFF monies collected within the county to the OCFA. With the approval of SB 302 last year, statutory restrictions also restrict transfers of SFF monies away from the OCFA.

Throughout OCFA’s history, and dating back before the OCFA was formed, various representatives from the City of Irvine have stated their belief that Irvine overpays for fire services and that they should be given some form of equitable relief or they would serve notice of intent to withdraw from the JPA. As summarized on page 11 of the Grand Jury report “*Orange County Fire Authority – Financial Flames on the Horizon?*” the OCFA has made many attempts to address these concerns on behalf of Irvine (Attachment 1). The most recent attempt was substantial, involving considerable discussion and negotiation, and producing an agreement that gained Irvine’s commitment to remain a part of the JPA through 2030 (Second Amendment to the Amended JPA); however, the County of Orange prevailed in a legal challenge that overturned the provisions of the Second Amendment.

Since the Second Amendment was nullified, much discussion has occurred amongst OCFA members and the Board of Directors regarding potential negotiation between the OCFA, the City of Irvine, and the County of Orange to develop a new approach to solving the financial inequity that Irvine still believes exists. One suggested approach by the County was to propose that Irvine withdraw from the JPA and subsequently contract for service from the OCFA as a cash contract member going forward. The County and Irvine would engage in a property tax exchange negotiation that would essentially result in both Irvine and the County keeping a significant portion of the Irvine SFF property taxes for their own use.

However, given the court rulings related to this matter and recent amendments in SB 302, it appears to be abundantly clear that SFF monies are designated for Fire Suppression and Emergency Services and cannot be reallocated for any other purpose. Therefore, rather than negotiating an equity solution that would involve changes in allocation of SFF monies, the OCFA Board of Directors authorized staff to talk with Irvine about enhanced services/value-added partnership ideas. The broad parameter for this Board direction was that any conceptual ideas were limited to those which OCFA could pursue within the framework of the existing JPA terms and OCFA budget process. The authorization did not include pursuit of a JPA Amendment or property tax transfer.

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OCFA & Irvine Discussions – Enhanced Services & Value-Added Partnership Ideas

In October 2017, as authorized by the OCFA Board of Directors, OCFA staff met with Irvine staff and presented a list of enhanced services/value added partnership ideas. The discussion was positive and Irvine staff requested time to consider the concepts. In January 2018, a follow-up meeting was convened to seek feedback and determine if a path forward could be developed. Irvine staff expressed appreciation for the efforts, and the group discussed some service enhancements planned for funding request in the OCFA’s FY 2018/19 Proposed Budget. The list was updated in April 2018 to reflect progress (Attachment 2).

Response to Findings and Recommendations

Finding 1: The 1995 OCFA JPA agreement, requiring that all SFF funds be allocated to OCFA, did not anticipate the disproportionate property values and growth in the City of Irvine, resulting in the current inequity issue.

The OCFA disagrees. Discussion of equity (or inequity) in SFF property tax values pre-dates the formation of OCFA (Attachment 3 – *History of Actions Leading to the Resolution of the Equity Issue*). The parties fully understood this equity issue upon entering into the 1995 OCFA JPA Agreement, resulting in equity language being included in the initial 1995 JPA Agreement. Article IV Section 4 of the 1995 JPA states: “It is understood that the cost of service shall not be adjusted by reason of equity for any member agency for a period of three (3) fiscal years from the effective date of Authority formation” (Attachment 4).

Finding 2: The imminent deadline of June 30, 2018, for members to notify OCFA of intent to withdraw leaves insufficient time to finalize a mutually agreeable plan to resolve the inequity issue.

The OCFA disagrees. Rather than negotiating an equity solution that involves changes in allocation of SFF monies, the OCFA Board of Directors authorized staff to talk with Irvine about enhanced services/value-added partnership ideas that can be implemented within the framework of the existing JPA terms and OCFA budget process. The June 30, 2018 deadline does not apply since these solutions can be implemented at any time with approval of the OCFA Board of Directors and/or the Irvine City Council.

Finding 3: The bilateral discussions between Irvine and OCFA, without the County’s involvement, have not resolved the inequity concerns and cannot resolve them without joint discussions and mutual agreement among all principal parties.

The OCFA agrees in part and disagrees in part. The OCFA agrees that the current discussions between Irvine and OCFA have not **yet** resolved Irvine’s concerns. However, we disagree that these discussions “cannot resolve them”. It is feasible for Irvine and OCFA to tentatively agree on service enhancements for Irvine, which could then be approved by the OCFA Board of Directors serving as the governing body representing all OCFA member agencies.

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Finding 4: The disagreement between Irvine and the County regarding the application of Tax Equity Allocation (TEA) funds complicates the resolution of the inequity issue.

Finding 4 is not applicable to OCFA. No response is provided.

Finding 5: In the event of a Structural Fire Fund (SFF) member’s withdrawal from OCFA, the JPA agreement does not clearly address the disposition of that member’s SFF contributions, which may result in litigation.

The OCFA agrees. Article VII, Section 1.E of the Amended JPA (Attachment 5) states that “Withdrawal by a Structural Fire Fund city may be subject to property tax transfer negotiations and such additional notices as required by applicable law.” This language leaves the details of SFF disposition to be determined separate and apart from the terms of the JPA.

Finding 6: In the event of Irvine’s withdrawal from OCFA, the conflicting positions between the City and OCFA regarding ownership of fire stations and equipment located in Irvine may result in litigation.

The OCFA disagrees. OCFA does not agree that there are conflicting positions between the City and OCFA regarding ownership of fire stations and equipment. Station and equipment ownership is clearly understood and delineated, as required for reporting of asset ownership in each agencies’ respective financial statements. There has never been a dispute or disagreement in this regard. As to future disposition, Article VII, Section 4 of the Amended JPA (Attachment 5) states: “**Property of Withdrawing Members:** Any withdrawing member may negotiate with the Authority for return or repurchase of any and all stations and equipment serving that member’s jurisdiction.”

Finding 7: In the event of a member’s withdrawal from OCFA, the JPA agreement does not define the disposition of that member’s share of OCFA’s unfunded liabilities, which may result in litigation.

The OCFA disagrees. Article VI, Section 3 of the Amended JPA (Attachment 5) states that “Except as otherwise provided herein, the debts, liabilities and obligations of the Authority shall be the debts, liabilities or obligations of the Authority alone and not of the parties of this Agreement.” According to this JPA language, the OCFA’s unfunded liabilities would remain with the OCFA in the event of a member’s withdrawal. However, OCFA would have an opportunity to mitigate the cost of the unfunded liability through its negotiation of assets, negotiation of any Structural Fire Fund property tax allocations, or negotiation of other financial elements related to a withdrawing member agency.

Recommendation 1: Starting immediately, all three parties (the City of Irvine, OCFA, and the County of Orange) should be included in all discussions addressing Irvine’s SFF inequity issue to reach a mutually satisfactory interim agreement to avoid Irvine’s withdrawal from OCFA. (F1, F2, F3, F4)

The recommendation has not yet been implemented, but will be implemented in the future. Recent direction provided by the OCFA Board of Directors is for OCFA staff to work with Irvine staff to identify enhanced services and value-added partnership ideas that can be implemented within the framework of the JPA and OCFA budget process. As we progress in identifying specific

Grand Jury Response: “Orange County Fire Authority – Financial Flames on the Horizon”

ideas which both agencies wish to pursue, OCFA will expand the parties included in the discussions to include all member agencies. This will be done initially with the City Managers’ Technical Advisory Committee, followed by discussions with the OCFA Budget and Finance Committee, and ultimately with the full OCFA Board of Directors (as the formal representatives for all member agencies). The timeframe for completion of initial actions resulting from this effort is anticipated for FY 2018/19, with additional efforts and actions to continue well into future years.

Recommendation 2: Prior to June 30, 2018, the City of Irvine should adopt a contingency plan to ensure uninterrupted fire and emergency services in the event of the City’s intended withdrawal from OCFA. (F2, F6)

Recommendation 2 is not applicable to OCFA. No response is provided.

Recommendation 3: By June 1, 2018, OCFA and the County of Orange should provisionally define the disposition of a member’s SFF contributions in the event of that member’s withdrawal. (F5)

The recommendation will not be implemented because it is not warranted or is not reasonable. The OCFA does not have the authority to define the disposition of a withdrawing member’s SFF contributions. Furthermore, attempting to do so “provisionally” would conflict with the JPA and the collective best interests of OCFA’s member agencies. Article VII, Section 1.E of the Amended JPA (Attachment 5) states that “Withdrawal by a Structural Fire Fund city may be subject to property tax transfer negotiations and such additional notices as required by applicable law.” OCFA would be a party in negotiation of any Structural Fire Fund property tax allocations, negotiation of related asset transfers, and negotiation of other financial elements related to a withdrawing member agency.

Recommendation 4: By June 1, 2018, OCFA and the City of Irvine should resolve ownership of the Division 2 fire stations and associated equipment located in the City of Irvine. (F6)

The recommendation has been implemented. The OCFA does not agree that there are conflicting positions between the City and OCFA regarding ownership of fire stations and equipment; therefore, this recommendation has already been implemented. Station and equipment ownership is clearly understood and delineated, as required for reporting of asset ownership in each agencies’ respective financial statements.

Recommendation 5: By June 1, 2018, OCFA should provisionally define the disposition of a member’s share of OCFA unfunded liabilities in the event of that member’s withdrawal. (F7)

The recommendation will not be implemented because it is not warranted or is not reasonable. Article VI, Section 3 of the Amended JPA (Attachment 5) states that “Except as otherwise provided herein, the debts, liabilities and obligations of the Authority shall be the debts, liabilities or obligations of the Authority alone and not of the parties of this Agreement.” According to this JPA language, the OCFA’s unfunded liabilities would remain with the OCFA in the event of a member’s withdrawal. However, OCFA would have an opportunity to mitigate the cost of the unfunded liability through its negotiation of assets, negotiation of any Structural Fire Fund property tax allocations, or negotiation of other financial elements related to a withdrawing member agency.

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Recommendation 6: All parties should commit to revisiting the JPA agreement with the goal of resolving outstanding issues prior to the 2030 expiration of the JPA. (F1, F5, F6, F7)

The recommendation has not yet been implemented, but will be implemented in the future. Recent direction provided by the OCFA Board of Directors is for OCFA staff to work with Irvine staff to identify enhanced services and value-added partnership ideas that can be implemented within the framework of the JPA, which does not include pursuit of a JPA Amendment. However, this current Board direction does not preclude future review of the JPA prior to 2030.

Attachments:

1. 2017/18 Grand Jury Report entitled, “Orange County Fire Authority – Financial Flames on the Horizon?”
2. Planned Service Enhancements to the City of Irvine
3. Historic Actions on Equity Issue
4. Joint Powers Agreement Creating the Orange County Fire Authority
5. Amended Orange County Fire Authority Joint Powers Agreement

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Providing Additional Value to the City of Irvine
October 5, 2017
(Status Updates as of April 4, 2018)

Planned Service Enhancements (traditional services, maintaining standards for core service delivery)

Expanded Fire Station 20 Staffing

Twelve frontline Operations personnel are planned for implementation to staff Truck 20 when the newly constructed, permanent Fire Station 20 opens later this fiscal year. The addition of this personnel (6 Firefighters, 3 Fire Apparatus Engineers, and 3 Captains) is funded for the last few months of the current FY, and carries a full annual cost of approximately \$3 million per year.

- Station 20 is anticipated to open in July 2018, and implementation of Truck 20 (with added staffing of twelve new firefighters) is scheduled to occur on July 6th.

New Battalion 10

OCFA plans to create a new Battalion in the City of Irvine, splitting the supervisory workload of the many Irvine Fire Stations among two battalions instead of the one that currently exists. The addition of Battalion 10 will require funding for three Battalion Chiefs in OCFA's budget at approximately \$1 million per year. The staffing and support equipment for this Battalion will be requested as part of the FY 2018/19 budget for implementation July 1, 2018, which approximates the timing for the expanded station staffing that is also planned for implementation at permanent Fire Station 20.

- Funding for new Battalion 10 is included in the FY 2018/19 Proposed Budget, which will be submitted to the OCFA Board of Directors for adoption on May 24, 2018. Upon Board approval, the implementation of the three new Battalion Chief positions is scheduled to occur on July 6th.

Added Fire Station, IBC

The OCFA recognizes the imminent need for additional response capabilities to the IBC and adjacent areas. Increasing congestion, demand due to municipal growth, elevated patient contact times after arrival on scene, and the high-risk response areas of the airport, university, and high-rise office and residential buildings of the IBC are evidence that additional OCFA coverage will be needed. OCFA would like to move forward with identification of a location for a new fire station in the IBC. Additionally, OCFA would like to discuss partnering with the City of Irvine for a joint-use property (ex: city park and fire station).

- Significant effort and outreach has been performed in search of a suitable location for this new proposed station (Fire Station 52) to serve the IBC area.
- An IRWD property initially looked promising, but IRWD has formally declined our request to potentially purchase the land, citing their desire to retain the land.
- Allergan has indicated willingness to potentially offer land it owns to OCFA for purchase, prior to placing the land for sale open-market.

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- OCFA has engaged its real estate consultant to assist in searching for alternative sites and potentially to assist in determining appropriate value of the Allergan site in order to make recommendations to the OCFA Board for entering into land-purchase negotiations.
- Discussions continue with UCI regarding a potential site at their North Campus near Jamboree and Campus.

Non-Traditional and/or Value-Added Services for Discussion & Consideration

Financial Value

1. Accelerated Pension Paydown Plan

Explore methods to alter OCFA's Accelerated Pension Paydown Plan to specifically allocate the value of the accelerated payments to the pro-rata share of pension liability for specific Structural Fire Fund (SFF) members. The allocation would apply to those SFF members deemed over-funded per the equity formula specified in the OCFA's Joint Powers Agreement.

- OCFA developed a potential method for prorating OCFA's total unfunded pension liability to all member agencies first, and then secondarily allocating the value of accelerated pension payments **only to SFF members deemed over-funded** (per the equity formula defined in the JPA).
- Using this method, Irvine's prorated share of OCFA's unfunded pension liability at the beginning of FY 2017/18 would have equated to \$80.7 million. The \$80.7 million value would have been reduced during FY 2017/18 by \$9.7 million from application of OCFA's accelerated payments.

Services to Jointly Benefit Irvine Police Department & Fire Services

2. Joint Police-Fire Training Facility

Explore construction of a joint IPD-OCFA Training Facility in the City of Irvine. OCFA would seek legal guidance, budget options, and Board approval to fund the facility construction through the OCFA Capital Improvement Program budget. Approximately \$19.5 million remains set-aside in OCFA reserves from the prior JEAP payments that were overturned by the Appellate Court.

- Preliminary consideration has been given to the feasibility of using land behind the new Fire Station 20 for a potential joint police-fire training facility. Dialogue with the governing bodies of OCFA and the City of Irvine is key to enable further development of this concept.

3. Mapping Firm to Create Response Maps for High Rise Occupancies

Irvine is experiencing tremendous growth in large multifamily residential, commercial, high rise and major entertainment/recreational properties. These occupancies present unique challenges for first responders to access and navigate. OCFA could explore an OCFA-funded project to hire a contracted mapping firm to create response maps for high rise occupancies in Irvine, for joint use by both Police and Fire personnel.

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- OCFA has assembled a multi-disciplinary project team (to include an IPD Representative) to further develop the scope of this project in order to issue an RFP and determine the cost.
- After the RFP process is complete, OCFA staff will submit the project and funding request to its Board of Directors for consideration.

4. Connect OCFA and IPD CAD Systems

OCFA could seek funding for a project to connect the OCFA's Computer-Aided-Dispatch (CAD) System with the IPD's CAD System. The intent would be to provide for seamless and expedited call-transfer capabilities, and to improve situational awareness for both Police and Fire personnel.

- No updates at this time.

5. Data Center Partnership for Disaster Preparedness

OCFA could partner with the City to provide the City with additional rack space in the OCFA's Data Center, for use by the City for additional disaster preparedness options.

- This concept was initially identified to be of lesser priority/value compared to the other initiatives. Pending further definition of vision and value.

Dedicated Service Options

6. Dedicated Field Inspectors (2)

Volume of construction activity in the City of Irvine is significant, and as construction continues, the annual inspection workload is also increasing. Year-to-date, Irvine has issued 155 commercial and 1,245 residential permits. In addition, there are currently 81 high rise structures with 6 additional in the planning phases and numerous community entertainment and recreational venues underway. OCFA could explore enhanced Inspection Services to the City with 2 additional Field Inspectors assigned specifically to Irvine. These 2 positions would be in addition to current resources already serving the City.

- No updates at this time.

7. Seasonal Handcrew (8)

Our pre-fire management team works very closely with the Irvine Ranch Conservancy and are aware of the city's fuel mitigation and road maintenance needs. OCFA can help by assisting with fuel mitigation, maintenance of open interior space (like Bommer Canyon and Turtle Rock areas), and road way maintenance in the interface. OCFA could explore the provision of a seasonal team of 8 handcrew firefighters and one supervisor for 5 to 6 months per year, dedicated to services in Irvine.

- OCFA's Pre-Fire Management staff engaged in preliminary discussion with the City Forester, indicating interest.

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- With further support from both agencies' governing bodies, OCFA staff will prepare a detailed project plan and funding request for review by its Board of Directors.

Alternative Service Options

8. Alternative Service

Over the last 5-10 years, America's Fire based EMS service providers have seen a significant increase in 911 calls. The cause of these increases has not been widely studied but anecdotally has been attributed to changes in health care coverage and an increasing comfort and familiarity with the 911 system. A sizeable portion of these calls are not emergencies in the traditional sense such as a heart attack, stroke or car accident. Many 911 calls are for citizens who are suffering from non-life threatening illnesses or injuries such as twisted ankles, small lacerations, sub-acute mental illness issues, or even the common cold/flu.

EMS providers are creatively modifying the way in which they respond to these calls. The methods are known as "alternative service delivery" options and are utilized on calls for service that are sub-acute in nature. The following are two possible service delivery models that could be trialed in Irvine:

- Pre-position a nurse practitioner and OCFA paramedic on a quick response vehicle to handle the sub-acute calls. The team performs treatment modalities in the home, referring the sick and injured to their own doctors or urgent care centers for follow up.
- Patients are transported to urgent care and specialty clinics, as well as doctor's offices rather than just emergency rooms.

Options such as these can maintain the availability of rescuers for truly emergent 911 calls, lessen emergency responses in the community, and help keep the emergency room doors open by routing sub-acute patients to other treatment providers.

- OCFA has held initial discussions with its Emergency Medical Services Section to discuss these, and other possible opportunities.
- An alternate response unit is operational in Anaheim and research will be needed to further understand their scope and services offered. OCFA's EMS Section is researching data to identify associated needs.
- Trial studies of the alternate destination option has been completed in the cities of Newport Beach, Huntington Beach, and Fountain Valley. The program was successful and there is pending legislation (SB944) to enable this to become an approved method of patient care. Without the legislation, the current paramedic scope of practice does not allow this option.
- Other options include:
 - Possible CPR and/or bleeding control outreach and education to high school age kids
 - Medical and medication information for first responders in Irvine. We are currently researching options.

HISTORY OF ACTIONS LEADING TO RESOLUTION OF THE EQUITY ISSUE

- 5/1/80 The Orange County Fire Department was formed, transitioning service from the California Department of Forestry (CDF).
- 1981 A Cost Allocation Plan (CAP) was established in 1981 as a method to allocate costs on a fair and equitable basis. The plan was used to determine costs to the cash contract cities. Though never used for this purpose, the CAP was intended secondarily to identify appropriate charges to Structural Fire Fund (SFF) cities should there be funding deficits.
- 8/89 The Orange County Fire Department Master Plan was completed, publicly acknowledging the "equity issue" for the first time.
- 8/22/90 The Board of Supervisors directed the County Administrative Office (CAO) to work in conjunction with the Fire Department and the Contract Cities to address financial equity issues. This action formally initiated the first "Equity Study."
- 10/90-4/91 A Steering Committee, convened by the CAO, with representatives from the County, each of the Contract Cities, and the Orange County Fire Department (OCFD) met to study and recommend the direction of regional fire services in Orange County.
- 5/91 – 6/91 The Contract Cities and the County took formal actions to approve the recommendations of the Fire Financial Equity Study, redirecting the Equity Study to a study of organizational alternatives and funding strategies for the future. A City-County study team was appointed to spearhead this effort.
- 7/91 Sacramento based Shannon and Associates was hired by the cities to evaluate the feasibility of forming an Orange County Fire Protection District.
- 12/91 Shannon and Associates completed its Final Report Phase I – An Evaluation of Financial Feasibility for an Orange County Fire Protection District. The consultants found that it was fiscally feasible and practical to form a fire district.
- 3/3/92 The Cities and the County accepted Shannon and Associates recommendations and appointed a City-County transition team to negotiate and develop a proposal for the transition of the OCFD to a Fire Protection District, with the following objectives:
- a. Retain regional approach to fire services.

- b. Provide equal agency representation on a governing board.
 - c. Provide a mechanism for future additions/deletions of agencies to the proposed fire district.
 - d. Provide continued use of mechanisms for developing funding of fire stations and equipment needs.
- 3/93 – 5/93 The Cities and the County agreed to support special legislation to create the Orange County Fire Protection District effective 1/1/94.
- 6/93 Special legislation to create the Orange County Fire Protection District died in the Assembly Local Government Committee.
- 7/93 – 2/95 City-County efforts shifted to focus on actions to create a joint powers authority - The Orange County Fire Authority (OCFA).
- 3/1/95 The OCFA was formed with 19 original members, including 18 cities and the County. Due to the complexity of the equity issue, the difficulty of arriving at practical solutions, and a concern by some members that a JPA might be used to achieve radical equity solutions, restrictions related to equity were placed in the agreement that formed OCFA:
- ◆ A three-year waiting period (after OCFA formation) before any changes could be made in the cost of services to member agencies based on “equity.”
 - ◆ A 2% limit on any equity adjustment subsequent to expiration of the three-year waiting period.
- 9/97 The Davis Company was hired by OCFA to complete a comprehensive study of the equity issue. The Davis Company study was known as “The Equity Study.”
- 1/99 The OCFA Board of Directors received the Davis Company’s Final Report of Equity and implemented an Equity Working Group to review all issues raised regarding the Equity Study and to review findings and conclusions with the Board of Directors.
- 7/99 The Board of Directors approved the Equity Working Group’s recommendations to resolve the Equity Issue, including the creation of the Structural Fire Fund Entitlement Fund (SFFEF) to account for funds allocated for service enhancements to over-funded (donor) members.
- 9/99 The Board of Directors approved the Amendments to the Agreement Creating the Orange County Fire Authority. The Amended JPA agreement was subsequently approved by all members of OCFA. Key provisions included:
- ◆ Ten-year membership commitments.
 - ◆ Caps on annual adjustments for cash contract charges.

- ◆ Provisions to recover vehicle and equipment replacement and station maintenance costs.
- ◆ A process for the annual consideration of allocating funds to over-funded (donor) members to pay for Structural Fire Fund service enhancements.

7/23/00

The Board of Directors approved new service agreements effective July 1, 2000 with each of the member cities, incorporating the 10-year membership commitment and other terms of the Amended Joint Powers Agreement.

5/29/02

AGENDA ITEM # 1V(D)

TO: Boardmembers, Orange County Fire Authority
FROM: Elizabeth Dixon
RE: Ratification of March 1 Formation and Effective Date

As you know, the JPA Agreement provided for a February 3 formation and effective date. The County Counsel stated the County was not willing to go forward on that date. For that and other reasons, and continuing bankruptcy issues, two cities did not approve the agreement before February 3. At the February 3 meeting, you set a new formation and effective date of March 1, 1995. The two cities now have approved the agreement effective February 3, 1995.

On February 17, 1995, various Authority representatives met with Supervisors Bergeson and Vasquez to request County cooperation. As a result of that meeting, on February 21, 1995, the Board approved the March 1 Effective Date. However, the outstanding Fire Department contracts and real property and equipment will not transfer until approved by the bankruptcy court. Mr. Bogdonoff has talked with Rutan & Tucker's bankruptcy attorney and they agree only these transfers require court approval and that approval is routine and should occur within 45 days.

The City Board representatives now need to ratify the March 1 date as they are able to do.

JOINT POWERS AGREEMENT
CREATING THE
ORANGE COUNTY FIRE AUTHORITY

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JOINT POWERS AGREEMENT
CREATING THE
ORANGE COUNTY FIRE AUTHORITY

This Agreement is made this 1st day of MARCH, 199~~7~~⁵ by and between the following public entities (collectively, the "members"), BUENA PARK, CYPRESS, DANA POINT, IRVINE, LAGUNA HILLS, LAGUNA NIGUEL, LAKE FOREST, LA PALMA, LOS ALAMITOS, MISSION VIEJO, PLACENTIA, SAN CLEMENTE, SAN JUAN CAPISTRANO, SEAL BEACH, STANTON, TUSTIN, VILLA PARK AND YORBA LINDA (collectively, the "Cities") and the COUNTY OF ORANGE (the "County").

RECITALS

A. County operates the Orange County Fire Department (the "Fire Department"), which presently provides fire protection, prevention and suppression services and related and incidental services to Cities, as well as to the unincorporated area of the County and State areas of responsibility ("SRA").

B. Cities and County agree that the level and quality of services are excellent and agree that the Fire Department's operational control should be continued with the current Director of Fire Services.

C. County agrees that Cities require additional policy input into and direction over the costs of such services and use of structural fire fund taxes levied therefor.

D. Cities and County have studied and discussed policy input and cost control for over three years and have determined that creation of a joint power entity to administer fire service operations and delivery serves their needs for policy input and cost control.

E. Each member is a public agency as defined by Government Code Section 6500 et seq. and is authorized and empowered to contract for the joint exercise of powers common to each member.

F. The members now wish to jointly exercise their powers to provide for mutual fire protection, prevention and suppression services and related and incidental services, including but not limited to, creation, development, ownership and operation of programs, facilities, and funds therefor through the establishment of the "Orange County Fire Authority" (the "Authority").

NOW, THEREFORE, in consideration of the mutual promises set out, the parties agree as follows:

AGREEMENT

ARTICLE I.

POWERS AND PURPOSES

1. Authority Created. The Authority is formed by this Agreement pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California. The Authority shall be a public entity separate from the parties hereto and its debts, liabilities and obligations shall not be the debts, liabilities and obligations of its members.

2. Purpose of the Agreement; Common Powers to be Exercised. Each member individually has the statutory ability to provide fire suppression, protection, prevention and related and incidental services including but not limited to emergency medical and transport services, as well as providing facilities and personnel for such services. The purpose of this Agreement is to jointly exercise the foregoing common powers in the manner set forth herein.

3. Effective Date of Formation. The Authority shall be formed as of February 3, 1995, or such later date as agreed to in writing by all the members (the "Effective Date"), provided that the Authority has met the insurance requirements set forth in

Article VI, Section 4(d) below and has become enrolled as a member in the Orange County Employees Retirement System (OCERS).

4. Powers. Pursuant to and to the extent required by Government Code Section 6509, the Authority shall be restricted in the exercises of its powers in the same manner as is a general law city. The Authority shall have the power to do any of the following in its own name:

- (a) To exercise the common powers of its members in providing fire suppression, protection, prevention and related and incidental services.
- (b) To make and enter into contracts, including contracts with its members; notwithstanding, the Authority may not enter into real property development agreements.
- (c) To assume Fire Department contracts relating to fire suppression, protection, prevention and related and incidental services.
- (d) To negotiate contracts with represented and unrepresented employees.
- (e) To employ such agents, employees and other persons as it deems necessary to accomplish its purpose.
- (f) To lease, acquire, hold and dispose of property.
- (g) To invest surplus funds.

- (h) To incur debts, liabilities, or obligations. provided that all bonded indebtedness, certificates of participation or other long-term debt financing require the prior consent of the members as set out in Article IV hereof.
- (i) To sue and be sued in its own name.
- (j) To apply for grants, loans, or other assistance from persons, firms, corporations, or governmental entities.
- (k) To use any and all financing mechanisms available to the Authority, subject to the provisions of Article IV hereof.
- (l) To prepare and support legislation related to the purposes of the Agreement.
- (m) To lease, acquire, construct, operate, maintain, repair and manage new or existing facilities as well as to close or discontinue the use of such facilities.
- (n) To levy and collect payments and fees for services, provided that paramedic or ambulance user fees shall be approved by the member(s) affected.
- (o) To impose new special taxes or assessments as authorized by law to the extent allowed by law, and in coordination with the underlying jurisdiction.
- (p) To provide related services as authorized by law.

- (q) To contract for the services of attorneys, consultants and other services as needed.
- (r) To purchase insurance or to self-insure and to contract for risk management services.
- (s) To adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

ARTICLE II.
ORGANIZATION

1. Membership. The members of the Authority shall be the original parties hereto which have not withdrawn from the Authority, and such other cities as may join the Authority after execution of this Agreement. New members may join on the terms and conditions set out in Article VII hereof.

2. Designation of Directors. Before the Effective Date, each member by resolution of its governing body shall designate and appoint one representative to act as its director on the Authority Board of Directors (the "Board"), except the County whose Board of Supervisors shall appoint two representatives to act as its directors. Each representative shall be a current elected member of the governing body. Each director shall hold office from the first meeting of the Board after appointment by the member's governing body for a term of four (4) years or for a lesser term as

determined under 4(a) of Article II, or until the selection of a successor by the appointing body. Each member shall also appoint an alternate to act in each director's absence. Each alternate shall be a current elected representative of the governing board of the member. Each director and alternate shall serve at the pleasure of his or her appointing body and may be removed at any time, with or without cause, at the sole discretion of that appointing body. Any vacancy shall be filled in the same manner as the original appointment of a director and/or alternate. No director or alternate will receive compensation from the Authority for his or her services. With approval of the Board, a director or alternate may be reimbursed for reasonable expenses incurred in the conduct of the business of the Authority.

3. Principal Office. The principal office of the Authority shall be the Fire Department's Water Street headquarters or as may be otherwise designated by the Authority from time to time.

4. Meetings.

(a) The first and organizational meeting of the Authority shall be held at its principal office on the Effective Date. At that meeting, the Board may determine whether to adopt a rotation system of two (2) and four (4) year terms to provide for increased continuity on the Board and shall classify themselves into any groups selected.

(b) The Board shall meet at the principal office of the Authority or at such other place as may be designated by the Board. The time and place of the regular meetings of the Board shall be determined by resolution adopted by the Board, and a copy of such resolution shall be furnished to each party hereto. All Board meetings, including regular, adjourned and special meetings, shall be called, noticed and held in accordance with the Ralph M. Brown Act, Section 54950, et seq. of the Government Code (the "Brown Act") as it may be amended from time to time.

5. Quorum; Voting. A majority of the directors shall constitute a quorum for the purpose of the transaction of business relating to the Authority. Each director, or alternate in the absence of any voting director, shall be entitled to one vote. Unless otherwise provided herein, a vote of the majority of those present and qualified to vote shall be sufficient for the adoption of any motion, resolution or order and to take any other action deemed appropriate to carry forward the objectives of the Authority.

6. Executive Committee. At its first meeting, the Board shall elect from among its members an Executive Committee of five (5) or seven (7) members, one of which shall be a County Supervisor, and shall designate the functions to be performed by the Executive Committee, as allowed by law.

7. Officers. At its first meeting, the Board shall elect from among its members a chair and vice-chair and thereafter at the first meeting in each succeeding fiscal year the Board shall elect or re-elect a chair and vice-chair. In the event that the chair or vice-chair ceases to be a director, the resulting vacancy shall be filled in the same manner at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the chair to act, the vice-chair shall act as chair. The chair, or in his or her absence the vice-chair, shall preside at and conduct all meetings of the Board. The Board shall appoint a secretary to the Authority who may be a member of the Board or an employee of a member. The chair, vice-chair and secretary each shall hold office for a period of one (1) year.

8. Minutes. The secretary of the Authority shall provide notice of, prepare and post agendas for and keep minutes of regular, adjourned regular, and special meetings of the Board, and shall cause a copy of the minutes to be forwarded to each director. The secretary will otherwise perform the duties necessary to ensure compliance with the Brown Act and other applicable rules or regulations.

9. Rules. The Board may adopt from time to time such bylaws, rules and regulations for the conduct of its affairs that are not in conflict with this Agreement, as it may deem necessary.

10. Fiscal Year. The Authority's fiscal year shall be July 1 of each year, or in the year of its formation, the Effective Date, to and including the following June 30.

11. Assent of Members. The assent or approval of a member in any matter requiring the approval of the governing body of the member shall be evidenced by a copy of the resolution of the governing body filed with the Authority.

12. Committees. The Board may establish standing or ad hoc committees or subcommittees composed of Board members, staff and/or the public to make recommendations on specific matters.

13. Additional Officers and Employees; Contract Services.

(a) Pursuant to Government Code Sections 6505.5 and 6505.6, the Board shall appoint an officer or employee of the Board, an officer or employee of a member public agency or a certified public accountant to hold the offices of treasurer and auditor for the Authority. Such person or persons shall possess the powers of and shall perform the treasurer and auditor functions for the Authority required by Government Code Sections 6505, 6505.5, and 6505.6, including any subsequent amendments thereto. Pursuant to Government Code Section 6505.1, the secretary and the auditor and treasurer shall have charge of certain property of the Authority. The treasurer and auditor shall assure that there shall be strict accountability of all funds and reporting of all receipts

and disbursements of the Authority. The treasurer, auditor and secretary shall be required to file an official bond with the Board in an amount which shall be established by the Board. Should the existing bond or bonds of any such officer be extended to cover the obligations provided herein, said bond shall be the official bond required herein. The premiums on any such bonds attributable to the coverage required herein shall be appropriate expenses of the Authority.

(b) The Board shall appoint general counsel and special counsel to the Authority to serve as necessary.

(c) The Board may contract with a member to provide necessary administrative services to the Authority as appropriate. Any administrative duties also may rotate from year to year.

ARTICLE III.

TRANSFER OF FIRE OPERATIONS

1. List of Assets and Liabilities. An up-to-date list of all Fire Department personnel, employment agreements, pension agreements, assets (including but not limited to real property, equipment, Fire Department reserves, contracts and deposits) and all known liabilities (including but not limited to tort and workers compensation cases and claims) shall be prepared by the

transition team during the transition referred to in Article VIII below.

2. Transfer of County Assets and Liabilities. Effective as of the date of Authority formation, County shall transfer to the Authority all assets and liabilities of the Fire Department, exclusive of the Weed Abatement and Hazardous Materials Program Office and their personnel (the Asset Transfer), as further set out in this Article.

(a) Personnel. The parties agree that the Authority is the successor employer to the County by operation of law, including for retirement and pension purposes. On the Effective Date, each and every employee of the Fire Department shall become an employee of the Authority on exactly the same terms and conditions as set forth in the County's existing Memoranda of Understanding ("MOU's"), employment agreements and all other applicable employment rules, regulations, ordinances and resolutions. The Board shall forthwith adopt and ratify such MOU's, employment agreements, and employment rules, regulations, ordinances and resolutions for each of the Authority employees and shall take such other and further actions as authorized and necessary to implement this subparagraph (a). The Board also shall take all necessary steps to confirm continuation of membership in the County's 1937 Act Retirement system on the same terms and conditions.

(b) Assets. All Fire Department assets, including and not limited to real property, including the Fire Headquarters complex located at 180 South Water Street in Orange (but excepting the four deactivated fire stations located at 1502 South Greenville Street, Santa Ana; 12962 Dale Street, Garden Grove; 521 North Figueroa Street, Santa Ana; and 31411 La Matanza Street, San Juan Capistrano) and personal property and equipment and apparatus, whether or not located at fire stations, the Fire Headquarters complex, on equipment or otherwise shall transfer to the Authority in their "as is" condition as of the Effective Date. As part of the consideration for the County's Asset Transfer and contribution to the Authority of its SFF from the unincorporated area, the Authority shall assume the Fire Department's obligation for payment of \$14.5 million to the County for purchase of Fire Department assets. The parties acknowledge that \$8.2 million remains owing, and that the Authority shall make a \$4.1 million payment by June 30, 1995 and a \$4.1 million payment by June 30, 1996.

(c) Reserves. All Fire Department reserves, including the Fire Department's Fund 130 contingency, as shown in the County's 1994-95 Final Budget, shall transfer, unencumbered, to the Authority as of the Effective Date.

(d) Contracts. Except for the SRA agreement with the California Department of Forestry and Fire Protection ("CDF"), all existing County agreements and contracts involving the Fire

Department or its personnel, including but not limited to contracts with Structural Fire Fund and cash contract Cities, mutual aid agreements, automatic aid agreements, County island agreements, and entry, access and roadwork agreements, shall be assigned to the Authority as of the Effective Date, with any service or obligation to be provided or performed thereafter by the Authority. A list of all such contracts shall be developed during the transition period. The Authority agrees to assume all of County's obligations, duties and liabilities under said agreements and contracts. With respect to contracts between County and the Structural Fire Fund Cities and cash contract Cities, each City member hereby agrees to the assignment to the Authority and agrees to release County as of the Effective Date from any further obligations to any City member under said contracts upon assignment. As part of the consideration for the County's Asset Transfer and contribution to the Authority of its SFF from the unincorporated area, the Authority agrees to subcontract with County for the provision of services to all areas within the County which have been designated as SRAs or enter into another arrangement on such terms as are acceptable to the CDF and the County. As additional consideration for the County's Asset Transfer and contribution of its SFF from the unincorporated area, the Authority further agrees to contract with the County for the Authority's provision of services to the County's unincorporated areas and for the Authority's provision of aircraft rescue fire fighting service to John Wayne Airport.

(e) Records. Any and all business records and files, whether computer records, hard copy, microfilm or fiche, historical data, rosters, personnel records, organizational charts, job descriptions, deeds, easements, equipment logs, warranties, manuals and so forth, necessary or helpful to provide services shall be transferred by the County to the Authority during the transition period.

3. Authority Assumption of Liability. In further consideration for the County's Asset Transfer and contribution of its SFF from the unincorporated area, the Authority shall assume responsibility for any and all loss, litigation, liability, injury, damage, claim, demand, and tort or workers compensation incidents that occur on or after the Effective Date. The County shall retain responsibility and liability for any and all such incidents that occur prior to the Effective Date and shall retain all risk management reserves that have been set aside for such prior incidents. The Authority may contract with the County to receive risk management services on such terms as agreed to by the Authority and the County. Notwithstanding, the Authority acknowledges that it shall not be entitled to become a member of the County's self-insurance pool without the County's written consent.

ARTICLE IV.

FUNDING OF FIRE OPERATIONS

1. General Budget. Within sixty (60) days after the first meeting of the Board, a general budget for the first fiscal year shall be adopted by the vote of a majority of all of the directors. The initial budget and each succeeding budget shall include, but not be limited to, the following: (a) the general administrative expenses, operating expenses and necessary reserves of the Authority to be incurred during the period covered by the budget; and (b) the allocation of costs among the members of the Authority in the amounts necessary to cover the budget items set out in 1(a) above. Thereafter, at or prior to the last meeting of the Board for each fiscal year, a general budget shall be adopted for the ensuing fiscal year or years by a vote of at least a majority of all of the directors of the Board. A written budget performance report shall be presented to the Board.

2. Expenditures for the Approved Budget. All expenditures within the designations and limitations of the approved general budget shall be made on the authorization of the Board for general budget expenditures without further action. No expenditures in excess of those budgeted shall be made without the approval of a majority of all of the directors of the Board.

3. Contributions for Budgeted Amounts.

(a) Structural Fire Fund. County receives Structural

Fire Fund ("SFF") from the unincorporated area and all member Cities except Stanton, Tustin, San Clemente, Buena Park, Placentia and Seal Beach. On behalf of the Cities receiving SFF, and the unincorporated area, County shall pay all SFF it receives to the Authority to meet budget expenses and fund reserves in accordance with the County's normal tax apportionment procedures pursuant to the California Revenue and Taxation Code and the County's tax apportionment schedules.

(b) Cash Contract Cities and John Wayne Airport. As part of its annual budget process, the Authority shall determine amounts owing from Buena Park, Placentia, San Clemente, Seal Beach, Stanton, Tustin, other member cash contract Cities, and from the County for service to the John Wayne Airport. Such amounts are due and payable within sixty (60) days of receipt of a billing therefor. For the first three (3) fiscal years of the Authority's existence, the Authority shall limit any increase in annual costs for its service to cash contract Cities to no more than the annual percentage change in the cost of fire system operations consistent with the cost calculation methodology in place on the Effective Date, and for service to the County for the John Wayne Airport to amounts consistent with the cost calculation methodology in place immediately prior to the Effective Date.

(c) Termination. Failure by any member to make payments when due constitutes grounds for expulsion from the Authority. Prior to expulsion, the Authority shall provide written notice of its intention to and expel such member if payment is not received

within sixty (60) days of the date of such notice. Any member shall remain liable for payment of its proportional share of any bonded indebtedness of the Authority incurred prior to the date of its expulsion.

4. Equity. The County and each member City shall be member agencies in equal standing in the Authority. It is understood that the cost of service shall not be adjusted by reason of equity for any member agency for a period of three (3) fiscal years from the effective date of Authority formation. After the Authority's first three fiscal years, any new annual adjustment to the cost for fire services to each member for reasons of equity must be fair and equitable to all members and may not exceed two (2) percent of the member's immediately prior annual contribution. Upon approval of two-thirds of all of the directors of the Board, another method may be utilized in lieu of the foregoing formula as long as such method is fair and equitable to all members.

5. Approval of Bonded Indebtedness. Prior to any Authority resolution authorizing the issuance of any bonded indebtedness, each member shall approve any bonded indebtedness to be incurred by the Authority. Any withdrawing member shall remain responsible for payment of its proportional share of any bonded indebtedness it has approved. As used herein, "bonded indebtedness" does not include short-term tax anticipation notes with a one-year (or shorter) term which the Authority may authorize by a majority vote of all of the directors of the Board.

6. Authority Cooperation. The Authority agrees to fully cooperate with each of the members in pursuing federal and state claims for emergency response reimbursements.

ARTICLE V.

ACCOUNTING AND AUDITS

1. Accounting Procedures. Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the Authority's auditor and treasurer shall comply strictly with requirements governing joint powers agencies, Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500).

2. Audit. The records and accounts of the Authority shall be audited annually by an independent certified public accountant and copies of the audited financial reports, with the opinion of the independent certified public accountant, shall be filed with the county Auditor, the State Controller and each member within six (6) months of the end of the fiscal year under examination.

ARTICLE VI.

PROPERTY RIGHTS

1. Project Facilities and Property. On and after the Effective Date of the Authority, all real and personal property,

including but not limited to, facilities constructed, installed, acquired or leased by the Authority, apparatus and equipment, personnel and other records and any and all reserve funds shall be held in the name of the Authority for the benefit of the members of the Authority in accordance with the terms of this Agreement.

2. Disposition of Assets Upon Termination. The Authority may vote to terminate this Agreement, or termination will occur if only one member is left in the Authority. If termination occurs, all surplus money and property of the Authority shall be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership, whether SFF or cash contract amounts. Each member shall execute any instruments of conveyance necessary to effectuate such distribution or transfer. In any such distribution, the amount of SFF derived from each incorporated or unincorporated city areas shall be considered as received from that member in the same manner as cash contract payments have contributed to surplus assets.

3. Liabilities. Except as otherwise provided herein, the debts, liabilities and obligations of the Authority shall be the debts, liabilities or obligations of the Authority alone and not of the parties of this Agreement.

4. Indemnification and Insurance.

(a) Except as provided in Article VI, Section 4(e) below, from and after the Effective Date, the Authority shall

defend, indemnify and hold harmless the County and each of the Cities and their officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to the performance of services pursuant to this Agreement.

(b) Except as provided in Article VI, Section 4(e) below, from and after the Effective Date, the Authority shall defend, indemnify and hold harmless the County and each of the County's officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any Fire Department contract or agreement assumed by or otherwise transferred to the Authority.

(c) Except as provided in Article VI, Section 4(e) below, from and after the Effective Date, the Authority shall defend, indemnify and hold harmless the County and each of the County's officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any Fire Department asset to be transferred to the Authority, including but not limited to real property, personal property, equipment and apparatus.

(d) From and after the Effective Date, the Authority shall maintain during the term of this Agreement, workers compensation insurance as required by law and, in addition, general comprehensive liability insurance in the minimum limit of \$5,000,000 combined single limit per occurrence and annual aggregate. Each of the Authority members shall be named as an additional insured on the general comprehensive liability policy. Alternatively, the Authority may self-insure. Prior to the Effective Date, the Authority shall provide the County with certificates of insurance or proof of self insurance evidencing the coverage referred to in this Section 4(d). Such insurance is a condition precedent to performance under this Agreement, and until the Authority obtains insurance as provided for in this Section 4(d), performance under this Agreement is excused and no member shall have any right against any other member in equity or law.

(e) From and after the Effective Date, the County shall defend, indemnify and hold harmless the Authority and each City member and their officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of the Fire Department's actions or omissions prior to the Effective Date hereof which are related to the provision of fire services or to the administration of Fire Department contracts, facilities, sites or assets, and which may include past, present or ongoing, or any future release of any hazardous material, hazardous substance or hazardous waste as defined under state and federal law or regulation. The Authority

and the Cities agree that the County's obligations under this Section 4(e) shall only apply to costs, losses, damage, injuries, claims, demands, litigation or liabilities for which a written claim has been received by the County prior to February 3, 2000.

(f) Notwithstanding Article VI, Section 4, the members agree that no immunity available to the County or the Cities under state or federal law or regulation shall be waived with respect to any third party claim.

ARTICLE VII.

WITHDRAWAL AND ADDITION OF MEMBERS

1. City Member Withdrawal. No City member may withdraw its participation in the Authority for three (3) years from the Effective Date, or three (3) years from the date on which it initially becomes a member. After that three (3) year period, any withdrawing City member may give written notice to the Assessor and State Board of Equalization by November 30 of any year pursuant to Government Code Section 54902 and by Resolution to the County by the succeeding March 1 pursuant to Government Code Section 25643 and such other notices as are required by laws then in effect, of its intent to withdraw as of the end of that fiscal year. That withdrawal may be subject to property tax transfer negotiation as required by applicable law. Any withdrawing City member shall remain liable for payment of its proportional share of any bonded indebtedness of the Authority incurred prior to the date of its withdrawal.

2. Addition of New City Members. Any non-member City may join the Authority upon consent of a majority of all of the directors of the Board and agreement to terms and conditions determined by the Board. A new City member may be required to transfer to the Authority its fire facilities and assets or to reimburse the Authority for a proportionate share of facilities which the new City will utilize. As a condition of membership, a city may also be required to accept responsibility for a proportion of the debts, obligations, and liabilities of the Authority from its transferred facilities, to the extent agreed upon by the Authority and the new member at the time of membership. The Authority Board may determine to waive all or part of such contribution requirements in return for an offsetting transfer of the new member's fire facilities and assets to the Authority.

3. Withdrawal of County. County may not withdraw from the Authority for three (3) years from the Effective Date, and thereafter may withdraw from the Authority only upon notice to Authority by November 30 of any year to permit negotiation of the property tax transfer pursuant to Revenue and Taxation Code Sections 95 and 99 before December 31, and thereby to enable Cities to give notice of withdrawal under Government Code Section 25643. In the event of withdrawal, the County shall remain liable for payment of its proportional share of any bonded indebtedness of the Authority incurred prior to the date of its withdrawal.

4. Property of Withdrawing Members. Any withdrawing member may negotiate with the Authority for return or repurchase of any

and all stations and equipment serving that member's jurisdiction.

ARTICLE VIII.

TRANSITION TO AUTHORITY

The cities and County shall designate a transition team to implement the transfer of assets and liabilities hereunder, to prepare for the Authority's organizational meeting, and to direct the transition of administrative services from the County to the Authority.

ARTICLE IX.

NOTICE OF AGREEMENT

1. Initial Notice. Upon the Effective Date of this Agreement, the Authority shall timely file with the Orange County Clerk and the Office of the Secretary of State the information required by Government Code Sections 6503.5 and 53051.

2. Additional Notices. Upon any amendments to this Agreement, the Authority shall prepare and timely file with the Orange County Clerk and the Office of the Secretary of State the information required by Government Code Sections 6503.5 and 53051.

3. Notice to Members. Notice to members shall be deemed given when mailed to them, first class, postage prepaid, or faxed to the address/or fax no. set out by their signatures.

4. Amendment. This Agreement may not be amended or modified except by a written agreement signed by all of the members. This Agreement represents the sole and entire agreement between the parties and supersedes all prior agreements, negotiations and discussions between the parties hereto and/or their respective counsel with respect to the subject matter of this Agreement.

5. Headings. The headings in this Agreement are for convenience only and are not to be construed as modifying or explaining the language in the section referred to.

6. Severability. Should any part, term, or provision of this Agreement be determined by a court to be illegal or unenforceable, the remaining portions or provisions of this Agreement shall nevertheless be carried into effect.

7. No Continuing Waiver. No waiver of any term or condition of this Agreement shall be considered a continuing waiver thereof.

8. Successors. This Agreement shall inure to the benefit of and be binding upon any successors or assigns of the members. No member may assign any right or obligation hereunder without the written consent of a majority of all of the directors of the Board.

9. No Third Party Beneficiary. The members agree that except as provided in Article IX, Section 8 above, the provisions of this Agreement are not intended to directly benefit, and shall

not be enforceable by, any person or entity not a party to this Agreement.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed and attested by their duty authorized officers as of the date first above written.

Dated: DEC 1 1994

COUNTY OF ORANGE, a political
subdivision of the State
of California

By *Thomas Helary*
Chairman of its Board of
Supervisors

SIGNED AND CERTIFIED THAT A
COPY OF THIS DOCUMENT HAS BEEN
DELIVERED TO THE CHAIRMAN OF
THE BOARD

Nancy K Swanson
Asst. Clerk of the Board of Supervisors
County of Orange, California

NOTICE TO COUNTY OF ORANGE TO BE
GIVEN TO:

ERNIE SCHWEIDER
COUNTY ADMINISTRATIVE OFFICER
P.O. BOX 22014
SANTA ANA, CA 92702-2014

FAX: (714) 834-3018

APPROVED AS TO FORM:
TERRY C. ANDRUS, COUNTY COUNSEL

By *Ann E. Fletcher*
Ann E. Fletcher, Deputy

Dated: 1/4/95

Dated: 2-14-95

CITY OF BUENA PARK

By Don R. Griffin
Don R. Griffin, Mayor

ATTEST:

Alcene M. Cain
Alcene Cain, City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Buena Park
6650 Beach Boulevard
Buena Park, CA 90620

Phone: (714) 562-3500
Fax: (714) 562-3599

APPROVED AS TO FORM:

for James Markman
James Markman, City Attorney

Dated: 1/24/95

CITY OF CYPRESS

By: *Luisa L. Ace*

ATTEST:

Danell Grey
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

Phone: (714) 229-6688
Fax: (714) 229-0154

APPROVED AS TO FORM:

John E. Caravaggio
City Attorney

Dated: 1/31/95

CITY OF DANA POINT

By: Judy Currier
MAYOR

ATTEST:

Sharon A. Waits
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Dana Point
33282 Golden Lantern
Dana Point, CA 92629

Phone: (714) 248-9890
Fax: (714) 248-9920

APPROVED AS TO FORM:

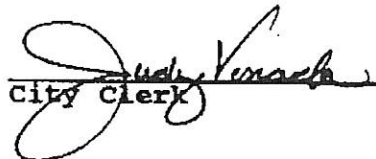
Jerry M. Patterson
City Attorney

Dated: _____

CITY OF IRVINE

By: 

ATTEST:



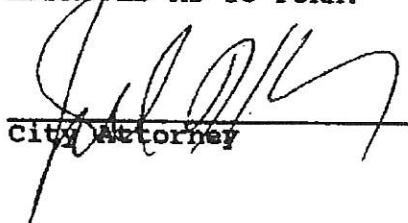
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Irvine
One Civic Center Plaza
Irvine, CA 92714

Phone: (714) 724-6249
Fax: (714) 724-6045

APPROVED AS TO FORM:



City Attorney

Dated: January 24, 1995

CITY OF LAGUNA HILLS


By: JOEL LAUTENSCHLEGER, MAYOR

ATTEST:


City Clerk
MARY A. CARLSON

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Laguna Hills
25210 Paseo de Alicia #150
Laguna Hills,, CA 92653

Phone: (714) 707-2600
Fax: (714) 707-2614

APPROVED AS TO FORM:


City Attorney
LOIS E. JEFFREY

Signature Page for the Joint Powers Agreement Creating the
Orange County Fire Authority

FS2482V048170-04602123514. 12/06/94

Dated: February 22, 1995

CITY OF LAGUNA NIGUEL

By: *Mark J. Foster*

ATTEST:

Kari L. Sander, Deputy
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Laguna Niguel
27781 La Paz Rd.
Laguna Niguel, CA 92656

Phone: (714) 362-4380

Fax: (714) 362-4340

APPROVED AS TO FORM:

Tom J. [Signature]
City Attorney *2/22/95*

Dated: 2/22/95

CITY OF LAKE FOREST

Richard D. Wilk
By: Mayor

ATTEST:

Jeri D. Staley
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Lake Forest
25422 Trabuco Rd.
Lake Forest, CA 92630


Phone: (714) 707-5583
Fax: (714) 707-5723

APPROVED AS TO FORM:

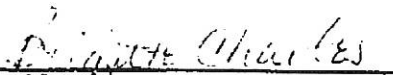
Jerry M. Catterton
City Attorney

Dated: February 15, 1995

CITY OF LA PALMA


By: Mayor

ATTEST:

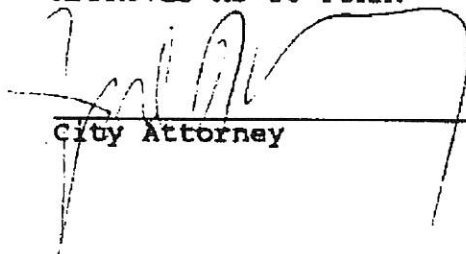

Dwight Charles
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of La Palma
7822 Walker Street
La Palma, CA 90620

Phone: (714) 523-7700
Fax: (714) 523-7351

APPROVED AS TO FORM:


City Attorney

Dated: 1-23-95

CITY OF LOS ALAMITOS

Charles E. Apley
By: Mayor

ATTEST:

Donna J. Velini
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Los Alamitos
3193 Katella Avenue
Los Alamitos, CA 90720

Phone: (714) 827-8670
Fax: (310) 493-1255

APPROVED AS TO FORM:

W Allen
City Attorney

Dated: Feb. 23, 1995

CITY OF MISSION VIEJO

Sherri M. Butterfield
By: Mayor Pro Tem
Sherri Butterfield

ATTEST:

Ivy J. Joseph for
City Clerk
Ivy J. Joseph

NOTICE TO CITY TO BE GIVEN TO:

City of Mission Viejo
25909 Pala Suite 150
Mission Viejo, CA 92691

Phone: (714) 470-3000
Fax: (714) 470-9140

APPROVED AS TO FORM:

Peter M. Thorson
City Attorney
Peter Thorson

Dated: _____

CITY OF PLACENTIA

Michael L. Martiniello
By: MAYOR

ATTEST:

Edmund M. Price
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Administrator
City of Placentia
401 E. Chapman
Placentia, CA 92670

Phone: (714) 993-8117
Fax: (714) 961-0283

APPROVED AS TO FORM:

Carol B. Tarentum
City Attorney

Dated: February 1, 1995

CITY OF SAN CLEMENTE

Cardace Haggard
By: Mayor

ATTEST:

Margaret Conway
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of San Clemente
100 Avenida Presidio
San Clemente, CA 92672

Phone: (714) 361-8322
Fax: (714) 361-8285

APPROVED AS TO FORM:

Jeffrey M. DeLeon
City Attorney

Dated: February 1, 1995

CITY OF SAN JUAN CAPISTRANO

Carolyn Nash
By: Carolyn Nash, Mayor

ATTEST:

Cheryl Johnson
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of San Juan Capistrano
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Phone: (714) 443-6315
Fax: (714) 493-1053

APPROVED AS TO FORM:

Richard K. DeLuca
City Attorney
2/31/95*

3. Notice to Members. Notice to members shall be deemed given when mailed to them, first class, postage prepaid, or faxed to the address/or fax no. set out by their signatures.

4. Amendment. This Agreement may not be amended or modified except by a written agreement signed by all of the members.

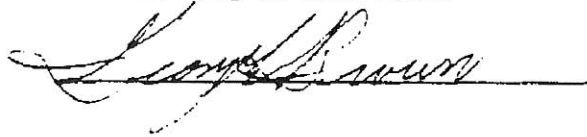
5. Headings. The headings in this Agreement are for convenience only and are not to be construed as modifying or explaining the language in the section referred to.

6. Severability. Should any part, term, or provision of this Agreement be determined by a court to be illegal or unenforceable, the remaining portions or provisions of this Agreement shall nevertheless be carried into effect.


7. No Continuing Waiver. No waiver of any term of condition of this Agreement shall be considered a continuing waiver thereof.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed and attested by their duty authorized officers as of the date first above written.

MAYOR, City of Seal Beach

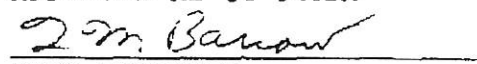


ATTEST:



CITY CLERK

APPROVED AS TO FORM:



CITY ATTORNEY

Dated: DEC 6 1994

COUNTY OF ORANGE, a political
subdivision of the State
of California

By Thomas Heley
Chairman of its Board of
Supervisors

SIGNED AND CERTIFIED THAT A
COPY OF THIS DOCUMENT HAS BEEN
DELIVERED TO THE CHAIRMAN OF
THE BOARD

Nancy K. Lukason
ASST. Clerk of the Board of Supervisors
County of Orange, California

NOTICE TO COUNTY OF ORANGE TO BE
GIVEN TO:

ERNIE SCHNEIDER
COUNTY ADMINISTRATIVE OFFICER
P.O. BOX 22014
SANTA ANA, CA 92702-2014
FAX: (714) 834-3018

CITY OF TUSTIN

Thomas R. Saltarelli
THOMAS R. SALTARELLI, MAYOR

APPROVED AS TO FORM:
TERRY C. ANDRUS, COUNTY COUNSEL

ATTEST:

By Ann E. Fletcher
Ann E. Fletcher, Deputy

Joan Orsini
JOAN ORSINI, CITY CLERK

Dated: 1/4/95

Dated: January 24, 1995

CITY OF STANTON



By: Harry M. Dotson, Mayor

ATTEST:


City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Stanton
10660 Western Avenue
Stanton, CA 90680

Phone: (714) 379-9222

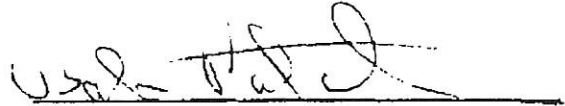
Fax: (714) 890-1443

APPROVED AS TO FORM:


City Attorney

Dated: January 24, 1995

CITY OF VILLA PARK


By: _____

ATTEST:

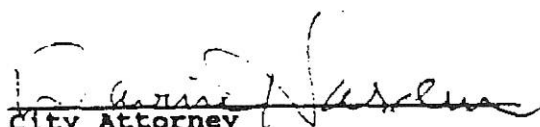

City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Villa Park
17855 Santiago Blvd.
Villa Park, CA 92667

Phone: (714) 998-1500
Fax: (714) 998-1508

APPROVED AS TO FORM:

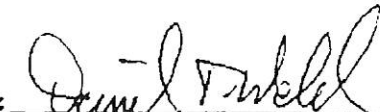
Assistant 
City Attorney

DATED:

February 21, 1995

CITY OF YORBA LINDA

By:



Daniel T. Welch, Mayor
City of Yorba Linda

ATTEST:



City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Yorba Linda
4845 Casa Loma Avenue
Yorba Linda, CA 92686

Phone: (714) 961-7100
Fax: (714) 961-7101

APPROVED AS TO FORM:

City Attorney



**AMENDED ORANGE COUNTY FIRE AUTHORITY
JOINT POWERS AGREEMENT**

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**AMENDED ORANGE COUNTY FIRE AUTHORITY
JOINT POWERS AGREEMENT**

This amended Agreement is made this 23rd day of September, 1999 by and between the following public entities (collectively, the "members"), BUENA PARK, CYPRESS, DANA POINT, IRVINE, LAGUNA HILLS, LAGUNA NIGUEL, LAKE FOREST, LA PALMA, LOS ALAMITOS, MISSION VIEJO, PLACENTIA, SAN CLEMENTE, SAN JUAN CAPISTRANO, SEAL BEACH, STANTON, TUSTIN, VILLA PARK, WESTMINSTER AND YORBA LINDA (collectively, the "Cities") and the COUNTY OF ORANGE (the "County").

RECITALS

A. County operates the Orange County Fire Department (the "Fire Department"), which presently provides fire protection, prevention and suppression services and related and incidental services to Cities, as well as to the unincorporated area of the County and State areas of responsibility ("SRA").

B. County agrees that Cities require additional policy input into and direction over the costs of such services and use of structural fire fund taxes levied therefor.

C. Cities and County have studied and discussed policy input and cost control for over three years and have determined that creation of a joint power entity to administer fire service operations and delivery serves their needs for policy input and cost control.

D. Each member is a public agency as defined by Government Code Section 6500 et seq. and is authorized and empowered to contract for the joint exercise of powers common to each member.

E. The members now wish to jointly exercise their powers to provide for mutual fire protection, prevention and suppression services and related and incidental services, including but not limited to, creation, development, ownership and operation of programs, facilities, and funds therefor through the establishment of the "Orange County Fire Authority" (the "Authority").

NOW, THEREFORE, in consideration of the mutual promises set out, the parties agree as follows:

AGREEMENT

ARTICLE I.

POWERS AND PURPOSES

1. **Authority Created.** The Authority is formed by this Agreement pursuant to the provisions of Article 1, Chapter 5, Division 7, Title I (commencing with Section 6500) of the Government Code of the State of California. The Authority shall be a public entity separate from the parties hereto and its debts, liabilities and obligations shall not be the debts, liabilities and obligations of its members.

2. **Purpose of the Agreement; Common Powers to be Exercised.** Each member individually has the statutory ability to provide fire suppression, protection, prevention and related and incidental services including but not limited to emergency medical and transport services, and hazardous materials regulation, as well as providing facilities and personnel for such services. The purpose of this Agreement is to jointly exercise the foregoing common powers in the manner set forth herein.

3. **Effective Date of Formation.** The Authority shall be formed as of February 3, 1995, or such later date as agreed to in writing by all the members (the "Effective Date"), provided that the Authority has met the insurance requirements set forth in Article VI., Section 4. D. below and has become enrolled as a member in the Orange County Employees Retirement System (OCERS).

4. **Powers.** Pursuant to and to the extent required by Government Code Section 6509, the Authority shall be restricted in the exercises of its powers in the same manner as is a general law city. The Authority shall have the power to do any of the following in its own name:

- A. To exercise the common powers of its members in providing fire suppression, protection, prevention and related and incidental services.
- B. To make and enter into contracts, including contracts with its members; notwithstanding, the Authority may not enter into real property development agreements.
- C. To assume Fire Department contracts relating to fire suppression, protection, prevention and related and incidental services.
- D. To determine compensation and working conditions and negotiate contracts with employees and employee organizations.
- E. To employ such agents, employees and other persons as it deems necessary to accomplish its purpose.

- F. To lease, acquire, hold and dispose of property.
- G. To invest surplus funds.
- H. To incur debts, liabilities, or obligations, provided that all long term bonded indebtedness, certificates of participation or other long-term debt financing require the prior consent of the members as set out in Article IV. hereof.
- I. To sue and be sued in its own name.
- J. To apply for grants, loans, or other assistance from persons, firms, corporations, or governmental entities.
- K. To use any and all financing mechanisms available to the Authority, subject to the provisions of Article IV. hereof.
- L. To prepare and support legislation related to the purposes of the Agreement.

- M. To lease, acquire, construct, operate, maintain, repair and manage new or existing facilities as well as to close or discontinue the use of such facilities.
- N. To levy and collect payments and fees for services, provided that paramedic or ambulance user fees shall be approved by the member(s) affected.
- O. To impose new special taxes or assessments as authorized by law to the extent allowed by law, and in coordination with the underlying jurisdiction.
- P. To provide related services as authorized by law.
- Q. To contract for the services of attorneys, consultants and other services as needed.
- R. To purchase insurance or to self-insure and to contract for risk management services.

- S. To adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority.
- T. To determine the compensation of Directors.

ARTICLE II.
ORGANIZATION

1. **Membership.** The members of the Authority shall be the original parties hereto which have not withdrawn from the Authority, and such other cities as may join the Authority after execution of this Agreement. New members may join on the terms and conditions set out in Article VII. hereof.

2. **Designation of Directors.** Each member by resolution of its governing body shall designate and appoint one representative to act as its Director on the Authority Board of Directors (the "Board"), except the County whose Board of Supervisors shall appoint two representatives to act as its Directors. Each representative shall be a current elected member of the governing body. Each Director shall hold office until the selection of a successor by the appointing body. Each member shall also appoint an alternate to act in each Director's absence. Each alternate shall be a current elected representative of the governing board of the member. Each Director and alternate shall serve at the pleasure of his or her appointing body and may be removed at any time, with or without cause, at the sole

discretion of that appointing body. Any vacancy shall be filled in the same manner as the original appointment of a Director and/or alternate. With approval of the Board, a Director or alternate may be reimbursed for reasonable expenses incurred in the conduct of the business of the Authority.

3. **Principal Office.** The principal office of the Authority shall be the Fire Department's Water Street headquarters or as may be otherwise designated by the Authority from time to time.

4. **Meetings.**

A. The first and organizational meeting of the Authority shall be held at its principal office on the Effective Date. At that meeting, the Board may determine whether to adopt a rotation system of two (2) and four (4) year terms to provide for increased continuity on the Board and shall classify themselves into any groups selected.

B. The Board shall meet at the principal office of the Authority or at such other place as may be designated by the Board. The time and place of the regular meetings of the Board shall be determined by resolution adopted by the Board, and a copy of such resolution shall be furnished to each party hereto. All Board meetings, including regular, adjourned and special meetings, shall be called, noticed and held in

accordance with the Ralph M. Brown Act, Section 54950, et seq. of the Government Code (the "Brown Act") as it may be amended from time to time.

5. **Quorum; Voting.** A majority of the Directors shall constitute a quorum for the purpose of the transaction of business relating to the Authority. Each Director, or alternate in the absence of any voting Director, shall be entitled to one vote. Unless otherwise provided herein, a vote of the majority of those present and qualified to vote shall be sufficient for the adoption of any motion, resolution or order and to take any other action deemed appropriate to carry forward the objectives of the Authority.

6. **Executive Committee.** The Board shall select from among its members an Executive Committee, one member of which shall be a County Supervisor, and shall designate the functions to be performed by the Executive Committee, as allowed by law.

7. **Officers.** The Board shall elect from among its members a chair and vice-chair and thereafter at the first meeting in each fiscal year the Board shall elect or re-elect a chair and vice-chair. In the event that the chair or vice-chair ceases to be a Director, the resulting vacancy shall be filled in the same manner at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the chair to act, the vice-chair shall act as chair. The chair, or in his or her absence the vice-chair, shall preside at and conduct all meetings of the Board. In the absence of the

chair and vice-chair, the Board shall elect a chair *pro tempore* to preside at and conduct the meeting. The Board shall also appoint a clerk of the Authority.

8. **Minutes.** The clerk of the Authority shall provide notice of, prepare and post agendas for and keep minutes of regular, adjourned regular, and special meetings of the Board, and shall cause a copy of the minutes to be forwarded to each Director. The clerk will otherwise perform the duties necessary to ensure compliance with the Brown Act and other applicable rules or regulations.

9. **Rules.** The Board may adopt from time to time such bylaws, rules and regulations for the conduct of its affairs that are not in conflict with this Agreement, as it may deem necessary. ✓

10. **Fiscal Year.** The Authority's fiscal year shall be July 1 of each year, or in the year of its formation, the Effective Date, to and including the following June 30.

11. **Assent of Members.** The assent or approval of a member in any matter requiring the approval of the governing body of the member shall be evidenced by a copy of the resolution of the governing body filed with the Authority.

12. **Committees.** The Board may establish standing or ad hoc committees or subcommittees composed of Board members, staff and/or the public to make recommendations on specific matters.

13. **Additional Officers and Employees; Contract Services.**

A. Pursuant to Government Code Sections 6505.5 and 6505.6, the Board shall appoint an officer or employee of the Authority, an officer or employee of a member public agency or a certified public accountant to hold the offices of treasurer and auditor for the Authority. Such person or persons shall possess the powers of and shall perform the treasurer and auditor functions for the Authority required by Government Code Sections 6505, 6505.5, and 6505.6, including any subsequent amendments thereto. Pursuant to Government Code Section 6505.1, the clerk of the Authority and the auditor and treasurer shall have charge of certain property of the Authority. The treasurer and auditor shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority. The treasurer, auditor and clerk of the Authority shall be required to file an official bond with the Board in an amount which shall be established by the Board. Should the existing bond or bonds of any such officer be extended to cover the obligations provided herein, said bond shall be the official bond required herein. The premiums on any such bonds attributable to the coverage required herein shall be appropriate expenses of the Authority.

B. The Board shall appoint general counsel and special counsel to the Authority to serve as necessary.

C. The Board may contract with a member to provide necessary administrative services to the Authority as appropriate. Any administrative duties also may rotate from year to year.

ARTICLE III.

TRANSFER OF FIRE OPERATIONS

1. **List of Assets and Liabilities.** An up-to-date list of all Fire Department personnel, employment agreements, pension agreements, assets (including but not limited to real property, equipment, Fire Department reserves, contracts and deposits) and all known liabilities (including but not limited to tort and workers' compensation cases and claims) shall be prepared by the transition team during the transition referred to in Article VIII. below.

2. **Transfer of County Assets and Liabilities.** Effective as of the date of Authority formation, County shall transfer to the Authority all assets and liabilities of the Fire Department, exclusive of the Weed Abatement and Hazardous Materials Program Office and their personnel (the Asset Transfer), as further set out in this Article.

A. Personnel. The parties agree that the Authority is the successor employer to the County by operation of law, including for retirement and pension purposes. On the Effective Date, each and every employee of the Fire Department shall become an employee of the Authority on exactly the same terms and conditions as set forth in the County's existing Memoranda of Understanding ("MOU's"), employment agreements and all other applicable employment rules, regulations, ordinances and resolutions. The Board shall forthwith adopt and ratify such MOU's, employment agreements, and employment rules, regulations, ordinances and resolutions for each of the Authority employees and shall take such other and further actions as authorized and necessary to implement this subparagraph A. The Board also shall take all necessary steps to confirm continuation of membership in the County's 1937 Act Retirement system on the same terms and conditions.

B. Assets. All Fire Department assets, including and not limited to real property, including the Fire Headquarters complex located at 180 South Water Street in Orange (but excepting the four deactivated fire stations located at 1502 South Greenville Street, Santa Ana; 12962 Dale Street, Garden Grove; 521 North Figueroa Street, Santa Ana; and 31411 La Matanza Street, San Juan Capistrano) and personal property and equipment and apparatus, whether or not located at fire stations, the Fire Headquarters complex, on equipment or otherwise shall transfer to the Authority in their "as is" condition as of the Effective Date. As part of the consideration for the County's Asset Transfer and contribution to the Authority of its SFF from the unincorporated area,

the Authority shall assume the Fire Department's obligation for payment of \$14.5 million to the County for purchase of Fire Department assets. The parties acknowledge that \$8.2 million remains owing, and that the Authority shall make a \$4.1 million payment by June 30, 1995 and a \$4.1 million payment by June 30, 1996.

C. Reserves. All Fire Department reserves, including the Fire Department's Fund 130 contingency, as shown in the County's 1994-95 Final Budget, shall transfer, unencumbered, to the Authority as of the Effective Date.

D. Contracts. Except for the SRA agreement with the California Department of Forestry and Fire Protection ("CDF"), all existing County agreements and contracts involving the Fire Department or its personnel, including but not limited to contracts with Structural Fire Fund and cash contract Cities, mutual aid agreements, automatic aid agreements, County island agreements, and entry, access and roadwork agreements, shall be assigned to the Authority as of the Effective Date, with any service or obligation to be provided or performed thereafter by the Authority. A list of all such contracts shall be developed during the transition period. The Authority agrees to assume all of County's obligations, duties and liabilities under said agreements and contracts. With respect to contracts between County and the Structural Fire Fund Cities and cash contract Cities, each City member hereby agrees to the assignment to the Authority and agrees to release County as of the Effective Date from any further obligations to any City member under said contracts upon assignment. As part of the

consideration for the County's Asset Transfer and contribution to the Authority of its SFF from the unincorporated area, the Authority agrees to subcontract with County for the provision of services to all areas within the County which have been designated as SRAs or enter into another arrangement on such terms as are acceptable to the CDF and the County. As additional consideration for the County's Asset Transfer and contribution of its SFF from the unincorporated area, the Authority further agrees to contract with the County for the Authority's provision of services to the County's unincorporated areas and for the Authority's provision of aircraft rescue fire fighting service to John Wayne Airport.

E. Records. Any and all business records and files, whether computer records, hard copy, microfilm or fiche, historical data, rosters, personnel records, organizational charts, job descriptions, deeds, easements, equipment logs, warranties, manuals and so forth, necessary or helpful to provide services shall be transferred by the County to the Authority during the transition period.

3. Authority Assumption of Liability. In further consideration for the County's Asset Transfer and contribution of its SFF from the unincorporated area, the Authority shall assume responsibility for any and all loss, litigation, liability, injury, damage, claim, demand, and tort or workers' compensation incidents that occur on or after the Effective Date. The County shall retain responsibility and liability for any and all such incidents that occur prior to the Effective Date and shall retain all risk management

reserves that have been set aside for such prior incidents. The Authority may contract with the County to receive risk management services on such terms as agreed to by the Authority and the County. Notwithstanding, the Authority acknowledges that it shall not be entitled to become a member of the County's self-insurance pool without the County's written consent.

ARTICLE IV.

FUNDING OF FIRE OPERATIONS

1. **General Budget.** Within sixty (60) days after the first meeting of the Board, a general budget for the first fiscal year shall be adopted by the vote of a majority of all of the Directors. The initial budget and each succeeding budget shall include, but not be limited to, the following: (a) the general administrative expenses, operating expenses and necessary reserves of the Authority to be incurred during the period covered by the budget; and (b) the allocation of costs among the members of the Authority in the amounts necessary to cover the budget items set out in 1. (a) above. Thereafter, at or prior to the last meeting of the Board for each fiscal year, a general budget shall be adopted for the ensuing fiscal year or years by a vote of at least a majority of all of the Directors of the Board. A written budget performance report shall be presented to the Board.

2. **Expenditures for the Approved Budget.** All expenditures within the designations and limitations of the approved general budget shall be made on the authorization of the Board for general budget expenditures without further action. No expenditures in excess of those budgeted shall be made without the approval of a majority of all of the Directors of the Board.

3. **Contributions for Budgeted Amounts.**

A. **Structural Fire Fund.** County receives Structural Fire Fund ("SFF") from the unincorporated area and all member Cities except Stanton, Tustin, San Clemente, Buena Park, Placentia, Westminster and Seal Beach. On behalf of the cities receiving SFF, and the unincorporated area, County shall pay all SFF it receives to the Authority to meet budget expenses and fund reserves in accordance with the County's normal tax apportionment procedures pursuant to the California Revenue and Taxation Code and the County's tax apportionment schedules.

B. **Cash Contract Cities.** As part of its annual budget process, the Authority shall determine amounts owing from cash contract Cities. Such amounts are due and payable within thirty (30) days of receipt of a billing therefor. Subject to the cap set forth in 3. E. below, the Authority shall make an adjustment in annual costs for its service to cash contract Cities to reflect the annual percentage change in the cost of fire system operations consistent with the cost calculation methodology in place on the Effective Date of the Authority, or the date they became members. Notwithstanding the

foregoing, the cost calculation methodology shall include the cost of any proportional share of any long term debt repayment obligations.

C. Participation In Maintenance and Replacement Programs. In addition to the cost calculation methodology set forth in B. above, and subject to the cap set forth in E. below, cash contract Cities shall pay (i) the cost of participation in the Authority's facilities maintenance program as set forth in Article VI., Section 1. C., (ii) the cost of participation in the Authority's vehicle replacement/depreciation program as set forth in Article VI., Section 1. D., and (iii) the cost of participation in the Authority's equipment replacement/depreciation program as set forth in Article VI., Section 1. D.

D. Responsibility For Capital Improvements. In addition to the cost calculated in B. and C. above, and irrespective of the cap in E. below, cash contract Cities shall be responsible for making Authority-required capital improvements to City-owned stations or facilities, as set forth in Article VI., Section 1. B. A capital improvement shall be any improvement or repair in excess of \$15,000.

E. Cap on Annual Adjustments. Except for the costs set forth in H. below and in Article VI., Section 1. B., no annual cost adjustment shall exceed three and a half percent (3.5%) in fiscal years 2000-2001 through 2004-2005, and four percent (4%) for the next five fiscal years, of the total charges for the preceding year. The determination of each city's annual adjustments shall be made as follows:

(1) For Placentia, Seal Beach, Stanton and Tustin:

(a.) The prior year's charge shall be adjusted by an amount which represents the percentage change in the cost of fire system operations as set forth in 3. B. above.

(b.) Any difference between that amount and the amount of increase allowable under the applicable cap shall then be applied to the City's financial obligation under the Authority's facilities maintenance program.

(c.) Any difference between the sum of those two amounts and the amount allowable under the applicable cap shall next be applied to the City's financial obligation under the Authority's equipment replacement/depreciation program.

(d.) Any difference between the sum of those three amounts and the amount of increase allowable under the applicable cap shall then be applied to the City's financial obligation under the Authority's vehicle replacement/depreciation program.

(2) For Buena Park, San Clemente and Westminster:

(a.) The prior year's charge, exclusive of vehicle replacement/depreciation costs, shall be adjusted by an amount which represents the percentage change in the cost of fire system operations as set forth in 3. B. above.

(b.) Any difference between that amount and the amount of increase allowable under the applicable cap shall then be applied to the City's financial obligation under the Authority's facilities maintenance program.

(c.) Any difference between the sum of those two amounts and the amount allowable under the applicable cap shall next be applied to the City's financial obligation under the Authority's equipment replacement/depreciation program.

(d.) Effective July 1, 2000, said cities shall continue to participate in the Authority's vehicle replacement/depreciation program on the terms and conditions in effect June 30, 2000; provided however, that the amount of any subsequent adjustment to an immediately preceding year's vehicle replacement/depreciation charge, when added to the adjustments set forth in a., b. and c. above, shall not exceed the applicable cap on the total charges for the preceding year.

F. Cost Basis For Next Year's Adjustment. The total annual adjustment, with the applicable cap set forth herein, shall constitute the basis for next year's annual adjustment.

G. Expiration of Cap. Notwithstanding any other provision of this Agreement, the Board of Directors, by two-thirds vote of all Directors, may adopt a new cost calculation methodology and/or a new cap for cash contract Cities, and/or a different membership term for all members, pursuant to Article VII., Section 1. B., to be operative July 1, of the first year of the next succeeding term. Any such changes must be adopted by board action no later than July 1, of the last year of the then current term.

H. New Resources To Cash Contract Cities. Notwithstanding the foregoing provisions, whenever new resources are committed to a cash contract City, the member shall pay the incremental company cost for such resources. The additional resources and increased cost shall not be implemented without consent of the member.

I. John Wayne Airport. Service levels and charges therefore for aircraft rescue firefighting services to John Wayne Airport shall be agreed upon by the Authority and the member having fire service jurisdiction.

J. Termination. Failure by any member to make payments when due constitutes grounds for expulsion from the Authority. Prior to expulsion, the Authority

shall provide written notice of its intention to expel such member if payment is not received within thirty (30) days of the date of such notice. Repeated failure to make payments when due shall constitute grounds for expulsion and/or imposition of an Authority-determined late fee. Alternatively, or in addition to the remedies set forth herein, the Authority may bring legal action to collect unpaid amounts.

4. **Equity**. Annually after the conclusion of each fiscal year and consideration of the audited financial statements for that year, and after consideration of the Authority's financial needs, the Board of Directors in its sole discretion shall determine whether sufficient unencumbered funds from that fiscal year are available for additional services or resources to Structural Fire Fund members. In the event the Board determines that (1) such funds are available, (2) a distribution is warranted, and (3) that it is appropriate to do so, it shall allocate those funds, or any portion thereof, to a restricted Structural Fire Fund Entitlement fund, as follows:

A. The Authority shall use the general methodology employed in Model 2A of the 1999 Final Report by the Davis Group regarding "Equity Issues Related to the Financing of OCFA Services" to determine the relative status of Structural Fire Fund members as follows: A base period comparison for each member of cost to serve, on the one hand, and Structural Fire Fund contributions and cash contract charges, on the other, will be established, taking into account, the three-year average of consumption, population and

assessed valuation for the immediately preceding three fiscal years. Upon a two-thirds vote of all Directors representing Structural Fire Fund members, a different methodology may be used to determine the relative status of Structural Fire Fund members.

- B. The above-mentioned base period status of Structural Fire Fund members shall be compared to all members, without regard to the 10% variance factor in the Davis study.

- C. Those Structural Fire Fund members whose Structural Fire Fund revenues were greater than the cost to serve, based on the base period comparison in A. above, shall receive a pro rata allocation from the Entitlement fund, based on the relative amounts by which, respectively, those Structural Fire Fund revenues exceeded said cost to serve. In no event shall a Structural Fire Fund member receive allocations that exceed the average amount by which such revenues exceeded said cost to serve during the applicable base period.

Allocations from the Entitlement fund may thereafter be used for Board-approved and Authority-related service or resource enhancements to such Structural Fire Fund members.

No Structural Fire Fund member will be required to make additional payments for service on account of equity. No Structural Fire Fund member will be entitled to receive cash payments or reimbursements on account of equity.

5. **Approval of Bonded Indebtedness.** By a two-thirds vote of all members, the Authority may authorize the issuance of any long term bonded indebtedness. Any cash contract City that withdraws pursuant to Article VII. shall, after ceasing to be a member of the Authority, not be responsible for payment of its proportional share of any bonded indebtedness approved by the Authority. Short-term tax anticipation notes with a one-year (or shorter) term may be authorized by a majority vote of all of the directors of the Board.

6. **Authority Cooperation.** The Authority agrees to fully cooperate with each of the members in pursuing federal and state claims for emergency response reimbursements.

ARTICLE V.
ACCOUNTING AND AUDITS

1. **Accounting Procedures.** Full books and accounts shall be maintained for the Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the Authority's auditor and treasurer shall comply strictly with requirements governing joint powers agencies, Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500).

2. **Audit.** The records and accounts of the Authority shall be audited annually by an independent certified public accountant and copies of the audited financial reports, with the opinion of the independent certified public accountant, shall be filed with the County Auditor, the State Controller and each member within six (6) months of the end of the fiscal year under examination.

ARTICLE VI.
PROPERTY RIGHTS

1. **Vehicles, Equipment, Facilities and Property.**

A. **Ownership.** Except as provided herein, all real and personal property, including but not limited to, facilities constructed, installed, acquired or leased by the Authority, apparatus and equipment, personnel and other records and any and all

reserve funds shall be held in the name of the Authority for the benefit of the members of the Authority in accordance with the terms of this Agreement. Fire stations that are owned by Cities shall be leased to the Authority for one dollar (\$1.00) per annum.

B. Capital Improvements. Capital improvements to cash contract city-owned stations or facilities, within their jurisdictions, shall be the responsibility of each member. Such capital improvements may be required by the Authority upon a determination by the Authority, after good faith consultation with a member agency, that such improvements are needed to protect the health, safety or welfare of Authority employees or to maintain the station in a state of operational readiness. Capital improvements to stations owned by the Authority shall be the responsibility of the Authority. For cash contract Cities, the construction of new stations or facilities, within and primarily benefiting their jurisdictions, shall be the responsibility of each city. Such construction shall meet reasonable standards and specifications prescribed by the Fire Chief.

C. Maintenance and Repairs. Each cash contract City shall make an initial payment to the Authority of \$15,000 for each fire station within its jurisdiction for maintenance and repairs not included in the original cost calculation methodology. The Authority shall carry forward unspent amounts to the next fiscal year. At the beginning of each fiscal year, said cities shall pay the Authority an amount sufficient to bring its balance back to \$15,000 for each such station.

D. Equipment and Vehicle Replacement/Depreciation Programs. Cash contract Cities shall participate in funding the Authority's equipment and vehicle replacement/depreciation programs. Such programs shall be administered fairly and equitably by the Authority and in accordance with Generally Accepted Accounting Principles.

2. **Disposition of Assets Upon Termination.** The Authority may vote to terminate this Agreement, or termination will occur if only one member is left in the Authority. If termination occurs, all surplus money and property of the Authority shall be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership, whether Structural Fire Fund or cash contract amounts. Each member shall execute any instruments of conveyance necessary to effectuate such distribution or transfer. In any such distribution, the amount of Structural Fire Fund derived from each incorporated or unincorporated city areas shall be considered as received from that member in the same manner as cash contract payments have contributed to surplus assets.

3. **Liabilities.** Except as otherwise provided herein, the debts, liabilities and obligations of the Authority shall be the debts, liabilities or obligations of the Authority alone and not of the parties of this Agreement.

4. **Indemnification and Insurance.**

A. Except as provided in Article VI., Section 4. E. below, from and after the Effective Date, the Authority shall defend, indemnify and hold harmless the County and each of the Cities and their officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all

expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to the performance of services pursuant to this Agreement.

B. Except as provided in Article VI., Section 4. E. below, from and after the Effective Date, the Authority shall defend, indemnify and hold harmless the County and each of the County's officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any Fire Department contract or agreement assumed by or otherwise transferred to the Authority.

C. Except as provided in Article VI., Section 4. E. below, from and after the Effective Date, the Authority shall defend, indemnify and hold harmless the County and each of the County's officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any Fire Department asset to be transferred to the Authority, including but not limited to real property, personal property, equipment and apparatus.

D. From and after the Effective Date, the Authority shall maintain during the term of this Agreement, workers' compensation insurance as required by law and, in addition, general comprehensive liability insurance in the minimum limit of

\$5,000,000 combined single limit per occurrence and annual aggregate. Each of the Authority members shall be named as an additional insured on the general comprehensive liability policy. Alternatively, the Authority may self-insure. Prior to the Effective Date, the Authority shall provide the County with certificates of insurance or proof of self-insurance evidencing the coverage referred to in this Section 4. D. Such insurance is a condition precedent to performance under this Agreement, and until the Authority obtains insurance as provided for in this Section 4. D., performance under this Agreement is excused and no member shall have any right against any other member in equity or law.

E. From and after the Effective Date, the County shall defend, indemnify and hold harmless the Authority and each City member and their officers, employees, agents and representatives with respect to any loss, damage, injury, claim, demand, litigation or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of the Fire Department's actions or omissions prior to the Effective Date hereof which are related to the provision of fire services or to the administration of Fire Department contracts, facilities, sites or assets, and which may include past, present or ongoing, or any future release of any hazardous material, hazardous substance or hazardous waste as defined under state and federal law or regulation. The Authority and the Cities agree that the County's obligations under this Section 4. E. shall only apply to costs, losses, damage, injuries, claims, demands,

litigation or liabilities for which a written claim has been received by the County prior to February 3, 2000.

F. Notwithstanding Article VI., Section 4, the members agree that no immunity available to the County or the Cities under state or federal law or regulation shall be waived with respect to any third party claim.

ARTICLE VII.

WITHDRAWAL AND ADDITION OF MEMBERS

1. City Member Withdrawal.

A. Initial Term. Cities shall be members of the Authority for an initial 10-year term. For Structural Fire Fund cities, the initial 10-year term shall begin on July 1, 2000 and end on June 30, 2010. For a cash contract City, the first 10-year term shall begin on July 1, 2000, only upon the consent of such city. Cash contract Cities that do not give such approval by July 1, 2000 shall give notice of withdrawal to the Clerk of the Authority by July 1, 2000, to be effective July 1, 2001. Failure to provide such notice shall be deemed that city's consent to a 10-year term, beginning July 1, 2000.

Provided however, that the Cities of Stanton, Westminster and Buena Park may withdraw from the Authority by giving notice of withdrawal to the Clerk of the Authority by December 31, 2000, to be effective December 31, 2001. Failure to provide

such notice shall be deemed that city's consent to a 10-year term beginning July 1, 2000.

Notwithstanding the foregoing paragraph, those three cities shall give notice of their respective intentions within thirty (30) days of completion of any study undertaken to consider creation of any alternative fire service organization.

Notwithstanding Article IX., Section 4., this Agreement shall not be amended prior to December 31, 2000.

No Authority time or funds shall be spent negotiating service levels with those three cities prior to such city's decision to remain members of the Authority.

B. Subsequent Terms. Membership terms shall automatically renew, on the same terms and conditions as the prior term, and with the same cap in effect in the last year of the prior term, except under the following circumstances:

(1) Any city may give notice of withdrawal by transmitting written notice of such withdrawal to the clerk of the Authority prior to July 1 of the second to last year of any term.

(2) If the Board, by two-thirds vote of all Directors, adopts a new cost calculation methodology and/or a new cap for cash contract Cities, pursuant to Article IV., Section 3. G., then those cities shall have until June 30 of the last year of the

then current term to give written notice to the clerk of the Authority of their intent to renew.

(3) If the Board, by two-thirds vote of all Directors, adopts a different minimum membership term pursuant to Article IV., Section 3. G., then cities shall have until June 30 of the last year of the then current term to give written notice to the clerk of the Authority of their intent to renew.

Cities that do not give the notice required by B. (2) and (3) above shall be deemed to have elected to withdraw, effective June 30 of the first year of the next succeeding term. Until the effective date of withdrawal, such cities shall be governed by the changes adopted by the Board.

C. Removal From Board After Notice of Withdrawal. In the event a notice of withdrawal is given by a city, or deemed to have been given, that city's representative shall be removed from the Board of Directors.

D. Rescission of Notice. Any notices required hereunder may be rescinded by the member with approval of the Board of Directors.

E. Property Tax Transfer Negotiations. Withdrawal by a Structural Fire Fund city may be subject to property tax transfer negotiations and such additional notices as required by applicable law.

2. Addition of New City Members. Notwithstanding any other provisions herein, a non-member City may join the Authority upon consent of a majority of all of the Directors of the Board and agreement to terms and conditions determined by the Board, which terms and conditions may vary from those set forth in this Agreement. A new City member may be required to transfer to the Authority its fire facilities and assets or to reimburse the Authority for a proportionate share of facilities which the new City will utilize. As a condition of membership, a city may also be required to accept responsibility for a proportion of the debts, obligations, and liabilities of the Authority from its transferred facilities, to the extent agreed upon by the Authority and the new member at the time of membership. The Authority Board may determine to waive all or part of such contribution requirements in return for an offsetting transfer of the new member's fire facilities and assets to the Authority.

3. Withdrawal of County. County shall be a member of the Authority for an initial 10-year term beginning on July 1, 2000 and ending June 30, 2010. Said term shall automatically renew for successive terms in accordance with and subject to the same provisions and exceptions applicable to cities in Section 1. B. and C. In the event of withdrawal, the County shall remain liable for payment of the Structural Fire Fund's

proportional share of any bonded indebtedness of the Authority incurred prior to the date of its withdrawal.

4. **Property of Withdrawing Members.** Any withdrawing member may negotiate with the Authority for return or repurchase of any and all stations and equipment serving that member's jurisdiction.

ARTICLE VIII.

TRANSITION TO AUTHORITY

The cities and County shall designate a transition team to implement the transfer of assets and liabilities hereunder, to prepare for the Authority's organizational meeting, and to direct the transition of administrative services from the County to the Authority.

ARTICLE IX.

NOTICE OF AGREEMENT

1. **Initial Notice.** Upon the Effective Date of this Agreement, the Authority shall timely file with the Orange County Clerk and the Office of the Secretary of State the information required by Government Code Sections 6503.5 and 53051.

2. **Additional Notices.** Upon any amendments to this Agreement, the Authority shall prepare and timely file with the Orange County Clerk and the Office of the Secretary of State the information required by Government Code Sections 6503.5 and 53051.

3. **Notice to Members.** Notice to members shall be deemed given when mailed to them, first class, postage prepaid, or faxed to the address/or fax number set out by their signatures.

4. **Amendment.** This Agreement may not be amended or modified except by a vote of two-thirds of all of the members; provided however, that no amendment shall change the cap, the cost calculation methodology or the length of a term, during the pendency of any term. This Agreement represents the sole and entire agreement between the parties and supersedes all prior agreements, negotiations and discussions between the parties hereto and/or their respective counsel with respect to the subject matter of this Agreement.

5. **Headings.** The headings in this Agreement are for convenience only and are not to be construed as modifying or explaining the language in the section referred to.

6. **Severability.** Should any part, term, or provision of this Agreement be determined by a court to be illegal or unenforceable, the remaining portions or provisions of this Agreement shall nevertheless be carried into effect.

7. **No Continuing Waiver.** No waiver of any term or condition of this Agreement shall be considered a continuing waiver thereof.

8. **Successors.** This Agreement shall inure to the benefit of and be binding upon any successors or assigns of the members. No member may assign any right or obligation hereunder without the written consent of a majority of all of the Directors of the Board.

9. **No Third Party Beneficiary.** The members agree that except as provided in Article IX., Section 8 above, the provisions of this Agreement are not intended to directly benefit, and shall not be enforceable by, any person or entity not a party to this Agreement.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed and attested by their duly authorized officers as of the date first above written.

COUNTY OF ORANGE, a political subdivision of the State of California

Dated: Nov. 2, 1999

By: Charles V. Smith
Chairman of its Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Angela M. Smith
Clerk of the Board of Supervisors
County of Orange, California



NOTICE TO COUNTY OF ORANGE TO BE GIVEN TO:

JANICE M. MITTERMEIER
COUNTY EXECUTIVE OFFICER
10 Civic Center Plaza
SANTA ANA, CA 92702-4062
FAX: (714) 834-3018


APPROVED AS TO FORM:
LAURENCE M. WATSON,
COUNTY COUNSEL

By: Am E. Fletcher

Dated: 10/29/99

CITY OF BUENA PARK

Dated: November 23, 1999



By: Jack Mauller, Mayor

ATTEST:

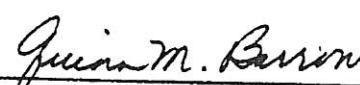

City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Buena Park
6650 Beach Blvd.
Buena Park, CA 90620

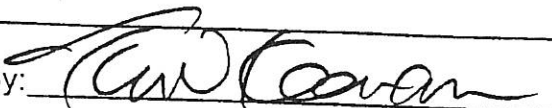
Phone: (714) 562-3500
Fax: (714) 562-3599

APPROVED AS TO FORM:



City Attorney *by S.R.*

CITY OF CYPRESS

Dated: 11-1-99

By: 
Tim Keenan, Mayor

ATTEST:


City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Cypress
5275 Orange Avenue
Cypress, CA 90630

Phone: (714) 229-6688
Fax: (714) 229-6682

APPROVED AS TO FORM:


City Attorney

CITY OF DANA POINT

Dated: November 10, 1999

Ruby L. Netzley

By: Ruby L. Netzley, Mayor

ATTEST:

Cathy Catlett
Interim City Clerk Cathy Catlett

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Dana Point
33282 Golden Lantern
Dana Point, CA 92629

Phone: (949) 248-9890
Fax: (949) 248-9920

APPROVED AS TO FORM:

Michele R. Vadon
City Attorney Michele R. Vadon

CITY OF IRVINE

Dated: 12-15-99

By: 

ATTEST:

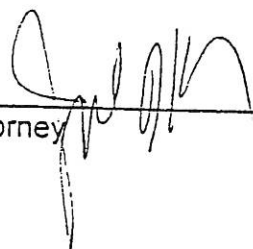

City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Irvine
One Civic Center Plaza
Irvine, CA 92606-5208

Phone: (949) 724-6249
Fax: (949) 724-6045

APPROVED AS TO FORM:


City Attorney

CITY OF LAGUNA HILLS

Dated: October 26, 1999

Cynthia D. Greengold

By: Cynthia D. Greengold, Mayor

ATTEST:

Mary A. Carlson
City Clerk Mary A. Carlson

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Laguna Hills
25201 Paseo de Alicia #150
Laguna Hills, CA 92653

Phone: (949) 707-2600
Fax: (949) 707-2614

APPROVED AS TO FORM:

Louis E. Jeffrey
City Attorney Louis E. Jeffrey

CITY OF LAGUNA NIGUEL

Dated: 10/22/99

[Signature]

ATTEST:

By: [Signature]

[Signature]
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Laguna Niguel
27801 La Paz Rd.
Laguna Niguel, CA 92677

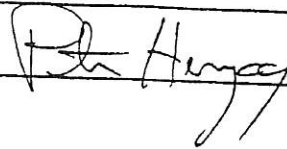
Phone: (949) 362-4380
Fax: (949) 362-4340

APPROVED AS TO FORM:

[Signature]
City Attorney 10/20/99

CITY OF LAKE FOREST

Dated: November 16, 1999

By: 

ATTEST:


City Clerk

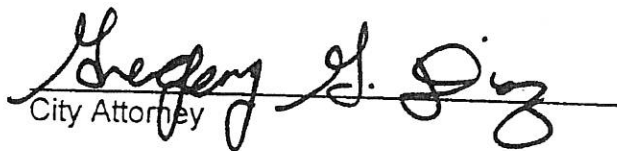
NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Lake Forest
23161 Lake Center Drive, Suite 100
Lake Forest, CA 92630

Phone: (949) 461-3400

Fax: (949) 461-3511

APPROVED AS TO FORM:


City Attorney

CITY OF LA PALMA

Dated: October 19, 1999

Kenneth A. Blake

By: MAYOR

ATTEST:

Laura K. Piscotty
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of La Palma
7822 Walker Street
La Palma, CA 90620

Phone: (714) 523-7700

Fax: (714) 523-7351

APPROVED AS TO FORM:

[Signature]
City Attorney

CITY OF LOS ALAMITOS

1999

Marilynn M. Poe

By: Marilynn M. Poe

Its: Mayor

[Signature]

GIVEN TO:

538
555

A:

CITY OF MISSION VIEJO

Dated: October 20, 1999

Sherrin M. Butterfield

ATTEST:

By: Sherrin M. Butterfield
Mayor

[Signature]
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Mission Viejo
25909 Pala, Suite 150
Mission Viejo, CA 92691

Phone: (949) 470-3000

Fax: (949) 859-1386

APPROVED AS TO FORM:

[Signature]
City Attorney

CITY OF PLACENTIA

Dated: 11-5-99

By: Constance M. Underhill
MAYOR

ATTEST:

Edmund M. Ponce
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Placentia
401 E. Chapman
Placentia, CA 92870

Phone: (714) 993-8117
Fax: (714) 961-0283

APPROVED AS TO FORM:

Carol B. Tansbaum
City Attorney

CITY OF SAN CLEMENTE

Dated: 10/20/99

By: Lois Berg
LOIS BERG
MAYOR

ATTEST:

Mariana Edwards
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of San Clemente
100 Avenida Presidio
San Clemente, CA 92672

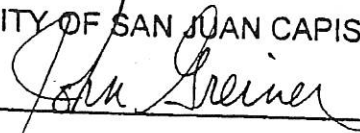
Phone: (949) 361-8322
Fax: (949) 361-8283

APPROVED AS TO FORM:

John M. Odum
City Attorney

CITY OF SAN JUAN CAPISTRANO

Dated: November 2, 1999


By: John Greiner, Mayor

ATTEST:


City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of San Juan Capistrano
32400 Paseo Adelanto
San Juan Capistrano, CA 92675

Phone: (949) 443-6315
Fax: (949) 493-1053

APPROVED AS TO FORM:


City Attorney

Dated: NOVEMBER 10, 1999

CITY OF SEAL BEACH

Keith Till

By: Keith R. Till, City Manager

ATTEST:

Joanne McLeo
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Seal Beach
211 8th Street
Seal Beach, CA 90740

Phone: (562) 431-2527
Fax: (562) 431-4067

APPROVED AS TO FORM:

City Attorney

CITY OF STANTON

Dated: 10-12-99

Henry M. Tate

By: Mayor

ATTEST:

Brenda Green
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Stanton
7800 Katella Avenue
Stanton, CA 90680

Phone: (714) 379-9222
Fax: (714) 890-1443

APPROVED AS TO FORM:

W. Allen
City Attorney

CITY OF TUSTIN

Dated: 12-6-99

Tracy Wills Worley
By: Mayor

ATTEST:

Pamela Stoker
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Tustin
300 Centennial Way
Tustin, CA 92780

Phone: (714) 544-8890
Fax: (714) 832-0825

APPROVED AS TO FORM:

Lois E. Jeffrey
City Attorney

CITY OF VILLA PARK

Dated: October 26, 1999

By: Bob Dee

ATTEST:

Kathy Adrian
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Villa Park
17855 Santiago Blvd.
Villa Park, CA 92861

Phone: (714) 998-1500
Fax: (714) 998-1508

APPROVED AS TO FORM:

Leon St. Angelo
City Attorney

CITY OF WESTMINSTER

Dated: 11/30/99

Frank C. Fry
By: MAYOR

ATTEST:

Theresa H. Fleming
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Westminster
8200 Westminister Boulevard
Westminster, CA 92683

Phone: (714) 898-3311
Fax: (714) 373-4684

APPROVED AS TO FORM:

[Signature]
City Attorney

CITY OF YORBA LINDA

Dated: 10 - 19 - 99

John M. Gullisow
By: Mayor

ATTEST:

Carol Wallace
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager
City of Yorba Linda
4845 Casa Loma Avenue
Yorba Linda, CA 92885-8714

Phone: (714) 961-7100
Fax: (714) 993-7530

APPROVED AS TO FORM:

Leon A. Hyl
City Attorney