

**AGREEMENT
BETWEEN THE FIVE CITIES FIRE AUTHORITY AND
COUNTY OF SAN LUIS OBISPO FOR PROVISION OF FIRE PROTECTION
AND CERTAIN EMERGENCY MEDICAL SERVICES TO OCEANO**

THIS AGREEMENT is made and entered into this 18 day of June 2024, ("Effective Date") by and between the Five Cities Fire Authority ("FCFA"), a California Joint Powers Authority as authorized under Government Code Sections 6500 et. seq., and the County of San Luis Obispo ("County"), a public entity organized and operating under the laws of State of California (individually or collectively also referred to as "Party" or "Parties") for provision of fire protection and certain emergency medical services ("Fire Services") to Oceano Community Services District ("Oceano" or "District"), a County of San Luis Obispo Community Services District.

RECITALS

WHEREAS, the Parties are public entities organized and operating under the laws of the State of California; and

WHEREAS, Oceano is an unincorporated community in San Luis Obispo County with a Community Services District with various responsibilities including providing Fire Services to the community; and

WHEREAS, Oceano submitted a request to the Local Area Formation Commission (LAFCO) in January 2023 for divestiture of Fire Services with LAFCO action on this request expected by June 2024 at which point a successor agency would be responsible for providing Fire Services to Oceano; and

WHEREAS, pending LAFCO approval of the divestiture request, the County desires to contract with FCFA for provision of Fire Services to Oceano; and

WHEREAS, the parties intend that this Agreement shall become effective only upon LAFCO's approval of the District's divestiture request; and

WHEREAS, FCFA has the ability and is willing to perform Fire Services including certain emergency medical services and other related activities for their respective agencies as shown within Exhibit "B" for Oceano under the terms of this Agreement with the County; and

WHEREAS, as a prior member agency of FCFA, Oceano remains subject to all "Wind Down Period" obligations set forth within the Five Cities Fire Authority Amended and Restated Joint Powers Authority Agreement, and as specifically defined in Section 5 of the Third Amendment to the FCFA Joint Powers Agreement. Nothing in this Agreement between FCFA and the County shall absolve Oceano from

any liabilities, defined to include, but not be limited to, pension/CalPERS, accrued fringe benefits, and any other liabilities arising out of Oceano's participation in the FCFA since the time the FCFA was created on June 7, 2010 through the date of Oceano's withdrawal from the FCFA on June 30, 2023; and

WHEREAS, this agreement is entered into pursuant to Government Code § 55632.

AGREEMENT

NOW, THEREFORE, the above "WHEREAS" provisions are incorporated herein with the same force and effect as any other term and condition of this Agreement and for and in consideration of the mutual advantages to be derived therefrom, and in consideration of the mutual covenants herein contained, it is agreed by and between the Parties hereto as follows:

ARTICLE I PROVISION OF SERVICES

1.1 Scope of Services. FCFA shall provide Fire Services within the jurisdictional area of Oceano as shown in the jurisdictional boundaries depicted in Exhibit A under the terms of this Agreement. "Fire Services" shall mean those services identified in Exhibit B.

1.2 Fire Chief. FCFA's Fire Chief or his/her designee shall be immediately available for response and management of emergency incidents as necessary to provide incident command and coordination functions within the jurisdictional boundaries of Oceano over the term of this Agreement.

1.3 Minimum Staffing. FCFA shall provide a minimum of two personnel per engine, meeting minimum federal and state-mandated training requirements for their respective classifications and responsibilities, to provide Fire Services, pursuant to this Agreement. The staff shall consist of personnel assigned at the sole discretion of FCFA but at least one member of all responding apparatus into Oceano shall be qualified as an Emergency Medical Technician.

1.4 Future Staffing Levels. Within the initial term of this Agreement, if funding becomes available, the County shall evaluate feasibility and strategic benefit of funding a 3-person company to serve Oceano. The terms of any increase in staffing and related change in costs shall be incorporated into this Agreement by an amendment executed by both Parties.

**ARTICLE II
PAYMENT FOR SERVICES**

2.1 Compensation for Fire Services. County shall compensate FCFA for all Fire Services performed under this Agreement in a fixed annual amount of \$1,706,000 payable on a quarterly basis (every three months from the effective date of this Agreement) in the amount of \$426,500. FCFA shall submit quarterly invoices to the County for the quarterly payment amount. Payments are to be made within thirty (30) calendar days of receipt of the invoice. Any non-payment in excess of sixty (60) calendar days from the date of FCFA's mailed invoice shall be considered a default under this Agreement and shall accrue an additional ten (10) percent charge as described herein. The annual payment due under this Agreement shall be adjusted each year by the CPI Index of the Los Angeles-Riverside area.

2.2 Unanticipated Costs. In the event of unanticipated operational or contract management costs during the term of this agreement beyond adjustments by the CPI Index, FCFA shall notify the County in writing and request these unanticipated costs be incorporated into this agreement by an amendment executed by both parties. Upon receipt of such a request, County will meet with FCFA in good faith to discuss an appropriate level of cost share including reimbursement.

**ARTICLE III
PROPERTY USED FOR FIRE SERVICES**

3.1 Fire Station. FCFA will utilize the Fire Stations number 1 and 2 located respectively at 140 Traffic Way, Arroyo Grande and 701 Rockaway Ave. Grover Beach, California, as its primary locations for the provision of Fire Services and related activities contemplated by this Agreement. Contingent upon LAFCO approval of Oceano's divestiture request, County shall obtain fee title to the Fire Station number 3 located at 1655 Front Street, Oceano, and contingent upon successful transfer of fee title, FCFA access to or use of Fire Station number 3 may be requested by FCFA. Any use agreement will be addressed by a separate lease agreement executed by both parties.

Furthermore, any operational use of Fire Station No. 3 by FCFA for emergency medical services and fire suppression including all fire suppression equipment, fire engines, housing and administrative services necessary to operate the fire station shall be addressed by separate lease agreement executed by both parties.

3.2 Station 3 Improvements. County shall consider facility improvements to Station 3 as part of the County's Facility Condition Assessment Program or Capital Improvement Program in accordance with standard County procedure. If facility improvements are anticipated to be implemented, County shall consider the FCFA standards of cover analysis that will be developed in FY 2024-25 during the project

planning phase.

ARTICLE IV RELATIONS OF PARTIES

4.1 Special Relationship. The Parties will agree this Agreement does not create a “special relationship” as the term is defined by Federal or California law, between the Parties’ officials, officers, employees, or successors or with any third party as a result of this Agreement.

ARTICLE V TERM OF AGREEMENT

5.1 Term. The term of this Agreement shall and will become effective on the date that the LAFCO approves the District’s divestiture request and shall terminate on, June 30, 2027 (“Initial term”). The Initial Term is subject to two one-year extensions unless one Party gives the other a written notice of non-renewal within 90 days of the end of the Initial term, or the first extension.

5.2 Subsequent Renewal of Agreement. This Agreement may be renewed upon mutual agreement of both Parties. Upon written notice of either Party, at ninety (90) days before the end of the second extension, the Parties shall meet and confer for a period of up to sixty (60) days regarding the term of the Agreement and the terms and conditions of the renewal. If agreement cannot be reached regarding renewal, the Agreement shall terminate with no further obligations of either Party at the end of the second annual extension on June 30, 2029.

5.3 Termination. If either Party seeks to terminate this Agreement during the Initial Term, the notice to terminate shall be in writing and shall be at least one hundred twenty (120) days before the planned termination date. Such notice of termination during either one of the one-year extensions will be served at least sixty (60) days before the planned termination date. If County is not current on all payments owed and is in default under this Agreement, FCFA may terminate this Agreement if such default is not cured within ten (10) calendar days of receipt of a final notice to cure.

ARTICLE VI INDEMNIFICATION AND INSURANCE

6.1 Mutual Indemnification.

(a) To the fullest extent permitted by law, each Party (the “Indemnifying Party”) shall indemnify, defend and hold harmless the other Party, in proportion to fault, against any and all liability for claims, demands, fines, penalties, expenses, losses, causes of action, costs or judgments (direct, indirect, incidental or consequential damages) involving bodily injury, personal injury, death, property damage or other costs and expenses (including reasonable attorneys’ fees, court

costs and expenses) arising or resulting from: 1) the acts or omissions of the Indemnifying Party's own officers, agents, employees or representatives carried out pursuant to the obligations of this Agreement; (b) any negligent, reckless or intentionally wrongful act or omission to act by the Indemnifying Party; and (c) violations of law by the Indemnifying Party.

(b) Notwithstanding the foregoing Sections 6.1 (a) County shall remain liable for its own real and personal property damage (including, without limitation, autos, equipment, and apparatus), since it is retaining ownership of, insurable interests therein, and insurance on its real and personal property.

(c) Except for any duties either Party owes to the other pursuant to the provisions of this Agreement, nothing in this Agreement shall be construed to waive any legal protections or immunities available to the Parties under state or federal law.

(d) Accordingly, the Parties hereby expressly agree to waive the pro rata risk allocation contained in California Government Code Section 895.6.

6.2 Mutual Indemnification Obligations Survive Termination. As to activities occurring or being carried out in performance of this Agreement and during the term of this Agreement, the obligations created by Section 6.1 shall survive termination of this Agreement.

6.3 Immunity Preservation. Nothing in this Agreement shall be read as waiving or limiting any defense to claims of liability otherwise available to fire personnel, and/or public employees, such as the defense of qualified immunity. Nothing in this Agreement shall be read as intending to create or creating a higher duty of care on the part of either the County or FCFA, or their officers, than would otherwise exist under existing law and the involved Party's own policies, practices, and procedures.

6.4 Public Liability and Property Insurance.

Insurance Coverage

Contractor shall procure and maintain for the duration of this Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees, or subcontractors.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

i. Commercial General Liability (CGL): Insurance Services Office (ISO)

Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

ii. Automobile Liability: ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

iii. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage shall also include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

If the Contractor maintains higher limits than the minimums shown above, the County requires and shall be entitled to coverage for the higher limits maintained by the contractor.

B. UNIQUE INSURANCE COVERAGE

One or more of the following insurance coverage(s) may also be required, depending upon the type of contracted service. Please review and select coverage(s) as applicable.

i. Professional Liability/Errors and Omissions.

Insurance appropriate to the Contractor's profession, with limits of not less than \$2 million per occurrence or claim and \$4 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than five (5) years following this Agreement's expiration, termination or cancellation.

C. ADDITIONAL INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the

following provisions:

i. **Additional Insured Status.** The County, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 28; and CG 23 37 forms if later revisions used).

ii. **Primary Coverage.** For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

iii. **Excess or Umbrella Policy.** The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

iv **Notice of Cancellation.** Each insurance policy required above shall provide that coverage and shall not be canceled, except with notice to the County.

v. **Failure to Maintain Insurance.** Contractor's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Contract, upon which the County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. The County, at its sole discretion, may obtain damages from Contractor resulting from said breach.

vi. **Waiver of Subrogation.** Contractor hereby grants to County a waiver of any right to subrogation which any insurer of said Contractor may

acquire against the County by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

vii. **Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the County. The County may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Any and all deductibles and SIRs shall be the sole responsibility of the Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured parties. The County may deduct from any amounts otherwise due Contractor to fund the SIR/deductible. The policy must also provide that Defense costs, including the Allocated Loss Adjustment expenses, will satisfy the SIR or deductible.

viii. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the County.

x. **Claims Made Policies.** If any of the required policies provide coverage on a claims-made basis:

- a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
- b. Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract of work*
- c. If coverage is canceled or non-renewed, and not *replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of *five (5) years* after completion of contract work.

xi. **Verification of Coverage.** Contractor shall furnish the County with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause and a copy of the Declaration and Endorsements pages of the CGL and any Excess policies listing all policy endorsements. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Certificates and copies of any required endorsements shall be sent to:

San Luis Obispo County
Administrative Office
Katcho Achadjian Government Center
1055 Monterey St., Ste. D430
San Luis Obispo, CA 93408

xii. Subcontractors. Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

xiii. Special Risks or Circumstances. County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

6.5 Workers Compensation.

(a) FCFA shall provide the County an endorsement that its Workers Compensation insurer waives the right of subrogation against the County, its officers, officials, employees, and volunteers for all claims on or after the effective start date of this Agreement during the tenure of said Agreement.

ARTICLE VII MISCELLANEOUS

7.1 **Amendments to Agreement.** No part of this Agreement shall be altered or amended except by written amendment and mutual consent of both Parties.

7.2 **Assignment.** The rights and obligations of the Parties under this Agreement are not assignable and shall not be delegated without the prior written approval of the other Party.

7.3 **Dispute Resolution.** The Parties recognize that this Agreement cannot represent a complete expression of all issues which may arise during the performance of the Agreement. Accordingly, FCFA and County agree to meet and confer in good faith over any issue not expressly described herein.

(a) It is the Parties' intention to avoid the cost of litigation and to resolve any issues that may arise amicably if possible. To that end, the Parties agree through the City Managers of Arroyo Grande and Grover Beach and the County Administrative Officer to meet within ten (10) business days of a request made by the other party in writing to discuss any issues and attempt to resolve the dispute. If the dispute is not resolved after that meeting, the Parties agree to participate in mediation to resolve the dispute within thirty (30) calendar days of the meeting or as soon thereafter as possible. The mediator will be chosen by mutual agreement of the Parties. The costs of mediation will

be borne by the Parties equally. Any agreement reached during the mediation will be binding on the Parties during the remaining term of the Agreement. No party may initiate litigation prior to the conclusion of mediation. In any Court action brought under this Agreement, the prevailing Party shall be entitled to recover its actual costs and reasonable attorney fees.

7.4 **Exhibits.** The following Exhibits are attached hereto and incorporated as if fully set forth herein:

Exhibit "A": Oceano Jurisdiction Map

Exhibit "B": Scope of Fire Services

7.5 **Notices.** All notices required or permitted hereunder shall be deemed sufficiently given if delivered by hand, electronic mail, or by United States mail, postage prepaid, addressed to the Parties at the addresses set forth below or to such other address as may, from time to time, be designated in writing.

To County:

County Administrative Officer
Katcho Achadjian Government Center
1055 Monterey St., Ste. D430
San Luis Obispo, CA 93408

To FCFA:

Fire Chief
140 Traffic Way
Arroyo Grande, CA 93420

7.6 **Governing Law.** Agreement shall be governed by the laws of the state of California with venue being the Superior Court of the County of San Luis Obispo.

7.7 **Default and Delinquency.** If County defaults in its obligation to pay or advance any amounts due pursuant to this Agreement after such amounts have become delinquent, County shall be liable to the FCFA for interest on any unpaid amount at the rate of ten (10) percent, or the maximum rate allowed by law if it is less than ten (10) percent, until the overdue invoice amount is paid in full.

7.8 **Waiver.** The waiver at any time by any Party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

7.9 **Remedies Not Exclusive.** The remedies provided in this Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by any Party of any remedy under this Agreement shall be without prejudice to the enforcement of any other remedy.

7.10 **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

7.11 **Counterparts.** This Agreement may be executed by the Member Agencies in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Parties execute this agreement hereto on the day and the year first written above.

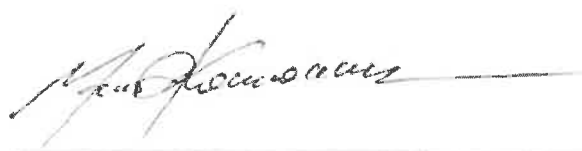
FIRE CITIES FIRE AUTHORITY

By 
Daniel Ruching, FCFA Board Chair

Dated 6/6/2024

ATTEST:

By 
Tricia Meyers, FCFA Clerk to the Board


Martin Koczanowicz, FCFA General Counsel

COUNTY OF SAN LUIS OBISPO


Chairperson of the Board of Supervisors

Date: 6/18/24

ATTEST:

Matthew P. Pontes
Ex-Officio Clerk of the Board of Supervisors

By: Niki Martin
Deputy Clerk

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: [Signature]
Deputy County Counsel

Dated: 6.7.24

The undersigned Deputy Clerk of the Board of Supervisors certifies that, pursuant to Section 25103 of the Government Code, delivery of this document has been made on 6/20/24

MATTHEW P. PONTES
Ex-Officio Clerk of the Board of Supervisors

By: Niki Martin
Deputy Clerk

EXHIBIT "A"

OCEANO JURISDICTION MAP

**Oceano Community Services District
Service Area & Sphere of Influence
Adopted November 2012**



Legend

- Major Roads
- Service Area
- Sphere of Influence
(Same as Service Area)



Prepared by SLOAFCD
Name: Oceano_SOI Brief
Date: 3/6/2014

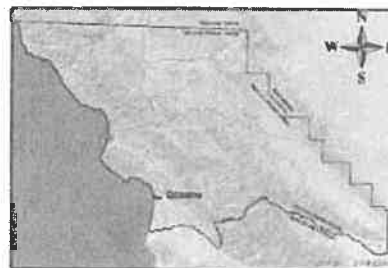


EXHIBIT "B"
SCOPE OF SERVICE

Scope of Services

FCFA shall provide the following services while this Agreement is in effect:

1. **Administration.** Provide administrative responsibility and support for all fire, emergency and non-emergency services in the Oceano Community Services District ("Oceano").

Administration of fire services shall include the following:

- a. Adequate supervision and staffing,
- b. Program planning;
- c. Delivery and documentation of all federal and state-mandated firefighter training;
- d. Coordination of procurement of all operational supplies, services, and equipment;
- e. Representation at County Board of Supervisors meetings as deemed necessary by the County;
- f. Transparency with County in management decisions affecting fire service delivery.

2. **Incident Response.** Delivery of all fire protection and emergency services within the jurisdictional limits of Oceano Community Services District, including responding to calls for fire suppression, emergency medical response (Basic Life Support services), rescue services, hazardous materials, and all other emergency and non-emergency calls for service as received and dispatched to the FCFA. A Chief Officer, or acting Chief Fire Officer, shall respond to all major incidents as determined by the Fire Chief.

3. **Fire Safety Inspections/Enforcement.** Enforce code provisions related to fire services, including but not limited to weed abatement and fireworks, and hazardous material releases. Review of all development and building plans to ensure compliance with applicable fire and life safety codes and regulations, as well as inspection of fire protection and fire alarm systems for compliance with applicable codes and standards. To the maximum extent feasible, inspection shall be performed during standard duty hours. All mandated SB 1205 inspections in Oceano will be identified by the County Fire Marshal and provided to FCFA. FCFA will conduct 100% of those inspection identified in Oceano and will provide quarterly progress reports to the San Luis Obispo County Fire Department Fire Marshal so the inspections can be included in the San Luis Obispo County Fire Department annual report to the San Luis Obispo Board of Supervisors.

4. Investigations. Investigate all fires to establish origin and cause and coordinate with San Luis Obispo County Fire Marshal on criminal investigations and prosecutions resulting therefrom. Provide fire investigation reports.

5. Training. Maintain a continuous training program that corresponds to federal, state and local mandates, as well as evolving industry best practices and developments in emerging fire suppression and fire prevention techniques.

6. Emergency Management. FCFA, through its Fire Chief, or his/her designee, shall be responsible for the coordination and communication with the County of San Luis Obispo Office of Emergency Services. Pursuant to existing agreements, FCFA will coordinate with other agencies regarding mutual aid services to Oceano. FCFA will also respond to requests for mutual aid or assistance-by-hire by other agencies pursuant to the California Statewide Mutual Aid Agreement or the California Fire Assistance Agreement.