

Those persons wishing to speak on any item, whether or not it is included on the agenda, are requested to fill out and submit to the Clerk of the Board a "Request to Speak" form. Thank you.

It is the intention of the Chino Valley Independent Fire District to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Chino Valley Independent Fire District will attempt to accommodate you in every reasonable manner. Please contact the Administration Office (909) 902-5260 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the District's Administrative Headquarters, 14011 City Center Drive, Chino Hills, CA 91709.

**CHINO VALLEY INDEPENDENT FIRE DISTRICT**  
***Special Meeting - Standing Committee Meeting***  
***Finance Committee***

Administrative Headquarters  
14011 City Center Drive  
Chino Hills, CA 91709

Wednesday, May 15, 2019

4:00 PM

**AGENDA**

ROLL CALL

FLAG SALUTE

INVOCATION

PUBLIC COMMUNICATIONS

This is the time and place for the general public to address the Committee about subjects that do not appear elsewhere on the agenda. The public may address items on the agenda at the time addressed by the Committee.

Due to Board policy and Brown Act requirements, action may not be taken on any issue on the agenda. When you address the Committee, please state your name and address (optional) prior to making your remarks. Please limit your comments to 5 minutes.

MINUTES

1. Minutes March 27, 2019, Meeting

OLD BUSINESS - None

NEW BUSINESS

2. RESOLUTION NO. 2019-11 APPROVING CAL FIRE FY2019-20 CONTRACT AGREEMENT NO. 2019-02

The purpose is to review Resolution No. 2019-11, approving Agreement No. 2019-02 with the California Department of Forestry and Fire Protection (Cal Fire) from July 1, 2019, through June 30, 2020.

ADJOURNMENT

I, Sandra Heney, Clerk of the Board, on behalf of the Board of Directors, do hereby certify that a copy of this agenda has been posted by posted by 6:00 p.m. on Friday, May 10, 2019.



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Sandra Heney, Clerk of the Board

**CHINO VALLEY INDEPENDENT FIRE DISTRICT**

**NO STAFF REPORT**

Minutes March 27, 2019, Meeting

**ATTACHMENTS:**

Minutes March 27, 2019, Meeting

**CHINO VALLEY INDEPENDENT FIRE DISTRICT**  
*Special Meeting - Standing Committee Meeting*  
*Finance Committee*

Administrative Headquarters  
14011 City Center Drive  
Chino Hills, CA 91709

Wednesday, March 27, 2019  
4:00 p.m. Committee Meeting

**MINUTES**

ROLL CALL

President John DeMonaco  
Vice President Harvey Luth  
Fire Chief Tim Shackelford  
Deputy Chief Kyle Collins  
Deputy Chief Mike Faherty  
Clerk of the Board Sandra Heney  
Finance Director Steve Heide

FLAG SALUTE

President DeMonaco.

INVOCATION

Chaplain Robert Lewis, Jr.

PUBLIC COMMUNICATIONS

None.

MINUTES

1. Minutes – February 27, 2019 Meeting

The Committee agreed to file the minutes, as presented.

OLD BUSINESS

None.

NEW BUSINESS

2. RESOLUTION NO. 2019-07 AUTHORIZING CERTAIN PERSONS BY POSITION AND TITLE AS ACCOUNT SIGNERS; APPROVAL OF INDIVIDUAL ACCOUNT SIGNERS

Purpose is to review and discuss Resolution No. 2019-07 authorizing certain persons by position and title to sign checks and transfer funds to, from, and between District bank and investment accounts, and to discuss individual authorized account signers.

Finance Director Heide stated that due to anticipated retirements, a change in authorized bank and investment account signers is necessary at this time. He also reported that in conjunction with this change, staff is also proposing an update to the companion resolution due to position title changes. The attached Resolution 2019-07 specifies by position and title, those persons recommended as signers on District bank and investment accounts, to include:

1. Fire Chief
2. Deputy Chief
3. Finance Director (formerly Finance Manager)
4. Human Resources Director (formerly Human Resources Manager)
5. Clerk of the Board/ Administrative Manager

Finance Director Heide stated that the resolution will supersede Resolution No. 2013-02.

Finance Director Heide reported that the associated individuals recommended to be authorized to sign on District accounts are as follows:

1. Fire Chief Tim Shackelford
2. Deputy Chief Scott Atkinson
3. Finance Director Steve Heide
4. Human Resources Director Kristi Kuchwara
5. Clerk of the Board/ Administrative Manager Sandra Heney

Finance Director Heide stated that an additional Deputy Chief signer or signers may be added to this list at a future date dependent on possible retirements and filling of the position(s).

Finance Director Heide stated that the list of authorized signers shall supersede any and all previously approved lists of account signers and shall be effective until further notice.

He also reported that a transition period will be necessary to affect this update since financial institutions typically require receipt of approved meeting minutes prior to executing account singer changes. Therefore, this change will likely be effective for banking purposes sometime in mid-May.

Discussion was held regarding Resolution No. 2019-07.

Fire Chief Shackelford explained why additional signees are required.

The Finance Committee agreed to move this item to the full Board for approval under Consent Calendar.

3. RESOLUTIONS NO. 2019-09 AND 2019-10 APPROVING BUDGET AMENDMENTS NO. 6 AND NO. 7 FOR FISCAL YEAR 2018-19

Purpose is to review and discuss Resolution No. 2019-09 and 2019-10 approving Budget Amendments No. 6 and No. 7 for FY19.

Finance Director Heide reported that budget development for the 2019-20 Original Budget is well under way. In the meantime, April 1 marks the beginning of the 4<sup>th</sup> Quarter of the current 2018-19 fiscal year and this presents an opportunity to adjust the budget to reflect actual projected financial results for the remainder of the fiscal year. It is anticipated that these will be the final budget adjustments of FY19.

Finance Director Heide reported that the draft Resolution No. 2019-09 authorizes Budget Amendment No. 6, with a net budget adjustment of just over \$500,000 in the FY19 amended budget, based on additional revenues of roughly \$1.3 million, compared to additional net expenditures of about \$1.8 million. The associated details are included in the attached Table One.

Finance Director Heide stated that additionally, the draft Resolution No. 2019-10 authorizes Budget Amendment No. 7, with a net favorable fiscal impact to the FY19 budget of \$907,500, as a result of a number of budget requests which will not be completed this fiscal year but are proposed for carryover to next fiscal year. The associated details were included in Table Two.

Finance Director Heide provided an updated FY19 summary of the Amended Budget, incorporating the impact of the aforementioned proposed budget adjustments.

Discussion was help on the proposed Resolutions.

The Finance Committee agreed to move this item to the full Board for approval as a new business item.

4. AWARD OF BID NO. 19-02 – WEED BRUSH, AND RUBBISH ABATEMENT

Purpose is to review the bids received for Bid No. 19-02 for weed, brush, and rubbish abatement and provide direction to staff.

Fire Marshal Barnes stated that bid specifications were developed and a Request for Bid (RFB) was sent out for weed, brush, and rubbish abatement. Notice of Bid #19-01 was published in early January; however, based on the amount of bids received and RFB’s submitted, the District was unable to move forward, as both vendors submitted for Item 4 only. She also reported that the Notice of Bid #19-02 was published in a newspaper of general circulation in the District, posted on the Fire District website, and the RFB was sent to vendors on the District’s vendor list for weed abatement.

Fire marshal Barnes stated that the deadline for bid submission was March 5, 2019, at 4:00 p.m. local time. A total of six bids were received in response to the RFB, with one bid being incomplete. The remaining bids are as follows:

<b>Vendor</b>	<b>ITEM 1 Discing Lots up to one acre</b>	<b>ITEM 2 Discing Lots more than one acre</b>	<b>ITEM 3 Track Layer</b>	<b>ITEM 4 Hand Clearing Lots</b>
Warren Bros. Tractor	\$200.00/Acre	\$100.00/Acre	\$150.00/Hr.	\$20.00/Hr.
CLS Management	N/A	N/A	N/A	\$68.75/Hr.
Land Pro	\$70.00/Acre	\$75.00/Acre	\$85.00/Hr.	\$38.00/Hr.
Doty Bros.	\$896.37/Acre	\$682.94/Acre	\$360.09/Hr.*	\$104.28/Hr.
Mariposa	N/A	N/A	N/A	\$200.00/Hr.

If a laborer is not needed, the hourly rate is \$286.13.

Fire Marshal Barnes stated that staff from Community Risk Reduction and Finance have reviewed the bids and contacted references listed by the contractors on their bid submissions.

Fire Marshal Barnes stated that it has been the Board’s past practice, and as specified in the RFB, items 1-4 may be awarded as separate contracts. The RFB also specifies that

contracts awarded through this bid process shall be for a one-year term, and may be extended for up to two additional one year periods under the same terms, at the discretion of the District.

Fire Marshal Barnes stated that based on experience and references, staff proposes consideration of the bid award to Warren Bros. Tractor for Items 1-4. Staff also proposes consideration of a backup bid award to Land Pro for Items 1-4.

Discussion was held regarding the bids.

President DeMonaco and Vice President Luth asked questions regarding the pricing of each task.

The Finance Committee agreed to move this item to the full Board for approval as a new business item.

#### ADJOURNMENT

The meeting was adjourned at 4:32 p.m.



**CHINO VALLEY INDEPENDENT FIRE DISTRICT  
STAFF REPORT**

**DATE: MAY 15, 2019**

**TO: FINANCE COMMITTEE**

**FROM: TIM SHACKELFORD, FIRE CHIEF**

**SUBJECT: RESOLUTION NO. 2019-11 APPROVING CAL FIRE FY2019-20 CONTRACT AGREEMENT NO. 2019-02**

**PURPOSE:**

The purpose is to review Resolution No. 2019-11, approving Agreement No. 2019-02 with the California Department of Forestry and Fire Protection (Cal Fire) from July 1, 2019, through June 30, 2020.

**DISCUSSION:**

The District maintains a contract with Cal Fire for supplemental wildland fire protection of designated Hazardous Fire Areas in Chino and Chino Hills. Through this contract, Cal Fire assumes primary financial responsibility for preventing and suppressing wildfires within, or threatening, the contract area. In the event of a significant wildfire in the contract area, fire suppression costs would likely quickly exceed the cost of the proposed contract.

Contract #3CA04394 between Cal Fire and the District is proposed to cover 12,003 acres, at a total cost of \$443,467.58. The District and CAL Fire conducted an audit, and it was determined that 1,699 acres could be removed from the contract due to development and realignment of the contract borders.

Under agreement with the City of Chino Hills, coverage of wildland acreage in the Chino Hills State Park is reimbursable by the City at a total cost of \$148,798.00, bringing the District's net cost to \$294,669.58. As per the requirements of the agreement with the City, the District has obtained the City's written confirmation of its intent to renew the agreement for next fiscal year.

Resolution No. 2019-11, approving Contract #3CA04394 and authorizing President DeMonaco to sign the contract on behalf of the District, is attached, as is Cal Fire contract for next fiscal year.

**RECOMMENDATION:**

It is recommended that the Finance Committee review Resolution No. 2019-11, approving Agreement No. 2019-02 with the California Department of Forestry and Fire Protection (Cal Fire) from July 1, 2019 through June 30, 2020, authorizing the President to sign and execute the agreement on behalf of the District, and provide direction to staff.

**ATTACHMENTS:**

Resolution 2019-11  
Cal Fire 2019-20 Contract

**RESOLUTION NO. 2019-11**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CHINO VALLEY INDEPENDENT FIRE DISTRICT  
APPROVING THE AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF  
FORESTRY AND FIRE PROTECTION FOR SERVICES  
FROM JULY 1, 2019 TO JUNE 30, 2020**

**BE IT RESOLVED**, by the Board of Directors of the Chino Valley Independent Fire District that said Board does hereby approve the agreement with the California Department of Forestry and Fire Protection (Cal Fire) dated July 1, 2019. This agreement provides wildland protection during the State fiscal year 2019/2020.

**BE IT FURTHER RESOLVED**, that Board President John DeMonaco be and hereby is authorized to sign and execute said agreement on behalf of the Chino Valley Independent Fire District.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Chino Valley Independent Fire District at a regular meeting thereof, held on the 12th day of June 2019, by the following vote:

AYES:           BOARD MEMBERS:  
NOES:           BOARD MEMBERS:  
ABSENT:        BOARD MEMBERS:  
ABSTAIN:       BOARD MEMBERS:

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JOHN DEMONACO, PRESIDENT

**CERTIFICATION OF RESOLUTION**

**ATTEST:**

I, Sandra Heney, Clerk of the Board of the Chino Valley Independent Fire District, do hereby certify that this is a true and correct copy of the original

Resolution No. 2019-11

WITNESS MY HAND OR THE SEAL OF THE CHINO VALLEY INDEPENDENT FIRE DISTRICT on this 12th day of June 2019.

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SANDRA HENEY  
CLERK OF THE BOARD

**SEAL OR NOTARY CERTIFICATION**

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION****San Bernardino-Inyo-Mono Unit**

3800 N. Sierra Way  
San Bernardino, CA 92405  
Phone: (909) 881-6900  
Fax: (909) 881-6969  
Website: [www.fire.ca.gov](http://www.fire.ca.gov)



April 28, 2019

Tim Shackelford  
14011 City Center Drive  
Chino Hills, CA 91709

Dear Chief Shackelford,

Contract # 3CA04394 between the California Department of Forestry and Fire Protection (CAL FIRE)) and Chino Valley Independent Fire District provides for the protection of 12,003 acres of wildlands within Chino Valley Independent Fire District. Annual amendments are required to reflect any changes in Cal Fire's costs for providing this service. The cost for Fiscal Year 19/20 is now \$32.85 per acre including the 12.47% administrative fee. The total cost is \$443,467.58. Enclosed for your review is a copy of Budget Fiscal Sheet, the Wildland Fire Protection Reimbursement Agreement (LG-W). Please sign and date the 5 original LG-W forms and return them to me at your earliest convenience, along with 2 signed copies of the certification of resolution authorizing the agreement. Please ensure the signature on the resolution is the same person signing the agreement. We are also requesting to have Fiscal Year 19/20 Wildland Contract documents returned quickly to process and have approved prior to July 1<sup>st</sup>, 2019.

If you have any questions or concerns, feel free to contact me at 909-881-6900.

Respectfully,

A handwritten signature in blue ink, appearing to read "P. Aguada".

Patrick Aguada  
Battalion Chief / Administrative

**LOCAL RESPONSIBILITY AREA (LRA) WILDLAND PROTECTION REIMBURSEMENT AGREEMENT**

Program Cost Account (PCA #) 39005

THIS IS THE BUDGET PLAN FOR THE LOCAL RESPONSIBILITY AREA (LRA)  
WILDLAND FIRE PROTECTION REIMBURSEMENT AGREEMENT BETWEEN THE  
STATE OF CALIFORNIA, DEPARTMENT OF FORESTRY & FIRE PROTECTION (CAL FIRE)  
AND THE CITY/TOWN OF Chino Valley Independent FD A LOCAL AGENCY  
FOR THE 2019/2020 FISCAL YEAR

**AGREEMENT COST CALCULATIONS:**

Number of Acres 12003

General Fund Reimbursement	\$ 12.30	\$ 147,636.90
Unit Budget	\$ 20.55	\$ 246,661.65
Sub-Total		\$ 394,298.55
Admin Rate	12.47%	\$ 49,169.03
<b>Total Protection Cost</b>		<b>\$ 443,467.58</b>

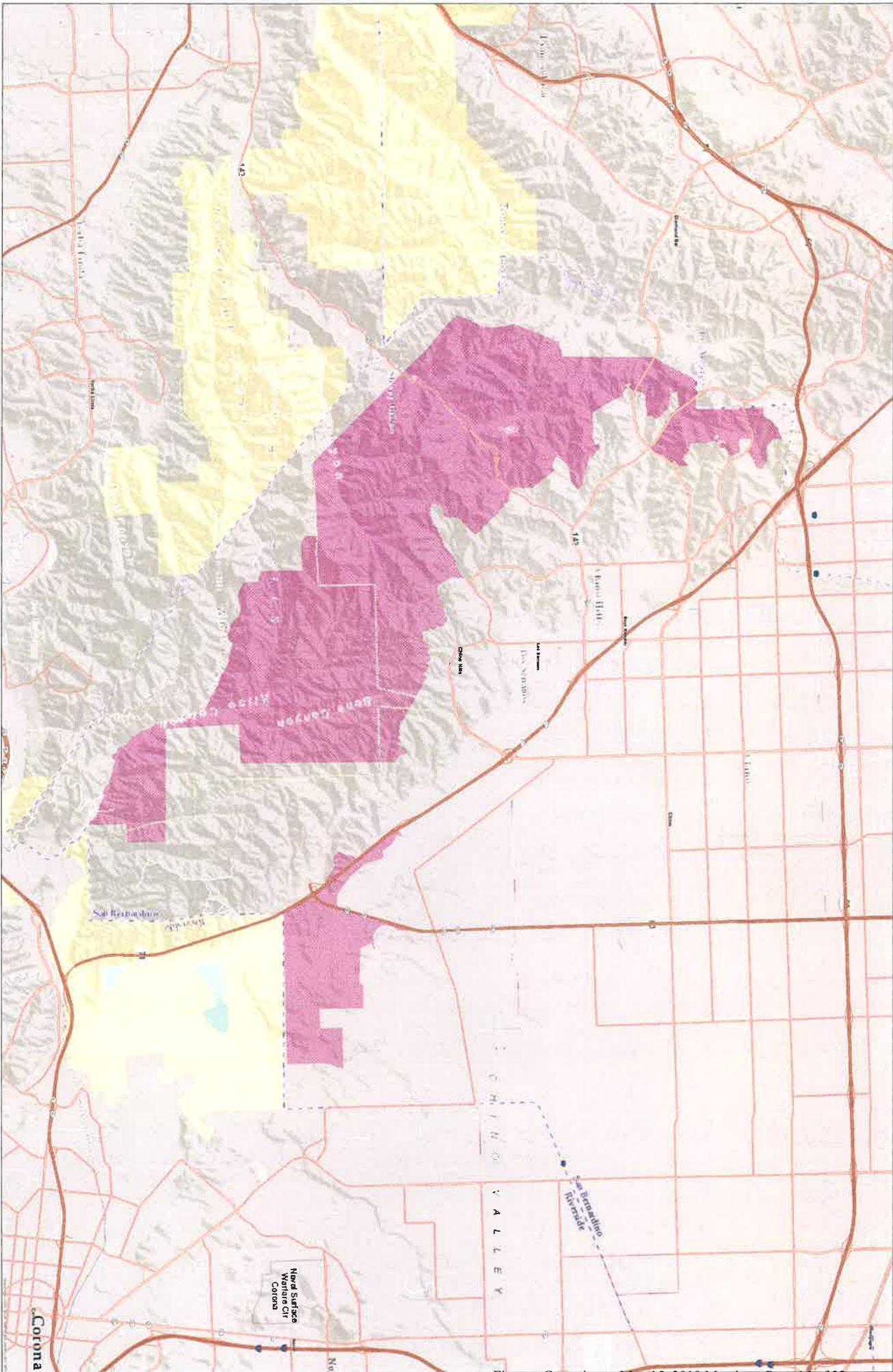
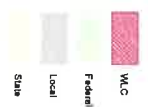
**Comments Section:**



1:24,000



# CHINO HILLS WILDLAND CONTRACT 12,003 ACRES





# COPY

STATE OF CALIFORNIA  
**COOPERATIVE FIRE PROGRAMS**  
**LOCAL RESPONSIBILITY AREA WILDLAND PROTECTION**  
**REIMBURSEMENT AGREEMENT**  
 LG-W REV 01/2017

AGREEMENT NUMBER	<b>3CA04394</b>
REGISTRATION NUMBER:	

1. This Agreement is entered into between the State Agency and the Local Agency named below:

STATE AGENCY'S NAME  
 California Department of Forestry and Fire Protection – (CAL FIRE)

LOCAL AGENCY'S NAME  
 Chino Valley Independent Fire District

2. The term of this Agreement is: July 1, 2019 through June 30, 2020

3. The maximum amount of this Agreement is: \$ 443,467.58  
 Four Hundred Forty Three Thousand Four Hundred Sixty Seven Dollars and Fifty Eight Cents.

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.


Exhibit A – Scope of Work – Includes page 2 (contact page) in count for Exhibit A	3 pages
Exhibit B – Budget Detail and Payment Provisions	2 pages
Exhibit C* – General Terms and Conditions; DGS GTC Version: 04/2017	0 pages
Exhibit D – Special Terms and Conditions (Attached hereto as part of this Agreement)	1 pages
Exhibit E – Additional Provisions	6 pages

\*Items shown with an Asterisk (\*), are hereby incorporated by reference and made part of this Agreement as if attached hereto.  
 General Terms and Conditions can be viewed at: <http://www.dgs.ca.gov/ols>

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

**LOCAL AGENCY**

LOCAL AGENCY'S NAME  
 Chino Valley Independent Fire District

BY (Authorized Signature)  



DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS  
 14011 City Center Dr, Chino Hills, CA 91709

**STATE OF CALIFORNIA**

AGENCY NAME  
 California Department of Forestry and Fire Protection

BY (Authorized Signature)  


DATE SIGNED(Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING  
 Don Gordon, Assistant Deputy Director, Cooperative Fire Protection, Training & Safety

ADDRESS P.O. Box 944246, Sacramento, CA 94244-2460

**California Department of General Services Use Only**

**EXHIBIT A**

**COOPERATIVE FIRE PROGRAMS**

**AGREEMENT FOR PROTECTION OF WILDLANDS WITHIN LOCAL AGENCY RESPONSIBILITY AREA**

1. The project representatives during the term of this Agreement will be:

CAL FIRE Unit Chief:	Glenn Barley	Local Agency:	Chino Valley Independent Fire District
Name:	San Bernardino	Name:	Tim Shackelford
Phone:	909 881-6900	Phone:	909 591-9892
Fax:	909 881-6969	Fax:	909 950-5535

All required correspondence shall be sent through U.S. Postal Service by certified mail and directed to:

CAL FIRE Unit Chief:	Glenn Barley	Local Agency:	Chino Valley Independent Fire District
Section/Unit:	San Bernardino	Section/Unit:	
Attention:	Patrick Aguada	Attention:	Tim Shackelford
Address:	3800 N Sierra Way San Bernardino CA 92405	Address:	14011 City Center Drive Chino Hills, CA 91709
Phone:	909 881-6900	Phone:	909 591-9892
Fax:	909 881-6969	Fax:	909 950-5355

Send an additional copy of all correspondence to:

**CAL FIRE  
Cooperative Fire Services  
P.O. Box 944246  
Sacramento, CA 94244-2460**

**2. AUTHORIZATION**

This Agreement is entered into this 1st day of July, 2019, by and between the State of California, hereinafter called STATE and Chino Valley Independent Fire District, County of San Bernardino, State of California, hereinafter called Local Agency through its duly authorized officers. As used herein, Director shall mean Director of the California Department of Forestry and Fire Protection (CAL FIRE). Where the standard clauses for example in Exhibit C, use the word "Contractor" that word shall mean LOCAL AGENCY as LOCAL AGENCY is used in this Agreement.

Section 4142 of the Public Resources Code provides that the Director may enter into cooperative Agreements with local jurisdictions for the purpose of providing wildland fire protection.

**3. SCOPE OF WORK**

LOCAL AGENCY has the responsibility for protection of life, property, and wildland areas comprising 12,003 acres of land as indicated on the map included under Exhibit E and desires to contract with the STATE to provide wildland fire protection to said area.



Contractor Name: Chino Valley Independent Fire District

Contract No: **3CA04394**

- 3 -

STATE has the ability to provide wildland fire protection for said area, of the type and degree, which it now provides on adjacent State Responsibility Areas.

**4. SERVICES BY STATE**

- A. STATE shall provide wildland fire protection for the areas defined in the above section.
- B. For those areas, which are adjacent to State Responsibility Area, STATE will provide wildland fire protection at the same level of service it now provides on adjacent State Responsibility Area.
- C. For those areas (islands), which are not adjacent to State Responsibility Area, the wildland fire protection provided by the STATE will be limited to those resources identified in the preplanned wildland response for the respective area. Any resources beyond those specified in the preplanned wildland response are assistance by hire and the financial responsibility of the LOCAL AGENCY.

**5. ADMINISTRATION**

- A. LOCAL AGENCY agrees that STATE may dispatch fire protection resources available under this Agreement to other areas of the state when needed at the sole discretion of STATE.
- B. STATE response will be subject to availability of resources.
- C. Incident Management within the contract area shall conform to current Incident Command System criteria for Unified Command.
- D. STATE and LOCAL AGENCY shall, through established dispatch procedures, immediately notify each other of any fire incident within the contract area.

**6. MUTUAL AID**

LOCAL AGENCY shall provide mutual aid response into the contract area for wildfires. Structural fire protection remains the jurisdictional and financial responsibility of LOCAL AGENCY.

**7. ENTIRE AGREEMENT**

This Agreement contains the whole Agreement between the parties. It cancels and supersedes any previous Agreement for the same or similar services.

## **EXHIBIT B**

### **BUDGET DETAIL, INVOICING, PAYMENT AND RECONCILIATION**

#### **1. Invoicing and Payment:**

- A. LOCAL AGENCY shall pay STATE for providing said protection at the rate of 32.85 per acre, plus an 12.47% administrative charge for a total of \$443,467.58 upon presentation of an invoice by STATE. The rate per acre and administrative charge will be calculated by STATE prior to January 1, of each year and annually thereafter, for the succeeding fiscal year subject to approval by LOCAL AGENCY. This Agreement shall be amended each fiscal year to reflect new rates.
- B. STATE shall provide thirty (30) day written notice to LOCAL AGENCY of the cost per acre and the administrative charge to be assessed for each subsequent fiscal year during the term of this Agreement; LOCAL AGENCY shall have thirty (30) days to approve said rate; if written approval is not received by STATE within said period, STATE's obligations hereunder shall terminate; LOCAL AGENCY shall be liable for all amounts due up to and including the date of such termination.
- C. To minimize the need for reconciliation payment is expected in full after the LOCAL AGENCY receives the STATE invoice. Payments made by the LOCAL AGENCY will cover the protection rate per acre and the administrative charge for the protection services rendered by STATE and including any other costs as provided herein, giving credit for all payments made by LOCAL AGENCY and claiming the balance due to STATE, if any, or refunding to LOCAL AGENCY the amount of any overpayment.

#### **2. Budget Contingency Clause**

- A. If the LOCAL AGENCY's governing authority does not appropriate sufficient funds for the current year or any subsequent years covered under this Agreement, which results in an inability to pay the STATE for the services specified in this Agreement, the LOCAL AGENCY shall promptly notify the STATE and this Agreement will terminate pursuant to the notice periods required herein.
- B. If funding for any fiscal year is reduced or deleted by the LOCAL AGENCY for purposes of this program, the LOCAL AGENCY shall promptly notify the STATE, and the STATE shall have the option to either cancel this Agreement with no liability occurring to the STATE, or offer an agreement amendment to LOCAL AGENCY to reflect the reduced amount, pursuant to the notice terms herein
- C. If the STATE Budget Act does not appropriate sufficient funds to provide the services for the current year or any subsequent years covered under this Agreement, which results in an inability to provide the services specified in this Agreement to the LOCAL AGENCY, the STATE shall promptly notify the LOCAL AGENCY, and this Agreement will terminate pursuant to the notice periods required herein.

- D. If funding for any fiscal year is reduced or deleted by the STATE Budget Act for purposes of this program, the STATE shall promptly notify the LOCAL AGENCY, and the LOCAL AGENCY shall have the option to either cancel this Agreement with no liability occurring to the LOCAL AGENCY, or offer an agreement amendment to LOCAL AGENCY to reflect the reduced services, pursuant to the notice terms herein.
- E. Notwithstanding the foregoing provisions in paragraphs A and B above, the LOCAL AGENCY shall remain responsible for payment for all services actually rendered by the STATE under this Agreement regardless of LOCAL AGENCY funding being reduced, deleted or not otherwise appropriated for this program. The LOCAL AGENCY shall promptly notify the STATE in writing of any budgetary changes that would impact this Agreement.
- F. LOCAL AGENCY and STATE agree that this Budget Contingency Clause shall not relieve or excuse either party from its obligation(s) to provide timely notice as may be required elsewhere in this Agreement.

## EXHIBIT D

### SPECIAL TERMS AND CONDITIONS

**1. Cancellation**

Failure of either party to meet any of the terms and conditions of this Agreement, including non-payment of monies due hereunder, shall be cause for the termination of this Agreement; such termination shall become effective upon written receipt of 30 day notice of cancellation.

**2. Audit**

If the Agreement is over \$10,000, the parties shall, in accordance with Government Code Section 10532, be subject to examination and audit of the State Auditor General for a period of three (3) years after final payment under the Agreement. Examination and audit shall be confined to those matters connected with performance of the Agreement including, but not limited to, cost of administering the Agreement. The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon Agreement or understanding.

**3. Operating Plan**

Prior to April 1 of each year, STATE and LOCAL AGENCY shall establish a joint Operating Plan for the contract area, which shall be attached after Exhibit E. If LOCAL AGENCY received its structural fire protection from another local agency, the local agency providing the structural fire protection must be party to the Operating Plan.

**4. Extension of Agreement**

Unless there is written notice by LOCAL AGENCY to terminate this Agreement STATE shall extend this Agreement for a single one-year period from the original termination date. The cost of services provided by STATE during the extended period shall be based upon the rates published for the fiscal year in which the extended period falls had a new Agreement been entered into.

**5. Modification**

This Agreement may be amended at any time by written mutual consent of the parties hereto.

**6. Indemnification**

Each party, to the extent permitted by law, agrees to indemnify and hold harmless the other party, its officers, agents, and employees from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the indemnifying party.

**EXHIBIT E**

**ADDITIONAL PROVISIONS**

**Attachments**

- Budget Plan
- Topographic Map
- Operating Plan
- Annual Report