



# ORANGE COUNTY FIRE AUTHORITY AGENDA

## EXECUTIVE COMMITTEE REGULAR MEETING

Thursday, July 27, 2023  
5:30 P.M.

Regional Fire Operations and Training Center  
Board Room  
1 Fire Authority Road  
Irvine, CA 92602

Vince Rossini, Chair • John O'Neill, Vice Chair  
Dave Shawver • Shelley Hasselbrink • Donald P. Wagner  
Noel Hatch • Mark Tettemer • Phil Bacerra • Gene Hernandez  
Ex Officio Member - Dennis Wilberg, Mission Viejo

### NOTICE REGARDING PUBLIC ACCESS AND PARTICIPATION

This meeting is open to the public. Committee members will participate in person. There are several alternative ways to make comments including:

**In Person Comments at Meeting:** Resolution No. 97-024 established rules of decorum for public meetings held by the Orange County Fire Authority. Resolution No. 97-024 is available from the Clerk of the Authority.

Any member of the public may address the Committee on items within their subject matter jurisdiction, but which are not listed on this agenda during PUBLIC COMMENTS. However, no action may be taken on matters that are not part of the posted agenda. We request comments made on the agenda be made at the time the item is considered and that comments be limited to three minutes per person. Please address your comments to the Committee and do not engage in dialogue with individual Board Members, Authority staff, or members of the audience.

If you wish to speak, please complete a Speaker Form identifying which item(s) you wish to address. Please return the completed form to the Clerk of the Authority prior to item being considered. Speaker Forms are available at the entryway of meeting location.

**E-Comments:** Alternatively, you may email your written comments to [coa@ocfa.org](mailto:coa@ocfa.org). E-comments will be provided to the Committee members upon receipt and will be part of the meeting record as long as they are received during or before the Committee takes action on an item. Emails related to an item that are received after the item has been acted upon by the Committee will not be considered.

This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action or discussion shall be taken on any item not appearing on the following Agenda. Unless legally privileged, all supporting documents, including staff reports, and any writings or documents provided to a majority of the committee members after the posting of this agenda are available for review at the Orange County Fire Authority Regional Fire Operations & Training Center, 1 Fire Authority Road, Irvine, CA 92602 or you may contact the Clerk of the Authority at (714) 573-6040 Monday through Thursday, and every other Friday from 8 a.m. to 5 p.m. and available online at <http://www.ocfa.org>



In compliance with the Americans with Disabilities Act and [Board of Directors policy](#), if you need reasonable accommodations to participate in this meeting, please complete the [ADA Reasonable Accommodation Form](#) available on the Agency's website and email to [COA@ocfa.org](mailto:COA@ocfa.org), or you may contact the Clerk of the Authority at (714) 573-6040 during regular business hours to submit your request orally. Please notify us at least 48 hours prior to the meeting to enable the Authority to make reasonable arrangements to assure accessibility to the meeting.

**CALL TO ORDER** by Chair Rossini

**INVOCATION** by OCFA Chaplain Ed Valdez

**PLEDGE OF ALLEGIANCE** by Director Hernandez

**ROLL CALL** by Clerk of the Authority

**REPORTS**

**A. Report from the Budget and Finance Committee Chair**

**PUBLIC COMMENTS**

**Please refer to instructions on how to submit a public comment on Page 1 of this Agenda.**

**1. PRESENTATIONS**

None

**2. CONSENT CALENDAR**

*All matters on the consent calendar are considered routine and are to be approved with one motion unless a Committee Member or a member of the public requests separate action on a specific item.*

**A. Minutes for the Executive Committee Meeting**

Submitted by: Maria D. Huizar, Clerk of the Authority

The record will show that any Director not in attendance at the meeting of the Minutes will be registered as an abstention, unless otherwise indicated.

Recommended Action:

Approve the Minutes for the June 22, 2023, Regular Meeting as submitted.

**B. Monthly Investment Reports**

Submitted by: Robert Cortez, Assistant Chief/Business Services Department, Tricia Jakubiak, Treasurer/Treasury & Financial Planning and James Slobojan, Assistant Treasurer/ Treasury & Financial Planning

On July 12, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 5-0 (Directors O'Neill, Rossini, Hasselbrink and Lombard absent).

Recommended Action:

Receive and file the reports.

**C. Contract Increase for Pre-Employment Background Investigative Services**

Submitted by: Stephanie Holloman, Assistant Chief/Human Resources Department and Duke Steppe, Human Resources Manager/Human Resources Department

Recommended Actions:

1. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with Wren and Associates, increasing contract value by \$60,000, not to exceed a total of \$110,000 for current year contract (ending October 31, 2023).
2. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with RCS Investigations and Consulting increasing contract value by \$60,000, not to exceed a total of \$160,000 for current year contract (ending September 30, 2023).
3. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with Sintra Group Inc. increasing contract value by \$60,000, not to exceed a total of \$160,000 for current year contract (ending September 30, 2023).

**D. Contract Extension for Medical Laboratory Testing Services**

Submitted by: Rob Capobianco, Assistant Chief/Emergency Medical Services & Training Department and Matt Schuetz, Battalion Chief/Emergency Medical Services Department

Recommended Action:

Approve and authorize the Purchasing Manager to extend the previously approved Blanket Order contract with Quest Diagnostics, Inc. for medical laboratory services, for a six-month period through March 31, 2024, and to increase the contract in an amount not to exceed \$165,000.

**E. Approval of Entry Permit License Agreement with Irvine Ranch Water District**

Submitted by: Tim Perkins, Assistant Chief/Field Operations South and Kyle Kuzma, Battalion Chief/Air Operations

Recommended Action:

Approve and authorize the Fire Chief to execute the attached license agreement with Irvine Ranch Water District to allow fire suppression training at Irvine Lake for a term of the permit April 1, 2023 through March 31, 2025, subject to non-substantive changes approved by General Counsel.

**F. Increase to Agreement for Helicopter Flight Simulator Training**

Submitted by: Tim Perkins, Assistant Chief/Field Operations South and Kyle Kuzma, Battalion Chief/Air Operations

**Recommended Actions:**

1. Approve and authorize payment to Flight Safety International in the amount of \$131,820 for Bell 412 flight simulator pilot training conducted in the first part of 2023.
2. Approve and authorize the Purchasing Manager to increase the current term of the previously approved Professional Services Agreement with Flight Safety International by \$131,820 to a new total not to exceed \$521,220 to incorporate Bell 412 training and to extend the agreement for one year through May 31, 2025 (\$1,042,440 two-year aggregate) to allow for recurrent flight simulator training.

**G. Approval of Sikorsky Total Assurance Program Agreement for Firehawk Helicopter Maintenance Support**

Submitted by: Tim Perkins, Assistant Chief/Field Operations South and Kyle Kuzma, Battalion Chief/Air Operations

**Recommended Action:**

Approve and authorize the Purchasing Manager to execute a Total Assurance Program Agreement with Sikorsky Commercial Inc. for a ten-year term in an amount not to exceed \$1,300,000 for calendar year 2023, subject thereafter to a 4% annual escalator, consistent with the terms outlined in the staff report and subject to changes approved by General Counsel.

**3. DISCUSSION CALENDAR**

None

**COMMITTEE MEMBER COMMENTS**

**ADJOURNMENT** – The next meeting will be a Regular Meeting of the Executive Committee on Thursday, September 28, 2023, at 5:30 p.m.

**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54954.2(a), that the foregoing Agenda was posted in the lobby and front gate public display case of the Orange County Fire Authority, Regional Fire Operations and Training Center, 1 Fire Authority Road, Irvine, CA, not less than 72 hours prior to the meeting.

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Maria D. Huizar, CMC  
Clerk of the Authority



**FUTURE EC AGENDA ITEMS – THREE-MONTH OUTLOOK:**

- Monthly Investment Report
- Quarterly Purchasing Report
- Quarterly Financial Newsletter

**UPCOMING MEETINGS:**

Human Resources Committee

Tuesday, August 1, 2023, 12 noon

Operations Committee

Tuesday, August 8, 2023, 12 noon

Budget and Finance Committee

Wednesday, September 13, 2023, 12 noon

Executive Committee

Thursday, September 28, 2023, 5:30 p.m.

Board of Directors

Thursday, September 28, 2023, 5:30 p.m.

# MINUTES ORANGE COUNTY FIRE AUTHORITY

**Executive Committee Regular Meeting  
Thursday, June 22, 2023  
5:30 P.M.**

**Regional Fire Operations and Training Center  
Board Room  
1 Fire Authority Road  
Irvine, CA 92602**

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## **CALL TO ORDER**

Chair Rossini called the regular meeting of the Orange County Fire Authority Executive Committee to order at 5:31 p.m. on June 22, 2023.

## **INVOCATION**

The Invocation was led by Chaplain Ken Krikac.

## **PLEDGE OF ALLEGIANCE**

Vice Chair O'Neill led the assembly in the Pledge of Allegiance.

## **ROLL CALL**

**Present:** Vince Rossini, Villa Park, Chair  
John O'Neill, Garden Grove, Vice Chair  
Phil Bacerra, Santa Ana  
Shelley Hasselbrink, Los Alamitos  
Gene Hernandez, Yorba Linda  
Mark Tettermer, Lake Forest  
Donald P. Wagner, County of Orange

**Absent:** Noel Hatch, Laguna Woods  
Dennis Wilberg, Ex-Officio  
Dave Shawver, Stanton

## **Also present were:**

|                                        |                                       |
|----------------------------------------|---------------------------------------|
| Fire Chief Brian Fennessy              | Deputy Chief Lori Zeller              |
| Assistant Chief Robert Cortez          | Assistant Chief Jim Ruane             |
| Assistant Chief Rob Capobianco         | Assistant Chief Shane Sherwood        |
| Assistant Chief Lori Smith             | Director of Communications Matt Olson |
| Assistant Chief Tim Perkins            | General Counsel David Kendig          |
| Clerk of the Authority Maria D. Huizar |                                       |

## REPORTS

### A. Report from the Budget and Finance Committee Chair (FILE 12.02A6)

Budget and Finance Chair John O'Neill reported at its June 14, 2023, meeting, the Committee reviewed and recommended forwarding the Monthly Investment Reports to the Executive Committee to receive and file the reports.

## PUBLIC COMMENTS

None.

### 1. PRESENTATIONS

No items.

### 2. CONSENT CALENDAR

On motion of Director Hernandez and second by Director Bacerra approved Agenda Item Nos. 2A-2B and 2D-2G by consensus (Directors Hatch and Shawver absent).  
Agenda Item No. 2C was pulled by Director Wagner for separate consideration.

#### A. Minutes for the Executive Committee Meeting (FILE 12.02A2)

The record will show that any Director not in attendance at the meeting of the Minutes will be registered as an abstention, unless otherwise indicated.

Action: Approve the Minutes for the May 25, 2023, Regular Meeting as submitted.

#### B. Monthly Investment Reports (FILE 11.10D2)

On June 14, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 6-0 (Directors Gabbard, Patel, and Hernandez absent).

Action: Receive and file the reports.

#### C. Annual Renewal of Aviation Insurance (FILE 18.10A1)

Director Wagner pulled this item for separate consideration.

On motion of Director Wagner and second by Director O'Neill approved and authorized the Fire Chief, or his designee, to bind the Aviation Insurance Program coverage with Chubb for the policy period June 30, 2023, to June 30, 2024, with a premium of \$300,000 by consensus (Directors Hatch and Shawver absent).

**D. Annual Renewal of California State Association of Counties Excess Insurance Authority Workers' Compensation Excess Insurance (FILE 18.10A2b)**

Action: Approve and authorize the Fire Chief, or his designee, to bind workers' compensation excess insurance coverage with the California State Association of Counties Excess Insurance Authority for the policy period July 1, 2023, to July 1, 2024, with a premium of \$945,916.

**E. Annual Renewal of General Liability Insurance (FILE 18.10A4)**

Action: Approve and authorize the Fire Chief, or his designee, to renew the General Liability Insurance Program coverage with the Fire Agencies Insurance Risk Authority (FAIRA) for the policy period from July 1, 2023, to July 1, 2024, for a premium amount of \$3,200,000.

**F. Blanket Order for Disability and Life Insurance Premiums (FILE 18.10A5)**

Action: Approve and authorize the Purchasing Manager to issue a blanket order to Life Insurance Company of North America dba New York Life for an annual amount not to exceed \$175,000 (\$875,000 aggregate for a five-year term).

**G. Blanket Order Contract Increase for Staffing and Timekeeping Application Support Services (FILE 19.08A2a)**

Action: Approve and authorize the Purchasing Manager to increase the blanket order contract amount with Information Management Technology by \$75,308 to a new total contract amount of \$540,308 annually for the contract ended May 31, 2023.

**3. DISCUSSION CALENDAR**

None.

**COMMITTEE MEMBER COMMENTS**

None.

**ADJOURNMENT** – Chair Rossini adjourned the meeting at 5:42 p.m. The next meeting will be a Regular Meeting of the Executive Committee on Thursday, July 27, 2023, at 5:30 p.m.

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Maria D. Huizar, CMC  
Clerk of the Authority



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
July 27, 2023

Agenda Item No. 2B  
Consent Calendar

**Monthly Investment Reports**

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**Contact(s) for Further Information**

|                                                                      |                                                                      |              |
|----------------------------------------------------------------------|----------------------------------------------------------------------|--------------|
| Robert Cortez, Assistant Chief<br>Business Services Department       | <a href="mailto:robertcortez@ocfa.org">robertcortez@ocfa.org</a>     | 714.573.6012 |
| Tricia Jakubiak, Treasurer<br>Treasury & Financial Planning          | <a href="mailto:triciajakubiak@ocfa.org">triciajakubiak@ocfa.org</a> | 714.573.6301 |
| James Slobojan, Assistant Treasurer<br>Treasury & Financial Planning | <a href="mailto:jameslobojan@ocfa.org">jameslobojan@ocfa.org</a>     | 714.573.6305 |

**Summary**

This agenda item is a routine transmittal of the monthly investment reports submitted to the Committee in compliance with the investment policy of the Orange County Fire Authority and with Government Code Section 53646.

**Prior Board/Committee Action**

On July 12, 2023, the Budget and Finance Committee reviewed the proposed agenda item and directed staff to place the item on the Executive Committee agenda by a vote of 5-0 (Directors O'Neill, Rossini, Hasselbrink, and Lombard absent).

**RECOMMENDED ACTION(S)**

Receive and file the reports.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Not Applicable.

**Background**

Attached is the final monthly investment report for the month ended May 31, 2023. A preliminary investment report as of June 23, 2023, is also provided as the most complete report that was available at the time this agenda item was prepared.

**Attachment(s)**

Final Investment Report – May 2023/Preliminary Report – June 2023

# *Orange County Fire Authority Monthly Investment Report*



*Final Report – May 2023*

*Preliminary Report – June 2023*



## ***Monthly Investment Report Table of Contents***

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*Orange County Fire Authority*

*Final Investment Report*

*May 31, 2023*





**EXECUTIVE SUMMARY**

***Portfolio Activity & Earnings***

During the month of May 2023, the size of the portfolio decreased by \$1.8 million to \$272 million. Receipts for the month totaled approximately \$34.8 million. Significant receipts included property tax apportionment payments totaling approximately \$23.6 million, cash contract payments totaling nearly \$8.8 million, and various grant reimbursement payments and charges for current services totaling \$2.4 million. Total May cash outflows amounted to approximately \$37.4 million. Significant disbursements for the month included two biweekly payrolls and related benefits totaling approximately \$33 million. The portfolio's balance is expected to decrease in June as expenditures will exceed projected receipts.

In May, the portfolio's yield to maturity (365-day equivalent) increased by 10 basis point to 3.39%. The effective rate of return increased by 37 basis points to 3.29% for the month, while the average maturity of the portfolio decreased by 3 days to 48 days to maturity.

***Economic News***

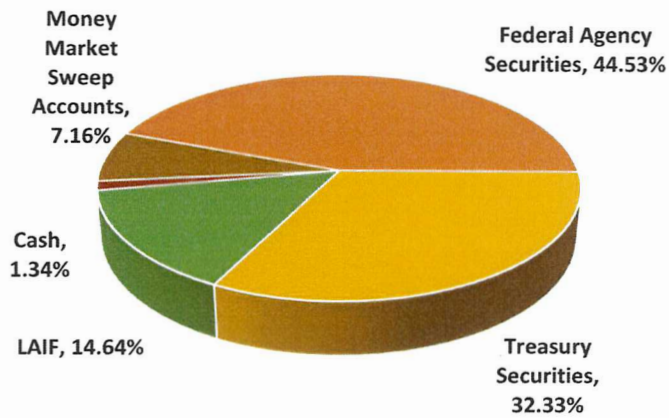
Nonfarm payroll employment rose by 339,000 in May 2023. The unemployment rate moved up 0.3% to 3.7%. Notable job gains were led by professional and business services, government, health care, and construction. Retail sales increased 0.3% in May. The increase reflects strong hiring and rising wages that have strengthened incomes in recent months. Consumers spent more at grocery, furniture, and electronic stores as well as auto dealerships and home improvement stores. U.S. Consumer confidence decreased in May as consumers' view of current conditions became slightly less optimistic, and their expectations remained gloomy.

The Consumer Price Index (CPI) rose 0.1% in May and 4.0% compared to last year. Inflation eased for the 11<sup>th</sup> straight month, yet persistent price increases may continue. Housing costs remain the big driver for inflation along with costs for used vehicles. The Producer Price Index (PPI), which measures the prices paid by wholesalers, decreased 0.3% for the month of May, the fourth decrease in six months. For the year, producer prices rose 1.1%, the smallest amount since December 2020. Notable decreases came from gasoline and food costs. PPI is considered a forward-looking inflation measure as it tracks prices in the pipeline for goods and services that eventually reach consumers. Existing home sales rose 0.2% in May. Sales in the United States fell year-over-year. While the housing market remains fragile, it has stabilized over the first half of the year as rising interest rates have reduced the number of available buyers. Median prices on existing homes increased for the fourth consecutive month. The Federal Reserve met on June 14<sup>th</sup> and held rates steady at 5% - 5.25% as it assesses what the economic impacts have been of the previous 10 consecutive rate hikes. The meeting notes indicated that two quarter percentage point increases are very likely before the end of the year. They will meet next on July 26<sup>th</sup>.

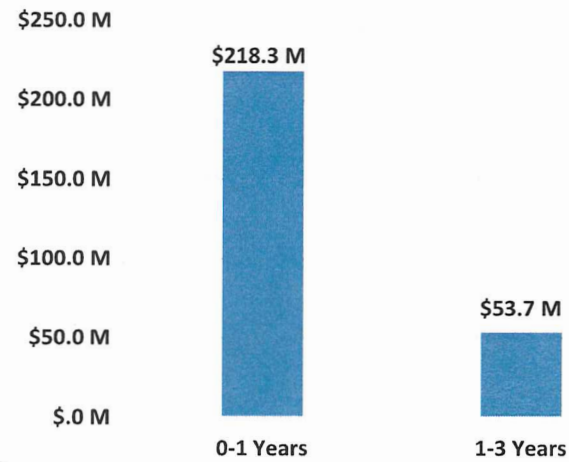


OCFA'S PORTFOLIO EXCEEDED THE LAIF BENCHMARK AS OF MAY 31, 2023

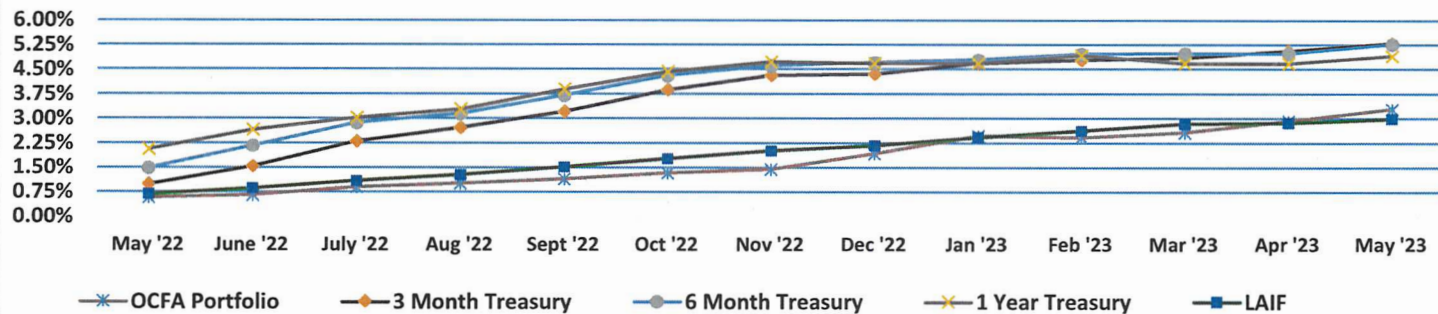
Market Value \$272,023,909



Aging Summary



12 Month Benchmarks





**BENCHMARK COMPARISON AS OF MAY 31, 2023**

|                 |       |                |       |
|-----------------|-------|----------------|-------|
| 3 Month T-Bill: | 5.31% | 1 Year T-Bill: | 4.91% |
| 6 Month T-Bill: | 5.27% | LAIF:          | 2.99% |
| OCFA Portfolio: | 3.29% |                |       |

**PORTFOLIO SIZE, YIELD, & DURATION**

|                             | <u>Current Month</u> | <u>Prior Month</u> | <u>Prior Year</u> |
|-----------------------------|----------------------|--------------------|-------------------|
| Book Value                  | \$272,211,791        | \$274,095,351      | \$208,807,295     |
| Yield to Maturity (365 day) | 3.39%                | 3.29%              | 0.62%             |
| Effective Rate of Return    | 3.29%                | 2.92%              | 0.058%            |
| Days to Maturity            | 48                   | 51                 | 21                |



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**May 31, 2023**

Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602  
 (714)573-6301

| Investments                                            | Par Value             | See Note 1 on page 10 | See Note 2 on page 10 | % of Portfolio | Term       | Days to Mat./Call | YTM/Call 360 Equiv. | YTM/Call 365 Equiv. |
|--------------------------------------------------------|-----------------------|-----------------------|-----------------------|----------------|------------|-------------------|---------------------|---------------------|
|                                                        |                       | Market Value          | Book Value            |                |            |                   |                     |                     |
| Money Mkt Mutual Funds/Cash                            | 19,477,065.06         | 19,477,065.06         | 19,477,065.06         | 7.11           | 1          | 1                 | 4.718               | 4.783               |
| Federal Agency Coupon Securities                       | 81,450,000.00         | 76,521,659.50         | 81,451,329.05         | 29.73          | 1,318      | 34                | 0.556               | 0.564               |
| Federal Agency Disc. -Amortizing                       | 45,000,000.00         | 44,599,660.00         | 44,602,053.88         | 16.28          | 110        | 65                | 5.041               | 5.111               |
| Treasury Discounts -Amortizing                         | 89,000,000.00         | 87,931,810.00         | 87,998,261.08         | 32.12          | 131        | 83                | 4.953               | 5.022               |
| Local Agency Investment Funds                          | 40,402,767.76         | 39,857,747.72         | 40,402,767.76         | 14.75          | 1          | 1                 | 2.952               | 2.993               |
|                                                        | <b>275,329,832.82</b> | <b>268,387,942.28</b> | <b>273,931,476.83</b> | <b>100.00%</b> | <b>452</b> | <b>48</b>         | <b>3.348</b>        | <b>3.394</b>        |
| <b>Investments</b>                                     |                       |                       |                       |                |            |                   |                     |                     |
| <b>Cash</b> See Note 5 on page 10                      |                       |                       |                       |                |            |                   |                     |                     |
| Passbook/Checking (not included in yield calculations) | 3,635,966.71          | 3,635,966.71          | 3,635,966.71          |                | 1          | 1                 | 0.000               | 0.000               |
| <b>Total Cash and Investments</b>                      | <b>278,965,799.53</b> | <b>272,023,908.99</b> | <b>277,567,443.54</b> |                | <b>452</b> | <b>48</b>         | <b>3.348</b>        | <b>3.394</b>        |

| Total Earnings                  | May 31 Month Ending   | Fiscal Year To Date   |
|---------------------------------|-----------------------|-----------------------|
| Current Year                    | 776,505.40            | 3,828,115.20          |
| <b>Average Daily Balance</b>    | <b>277,719,243.77</b> | <b>197,066,199.16</b> |
| <b>Effective Rate of Return</b> | <b>3.29%</b>          | <b>2.12%</b>          |

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2023. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

  
 Patricia Jakubiak, Treasurer 6/2/23

| <b>Cash and Investments with GASB 31 Adjustment:</b>    |                          |
|---------------------------------------------------------|--------------------------|
| Book Value of Cash & Investments before GASB 31 (Above) | \$ 277,567,443.54        |
| GASB 31 Adjustment to Books (See Note 3 on page 10)     | \$ (5,355,652.25)        |
| <b>Total</b>                                            | <b>\$ 272,211,791.29</b> |



**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2023**

See Note 1 on page 10

See Note 2 on page 10

| CUSIP                                   | Investment # | Issuer                                        | Average Balance      | Purchase Date | Par Value            | Market Value         | Book Value           | Stated Rate | YTM/Call 365 | Days to Mat./Call | Maturity Date |
|-----------------------------------------|--------------|-----------------------------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|--------------|-------------------|---------------|
| <b>Money Mkt Mutual Funds/Cash</b>      |              |                                               |                      |               |                      |                      |                      |             |              |                   |               |
| SYS1042                                 | 1042         | US Bank - Treasury Obligations                |                      |               | 7,856,698.90         | 7,856,698.90         | 7,856,698.90         | 4.966       | 4.966        | 1                 |               |
| SYS528                                  | 528          | MUFG Treasury Obligations                     |                      | 07/01/2022    | 0.00                 | 0.00                 | 0.00                 | 4.620       | 4.620        | 1                 |               |
| SYS530                                  | 530          | US Bancorp Sweep Account                      |                      | 05/27/2023    | 11,620,366.16        | 11,620,366.16        | 11,620,366.16        | 4.660       | 4.660        | 1                 |               |
| <b>Subtotal and Average</b>             |              |                                               | <b>22,882,870.59</b> |               | <b>19,477,065.06</b> | <b>19,477,065.06</b> | <b>19,477,065.06</b> |             | <b>4.783</b> | <b>1</b>          |               |
| <b>Federal Agency Coupon Securities</b> |              |                                               |                      |               |                      |                      |                      |             |              |                   |               |
| 3133EMLE0                               | 1020         | Federal Farm Credit Bank (Continuous Call)    |                      | 12/23/2020    | 14,000,000.00        | 13,777,540.00        | 14,000,000.00        | 0.190       | 0.214        | 0                 | 09/22/2023    |
| 3133EMWH1                               | 1030         | Federal Farm Credit Bank (Callable 7/21/2023) |                      | 14/22/2021    | 3,000,000.00         | 2,770,860.00         | 3,001,329.05         | 0.710       | 0.666        | 20                | 04/21/2025    |
| 3133EMXS6                               | 1032         | Federal Farm Credit Bank (Continuous Call)    |                      | 14/28/2021    | 12,000,000.00        | 11,079,000.00        | 12,000,000.00        | 0.720       | 0.720        | 0                 | 04/28/2025    |
| 3130ALNY6                               | 1025         | Fed Home Loan Bank (Callable 6/30/2023)       |                      | 13/30/2021    | 8,000,000.00         | 7,514,080.00         | 8,000,000.00         | 0.550       | 0.550        | 29                | 09/30/2024    |
| 3130ALTJ3                               | 1029         | Fed Home Loan Bank (Callable 7/08/2023)       |                      | 14/22/2021    | 9,435,000.00         | 9,038,352.60         | 9,435,000.00         | 0.375       | 0.375        | 37                | 04/08/2024    |
| 3130ALVR2                               | 1031         | Fed Home Loan Bank (Callable 7/23/2023)       |                      | 14/23/2021    | 11,015,000.00        | 10,315,106.90        | 11,015,000.00        | 0.520       | 0.520        | 52                | 10/23/2024    |
| 3130AM6P2                               | 1034         | Fed Home Loan Bank (Callable 7/29/2023)       |                      | 14/29/2021    | 12,000,000.00        | 10,770,360.00        | 12,000,000.00        | 1.000       | 1.000        | 58                | 04/29/2026    |
| 3130AM6H0                               | 1035         | Fed Home Loan Bank (Callable 8/11/2023)       |                      | 15/11/2021    | 12,000,000.00        | 11,256,360.00        | 12,000,000.00        | 0.550       | 0.550        | 71                | 10/11/2024    |
| <b>Subtotal and Average</b>             |              |                                               | <b>81,451,356.47</b> |               | <b>81,450,000.00</b> | <b>76,521,659.50</b> | <b>81,451,329.05</b> |             | <b>0.564</b> | <b>34</b>         |               |
| <b>Federal Agency Disc. -Amortizing</b> |              |                                               |                      |               |                      |                      |                      |             |              |                   |               |
| 313384HE2                               | 1070         | Fed Home Loan Bank                            |                      | 03/02/2023    | 12,000,000.00        | 11,969,280.00        | 11,966,364.98        | 4.805       | 5.014        | 21                | 06/22/2023    |
| 313384HM4                               | 1073         | Fed Home Loan Bank                            |                      | 04/13/2023    | 5,000,000.00         | 4,982,900.00         | 4,981,741.67         | 4.695       | 4.875        | 28                | 06/29/2023    |
| 313384MW6                               | 1080         | Fed Home Loan Bank                            |                      | 04/20/2023    | 14,000,000.00        | 13,740,440.00        | 13,749,147.23        | 4.850       | 5.106        | 133               | 10/12/2023    |
| 313384JH3                               | 1082         | Fed Home Loan Bank                            |                      | 05/25/2023    | 14,000,000.00        | 13,907,040.00        | 13,904,800.00        | 5.100       | 5.284        | 48                | 07/19/2023    |
| <b>Subtotal and Average</b>             |              |                                               | <b>39,572,961.89</b> |               | <b>45,000,000.00</b> | <b>44,599,660.00</b> | <b>44,602,053.88</b> |             | <b>5.111</b> | <b>65</b>         |               |
| <b>Treasury Discounts -Amortizing</b>   |              |                                               |                      |               |                      |                      |                      |             |              |                   |               |
| 912796ZP7                               | 1068         | US Treasury Bill                              |                      | 02/16/2023    | 14,000,000.00        | 13,985,720.00        | 13,987,477.78        | 4.600       | 4.797        | 7                 | 06/08/2023    |
| 912796Y37                               | 1072         | US Treasury Bill                              |                      | 04/13/2023    | 9,000,000.00         | 8,919,090.00         | 8,924,715.00         | 4.780       | 4.988        | 63                | 08/03/2023    |
| 912796Y37                               | 1076         | US Treasury Bill                              |                      | 04/20/2023    | 7,000,000.00         | 6,937,070.00         | 6,941,200.00         | 4.800       | 5.004        | 63                | 08/03/2023    |
| 912796Z36                               | 1077         | US Treasury Bill                              |                      | 04/20/2023    | 14,000,000.00        | 13,847,960.00        | 13,854,769.48        | 4.850       | 5.067        | 77                | 08/17/2023    |
| 912796Z51                               | 1078         | US Treasury Bill                              |                      | 04/20/2023    | 14,000,000.00        | 13,814,080.00        | 13,831,548.85        | 4.760       | 4.981        | 91                | 08/31/2023    |
| 912796CQ0                               | 1079         | US Treasury Bill                              |                      | 04/20/2023    | 14,000,000.00        | 13,793,220.00        | 13,805,633.30        | 4.760       | 4.990        | 105               | 09/14/2023    |
| 912797FC6                               | 1081         | US Treasury Bill                              |                      | 05/18/2023    | 17,000,000.00        | 16,634,670.00        | 16,652,916.67        | 5.000       | 5.257        | 147               | 10/26/2023    |
| <b>Subtotal and Average</b>             |              |                                               | <b>93,409,287.06</b> |               | <b>89,000,000.00</b> | <b>87,931,810.00</b> | <b>87,998,261.08</b> |             | <b>5.022</b> | <b>83</b>         |               |
| <b>Local Agency Investment Funds</b>    |              |                                               |                      |               |                      |                      |                      |             |              |                   |               |
| SYS336                                  | 336          | Local Agency Invstmt Fund                     |                      |               | 40,402,767.76        | 39,857,747.72        | 40,402,767.76        | 2.993       | 2.993        | 1                 |               |

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**May 31, 2023**

| CUSIP                              | Investment # | Issuer         | Average Balance       | Purchase Date | Par Value             | Market Value          | Book Value            | Stated Rate | YTM/C 365 Mat./Call | Days to   |
|------------------------------------|--------------|----------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|---------------------|-----------|
| <b>Subtotal and Average</b>        |              |                | <b>40,402,767.76</b>  |               | <b>40,402,767.76</b>  | <b>39,857,747.72</b>  | <b>40,402,767.76</b>  |             | <b>2.993</b>        | <b>1</b>  |
| <b>Total and Average</b>           |              |                | <b>277,719,243.77</b> |               | <b>275,329,832.82</b> | <b>268,387,942.28</b> | <b>273,931,476.83</b> |             | <b>3.394</b>        | <b>48</b> |
| <b>Money Mkt Mutual Funds/Cash</b> |              |                |                       |               |                       |                       |                       |             |                     |           |
| SYS10033                           | 10033        | Revolving Fund |                       | 07/01/2022    | 20,000.00             | 20,000.00             | 20,000.00             |             | 0.000               | 1         |
| SYS4                               | 4            | Union Bank     |                       | 07/01/2022    | 0.00                  | 0.00                  | 0.00                  |             | 0.000               | 1         |
| SYS5                               | 5            | US Bancorp     |                       | 05/30/2023    | 3,615,966.71          | 3,615,966.71          | 3,615,966.71          |             | 0.000               | 1         |
| <b>Average Balance</b>             |              |                | <b>0.00</b>           |               |                       |                       |                       |             |                     | <b>1</b>  |
| <b>Total Cash and Investments</b>  |              |                | <b>277,719,243.77</b> |               | <b>278,965,799.53</b> | <b>272,023,908.99</b> | <b>277,567,443.54</b> |             | <b>3.394</b>        | <b>48</b> |

Orange County Fire Authority

In Service of Others!



**ORANGE COUNTY FIRE AUTHORITY**  
**Aging Report**  
**By Maturity Date**  
**As of June 1, 2023**

Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602  
 (714)573-6301

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|                 |                     |                             |                  | Maturity<br>Par Value | Percent<br>of Portfolio | Current<br>Book Value | Current<br>Market Value |                       |
|-----------------|---------------------|-----------------------------|------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| Aging Interval: | 0 days              | ( 06/01/2023 - 06/01/2023 ) | 7 Maturities     | 0 Payments            | 63,515,799.53           | 23.15%                | 63,515,799.53           | 62,970,779.49         |
| Aging Interval: | 1 - 30 days         | ( 06/02/2023 - 07/01/2023 ) | 3 Maturities     | 0 Payments            | 31,000,000.00           | 11.37%                | 30,935,584.43           | 30,937,900.00         |
| Aging Interval: | 31 - 60 days        | ( 07/02/2023 - 07/31/2023 ) | 1 Maturities     | 0 Payments            | 14,000,000.00           | 5.11%                 | 13,904,800.00           | 13,907,040.00         |
| Aging Interval: | 61 - 90 days        | ( 08/01/2023 - 08/30/2023 ) | 3 Maturities     | 0 Payments            | 30,000,000.00           | 10.92%                | 29,720,684.48           | 29,704,120.00         |
| Aging Interval: | 91 - 120 days       | ( 08/31/2023 - 09/29/2023 ) | 3 Maturities     | 0 Payments            | 42,000,000.00           | 15.21%                | 41,637,182.15           | 41,384,840.00         |
| Aging Interval: | 121 - 365 days      | ( 09/30/2023 - 05/31/2024 ) | 3 Maturities     | 0 Payments            | 40,435,000.00           | 14.49%                | 39,837,063.90           | 39,413,462.60         |
| Aging Interval: | 366 - 1095 days     | ( 06/01/2024 - 05/31/2026 ) | 6 Maturities     | 0 Payments            | 58,015,000.00           | 19.74%                | 58,016,329.05           | 53,705,766.90         |
| Aging Interval: | 1096 days and after | ( 06/01/2026 - )            | 0 Maturities     | 0 Payments            | 0.00                    | 0.00%                 | 0.00                    | 0.00                  |
|                 |                     |                             | <b>Total for</b> | <b>26 Investments</b> | <b>0 Payments</b>       |                       | <b>277,567,443.54</b>   | <b>272,023,908.99</b> |





**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year-end. Fluctuations in the marketplace have little effect on our long-term investment yield because it is our policy to hold investments to maturity. However, adjusting to market values as required by GAAP resulted in a decrease in recorded interest earnings of \$5,156,626.02. The adjustment for June 30, 2022, includes a decrease of \$965,593.95 to the LAIF investment and a decrease of \$4,390,058.30 to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks yet allow that liquidity to be invested while payment of the outstanding checks is pending.
- Note 5: As a result of a U.S.Bank's acquisition of MUFG Union Bank's regional banking operations, the OCFA changed its banking accounts and its overnight sweep account, from Union Bank (M.U.F.G.) to US Bank effective May 26, 2023.



## ***Local Agency Investment Fund (LAIF)***

As of May 31, 2023, OCFA has \$40,402,767.76 invested in LAIF. The fair value of OCFA's LAIF investment is calculated using a participant fair value factor provided by LAIF on a quarterly basis. The fair value factor as of March 31, 2023 is .986510329. When applied to OCFA's LAIF investment, the fair value is \$39,857,747.72 or \$545,020.04 below cost. Although the fair value of the LAIF investment is lower than cost, OCFA can withdraw the actual amount invested at any time.

LAIF is included in the State Treasurer's Pooled Money Investment Account (PMIA) for investment purposes. The PMIA market valuation at May 31, 2023 is included on the following page.



**State of California**  
**Pooled Money Investment Account**  
**Market Valuation**  
**5/31/2023**

| Description                 | Carrying Cost Plus<br>Accrued Interest Purch. | Fair Value                   | Accrued Interest         |
|-----------------------------|-----------------------------------------------|------------------------------|--------------------------|
| United States Treasury:     |                                               |                              |                          |
| Bills                       | \$ 26,335,204,594.44                          | \$ 26,711,840,500.00         | NA                       |
| Notes                       | \$ 89,471,753,796.21                          | \$ 87,208,631,500.00         | \$ 302,522,258.00        |
| Federal Agency:             |                                               |                              |                          |
| SBA                         | \$ 310,346,047.44                             | \$ 309,774,518.48            | \$ 1,244,384.26          |
| MBS-REMICs                  | \$ 2,937,764.44                               | \$ 2,894,533.81              | \$ 13,084.68             |
| Debentures                  | \$ 8,790,530,488.36                           | \$ 8,648,387,650.00          | \$ 58,865,671.50         |
| Debentures FR               | \$ -                                          | \$ -                         | \$ -                     |
| Debentures CL               | \$ 2,300,000,000.00                           | \$ 2,235,574,000.00          | \$ 17,688,993.00         |
| Discount Notes              | \$ 22,277,933,333.35                          | \$ 22,567,976,000.00         | NA                       |
| Supranational Debentures    | \$ 2,924,071,517.94                           | \$ 2,857,625,400.00          | \$ 18,059,340.40         |
| Supranational Debentures FR | \$ -                                          | \$ -                         | \$ -                     |
| CDs and YCDs FR             | \$ -                                          | \$ -                         | \$ -                     |
| Bank Notes                  | \$ 200,000,000.00                             | \$ 199,788,037.97            | \$ 3,765,416.67          |
| CDs and YCDs                | \$ 12,300,000,000.00                          | \$ 12,289,496,672.24         | \$ 189,165,097.19        |
| Commercial Paper            | \$ 8,744,396,763.87                           | \$ 8,819,671,458.32          | NA                       |
| Corporate:                  |                                               |                              |                          |
| Bonds FR                    | \$ -                                          | \$ -                         | \$ -                     |
| Bonds                       | \$ 449,354,132.71                             | \$ 426,647,530.00            | \$ 3,278,826.53          |
| Repurchase Agreements       | \$ -                                          | \$ -                         | \$ -                     |
| Reverse Repurchase          | \$ -                                          | \$ -                         | \$ -                     |
| Time Deposits               | \$ 5,193,000,000.00                           | \$ 5,193,000,000.00          | NA                       |
| PMIA & GF Loans             | \$ 342,644,000.00                             | \$ 342,644,000.00            | NA                       |
| <b>TOTAL</b>                | <b>\$ 179,642,172,438.76</b>                  | <b>\$ 177,813,951,800.82</b> | <b>\$ 594,603,072.23</b> |

Fair Value Including Accrued Interest \$ 178,408,554,873.05

Repurchase Agreements, Time Deposits, PMIA & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).



*Orange County Fire Authority*

*Preliminary Investment Report*

*June 23, 2023*





**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Summary**  
**June 23, 2023**

Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602  
 (714)573-6301

| Investments                                            | Par Value             | Market Value          | See Note 2 on page 19 |                | Term       | Days to Mat./Call | YTM/Call 360 Equiv. | YTM/Call 365 Equiv. |
|--------------------------------------------------------|-----------------------|-----------------------|-----------------------|----------------|------------|-------------------|---------------------|---------------------|
|                                                        |                       |                       | Book Value            | % of Portfolio |            |                   |                     |                     |
| Money Mkt Mutual Funds/Cash                            | 10,177,319.64         | 10,177,319.64         | 10,177,319.64         | 4.03           | 1          | 1                 | 4.690               | 4.755               |
| Federal Agency Coupon Securities                       | 81,450,000.00         | 76,484,852.80         | 81,451,284.09         | 32.23          | 1,318      | 22                | 0.555               | 0.562               |
| Federal Agency Disc. -Amortizing                       | 33,000,000.00         | 32,747,540.00         | 32,739,684.03         | 12.95          | 109        | 58                | 5.076               | 5.147               |
| Treasury Discounts -Amortizing                         | 89,000,000.00         | 87,953,400.00         | 87,969,408.85         | 34.81          | 135        | 84                | 5.037               | 5.107               |
| Local Agency Investment Funds                          | 40,402,767.76         | 39,857,747.72         | 40,402,767.76         | 15.99          | 1          | 1                 | 2.952               | 2.993               |
| <b>Investments</b>                                     | <b>254,030,087.40</b> | <b>247,220,860.16</b> | <b>252,740,464.37</b> | <b>100.00%</b> | <b>486</b> | <b>44</b>         | <b>3.250</b>        | <b>3.295</b>        |
| <b>Cash</b> See Note 5 on page 19                      |                       |                       |                       |                |            |                   |                     |                     |
| Passbook/Checking (not included in yield calculations) | 535,467.23            | 535,467.23            | 535,467.23            |                | 1          | 1                 | 0.000               | 0.000               |
| <b>Total Cash and Investments</b>                      | <b>254,565,554.63</b> | <b>247,756,327.39</b> | <b>253,275,931.60</b> |                | <b>486</b> | <b>44</b>         | <b>3.250</b>        | <b>3.295</b>        |

| Total Earnings           | June 23 Month Ending | Fiscal Year To Date |
|--------------------------|----------------------|---------------------|
| Current Year             | 560,979.65           | 4,389,094.85        |
| Average Daily Balance    | 269,105,226.05       | 201,694,404.79      |
| Effective Rate of Return | 3.31%                | 2.22%               |

"I certify that this investment report accurately reflects all pooled investments and is in compliance with the investment policy adopted by the Board of Directors to be effective on January 1, 2023. A copy of this policy is available from the Clerk of the Authority. Sufficient investment liquidity and anticipated revenues are available to meet budgeted expenditure requirements for the next thirty days and the next six months."

*Patricia Jakubiak*  
 Patricia Jakubiak, Treasurer 6/30/23

|                                                         |                          |
|---------------------------------------------------------|--------------------------|
| <b>Cash and Investments with GASB 31 Adjustment:</b>    |                          |
| Book Value of Cash & Investments before GASB 31 (Above) | \$ 253,275,931.60        |
| GASB 31 Adjustment to Books (See Note 3 on page 19)     | \$ (5,355,652.25)        |
| <b>Total</b>                                            | <b>\$ 247,920,279.35</b> |

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 23, 2023**

See Note 1 on page 19

See Note 2 on page 19

| CUSIP                                   | Investment # | Issuer                                        | Average Balance      | Purchase Date | Par Value            | Market Value         | Book Value           | Stated Rate | YTM/Call<br>365 Mat./Call | Days to<br>Maturity<br>Date |  |
|-----------------------------------------|--------------|-----------------------------------------------|----------------------|---------------|----------------------|----------------------|----------------------|-------------|---------------------------|-----------------------------|--|
| <b>Money Mkt Mutual Funds/Cash</b>      |              |                                               |                      |               |                      |                      |                      |             |                           |                             |  |
| SYS1042                                 | 1042         | US Bank - Treasury Obligations                |                      |               | 3,165,993.20         | 3,165,993.20         | 3,165,993.20         | 4.966       | 4.966                     | 1                           |  |
| SYS528                                  | 528          | MUFG Treasury Obligations                     |                      | 07/01/2022    | 0.00                 | 0.00                 | 0.00                 | 4.620       | 4.620                     | 1                           |  |
| SYS530                                  | 530          | US Bancorp Sweep Account                      |                      | 05/27/2023    | 7,011,326.44         | 7,011,326.44         | 7,011,326.44         | 4.660       | 4.660                     | 1                           |  |
| <b>Subtotal and Average</b>             |              |                                               | <b>23,438,156.02</b> |               | <b>10,177,319.64</b> | <b>10,177,319.64</b> | <b>10,177,319.64</b> |             | <b>4.755</b>              | <b>1</b>                    |  |
| <b>Federal Agency Coupon Securities</b> |              |                                               |                      |               |                      |                      |                      |             |                           |                             |  |
| 3133EMLE0                               | 1020         | Federal Farm Credit Bank (Continuous Call)    |                      | 12/23/2020    | 14,000,000.00        | 13,823,180.00        | 14,000,000.00        | 0.190       | 0.207                     | 7 09/22/2023                |  |
| 3133EMWH1                               | 1030         | Federal Farm Credit Bank (Callable 7/21/2023) |                      | 04/22/2021    | 3,000,000.00         | 2,777,790.00         | 3,001,284.09         | 0.710       | 0.668                     | 27 04/21/2025               |  |
| 3133EMXS6                               | 1032         | Federal Farm Credit Bank (Continuous Call)    |                      | 04/28/2021    | 12,000,000.00        | 11,047,320.00        | 12,000,000.00        | 0.720       | 0.720                     | 7 04/28/2025                |  |
| 3130ALNY6                               | 1025         | Fed Home Loan Bank (Callable 6/30/2023)       |                      | 03/30/2021    | 8,000,000.00         | 7,511,440.00         | 8,000,000.00         | 0.550       | 0.550                     | 6 09/30/2024                |  |
| 3130ALTJ3                               | 1029         | Fed Home Loan Bank (Callable 7/08/2023)       |                      | 04/22/2021    | 9,435,000.00         | 9,054,203.40         | 9,435,000.00         | 0.375       | 0.375                     | 14 04/08/2024               |  |
| 3130ALVR2                               | 1031         | Fed Home Loan Bank (Callable 7/23/2023)       |                      | 04/23/2021    | 11,015,000.00        | 10,309,599.40        | 11,015,000.00        | 0.520       | 0.520                     | 29 10/23/2024               |  |
| 3130AM6P2                               | 1034         | Fed Home Loan Bank (Callable 7/29/2023)       |                      | 04/29/2021    | 12,000,000.00        | 10,709,160.00        | 12,000,000.00        | 1.000       | 1.000                     | 35 04/29/2026               |  |
| 3130AM6H0                               | 1035         | Fed Home Loan Bank (Callable 8/11/2023)       |                      | 05/11/2021    | 12,000,000.00        | 11,252,160.00        | 12,000,000.00        | 0.550       | 0.550                     | 48 10/11/2024               |  |
| <b>Subtotal and Average</b>             |              |                                               | <b>81,451,305.59</b> |               | <b>81,450,000.00</b> | <b>76,484,852.80</b> | <b>81,451,284.09</b> |             | <b>0.562</b>              | <b>22</b>                   |  |
| <b>Federal Agency Disc. -Amortizing</b> |              |                                               |                      |               |                      |                      |                      |             |                           |                             |  |
| 313384HM4                               | 1073         | Fed Home Loan Bank                            |                      | 04/13/2023    | 5,000,000.00         | 4,998,000.00         | 4,996,739.58         | 4.695       | 4.875                     | 5 06/29/2023                |  |
| 313384MW6                               | 1080         | Fed Home Loan Bank                            |                      | 04/20/2023    | 14,000,000.00        | 13,792,940.00        | 13,792,527.78        | 4.850       | 5.106                     | 110 10/12/2023              |  |
| 313384JH3                               | 1082         | Fed Home Loan Bank                            |                      | 05/25/2023    | 14,000,000.00        | 13,956,600.00        | 13,950,416.67        | 5.100       | 5.284                     | 25 07/19/2023               |  |
| <b>Subtotal and Average</b>             |              |                                               | <b>43,631,845.04</b> |               | <b>33,000,000.00</b> | <b>32,747,540.00</b> | <b>32,739,684.03</b> |             | <b>5.147</b>              | <b>58</b>                   |  |
| <b>Treasury Discounts -Amortizing</b>   |              |                                               |                      |               |                      |                      |                      |             |                           |                             |  |
| 912796Y37                               | 1072         | US Treasury Bill                              |                      | 04/13/2023    | 9,000,000.00         | 8,952,030.00         | 8,952,200.00         | 4.780       | 4.988                     | 40 08/03/2023               |  |
| 912796Y37                               | 1076         | US Treasury Bill                              |                      | 04/20/2023    | 7,000,000.00         | 6,962,690.00         | 6,962,666.67         | 4.800       | 5.004                     | 40 08/03/2023               |  |
| 912796Z36                               | 1077         | US Treasury Bill                              |                      | 04/20/2023    | 14,000,000.00        | 13,897,660.00        | 13,898,150.03        | 4.850       | 5.067                     | 54 08/17/2023               |  |
| 912796Z51                               | 1078         | US Treasury Bill                              |                      | 04/20/2023    | 14,000,000.00        | 13,869,380.00        | 13,874,124.41        | 4.760       | 4.981                     | 68 08/31/2023               |  |
| 912796CQ0                               | 1079         | US Treasury Bill                              |                      | 04/20/2023    | 14,000,000.00        | 13,840,260.00        | 13,848,208.86        | 4.760       | 4.990                     | 82 09/14/2023               |  |
| 912797FC6                               | 1081         | US Treasury Bill                              |                      | 05/18/2023    | 17,000,000.00        | 16,702,840.00        | 16,707,222.22        | 5.000       | 5.257                     | 124 10/26/2023              |  |
| 912797FJ1                               | 1083         | US Treasury Bill                              |                      | 06/21/2023    | 14,000,000.00        | 13,728,540.00        | 13,726,836.66        | 5.090       | 5.339                     | 138 11/09/2023              |  |
| <b>Subtotal and Average</b>             |              |                                               | <b>80,181,151.63</b> |               | <b>89,000,000.00</b> | <b>87,953,400.00</b> | <b>87,969,408.85</b> |             | <b>5.107</b>              | <b>84</b>                   |  |
| <b>Local Agency Investment Funds</b>    |              |                                               |                      |               |                      |                      |                      |             |                           |                             |  |
| SYS336                                  | 336          | Local Agency Invstmt Fund                     |                      |               | 40,402,767.76        | 39,857,747.72        | 40,402,767.76        | 2.993       | 2.993                     | 1                           |  |
| <b>Subtotal and Average</b>             |              |                                               | <b>40,402,767.76</b> |               | <b>40,402,767.76</b> | <b>39,857,747.72</b> | <b>40,402,767.76</b> |             | <b>2.993</b>              | <b>1</b>                    |  |

**ORANGE COUNTY FIRE AUTHORITY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**June 23, 2023**

| CUSIP                              | Investment # | Issuer                 | Average Balance       | Purchase Date | Par Value             | Market Value          | Book Value            | Stated Rate | YTM/C 365    | Days to Mat./Call |
|------------------------------------|--------------|------------------------|-----------------------|---------------|-----------------------|-----------------------|-----------------------|-------------|--------------|-------------------|
| <b>Money Mkt Mutual Funds/Cash</b> |              |                        |                       |               |                       |                       |                       |             |              |                   |
| SYS10033                           | 10033        | Revolving Fund         |                       | 07/01/2022    | 20,000.00             | 20,000.00             | 20,000.00             |             | 0.000        | 1                 |
| SYS4                               | 4            | Union Bank             |                       | 07/01/2022    | 0.00                  | 0.00                  | 0.00                  |             | 0.000        | 1                 |
| SYS5                               | 5            | US Bancorp             |                       | 05/30/2023    | 515,467.23            | 515,467.23            | 515,467.23            |             | 0.000        | 1                 |
|                                    |              | <b>Average Balance</b> | <b>0.00</b>           |               |                       |                       |                       |             |              | <b>1</b>          |
| <b>Total Cash and Investments</b>  |              |                        | <b>269,105,226.05</b> |               | <b>254,565,554.63</b> | <b>247,756,327.39</b> | <b>253,275,931.60</b> |             | <b>3.295</b> | <b>44</b>         |

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**ORANGE COUNTY FIRE AUTHORITY**  
**Ageing Report**  
**By Maturity Date**  
**As of June 24, 2023**

Orange County Fire Authority  
 1 Fire Authority Road  
 Irvine, CA 92602  
 (714)573-6301

|                  |                     |                             |                       | Maturity<br>Par Value | Percent<br>of Portfolio | Current<br>Book Value | Current<br>Market Value |                       |
|------------------|---------------------|-----------------------------|-----------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| Aging Interval:  | 0 days              | ( 06/24/2023 - 06/24/2023 ) | 7 Maturities          | 0 Payments            | 51,115,554.63           | 20.41%                | 51,115,554.63           | 50,570,534.59         |
| Aging Interval:  | 1 - 30 days         | ( 06/25/2023 - 07/24/2023 ) | 2 Maturities          | 0 Payments            | 19,000,000.00           | 7.65%                 | 18,947,156.25           | 18,954,600.00         |
| Aging Interval:  | 31 - 60 days        | ( 07/25/2023 - 08/23/2023 ) | 3 Maturities          | 0 Payments            | 30,000,000.00           | 12.03%                | 29,813,016.70           | 29,812,380.00         |
| Aging Interval:  | 61 - 90 days        | ( 08/24/2023 - 09/22/2023 ) | 3 Maturities          | 0 Payments            | 42,000,000.00           | 16.76%                | 41,722,333.27           | 41,532,820.00         |
| Aging Interval:  | 91 - 120 days       | ( 09/23/2023 - 10/22/2023 ) | 1 Maturities          | 0 Payments            | 14,000,000.00           | 5.57%                 | 13,792,527.78           | 13,792,940.00         |
| Aging Interval:  | 121 - 365 days      | ( 10/23/2023 - 06/23/2024 ) | 3 Maturities          | 0 Payments            | 40,435,000.00           | 15.94%                | 39,869,058.88           | 39,485,583.40         |
| Aging Interval:  | 366 - 1095 days     | ( 06/24/2024 - 06/23/2026 ) | 6 Maturities          | 0 Payments            | 58,015,000.00           | 21.64%                | 58,016,284.09           | 53,607,469.40         |
| Aging Interval:  | 1096 days and after | ( 06/24/2026 - )            | 0 Maturities          | 0 Payments            | 0.00                    | 0.00%                 | 0.00                    | 0.00                  |
| <b>Total for</b> |                     |                             | <b>25 Investments</b> | <b>0 Payments</b>     |                         | <b>100.00</b>         | <b>253,275,931.60</b>   | <b>247,756,327.39</b> |



**NOTES TO PORTFOLIO MANAGEMENT REPORT**

- Note 1: Market value of the LAIF investment is calculated using a fair value factor provided by LAIF. The U.S. Bank Corporate Trust and Custody Department provides market values of the remaining investments.
- Note 2: Book value reflects the cost or amortized cost before the GASB 31 accounting adjustment.
- Note 3: GASB 31 requires governmental entities to report investments at fair value in the financial statements and to reflect the corresponding unrealized gains/ (losses) as a component of investment income. The GASB 31 adjustment is recorded only at fiscal year-end. The adjustment for June 30, 2022 includes a decrease of \$965,593.95 to the LAIF investment and a decrease of \$5,355,652.25 to the remaining investments.
- Note 4: The Federated Treasury Obligations money market mutual fund functions as the Authority's sweep account. Funds are transferred to and from the sweep account to/from OCFA's checking account in order to maintain a target balance of \$1,000,000 in checking. Since this transfer occurs at the beginning of each banking day, the checking account sometimes reflects a negative balance at the close of the banking day. The negative closing balance is not considered an overdraft since funds are available in the money market mutual fund. The purpose of the sweep arrangement is to provide sufficient liquidity to cover outstanding checks yet allow that liquidity to be invested while payment of the outstanding checks is pending.
- Note 5: As a result of a U.S. Bank's acquisition of MUFG Union Bank's regional banking operations, the OCFA changed its banking accounts and its overnight sweep account, from Union Bank (M.U.F.G.) to US Bank effective May 26, 2023.

## GLOSSARY

### INVESTMENT TERMS

**Basis Point.** Measure used in quoting yields on bonds and notes. One basis point is .01% of yield.

**Book Value.** This value may be the original cost of acquisition of the security, or original cost adjusted by the amortization of a premium or accretion of a discount. The book value may differ significantly from the security's current value in the market.

**Commercial Paper.** Unsecured short-term promissory notes issued by corporations, with maturities ranging from 2 to 270 days; may be sold on a discount basis or may bear interest.

**Coupon Rate.** Interest rate, expressed as a percentage of par or face value, that issuer promises to pay over lifetime of debt security.

**Discount.** The amount by which a bond sells under its par (face) value.

**Discount Securities.** Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and most commercial paper are issued at a discount.

**Effective Rate of Return.** Rate of return on a security, based on its purchase price, coupon rate, maturity date, and the period between interest payments.

**Federal Agency Securities.** Securities issued by agencies such as the Federal National Mortgage Association and the Federal Farm Credit Bank. Though not general obligations of the US Treasury, such securities are sponsored by the government and therefore have high credit ratings. Some are issued on a discount basis and some are issued with coupons.

**Federal Funds.** Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed Funds are considered to be immediately available funds.

**Fed Funds Rate.** The interest rate charged by one institution lending federal funds to another.

**Federal Open Market Committee.** The branch of the Federal Reserve Board that determines the direction of monetary policy.

**Local Agency Investment Fund (LAIF).** A California State Treasury fund which local agencies may use to deposit funds for investment and for reinvestment with a maximum of \$75 million for any agency (*excluding bond funds, which have no maximum*). It offers high liquidity because



deposits can be converted to cash in 24 hours and no interest is lost. Interest is paid quarterly and the State's administrative fee cannot to exceed 1/4 of a percent of the earnings.

**Market value.** The price at which the security is trading and could presumably be purchased or sold.

**Maturity Date.** The specified day on which the issuer of a debt security is obligated to repay the principal amount or face value of security.

**Money Market Mutual Fund.** Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repurchase agreements and federal funds).

**Par.** Face value or principal value of a bond typically \$1,000 per bond.

**Rate of Return.** The amount of income received from an investment, expressed as a percentage. A *market rate of return* is the yield that an investor can expect to receive in the current interest-rate environment utilizing a buy-and-hold to maturity investment strategy.

**Treasury Bills.** Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

**Treasury Notes.** Intermediate U.S. government debt securities with maturities of one to 10 years.

**Treasury bonds.** Long-term U.S. government debt securities with maturities of 10 years or longer.

**Yield.** Rate of return on a bond.

**Yield-to-maturity.** Rate of return on a bond taking into account the total annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.

#### ECONOMIC TERMS

**Conference Board Consumer Confidence Index.** A survey that measures how optimistic or pessimistic consumers are with respect to the economy in the near future.

**Consumer Price Index (CPI).** A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.

**Durable Goods Orders.** An economic indicator released monthly that reflects new orders placed with domestic manufacturers for delivery of factory durable goods such as autos and appliances in the near term or future.

**Gross Domestic Product.** The monetary value of all the finished goods and services produced within a country's borders in a specific time period. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

**Industrial Production.** An economic indicator that is released monthly by the Federal Reserve Board. The indicator measures the amount of output from the manufacturing, mining, electric and gas industries.

**ISM Institute for Supply Management (ISM) Manufacturing Index.** A monthly index that monitors employment, production inventories, new orders and supplier deliveries.

**ISM Non-manufacturing Index.** An index based on surveys of non-manufacturing firms' purchasing and supply executives. It tracks economic data for the service sector.

**Leading Economic Index.** A monthly index used to predict the direction of the economy's movements in the months to come. The index is made up of 10 economic components, whose changes tend to precede changes in the overall economy.

**National Federation of Independent Business Small Business Optimism Index.** An index based on surveys of small business owners' plans and expectations regarding employment, capital, inventories, economic improvement, credit conditions, expansion, and earnings trends in the near term or future.

**Producer Price Index.** An index that measures the average change over time in the selling prices received by domestic producers for their output.

**University of Michigan Consumer Sentiment Index.** An index that measures the overall health of the economy as determined by consumer opinion. It takes into account an individual's feelings toward his or her own current financial health, the health of the economy in the short term and the prospects for longer term economic growth.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
July 27, 2023

Agenda Item No. 2C  
Consent Calendar

**Contract Increase for Pre-Employment Background  
Investigative Services**

**Contact(s) for Further Information**

Stephanie Holloman, Assistant Chief  
Human Resources Department

[stephanieholloman@ocfa.org](mailto:stephanieholloman@ocfa.org)

714.573.6353

Duke Steppe, Human Resources Manager  
Human Resources Department

[dukesteppe@ocfa.org](mailto:dukesteppe@ocfa.org)

714.573.6807

**Summary**

This agenda item is submitted for approval to increase the Professional Service Agreements for Pre-Employment Background Investigation Services with Wren and Associates Investigations (Wren), Sintra Group Inc. (Sintra), and RCS Investigations and Consulting (RCS). Sintra and RCS were selected as part of RFP JA2357 solicitation process in 2019 and WREN was awarded an agreement under administrative authority due to the need of a third provider to accommodate additional workload due to the loss of a previously selected background provider. These increases will allow sufficient time to finalize the formal Pre-Employment Background Investigation Services RFP process currently underway (JA2583).

**Prior Board/Committee Action(s)**

Not Applicable

**RECOMMENDED ACTION(S)**

1. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with Wren and Associates, increasing contract value by \$60,000, not to exceed a total of \$110,000 for current year contract (ending October 31, 2023).
2. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with RCS Investigations and Consulting increasing contract value by \$60,000, not to exceed a total of \$160,000 for current year contract (ending September 30, 2023).
3. Approve and authorize the Purchasing Manager to execute Amendment One to the Professional Services Agreement with Sintra Group Inc. increasing contract value by \$60,000, not to exceed a total of \$160,000 for current year contract (ending September 30, 2023).

**Impact to Cities/County**

Not applicable.

**Fiscal Impact**

Funding is available in the FY 2023/24 Human Resources Department Budget.

Increased Cost Funded by Structural Fire Fund: \$0

Increased Cost Funded by Cash Contract Cities: \$0

## **Background**

### ***Contract Award***

On March 1, 2019, staff issued RFP JA2357 for pre-employment background investigative services and received nine responsive proposals. Proposals were scored based on the evaluation criteria defined in the solicitation. The five highest-ranked firms were invited to participate in an interview. Upon completion of the interviews, the evaluation panel recommended awarding agreements in the amount of \$100,000 annually to each of the top three firms: Sintra Group, RCS Investigations, and Oracle Investigations Group. Due to an inability to come to an agreement on terms during the renewal period, the agreement with Oracle Investigations Group was allowed to expire. A subsequent increase in the volume of background investigations required for Hand Crew Firefighter and the loss of a third background investigation company to complete the increases workload needed for staff to identify and vet an additional provider. A survey of Orange County agencies who require a third party to conduct background investigations on their agencies behalf was conducted and as a result, staff awarded an agreement to Wren under administrative authority.

### ***Program Functionality***

The Human Resources (HR) department is responsible for working with contractors to perform pre-employment background investigations. The department maintains three contracts for as-needed pre-employment background investigative services following a conditional job offer of employment to review candidates work, education, criminal, military, driving, education, and personal history (home, family, drug and alcohol use, and social media use) prior to making a final job offer. External investigators are utilized to ensure impartiality and thoroughness of investigations.

## **Current Request**

During the current contract year (beginning October 1, 2022), Human Resources staff has been tasked with meeting a surge in hiring:

- Increased the number of Hand Crew Firefighter candidates sent through the background process from 15 to 60 to ensure staffing is maintained with the addition of a second Hand Crew funded by the State.
- Increased the number of Fire Communications Dispatcher from an average of 10 per year to 30 per year due to staffing shortages.
- Timing of upcoming Firefighter Trainee Academy 59 backgrounds to begin September 2023

Human Resources staff budgets for 190 backgrounds per contract year (Firefighter, Arson Investigator, Dispatcher, and Hand Crew Firefighter), the increase of 60 additional candidates to the background process was unplanned and is necessitating an adjustment to the contracts with Wren and Associates Investigations, Sintra Group Inc., and RCS Investigations and Consulting. Therefore, staff is seeking approval for a one-time adjustment to all three, pre-employment background investigation contract amounts for the current contract year (ending October 31, 2023 and September 30, 2023 respectively) as follows:

- Wren and Associates Investigations, \$60,000, not to exceed a total amount of \$110,000.
- Sintra Group Inc., \$60,000, not to exceed a total amount of \$160,000.
- RCS Investigations and Consulting \$60,000, not to exceed a total amount of \$160,000.

The expectation is that all three contracts will cover cost through their current respective end dates. New contracts to be awarded via the formal Pre-Employment Background Investigation Services RFP process currently underway (JA2583). New contracts will include appropriate contract

authority for future increases to Hand Crew Firefighter and Fire Communications Dispatcher staffing as well as to adjust for timing of when contracts are awarded and large scale background efforts for positions such as Firefighter will occur.

**Attachment(s)**

None.





Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
July 27, 2023

Agenda Item No. 2D  
Consent Calendar

**Contract Extension for  
Medical Laboratory Testing Services**

**Contact(s) for Further Information**

Rob Capobianco, Assistant Chief                      [robcapobianco@ocfa.org](mailto:robcapobianco@ocfa.org)                      714.573.6008  
Emergency Medical Services & Training Department

Matt Schuetz, Battalion Chief                      [matthewschuetz@ocfa.org](mailto:matthewschuetz@ocfa.org)                      714.573.6071  
Emergency Medical Services Department

**Summary**

This item is submitted for approval to extend the previously approved Professional Services Agreement with Quest Diagnostics, Inc. for medical lab diagnostic testing services for a six-month period through March 31, 2024 and to increase the contract amount by \$65,000 from \$100,000 annually to a total amount not to exceed \$165,000 for the current contract term. The proposed six-month extension will allow for the continuation of the required services and will provide sufficient time to conduct a formal RFP process (SK2625, currently in development).

**Prior Board/Committee Action(s)**

At its September 27, 2018 meeting, the Executive Committee approved award of RFP DC2294 to Quest Diagnostics and authorized the Purchasing Manager to sign the proposed Professional Services Agreement for medical laboratory services in an amount not to exceed \$125,000 annually (\$375,000 during the initial three-year contract period through 2021).

**RECOMMENDED ACTION(S)**

Approve and authorize the Purchasing Manager to extend the previously approved Professional Services Agreement with Quest Diagnostics, Inc. for medical laboratory services, for a six-month period through March 31, 2024, and to increase the contract in an amount not to exceed \$165,000.

**Impact to Cities/County**

Not Applicable

**Fiscal Impact**

Funding is available in the FY 2023/24 Emergency Medical Services General Fund Budget.

Increased Cost Funded by Structural Fire Fund:                      \$0

Increased Cost Funded by Cash Contract Cities:                      \$0

**Background**

***Medical Laboratory Testing Services***

Through the competitive RFP DC2294, Quest Diagnostics was awarded an agreement on September 27, 2018 for an initial 3-year term at an amount of \$125,000 annually. The agreement approved by the Executive Committee included the option to renew for two additional one-year

periods and based on actual usage, contract years four and five were renewed at a reduced annual amount of \$100,000 under management authority. Per the California Code of Regulations (Title 8 Section 5100) annual TB testing is mandatory for all healthcare providers and blood testing is the gold-standard for TB surveillance in healthcare providers. All OCFA career and reserve firefighters must complete this blood test due to their potential for patient contact. OCFA prefers the blood test to the skin test due to the blood test taking only one visit by a phlebotomist. Quest Diagnostics has provided exceptional service to the OCFA by adhering to OCFA's schedule, sending their phlebotomists to Battalion HQ stations and providing firsthand access to the results.

***Current Request***

The final renewal term (Contract Year Five) will expire on September 30, 2023. Staff is working to issue a competitive RFP (SK2625) to establish a replacement agreement. The RFP is planned to close on August 31, 2023, and staff anticipates returning to the Executive Committee in January 2024 with a recommendation to award an agreement. OCFA's annual TB testing takes place in the months of October and November, with makeup tests taking place December through March. As such OCFA requires this extension and increase in order to schedule these tests in advance. Staff has queried other vendors which provide this same test, but found their offerings to be both more expensive and less robust with respect to systems access and test result viewing.

The requested increase and extension of the current agreement is due to the finalization of the solicitation and the logistical complexities and complications of switching vendors mid-process to complete the TB testing, which will already be underway at the time the current agreement term expires.

***Recommendation***

Staff is recommending approval to authorize the Purchasing Manager to extend the Professional Services Agreement for size additional six months at an amount not to exceed \$65,000 with the option to cancel with 30 days' notice. This extension is requested to allow for flexibility in the timing needed to complete the mandated annual TB testing, and to complete the RFP process.

***Attachment(s)***

None.



Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
July 27, 2023

Agenda Item No. 2E  
Consent Calendar

**Approval of Entry Permit License Agreement with  
Irvine Ranch Water District**

**Contact(s) for Further Information**

|                                                        |                                                              |              |
|--------------------------------------------------------|--------------------------------------------------------------|--------------|
| Tim Perkins, Assistant Chief<br>Field Operations South | <a href="mailto:timperkins@ocfa.org">timperkins@ocfa.org</a> | 949.702.3868 |
| Kyle Kuzma, Battalion Chief<br>Air Operations          | <a href="mailto:kylekuzma@ocfa.org">kylekuzma@ocfa.org</a>   | 949.468.8021 |

**Summary**

This agenda item is submitted for Executive Committee approval and authorization of a license agreement for an entry permit for fire suppression training at Irvine Lake.

**Prior Board/Committee Action(s)**

None.

**RECOMMENDED ACTION(S)**

Approve and authorize the Fire Chief to execute the attached license agreement with Irvine Ranch Water District to allow fire suppression training at Irvine Lake for a term of the permit April 1, 2023 through March 31, 2025, subject to non-substantive changes approved by General Counsel.

**Impact to Cities/County**

None.

**Fiscal Impact**

The entry fee is \$1.00 for the use of the Property during the term of the permit April 1, 2023 through March 31, 2025.

|                                                |     |
|------------------------------------------------|-----|
| Increased Cost Funded by Structural Fire Fund: | \$0 |
| Increased Cost Funded by Cash Contract Cities: | \$0 |

**Background**

The purpose of this agreement is to permit access to the Irvine Ranch Water District's (IRWD) property known as Irvine Lake for fire suppression training. This training includes using Irvine Lake for helicopter-based water snorkeling involving the use of no more than 2 helicopters and related equipment and personnel. Any water withdrawn from Irvine Lake will be immediately returned to Irvine Lake. This permit also allows landing helicopters on the "landing area" portion of the property to set up equipment in connection with the training described or for fueling helicopters.

**License Agreement**

The agreement for use of the property will remain in effect through March 31, 2025. IRWD may terminate this Permit at any time at IRWD's sole discretion by verbal notice to any representative of Permittee at the Property pursuant to this Permit or by written notice to Permittee.

The license agreement is essentially a no-cost (\$1 for two years) permit to use the IRWD property. As part of the consideration for the license, OCFA would agree to a one-way indemnification of the property owner from all claims, losses or other liability arising out of OCFA's use or access to the property. Because IRWD would not be agreeing to indemnify OCFA against claims arising from IRWD's own negligence, prior OCFA Board direction requires this license agreement to be reviewed and approved by either the Board or Executive Committee.

**Attachment**

Irvine Ranch Water Department Entry Permit for Fire Suppression Training at Irvine Lake



# Irvine Ranch Water District

15600 Sand Canyon Avenue  
P.O. Box 57000  
Irvine, CA 92619-7000  
(949) 453-5300

Attachment

## ENTRY PERMIT (Fire Suppression Training at Irvine Lake)

IRWD EP 2023-003

Effective Date: April 1, 2023

### ISSUED TO:

Orange County Fire Authority  
1 Fire Authority Road  
Irvine, CA 92602

ATTN: Scott Hatch  
Telephone: (714) 573-6178

IRVINE RANCH WATER DISTRICT (“IRWD”) hereby permits the ORANGE COUNTY FIRE AUTHORITY (“Permittee”) to enter into, over, and upon IRWD’s property known as Irvine Lake and depicted on Exhibit “A” (the “Property”), subject to the conditions set forth below:

1. Purpose: Upon at least 48-hours’ notice to IRWD, Permittee may enter and temporarily use the Property for the following purposes and for no other purposes:

A. Conducting helicopter-based forest fire water bucket training involving the use of no more than two (2) helicopters and related equipment and personnel. Any water withdrawn from Irvine Lake must be immediately returned to Irvine Lake.

B. Landing helicopters on the “Landing Area” portion of the Property to set up equipment in connection with the training described in Section 1.A., or for fueling.

C. Fueling helicopters in connection with the training described in Section 1.A, using fueling trucks.

2. Notice/Coordination. IRWD permits use of the Property by other fire suppression entities for training purposes, and by the County of Orange and its concessionaire for fishing operations. Permittee shall coordinate with IRWD and the other permittees by notifying the persons below (whose names and numbers may be changed at any time upon notice from IRWD) at least forty-eight (48) hours prior to entering the Property under this Permit:

A. Ken Pfister of IRWD at (949) 453-5772

B. Fire Suppression Entities:

- (1) William Fitzgerald, Orange County Sheriff’s Dept. at (714) 474-3785,
- (2) Alejandro Argota, California National Guard at (562) 795-2074,
- (3) Rod Anderson, Helistream at (714) 662-3163,
- (4) Dietrich Meissner, Anaheim Police Department at (714) 765-7904,
- (5) Vince Lopardo, South Coast Helicopters at (714) 562-0882

C. Fishing Operations:

- (1) John Gump at OC Parks (irvineranchopenspace@ocparks.com)
- (2) Garry James at James Events (garry@jamesevents.com)

3. Term: This Permit is effective from April 1, 2023 through March 31, 2025. IRWD may terminate this Permit at any time at IRWD's sole discretion by verbal notice to any representative of Permittee present at the Property pursuant to this Permit or by written notice to Permittee at the above address.

4. Vehicular Access; Gates & Locks: Permittee may use the access road identified in Exhibit A for limited vehicular access by fueling trucks to service helicopters. The entry to the Property from the access road is secured by a locked access gate. To enter upon property that is fenced and locked, contact IRWD at (949) 453-5809. Permittee shall lock all access gates at the end of each working day. Should Permittee desire its own lock for the gate, an approved lock must be submitted to IRWD for registration and placement.

5. Other Special Requirements:

A. Carrying Permit. This Permit is to be carried at all times while using the Property.

B. Hours of Entry. Entry is only permitted during normal working hours unless otherwise approved in writing by IRWD. Weekend, overnight or after-hours use of the Property is not allowed.

C. Compliance with Laws, Instructions. Permittee shall comply with all applicable laws, ordinances and regulations and any and all instructions and directions of the authorized agents of IRWD.

D. Permittee's Representatives: Permittee shall cause its employees, officers, consultants, agents, representatives, invitees and any other persons entering the Property under this Permit to comply with each and every part of this Permit. Each person entering upon the Property shall be under the personal supervision and control of a duly authorized representative of Permittee, and any violation of the Permit by any person entering upon the Property under this Permit will be deemed a violation of the Permit by Permittee.

E. Prohibited Activities:

(1) Permittee shall not install any improvements, shall not place any materials or personal property, and shall not perform any soils borings, trenching or any digging at, on, or in the Property.

(2) Permittee shall not light any fires, shall not carry fire arms onto the Property, and shall not use, serve, distribute, or give any alcoholic beverages to ANYONE while on the Property.

(3) No Hazardous Materials/Fuels: No hazardous or toxic materials, substances or wastes (as such terms are or may from time to time be defined by federal, state or local laws, ordinances or regulations) shall be placed, used or stored, or allowed to be placed, used or stored, on the Property. Permittee shall not store any gasoline, kerosene, or other fuels on the Property.

6. Condition of Property

A. As-Is; No Duty to Warn: Permittee has inspected the Property and hereby accepts the Property "AS IS." IRWD does not warrant the condition of the Property to be fit for any particular purpose. IRWD shall have no duty to inspect the Property and no duty to warn any person of any latent or patent defect, condition or risk that might be incurred in the exercise of the rights granted herein. The Property is largely in a natural condition and as with any unimproved land, certain risks exist, and Permittee covenants not to sue IRWD for any injury, loss, or damage arising out of the condition of the Property.

B. Cleaning and Restoration: Permittee shall, at its sole cost and expense, clean and restore the Property to its pre-entry condition upon leaving the Property each day.

C. Nondisturbance of Coastal Sage Scrub Habitat: Permittee shall not disturb any coastal sage scrub habitat, if any, within the Property unless Permittee has the requisite permit(s) therefor from appropriate state and/or federal agencies. If Permittee desires to disturb any such area, Permittee shall provide IRWD with a copy of all such permit(s) providing for disturbance of such habitat prior to commencing any activity in such area.

7. Financial Provisions

A. Entry Fee: Permittee shall pay IRWD \$1.00 for the use of the Property during the term of the Permit.

B. Reimbursement of Costs: Permittee shall reimburse IRWD for any costs incurred by IRWD related to Permittee's use of the Property. Reimbursable costs may include, but are not limited to IRWD's costs of labor, materials, energy, water, or other costs incurred by IRWD related to Permittee's use of Property. IRWD will invoice Permittee for costs, and Permittee shall pay all costs within thirty (30) days of IRWD's invoice.

C. Damage to IRWD's Property: At IRWD's election, Permittee shall repair or pay to IRWD the cost of any damage of any kind whatsoever to fences, gates, trees, improvements, water supply, and any other property of IRWD, including repairs, restoration, and value of loss of use arising from or in any way related to (i) the acts or omissions of Permittee, or (ii) any breach by Permittee of any of its obligations under this Permit.

D. Indemnification and Waiver:

(1) Waiver of Claims. IRWD and the other "Indemnitees" (defined below) shall not be liable for any damage of any kind whatsoever to Permittee's personal property, including loss of use of any such personal property, or for any injury or death of any kind whatsoever to any person entering upon the Property under this permit, arising from any cause whatsoever, and Permittee hereby waives all claims and demands relating thereto.



(2) Indemnity. Permittee agrees to indemnify, defend and hold IRWD and its employees, officers, directors, agents and representatives and its and their respective successors and assigns (collectively, the "Indemnities") harmless from and against any and all claims, losses, liabilities, costs and expenses, including attorney's fees (collectively, the "Claims") for damage to real, personal, tangible or intangible property, including loss of use of any such property, and all Claims for bodily injury, sickness, disease or death of any person, arising from or in any way related to (i) any act, negligence, omission or entry upon the Property or other activity under this Permit by Permittee (including but not limited to any Claim by any insurance company which has paid a claim and is subrogated to the rights of the claimant), or (ii) any breach by Permittee of its obligations under this Permit; provided, however, that no Indemnitee shall be entitled to indemnification hereunder to the extent any Claim is held by a court of competent jurisdiction to have been caused solely by the gross negligence or willful misconduct of such Indemnitee.

E. Insurance:

(1) Prior to any entry under this Permit, Permittee shall furnish IRWD with a policy or certificate of Permittee's (i) general liability and automobile insurance (including non-owned auto), and (ii) aviation liability insurance, covering all operations of Permittee and Permittee's Representatives under this Permit, endorsed to include IRWD, its employees, officers, directors, agents, representatives, volunteers, and other entities for which IRWD's are the governing body as additional insureds, with thirty (30) day notice to IRWD in the event of cancellation or any material change in coverage. This insurance policies shall reflect that the policy is primary insurance as respects any claim, loss or liability arising directly or indirectly from Permittee's operations, and any other insurance maintained by IRWD shall be in excess of Permittee's insurance and considered noncontributing.

(2) General liability insurance must be in a form satisfactory to IRWD and written with limits of liability of the higher of (i) \$2,000,000 (or such greater amount as may reasonably be required by IRWD) combined single limit bodily injury and property damage liability per occurrence, \$4,000,000 general aggregate, (ii) automobile liability insurance shall cover bodily injury and property damage for all activities arising out of or in connection with those performed under this Permit, including coverage for any owned, hired, non-owned, or rented vehicles in an amount not less than \$2,000,000 combined single limit for each accident, (iii) aviation liability insurance shall be on an "occurrence" basis, including products and completed operations, property damage, bodily injury (including death), and passenger liability with limits no less than \$10,000,000 per occurrence and in the aggregate, or (iv) the current limit of liability carried by Permittee for the aforementioned insurance coverages. If Permittee carries greater liability insurance than the minimum amount required in (i), (ii), and (iii) above, the certificate or policy delivered to IRWD must evidence this greater amount. IRWD will not be responsible for any costs of premiums or other charges for such insurance. If aircraft is chartered or leased with crew and/or pilot, non-owned aircraft liability insurance will be acceptable, but must be provided prior to use of aircraft.

(3) In addition, Permittee shall provide IRWD with Worker's Compensation and Employer's Liability Insurance (with limits of at least \$1,000,000) coverage with a Waiver of Subrogation endorsement by the insurance carrier in favor of IRWD, its directors, officers,



agents, employees, and volunteers, and other entities for which IRWD's directors are the governing body as additional insureds. Failure by IRWD to obtain from Permittee evidence of any insurance required hereunder shall not constitute a waiver of the requirement for such insurance.

(4) Nothing in this Section 7.E. shall limit Permittee's obligations under the other provisions of this Permit. Permittee shall not self-insure any portion of the insurance required under this section, except for deductibles or self-insured retentions approved by IRWD in writing in its sole and absolute discretion.

(5) Permittee acknowledges and agrees that any actual or alleged failure on the part of IRWD to inform permittee of non-compliance with any requirement imposes no additional obligations on IRWD nor does it waive any rights hereunder.

(6) Permittee agrees to ensure that its consultants, subcontractors, and any other party involved with this Permit who is brought onto or involved in the permitted use under this agreement by Permittee, provide the same minimum insurance coverage, endorsements, and safety plans/provisions as required of Permittee under this Permit. Permittee agrees to monitor and review all such coverage and documents and assumes all responsibility for ensuring that such coverage and documents are provided in conformity with the requirements of this Agreement. Permittee agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to IRWD for review.

8. Fire Restrictions: Permittee shall be responsible for fire suppression and prevention measures in conjunction with its use of the Property.

9. Miscellaneous:

A. Survival. The obligations and liabilities of Permittee under this Permit will survive the termination or expiration of this Permit, and will not be affected by or diminished in any way by the existence (or lack thereof) of other entry permits or entry agreements covering all or a portion of the Property.

B. No Representations or Warranties. Permittee acknowledges that neither IRWD nor any employee, agent or representative of IRWD has made representations or warranties concerning the condition of the Property.

C. Attorneys Fees. In the event of any legal action to enforce the rights or remedies of either party to this Permit, the prevailing party will be entitled to recover its costs and expenses (including attorneys' fees) of such action.

D. Rights Not Exclusive. All powers, rights or remedies of the parties to this Permit shall be cumulative with, and not exclusive of, any powers, rights or remedies otherwise available at law or in equity.

E. No Assignment. This Permit is personal to Permittee. Any attempted assignment will be void and of no effect and will be an incurable default under this Permit.

F. Authority. The person executing this Permit on behalf of Permittee represents and warrants that he/she is duly authorized to execute same and that Permittee is bound by the terms and conditions hereof.

G. Standard of Care; Performance of Employees. Permittee shall perform all activities under this Permit in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Permittee represents and maintains that it is skilled in the professional calling necessary to perform its activities. Permittee warrants that all employees and subcontractors shall have sufficient skill and experience to perform the activities assigned to them. Permittee represents that it, its employees, and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the activities, and that such licenses and approvals shall be maintained throughout the term of this Permit.

IN WITNESS WHEREOF, IRWD and Permittee have entered into this Entry Permit as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**“PERMITTEE”**

Approved as to form

**ORANGE COUNTY FIRE AUTHORITY**

By: \_\_\_\_\_  
David E. Kendig  
General Counsel

By: \_\_\_\_\_  
Brian Fennessy, Fire Chief

**IRVINE RANCH WATER DISTRICT**

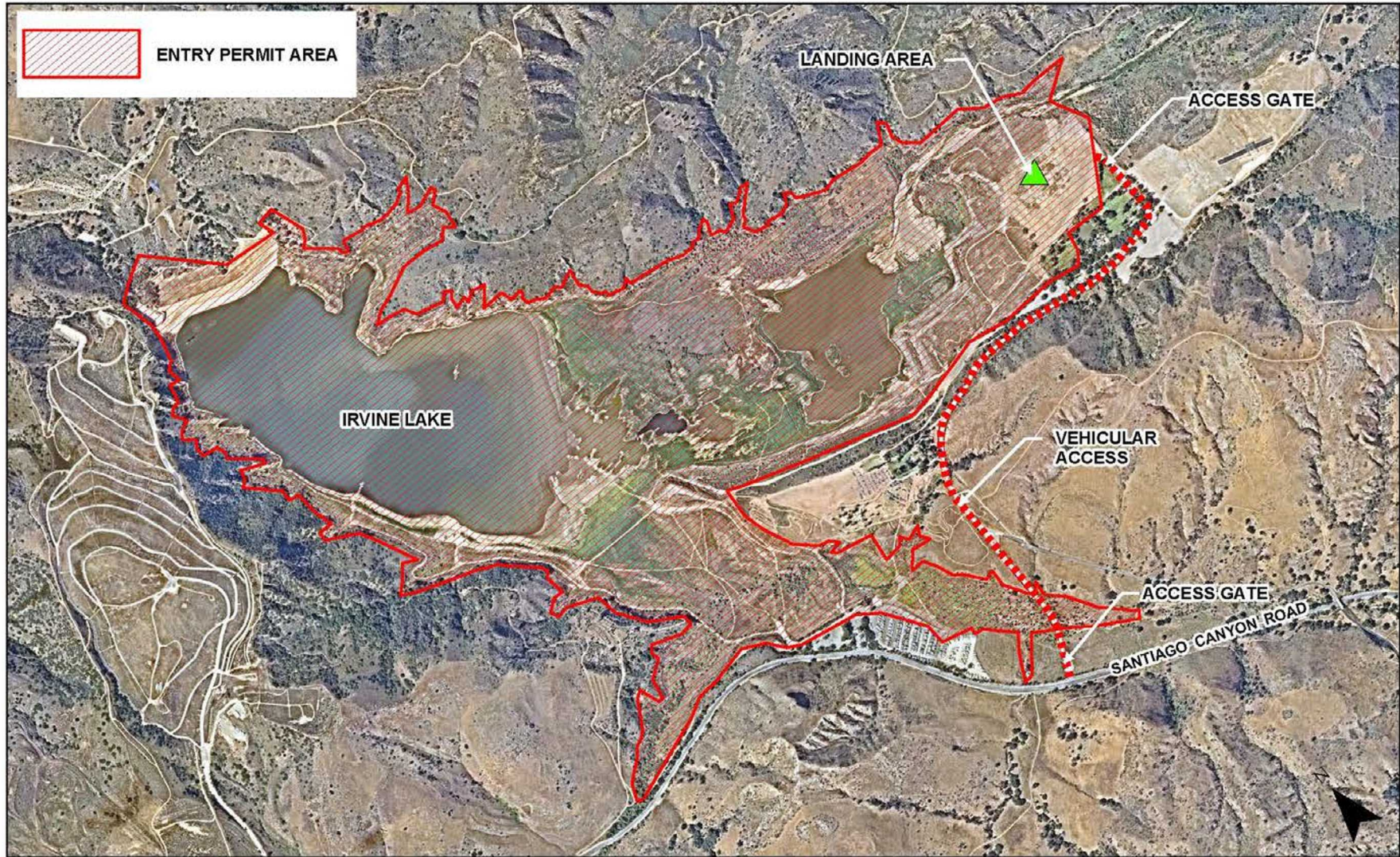
Approved as to Form:

By: \_\_\_\_\_  
Paul A. Cook, General Manager

By: \_\_\_\_\_  
District Counsel



EXHIBIT "A"







Orange County Fire Authority  
**AGENDA STAFF REPORT**

Executive Committee Meeting  
July 27, 2023

Agenda Item No. 2F  
Consent Calendar

**Increase to Agreement for Helicopter Flight Simulator Training**

**Contact(s) for Further Information**

Tim Perkins, Assistant Chief  
Field Operations South

[timperkins@ocfa.org](mailto:timperkins@ocfa.org)

714.573.6761

Kyle Kuzma, Battalion Chief  
Air Operations

[kylekuzma@ocfa.org](mailto:kylekuzma@ocfa.org)

714.522.2113

**Summary**

This item is submitted for approval to increase the previously approved Professional Services Agreement with FlightSafety International for Blackhawk S-70M/I flight simulator training to incorporate a change order to include additional training for our current Bell 412 helicopters.

**Prior Board/Committee Action(s)**

At its September 22, 2022, meeting, the Board of Directors approved and authorized the Purchasing Manager to enter into a Professional Services Agreement with FlightSafety International utilizing the sole source procurement provision in the Purchasing Ordinance for the provision of Blackhawk S-70M/I flight simulator training in the amount of \$389,400.

**RECOMMENDED ACTION(S)**

1. Approve and authorize payment to Flight Safety International in the amount of \$131,820 for Bell 412 flight simulator pilot training conducted in the first part of 2023.
2. Approve and authorize the Purchasing Manager to increase the current term of the previously approved Professional Services Agreement with Flight Safety International by \$131,820 to a new total not to exceed \$521,220 to incorporate Bell 412 training and to extend the agreement for one year through May 31, 2025 (\$1,042,440 two-year aggregate) to allow for recurrent flight simulator training.

**Impact to Cities/County**

Not Applicable.

**Fiscal Impact**

Funding for the original contract amount is included in the lease-purchase financing that was approved by the Board of Directors on October 27, 2022. This funding does not include the \$131,820 increase. Funding for the proposed increase is included in the Air Operations General Fund Budget for FY 2023/24.

Increased Cost Funded by Structural Fire Fund: \$0

Increased Cost Funded by Cash Contract Cities: \$0

## **Background**

### ***Contract Award***

FlightSafety International is the only training company that provides full motion simulators for flight safety training and is recognized by the FAA and for its pilot certification purposes. Pilot flight safety training is part one of a two-part training for our pilots with the second part being in-flight training that will be provided by Sikorsky; a step necessary to legally perform maintenance test flights in the S70M helicopters. FlightSafety International uses patented methods, immersive technology, and scenario-based training. They have decades of flight training experience, with instruction tailored to the aircraft, the pilot, and their experience level. While at FlightSafety International, pilots will spend 3 weeks in ground school and simulation, practicing performance-based techniques including standard and emergency procedures, all while gaining a thorough understanding of capabilities and limitations of the aircraft. By attending FlightSafety International, OCFA pilots will be trained in the skills needed to be proficient in flying a complex and task saturating aircraft within a fire environment.

### ***Current Request***

In addition to the flight simulator training for the Blackhawk S-70M aircraft, our Fire Pilots must maintain currency in our Bell 412 aircraft. As part of this currency training, they are required to conduct recurrent simulator training through FlightSafety International annually. The simulator allows the crew to engage in emergency procedures that are outside the scope of normal flight. Mechanical failures, engine fire simulations and ditching procedures. These simulations are proven to provide aircrews with substantially higher success rates when encountering real in-flight emergencies. This year, OCFA also added two new Fire Pilots. Both pilots were required to complete Initial Bell 412 flight safety training to become qualified to operate our Bell 412 aircraft. This additional Bell 412 FlightSafety training has resulted in the request to add an addendum to the FlightSafety International professional services agreement to include the Bell 412 training for the initial year, and to allow for ongoing recurrent pilot training for both the S70 and Bell 412 helicopters for 2024 and 2025.

Currently, training costs may be paid either through the establishment of a Blanket Order, via Check Request, Purchasing Card authority, or through the travel process. For higher-value and more formal instructional programs such as the Bell 412 training, staff recommends that training fees be paid through a Blanket Order as a best practice. To better capture the total cost spent with Flight Safety International for similar services, and to take advantage of a cost savings available, the Bell 412 training conducted earlier this year will be added to the previously approved Blackhawk S-70M/I training agreement. Because this additional training will result in a change order exceeding the administrative authority delegated by the Roles/Responsibilities/Authorities Matrix, staff requests approval and authorization to issue payment to Flight Safety International for training conducted in the first part of 2023, to increase the contract amount by \$131,820 to a new total amount not to exceed \$521,220, and to extend the agreement through May 31, 2025 in the same amount to allow for future required annual simulator training.

### **Attachment(s)**

Contract Change Order

**Addendum**

To **Event Based** Agreement for Pilot Training Between FlightSafety International Inc. and **Orange County Fire Authority**,  
Account No. **28750** dated **June 07, 2023**.

This Addendum is effective as of **June 29, 2023**.

The parties agree to the following change(s):

**One Time Rates**

| Year    | Course Description                       | No of Clients | Price per Client | Currency | Validity                   |
|---------|------------------------------------------|---------------|------------------|----------|----------------------------|
| Year 01 | Bell 412, Initial Pilot                  | *             | 31,400.00        | USD      | 01/01/2023 -<br>12/31/2024 |
|         | Bell 412, Recurrent Pilot                | *             | 17,200.00        | USD      |                            |
|         | Instrument Refresher-Helicopter Bell 412 | *             | 17,200.00        | USD      |                            |

**Payment Plan**

Net 30 unless other terms have been established

Unless expressly modified by this Addendum, the terms and conditions of the **Event Based** Agreement shall remain unchanged and in full force and effect.

The parties have each caused their duly authorized representative to execute this Addendum effective as of the date and year first written above.

**FlightSafety International Inc.**

**Orange County Fire Authority #28750**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



The Total Assurance Program (TAP) program by Sikorsky delivers tailored maintenance support meeting OCFA requirements and minimizing cost. The TAP maintenance support program covers the cost of parts replacement. The TAP minimizes aircraft maintenance cost variability and provides predictable financial planning by level-loading the scheduled and unscheduled maintenance costs at a fixed rate per flight hour. This will provide OCFA with a “known” and “guaranteed” cost over the life of the program while allowing the aviation section to focus on our firefighting and rescue missions. Sikorsky supplies replacement parts needed to maintain the helicopter in serviceable condition. The program includes parts that require scheduled repair or replacement, corrective maintenance, airframe line replaceable units, avionics, navigation, and communications. The TAP offers to repair or replace all parts that become unserviceable at a fixed rate per flight hour flown. The fixed rate per flight hour is calculated and included in the TAP Agreement. On average, the TAP hourly rate can be expected to cover more than 95% of part costs experienced during the term of the agreement. The Total Assurance Program pricing is structured based upon OCFA’s forecasted number of flight hours, currently 200 hours per year per aircraft.

OCFA Air Operations operates two Bell 412 helicopters year-round averaging 200 flight hours per aircraft. The Air Operations section intends to move both Bell 412s into a secondary position behind the two Firehawks. It is estimated that each Bell 412 aircraft will go from 200 flight hours to 50 flight hours annually. The reduction in flight hours will result in cost savings directly related to our maintenance costs specifically for these two aircraft, which will slightly offset the increased operating costs for the new Firehawk helicopters. Current maintenance costs for each Bell 412 averages \$1,025 per flight hour. The reduction in flight hours for both Bell 412 aircraft is projected to have a cost of \$102,500 annually versus a current approximate annual cost of \$410,000. The cost savings to the Air Operations operating budget is estimated at \$307,500. Both aircraft recently completed their 2500-hour heavy maintenance and are only scheduled for routine maintenance. The reduction in flight hours will also help slow future maintenance expenditures as the flight hours will continue to increase to the next heavy maintenance benchmarks.

### **Attachment**

Total Assurance Program Agreement Summary



## Sikorsky Total Assurance Program Agreement Summary

OCFA desires to purchase an extended support plan for the S70M helicopters, known as the Total Assurance Program (“TAP”), following acceptance from United Rotorcraft. Following are key contract provisions for the TAP:

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|                                       |                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Term of Agreement:</b>             | 10-year term that will end on December 31, 2033                                                                                                                                                                                                                                                                                                                                           |
| <b>Aircraft Description:</b>          | Two (2) Sikorsky S-70M helicopters, manufacturer’s serial numbers 704119 and 704121, each being an “ <u>Aircraft</u> ” under this Agreement.                                                                                                                                                                                                                                              |
| <b>Covered Parts:</b>                 | Parts and components identified and defined as “Covered Parts” in <u>Exhibit A</u> attached hereto.                                                                                                                                                                                                                                                                                       |
| <b>Hourly Rate Scale:</b>             | Flight Hour Hourly Charge for each calendar year based on the Minimum Utilization Rate selected by OCFA.                                                                                                                                                                                                                                                                                  |
| <b>Annual Estimated Cost:</b>         | Per the Hourly Rate Scale and OCFA’s estimated utilization, the annual cost is estimated at \$650,000 per aircraft, for a total estimated contract value of \$1.3 million for calendar year 2023 subject thereafter to a 4% annual escalator. Final costs will be determined by actual usage, via an annual reconciliation, resulting in either a credit or an additional charge to OCFA. |
| <b>Payment:</b>                       | OCFA will pay a monthly amount equal to the Flight Hour Hourly Charge. OCFA will submit payment not later than the thirtieth (30th) Day after the invoice date.                                                                                                                                                                                                                           |
| <b>Customer’s Right to Terminate:</b> | OCFA may terminate this Agreement with respect to one or more Aircraft at any time upon ninety (90) Days prior written notice.                                                                                                                                                                                                                                                            |

## EXHIBIT A

### COVERED PARTS

- A. **Covered Parts** are defined to mean all parts included in and on the Aircraft delivered under the Aircraft Sales Agreement, including all airframe, power train assemblies, blades, and avionics parts **except for the following items:**
- (i) **Engines and Engine Components** – The engines and engine parts, fuel controls, and components installed on the engines.
  - (ii) **Post-Acceptance Equipment Installed By Other Than Sikorsky-Approved Facilities** – Any part or equipment delivered or installed after acceptance of the Aircraft under the Aircraft Sales Agreement by a facility that is not approved by Sikorsky.
  - (iii) **Interior Furnishings** – All interior furnishings, including but not limited to interior paint, carpets, flooring, seat cushions, fabric, acoustic panels, luggage handling, and their related hardware, with the sole exception of pilot and co-pilot seats.
  - (iv) **Paints and Finishes** – All exterior paint finishes and exterior markings.
  - (v) **Search and Rescue Equipment, Fire-Fighting Specific Equipment, and Rescue Hoist and Pendant**
  - (vi) **Medical Interiors and Equipment**
  - (vii) **Customer-Unique Items** – All customer-unique items, including firefighting-specific equipment.
  - (viii) **Replacement Parts \$200 or less** – All replacement parts with a unit value of two hundred US Dollars (US\$200.00) or less.
  - (ix) **Non-Mandatory Changes** – Unless otherwise mutually agreed between the Parties, all modifications to the Aircraft which are undertaken as elective options, upgrades or improvements to the Aircraft, and not mandated by Sikorsky and/or the Cognizant Airworthiness Authorities.
  - (x) **Non-Authorized Parts** – All parts procured, manufactured or repaired by sources *other* than Sikorsky.
  - (xi) **Consumable Materials** - All fuel, oil, lubricants, fluids, adhesives and solvents as defined in the maintenance manual as “consumable” materials.
  - (xii) **Ground Support Equipment and Tools** - All ground handling equipment, special tools and ground support equipment, and all mechanic hand tools.

B. Scheduled Covered Parts – Basic Preventative Maintenance:

(i) All Calendar limited, Life Limited, Cycle Limited and Overhaul Limited parts (as defined in TM 1-S70i-280-23-9, Chapter 35, Work Package 1518 00, Retirement Schedule and Work Package 1519 00, Life Limited Components) are included in this Agreement with the exception of:

(a) Parts requiring replacement on a “time expired scheduled” basis with a life limitation of more than 5,100 Flight Hours.

(b) Parts requiring replacement on a “time expired scheduled” basis with a landing cycle limitation of more than 10,200 landing cycles.

(c) Parts requiring replacement on a “time expired scheduled” basis with a calendar limitation of more than ten (10) years.

C. All Calendar limited, Life Limited, Cycle Limited and Overhaul Limited parts (as defined in TM 1-S70i-280-23-9, Chapter 35, Work Package 1518 00, Retirement Schedule and Work Package 1519 00, Life Limited Components) are included in this Agreement if such parts should require replacement on an unscheduled basis due to normal, reasonable wear and tear.