



**SANTA MARIA PUBLIC AIRPORT DISTRICT
BOARD OF DIRECTORS**

**Thursday
April 23, 2026**

**Administration Building
Airport Boardroom
6:00 P.M.**

**REGULAR MEETING
A G E N D A**

This agenda is prepared and posted pursuant to the requirements of the California Government Code Section 54954.2. By listing a topic on this agenda, the Santa Maria Public Airport District has expressed its intent to discuss and act on each item. The Santa Maria Public Airport District welcomes orderly participation at its meetings from all members of the public. This includes assistance under the Americans with Disabilities Act to provide an equally effective opportunity for individuals with a disability to participate in and benefit from District activities. To request assistance with disability accommodation, please call (805) 922-1726. Notification at least 48 hours prior to the meeting would enable the Santa Maria Public Airport District to make reasonable arrangements to ensure accessibility to this meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL: Brown, Adams, Guy, Clayton, Rodriguez

- 1. MINUTES OF THE REGULAR MEETING HELD MARCH 12, 2026**
- 2. MINUTES OF THE REGULAR MEETING HELD APRIL 9, 2026**
- 3. COMMITTEE REPORT(S):**
 - a) EXECUTIVE
 - b) ADMINISTRATION & FINANCIAL
 - c) SAFETY & SECURITY
 - d) REAL ESTATE
 - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT
 - f) GOVERNMENT AFFAIRS
 - g) MARKETING & PROMOTIONS
 - h) GENERAL AVIATION
- 4. GENERAL MANAGER'S REPORT**
- 5. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) Demand Register
 - b) Financial Statements

6. **PUBLIC SESSION:** Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board will establish a time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
7. **RESOLUTION 958. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT ADOPTING A STANDBY (ON-CALL) ASSIGNMENT AND STANDBY PAY POLICY AND AMENDING THE PERSONNEL MANUAL.**
8. **RESOLUTION 959. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT ADOPTING A PURCHASING POLICY.**
9. **RESOLUTION 960. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT ADOPTING THE RENT STUDY.**
10. **RESOLUTION 961. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT ADOPTING THE FEE STUDY.**
11. **RESOLUTION 962. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT ADOPTING THE RATES AND CHARGES FOR FISCAL YEAR 2026-2027.**
12. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A BUILDING SPACE LEASE BETWEEN THE DISTRICT AND ENGLISH AIR SERVICE, LLC.**
13. **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A REVISED CONSENT AGREEMENT TO THE LEVY OF A CONTRACTURAL ASSESSMENT ON A LEASEHOLD INTEREST AND TO RELATED MATTERS REGARDING GROUND LEASE WITH UNITED LIONS CORPORATION.**
14. **AUTHORIZATION FOR TWO STAFF MEMBERS TO VISIT THE SAN BERNADINO AIRPORT AND PRODIGIQ HEADQUARTERS APRIL 30 – MAY 1, 2026.**
15. **AUTHORIZATION FOR THE MANAGER OF FINANCE AND ADMINISTRATION TO EXECUTE A CONTRACT WITH ORACLE NETSUITE ENTERPRISE SOFTWARE COMPANY.**
16. **CLOSED SESSION:** The Board will hold a Closed Session to discuss the following item(s):
 - a) **Conference with Real Property Negotiators: APN: 111-231-2 and 111-231-17. Agency negotiators: General Manager and District Counsel. Negotiating parties: Aerostar Properties. Under Negotiation: Through the Fence Agreement (Gov. Code Section 54956.8).**
17. **DIRECTORS' COMMENTS.**
18. **ADJOURNMENT.**

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD MARCH 12, 2026

The Board of Directors of the Santa Maria Public Airport District held a Regular Meeting at the regular meeting place at 6:00 p.m. Present were Directors Guy, Clayton, and Rodriguez. General Manager, Pehl, Manager of Finance & Administration, Flores, and District Counsel Steele. Directors Brown and Adams were absent.

1. MINUTES OF THE REGULAR MEETING HELD February 12, 2026. Director Rodriguez made a Motion to approve the minutes of the regular meeting held February 12, 2026. Director Clayton Seconded, and it was carried by a 3-0 vote.
2. COMMITTEE REPORT(S):
 - a) EXECUTIVE – The committee met to set the agenda.
 - b) ADMINISTRATION & FINANCIAL – No meeting scheduled.
 - c) SAFETY & SECURITY – No meeting scheduled.
 - d) REAL ESTATE – The committee met to discuss a current lease.
 - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT– No meeting scheduled.
 - f) MARKETING & PROMOTIONS – No meeting scheduled.
 - g) GENERAL AVIATION – No meeting scheduled.
3. GENERAL MANAGER’S REPORT: General Manager Pehl reported that he and Mr. Flores attended the NBAA International Operators Conference, where they focused on customs marketing efforts. He also noted that both will be attending the upcoming Schedulers and Dispatchers Conference later this month. Mr. Pehl shared that he recently presented to the Realtor Association on drone-related topics and attended the State of Vandenberg Space Force Base event. He provided an update on the runway project, stating that a change order has been approved to replace the runway lighting. Lastly, Mr. Pehl addressed American Airlines’ decision to terminate its service, noting that the route will end effective May 7, 2026.
4. The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.
 - a) Demand Register. The Demand Register, covering warrants 074490 through 074546 in the amount of \$441,508.67, was recommended for approval as presented. Director Rodriguez made a Motion to accept the Demand Register as presented. Director Clayton Seconded, and it was carried by a 3-0 vote.
 - b) Financial Statements. Received and filed.
5. PUBLIC SESSION: Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each

meeting. The Board has established a three-minute time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.

No one requested to speak.

6. Resolution 954. A Resolution of the Board of Directors of the Santa Maria Public Airport District adopting a structurally balanced budget policy. Director Clayton made a Motion to approve. Director Rodriguez Seconded, and it was carried by the following roll call vote. Directors Guy, Clayton, and Rodriguez voted "Yes".
7. Resolution 955. A Resolution of the Board of Directors of the Santa Maria Public Airport District adopting an investment policy. Director Guy made a Motion to approve. Director Clayton Seconded, and it was carried by the following roll call vote. Directors Guy, Clayton, and Rodriguez voted "Yes".
8. Resolution 956. A Resolution of the Board of Directors of the Santa Maria Public Airport District adopting a reserve policy. Director Clayton made a Motion to approve. Director Rodriguez Seconded, and it was carried by the following roll call vote. Directors Guy, Clayton, and Rodriguez voted "Yes".
9. Resolution 957. A Resolution of the Board of Directors of the Santa Maria Public Airport District adopting a debt management policy. Director Rodriguez made a Motion to approve. Director Clayton Seconded, and it was carried by the following roll call vote. Directors Guy, Clayton, and Rodriguez voted "Yes".
10. Authorization for the President and Secretary to execute the First Amendment of Service Agreement between the District and Tartaglia Engineering for the Rehabilitation of Runway 12-30. Director Clayton made a Motion to approve. Director Rodriguez Seconded, and it was carried by a 3-0 vote.
11. Authorization for the President and Secretary to execute the Second Amendment of Service Agreement between the District and Tartaglia Engineering for the Landside Improvement Project. Director Rodriguez made a Motion to approve. Director Clayton Seconded, and it was carried by a 3-0 vote.
12. Authorization for the President and Secretary to execute the Sixth Amendment of Service Agreement between the District and Tartaglia Engineering for the U.S. Customs Building Upgrades. Director Rodriguez made a Motion to approve. Director Clayton Seconded, and it was carried by a 3-0 vote.
13. Authorization for the President and Secretary to execute an Agreement of Sale of Conservation Credits between the Santa Maria Public Airport District and Rancho Purisma, LLC in connection with the La Purisma Conservation Bank. Director Rodriguez made a Motion to approve. Director Clayton Seconded, and it was carried by a 3-0 vote.
14. Closed Session. At 6:57 p.m. the Board went into Closed Session to discuss the following item(s):
 - a) Conference with Real Property Negotiators: APN: 111-231-2 and 111-231-17. Agency negotiators: General Manager and District Counsel. Negotiating parties: Aerostar Properties. Under Negotiation: Through the Fence Agreement (Gov. Code Section 54956.8).

At 7:05 p.m., the Board and staff reconvened to Open Public Session.

There were no reportable actions. Director Guy recused himself due to a continuing conflict of interest.

15. Directors' Comments. Director Rodriguez thanked staff for their work to improve the airport and noted that, while it is easy to criticize, staff is doing good work and bringing forward policies to help stabilize the District financially.

Director Clayton expressed disappointment with SkyWest's decision to discontinue service to Phoenix. He was pleased to hear marketing efforts for Customs are beginning and encouraged staff to attend future conferences that support customer growth. He added that, while waiting for another carrier to initiate service, the District should focus on maximizing revenues and positioning itself for future growth.

Director Guy said he was heartbroken by the negative community comments directed at the Board and staff regarding the loss of Phoenix service. He noted that staff and Board members attended numerous community events organized by the Chamber, REACH, EconAlliance, and others to promote the service. He encouraged continued efforts to move the airport forward, focus on existing assets, and learn from the experience. He also thanked Mr. Flores for his work in helping ensure compliance.

16. Adjournment: Acting President Guy asked for a Motion to adjourn to a Regular Meeting to be held on March 26, 2026, at the regular meeting place. Director Clayton made that Motion, Director Rodriguez Seconded, and it was carried by a 3-0 vote.

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 7:09 p.m. on March 12, 2026.

Steve Brown, President

Tony Guy, Secretary

MINUTES OF THE REGULAR BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD APRIL 9, 2026

The Board of Directors of the Santa Maria Public Airport District held a Regular Meeting at the regular meeting place at 6:00 p.m. Present were Directors Brown, Adams, Clayton, and Rodriguez. General Manager, Pehl, Manager of Finance & Administration, Flores, and District Counsel Steele. Director Guy was absent.

1. MINUTES OF THE REGULAR MEETING HELD March 12, 2026. Director Clayton made a Motion to approve the minutes of the regular meeting held March 12, 2026. Director Rodriguez Seconded. Directors Brown and Adams abstained from the vote. The item was tabled until the next meeting.
2. COMMITTEE REPORT(S):
 - a) EXECUTIVE – The committee met to set the agenda.
 - b) ADMINISTRATION & FINANCIAL – No meeting scheduled.
 - c) SAFETY & SECURITY – No meeting scheduled.
 - d) REAL ESTATE – The committee met four times.
 - e) AIRPORT PLANNING & CAPITAL IMPROVEMENT– No meeting scheduled.
 - f) MARKETING & PROMOTIONS – No meeting scheduled.
 - g) GENERAL AVIATION – No meeting scheduled.
3. GENERAL MANAGER’S REPORT: Mr. Pehl updated the board on the National Business Aviation Association schedulers and dispatchers conference that he and Mr. Flores attended. He stated that it was very informative and believes the airport should be in attendance next year with a booth.
4. The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.
 - a) Demand Register. The Demand Register, covering warrants 074547 through 074572 in the amount of \$758,158.35, was recommended for approval as presented. Director Clayton made a Motion to accept the Demand Register as presented. Director Adams Seconded, and it was carried by a 4-0 vote.
5. PUBLIC SESSION: Statements from the floor will be heard during public session. Request to Speak forms are provided for those wishing to address the board. After completing the form, please give it to the Clerk. Requests requiring board action will be referred to staff and brought on the next appropriate agenda. Members of the public are cordially invited to speak on agenda items as they occur. Staff reports covering agenda items are available for review in the offices of the General Manager on the Tuesday prior to each meeting. The Board has established a three-minute time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.

No one requested to speak.

6. Resolution 958. A Resolution of the Board of Directors of the Santa Maria Public Airport District adopting a Standby (on-call) Assignment and Standby Pay Policy and amending the Personnel Manual. This item was tabled for further discussion.

7. Board discussion of Aircraft Rescue and Fire Fighting Services Contract. The current contract is set to expire, and an RFP is out to other companies that can potentially provide the service.

Matthew Chircop, President of the Santa Maria Firefighters Association, stressed and highlighted the ebbs and flows of aircraft traffic in and out of the airport, emphasizing the importance of having ARFF personnel on duty to ensure safety. He asked the board to amend and continue the contract. He also noted that the labor union has ideas to help reduce costs and would appreciate the opportunity to present those to the board prior to any decision being made. He expressed a desire to continue the relationship and provide ongoing service to the community.

Matt Lewis, Firefighter, requested an opportunity to meet with the board to discuss and share ideas. He expressed a desire to continue providing service while collaboratively working to reduce costs.

Vicki Swain, Central Coast Jet Center, reminded the Board that ARFF services enable significantly greater business opportunities for businesses on the airport, including U.S. Forest Service operations and military use, specifically hot refueling, both of which require ARFF coverage. Loss of such services would be detrimental to the Jet Center. She also noted that the new Customs facility is expected to bring in larger aircraft that will likely require ARFF support as well.

8. Authorization for the General Manager to execute Change Order 1 for the Rehabilitation of Runway 12-30 Project between the District and Granite Construction. Director Clayton made a Motion to approve. Director Adams Seconded, and it was carried by a 4-0 vote.

RECESS: At 6:28 p.m.

Return to OPEN SESSION: At 6:33 p.m. The Board and staff reconvened to Open Session.

9. Closed Session. At 6:33 p.m. the Board went into Closed Session to discuss the following item(s):

a) Conference with Real Property Negotiators: APN: 111-231-2 and 111-231-17. Agency negotiators: General Manager and District Counsel. Negotiating parties: Aerostar Properties. Under Negotiation: Through the Fence Agreement (Gov. Code Section 54956.8).

b) Conference with Real Property Negotiators: 3203 Lightning Street, Santa Maria, CA 93455. Agency negotiators: General Manager and District Counsel. Negotiating parties: Artcraft Paint. Under Negotiation: Price & Terms of lease (Gov. Code Section 54956.8).

c) Conference with Real Property Negotiators: 3409 Corsair Circle, Santa Maria, CA 93455. Agency negotiators: General Manager and District Counsel. Negotiating parties: Central Coast Jet Center & English Air Services. Under Negotiation: Price & Terms of lease (Gov. Code Section 54956.8).

At 6:40 p.m., the Board and staff reconvened to Open Public Session.

There were no reportable actions.

10. Directors' Comments. Director Rodriguez had no comment.

Director Adams expressed that he is happy to be back and pleased to see progress being made.

Director Clayton acknowledged ongoing challenges but noted that positive developments are occurring and expressed optimism about the airport's future.

Director Brown expressed disappointment regarding the departure of American Airlines and stated that he is looking forward to upcoming real estate developments in the near term.

11. Adjournment: President Brown asked for a Motion to adjourn to a Regular Meeting to be held on April 23, 2026, at the regular meeting place. Director Clayton made that Motion, Director Adams Seconded, and it was carried by a 4-0 vote.

ORDER OF ADJOURNMENT

This Regular Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 6:45 p.m. on March 12, 2026.

Steve Brown, President

Tony Guy, Secretary

**DEMAND REGISTER
SANTA MARIA PUBLIC AIRPORT DISTRICT**

Full consideration has been received by the Santa Maria Public Airport District for each demand, numbers 074573 to 074638 and electronic payments on Columbia Bank and in the total amount of \$ 484,768.48.

MARTIN PEHL
GENERAL MANAGER

DATE

The undersigned certifies that the attached register of audited demands of the Santa Maria Public Airport District for each demand, numbers 074573 to 074638 and electronic payments on Columbia Bank in the total amount of \$484,768.48 has been approved as being in conformity with the budget approved by the Santa Maria Public Airport District and funds are available for their payment.

MICHEAL FLORES
MANAGER OF FINANCE AND ADMINISTRATION

DATE

THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVED PAYMENT OF THE ATTACHED WARRANTS AT THE MEETING OF APRIL 23, 2026.

TONY GUY
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 74573	4/8/2026	Advance Media New York	\$11,200.46	Airport Advertising
* 74574	4/8/2026	AEDs for Hearts	\$239.25	Terminal Maintenance
* 74575	4/8/2026	Airports Council International-NA	\$1,923.00	Airport Membership Dues 2026
* 74576	4/8/2026	Akeso Occupational Health	\$609.28	Pre-Employment Physical/Emergency Treatment
* 74577	4/8/2026	American Assn of Airport Exec	\$325.00	Executive Membership - M. Pehl (6/1/26 - 5/31/27)
* 74578	4/8/2026	Armstrong's Lock and Key	\$2,267.98	Hangar Maintenance
* 74579	4/8/2026	AT&T	\$186.22	Telephone Service
* 74580	4/8/2026	BMI PacWest	\$2,007.00	HVAC Service 4/1/26 - 6/30/26
* 74581	4/8/2026	Bomar Security & Investigation	\$15,123.50	Security Service
* 74582	4/8/2026	Capital Industrial Medical	\$143.43	First Aid
* 74583	4/8/2026	City of Santa Maria - Alarm Permit	\$15.00	Alarm Permit Renewal Charges
* 74584	4/8/2026	City of Santa Maria-Util Div	\$8,037.73	Utilities - Water
* 74585	4/8/2026	Coast Networx	\$210.00	Network Support Services
* 74586	4/8/2026	Comcast Business	\$496.63	Internet Service - Customs
* 74587	4/8/2026	Controlled Key Systems, Inc.	\$18,455.08	US Customs - Security
* 74588	4/8/2026	Fence Factory	\$164.17	Fencing and Gates
* 74589	4/8/2026	Grainger	\$2,051.72	Wildlife Maintenance/Shop Supplies
* 74590	4/8/2026	Gsolutionz, Inc.	\$407.63	Voice Services - March 2026
* 74591	4/8/2026	Haute Social by Hayley	\$971.00	Airport Advertising
* 74592	4/8/2026	Hayward Lumber Company	\$644.67	Hangar Maintenance/Pavement Maintenance
* 74593	4/8/2026	Heath, Ray	\$3,575.20	Consulting Services - Contingencies
* 74594	4/8/2026	J B Dewar, Inc	\$913.00	Unleaded/Diesel Fuel
* 74595	4/8/2026	JD Humann Landscaping, Inc	\$1,380.72	Irrigation Repairs
* 74596	4/8/2026	Letters, Inc.	\$48.00	Car Wash - January & February 2026
* 74597	4/8/2026	Los Padres Fire Protection	\$1,091.60	Vehicle Maintenance - ARFF
* 74598	4/8/2026	McMaster-Carr	\$1,347.72	Terminal Maintenance/Shop Supplies
* 74599	4/8/2026	Mead & Hunt, Inc.	\$8,000.00	Airport Consulting Service
* 74600	4/8/2026	Mission Linen Service	\$834.80	Uniform Service
* 74601	4/8/2026	Mr. Backflow	\$675.00	Terminal/FBO/Admin Maintenance
* 74602	4/8/2026	Newton Construction & Mgmt., Inc	\$66,608.55	US Customs Upgrades
* 74603	4/8/2026	NSBC United Way	\$2,500.00	Airport Advertising
* 74604	4/8/2026	Oberon3, Inc	\$50.00	Terminal Maintenance
* 74605	4/8/2026	O'Reilly Automotive, Inc.	\$407.57	Vehicle Maintenance
* 74606	4/8/2026	Pacific Telemanagement Services	\$463.00	Pay Phone Svs - Terminal
* 74607	4/8/2026	Playnetwork, Inc.	\$95.85	Audio/Video Media Services
* 74608	4/8/2026	RB Clean & Sweep	\$500.00	Street Sweeping
* 74609	4/8/2026	Richards, Watson & Gershon	\$6,005.00	Legal Counsel Services
* 74610	4/8/2026	Safety-Kleen	\$330.66	Hangar Maintenance
* 74611	4/8/2026	Santa Maria Breakfast Rotary	\$4,250.00	Airport Advertising
* 74612	4/8/2026	Service Star	\$12,321.65	Janitorial Service
* 74613	4/8/2026	Smith's Alarms & Electronics Inc.	\$90.00	Electronic Security System
* 74614	4/8/2026	Taggard, Richard	\$435.00	Tenant Refund

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 74615	4/8/2026	Tartaglia Engineering	\$137,658.80	Landslide Road Improvements
* 74616	4/8/2026	Tri-Counties Plant Service	\$275.00	Interior Plant Service - Terminal
* 74617	4/8/2026	Verizon Wireless	\$645.09	Mobile Devices
* 74618	4/15/2026	Astound	\$950.65	Network Services - Terminal
* 74619	4/15/2026	AT&T	\$143.36	Telephone Service
* 74620	4/15/2026	Bartlett, Pringle & Wolf	\$150.00	Software Support Svcs - Acumatica
* 74621	4/15/2026	CNH Industrial Accounts	\$116.79	Vehicle Maintenance
* 74622	4/15/2026	Comcast	\$1,461.16	Cable/Internet/Digital Voice
* 74623	4/15/2026	Comcast Business	\$2,294.58	Internet Service
* 74624	4/15/2026	Grainger	\$140.05	Terminal Maintenance
* 74625	4/15/2026	JD Humann Landscaping, Inc	\$4,955.00	Landscaping - Terminal
* 74626	4/15/2026	Mead & Hunt, Inc.	\$16,019.03	Airport Consulting Service
* 74627	4/15/2026	Mission Linen Service	\$181.87	Uniform Service
* 74628	4/15/2026	Napa Auto Parts	\$99.77	Fencing & Gates
* 74629	4/15/2026	NBAA, Inc.	\$499.00	Membership Dues
* 74630	4/15/2026	O'Reilly Automotive, Inc.	\$146.75	Vehicle Maintenance
* 74631	4/15/2026	Ponek Appraisal	\$4,500.00	Appraisal Report Fees
* 74632	4/15/2026	Restoration Masters, LLC	\$13,678.75	Terminal Maintenance
* 74633	4/15/2026	Santa Maria Valley Crop Service	\$6,440.69	Weed/Wildlife Maintenance
* 74634	4/15/2026	SB County Air Pollution	\$2,656.75	Annual Emission Fees
* 74635	4/15/2026	SLO Appraisals Inc.	\$6,500.00	Appraisal Report Fees
* 74636	4/15/2026	Sousa Tire Service, LLC	\$1,434.54	Vehicle Maintenance
* 74637	4/15/2026	SWRCB	\$1,873.00	Annual Permit Fee
* 74638	4/15/2026	VTC Enterprises	\$84.00	Trash - Paper Recycling
		Subtotal	<u>\$380,306.70</u>	
ACH	4/3/2026	Amazon Business Prime	\$2,898.69	Office Equipment/Terminal Maintenance
ACH	4/6/2026	CalPers	\$7,482.95	Employee Retirement
ACH	4/7/2026	Home Depot	\$3,973.41	Pavement Maintenance/Shop Supplies
ACH	4/9/2026	Paychex	\$8,422.23	Payroll Taxes
ACH	4/9/2026	Paychex	\$31,124.79	Payroll
ACH	4/10/2026	Paychex	\$231.47	Paychex Invoice
ACH	4/10/2026	FlexTG	\$16.90	Equipment Lease - Usage Charge
ACH	4/10/2026	CalPers	\$19,208.55	Employee Health Insurance
ACH	4/13/2026	Empower	\$5,710.14	Employee Paid Retirement
ACH	4/13/2026	PG&E	\$11,810.37	Terminal/Admin/Hangar Electricity
ACH	4/14/2026	Frontier	\$101.89	Telephone Service
ACH	4/15/2026	Quadient Leasing	\$440.67	Postage Machine Lease
ACH	4/15/2026	U.S. Bank Equipment Finance	\$573.14	RICOH Printer Lease
ACH	4/15/2026	Advantage Answering	\$613.30	Answering Service

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
ACH	4/15/2026	Clark Pest Control	\$3,240.75	Weed/Wildlife Abatement
ACH	4/16/2026	De Lage Landen	\$83.74	Copier
ACH	4/16/2026	Frontier	\$1,045.85	Telephone Service
ACH	4/20/2026	CalPers	\$7,482.94	Employee Retirement
		Subtotal	<u>\$104,461.78</u>	
		Total	<u><u>\$484,768.48</u></u>	

Santa Maria Public Airport District
Budget vs Actual - YTD
As of July 31, 2025

	<u>YTD</u>	<u>YTD BUD</u>	<u>VARIANCE</u>	<u>% VARIANCE</u>	<u>BUDGET</u>	<u>BUD V ACT</u>
61000-Landing fees	59,688.88	60,603.34	(914.46)	(1.5 %)	72,724.00	(13,035.12)
61100-Tiedowns	23,468.00	23,257.50	210.50	9 %	27,909.00	(4,441.00)
61200-Fuel Flowage Fees	71,450.46	109,200.00	(37,749.54)	(34.6 %)	131,040.00	(59,589.54)
62000-T-Hangar	506,752.24	523,075.00	(16,322.76)	(3.1 %)	627,690.00	(120,937.76)
62100-Corporate Hangar	376,014.00	384,202.50	(8,188.50)	(2.1 %)	461,043.00	(85,029.00)
62200-Owner Build Hangar	19,970.00	19,970.00	0.00	0 %	23,964.00	(3,994.00)
63000-T-Hangar Storage	43,354.00	43,455.84	(101.84)	(.2 %)	52,147.00	(8,793.00)
64100-Main Hangar	121,050.00	121,045.84	4.16	0 %	145,255.00	(24,205.00)
64200-Commercial Aviation	398,172.12	361,052.50	37,119.62	10.3 %	433,263.00	(35,090.88)
64300-Land Lease - Commercial Aviation	84,434.00	81,840.00	2,594.00	3.2 %	98,208.00	(13,774.00)
65000-Car Rental	137,147.74	149,890.84	(12,743.10)	(8.5 %)	179,869.00	(42,721.26)
65100-Terminal Space Lease	145,927.43	143,692.50	2,234.93	1.6 %	172,431.00	(26,503.57)
66100-Agricultural Lease	1,575,798.88	1,512,116.68	63,682.20	4.2 %	1,814,540.00	(238,741.12)
66200-Non Aviation Land Leases	360,981.24	337,279.18	23,702.06	7.0 %	404,735.00	(43,753.76)
66300-Cell Tower Lease	53,567.50	53,519.18	48.32	.1 %	64,223.00	(10,655.50)
66400-Mobile Home Parks	477,926.95	502,068.34	(24,141.39)	(4.8 %)	602,482.00	(124,555.05)
67000-Administrative Income	20,182.89	23,954.18	(3,771.29)	(15.7 %)	28,745.00	(8,562.11)
69100-Interest and Investment Earnings	95,803.82	185,000.00	(89,196.18)	(48.2 %)	222,000.00	(126,196.18)
69110-AIP Reimbursement	5,823,147.00	3,625,672.50	2,197,474.50	60.6 %	4,350,807.00	1,472,340.00
69120-PFC Revenue	82,398.20	47,365.84	35,032.36	74.0 %	56,839.20	25,559.20
69200-Tax Revenues	1,339,868.63	2,122,750.00	(782,881.37)	(36.9 %)	2,547,300.00	(1,207,431.37)
Total Income	11,817,103.98	10,431,011.76	1,386,092.22	13.3 %	12,517,214.00	(700,110.02)
80000-G&A	18,102.05	13,327.50	4,774.55	35.8 %	15,993.00	2,109.05
80001-MHP - Maintenance	13,486.81	19,600.00	(6,113.19)	(31.2 %)	23,520.00	(10,033.19)
80002-MHP - MHP Liability Insurance	19,903.22	13,330.84	6,572.38	49.3 %	15,997.00	3,906.22
80003-MHP - Property Management	18,800.00	23,500.00	(4,700.00)	(20.0 %)	28,200.00	(9,400.00)
80004-MHP - Salaries/ Employee Related Expenses	71,457.67	107,961.68	(36,504.01)	(33.8 %)	129,554.00	(58,096.33)
80005-MHP - Utilities	184,211.98	195,750.00	(11,538.02)	(5.9 %)	234,900.00	(50,688.02)
80100-Salaries- Administration	358,910.54	450,740.84	(91,830.30)	(20.4 %)	540,889.00	(181,978.46)
80101-Salaries - Maintenance & Operations	431,807.69	469,341.68	(37,533.99)	(8.0 %)	563,210.00	(131,402.31)
80102-Employee Benefits - Other	48,023.69	52,797.50	(4,773.81)	(9.0 %)	63,357.00	(15,333.31)
80104-Employee Benefits - Medical	232,211.18	254,865.84	(22,654.66)	(8.9 %)	305,839.00	(73,627.82)
80105-Medicare Tax	13,858.00	14,597.50	(739.50)	(5.1 %)	17,517.00	(3,659.00)
80106-PERS Retirement	302,510.00	328,837.50	(26,327.50)	(8.0 %)	394,605.00	(92,095.00)
81000-ARFF Services	747,637.50	827,500.00	(79,862.50)	(9.7 %)	993,000.00	(245,362.50)
81100-Electricity	234,376.53	210,472.56	23,903.97	11.4 %	252,567.00	(18,190.47)
81200-Natural Gas	6,632.32	6,760.84	(128.52)	(1.9 %)	8,113.00	(1,480.68)
81300-Water	82,584.89	117,466.70	(34,881.81)	(29.7 %)	140,960.00	(58,375.11)
81600-Communications	64,855.50	63,369.18	1,486.32	2.3 %	76,043.00	(11,187.50)
81601-Communications - Alarm	16,194.65	15,221.68	972.97	6.4 %	18,266.00	(2,071.35)
81602-Communications - Wireless	12,771.67	20,728.34	(7,956.67)	(38.4 %)	24,874.00	(12,102.33)
81603-Communications - Access Control	155.40	1,269.18	(1,113.78)	(87.8 %)	1,523.00	(1,367.60)
82400-Supplies Office	31,788.69	37,500.02	(5,711.33)	(15.2 %)	45,000.00	(13,211.31)
82410-Supplies Shop	38,101.45	29,166.68	8,934.77	30.6 %	35,000.00	3,101.45
82500-Fuel Expense	15,709.00	37,500.00	(21,791.00)	(58.1 %)	45,000.00	(29,291.00)
83000-Maintenance - Misc	7,247.78	17,916.72	(10,668.94)	(59.5 %)	21,500.00	(14,252.22)
83001-Maintenance - Lighting	12,071.49	22,083.36	(10,011.87)	(45.3 %)	26,500.00	(14,428.51)
83002-Maintenance - Generator	5,255.81	6,225.86	(970.05)	(15.6 %)	7,471.00	(2,215.19)
83003-Maintenance - Pavement	18,656.09	28,333.36	(9,677.27)	(34.2 %)	34,000.00	(15,343.91)
83004-Maintenance - Weed/Wildlife	38,672.01	61,223.34	(22,551.33)	(36.8 %)	73,468.00	(34,795.99)
83005-Maintenance - Fencing & Gates	10,550.26	16,083.38	(5,533.12)	(34.4 %)	19,300.00	(8,749.74)
83006-Maintenance - Building	100,653.00	63,089.20	37,563.80	59.5 %	75,707.00	24,946.00
83007-Maintenance - Fire Alarm	4,054.24	5,482.52	(1,428.28)	(26.1 %)	6,579.00	(2,524.76)
83008-Maintenance - Drainage	573.01	12,500.02	(11,927.01)	(95.4 %)	15,000.00	(14,426.99)
83100-Signs	3,405.85	7,083.36	(3,677.51)	(51.9 %)	8,500.00	(5,094.15)
84000-Equipment Lease	8,026.86	8,333.34	(306.48)	(3.7 %)	10,000.00	(1,973.14)
84500-Janitorial	116,785.00	115,455.00	1,330.00	1.2 %	138,546.00	(21,761.00)
84700-Landscaping	57,841.65	54,668.36	3,173.29	5.8 %	65,602.00	(7,760.35)
85000-Vehicle Maintenance	71,880.76	64,166.68	7,714.08	12.0 %	77,000.00	(5,119.24)
85400-Dues and Membership	92,739.98	80,905.00	11,834.98	14.6 %	97,086.00	(4,346.02)
86000-Advertising	320,590.89	62,500.00	258,090.89	412.9 %	75,000.00	245,590.89
86001-Consulting - Admin	85,464.94	93,475.84	(8,010.90)	(8.6 %)	112,171.00	(26,706.06)
86002-Consulting Professional	178,582.60	128,345.84	50,236.76	39.1 %	154,015.00	24,567.60
86003-Consulting - Legal	68,607.59	83,333.34	(14,725.75)	(17.7 %)	100,000.00	(31,392.41)
86004-Consulting - Security	415,073.60	416,447.50	(1,373.90)	(.3 %)	499,737.00	(84,663.40)
86005-Bank Fees	(173.72)	2,000.00	(2,173.72)	(108.7 %)	2,400.00	(2,573.72)
86006-Computer Software	177,304.37	138,346.68	38,957.69	28.2 %	166,016.00	11,288.37
86007-Customs	111,608.16	104,166.68	7,441.48	7.1 %	125,000.00	(13,391.84)
86015-Depreciation - Hangar Area	0.00	24,583.34	(24,583.34)	(100.0 %)	29,500.00	(29,500.00)
86025-Depreciation - Landing Area	0.00	2,010,000.00	(2,010,000.00)	(100.0 %)	2,412,000.00	(2,412,000.00)
86035-Depreciation - FBO	0.00	15,000.00	(15,000.00)	(100.0 %)	18,000.00	(18,000.00)
86045-Depreciation - Revenue Gen Land	0.00	258,333.34	(258,333.34)	(100.0 %)	310,000.00	(310,000.00)
86055- Depreciation - Terminal Area	0.00	312,500.00	(312,500.00)	(100.0 %)	375,000.00	(375,000.00)
86100-Depreciation - Administration	0.00	27,500.00	(27,500.00)	(100.0 %)	33,000.00	(33,000.00)
86200-Insurance	(2,049.60)	456,822.50	(458,872.10)	(100.4 %)	548,187.00	(550,236.60)
86500-Permits	19,247.71	10,000.00	9,247.71	92.5 %	12,000.00	7,247.71
86600-Education and Recognition	11,365.15	24,858.34	(13,493.19)	(54.3 %)	29,830.00	(18,464.85)
86700-Business Travel	39,728.07	25,000.00	14,728.07	58.9 %	30,000.00	9,728.07
86800-Fire Fighting Training	0.00	22,500.00	(22,500.00)	(100.0 %)	27,000.00	(27,000.00)
88001-Airfest Expense - Sponsorship	75,000.00	62,500.00	12,500.00	20.0 %	75,000.00	0.00
88608-Airline Service Revenue Guarantee	500,000.00	0.00	500,000.00	0 %	0.00	500,000.00
88609-Conservation Easement	1,000,000.00	875,000.00	125,000.00	14.3 %	1,050,000.00	(50,000.00)
88610-SEMCO	75,000.00	0.00	75,000.00	0 %	0.00	75,000.00
Total Expenses	6,587,853.98	9,028,368.96	(2,440,514.98)	(27.0 %)	10,834,042.00	(4,246,188.02)
Net Income	5,229,250.00	1,402,642.80	3,826,607.20	40.3 %	1,683,172.00	3,546,078.00

Santa Maria Public Airport District
Balance Sheet
As of April 30, 2026

User: Mike Flores

Current Assets:

Cash and cash equivalents	3,173,176
Restricted - cash and cash equivalents	418,226
Certificate-of-deposit	8,000
Accounts receivable - customers and tenants, net	(121,096)
Prepaid expenses and deposits	9,878,435
	<hr/>
Total current assets	13,356,741

Non-current assets:

Note receivable	0
Interest Receivable	0
Capital assets, not being depreciated	14,203,435
Depreciable capital assets	26,069,625
Deferred other post-employment benefits outflows	9,450
Deferred pension outflows	756,697
	<hr/>
Total non-current assets	41,039,208

Total assets

54,395,948

Current Liabilities:

Accounts payable and accrued expenses	276,163
Accrued wages and related payables	1,036
Unearned Revenue (customer prepaid)	218,081
Hangar and other deposits	119,393
Long-term liabilities - due in one year:	
Compensated absences	43,436
Land improvements payable	6,262
	<hr/>
Total current liabilities	664,372

Long-term liabilities - due in more than one year

Compensated absences	130,307
Land improvements payable	35,487
Total other post-employment benefits liability	324,853
Net pension liability	2,555,369
Deferred pension inflows	43,887
	<hr/>
Total long term liabilities	3,089,904

Total Liabilities

3,754,275

Net position:

Retained Earnings	45,412,423
Change in Net Position	5,229,250
	<hr/>
Total net position	50,641,673

Total liabilities and net position

54,395,948

**Santa Maria Public Airport District
Profit & Loss
As of April 30, 2026**

	YTD	YTD BUDGET	VARIANCE	FY BUD	VARIANCE
Revenues from Operations					
Landing Area					
Landing fees and tiedowns	83,156.88	83,860.84	(703.96)	100,633.00	(17,476.12)
Fuel flowage fees	71,450.46	109,200.00	(37,749.54)	131,040.00	(59,589.54)
Subtotal	154,607.34	193,060.84	(38,453.50)	231,673.00	(77,065.66)
Hangar area					
T-Hangar	506,752.24	523,075.00	(16,322.76)	627,690.00	(120,937.76)
Corporate T-Hangars	376,014.00	384,202.50	(8,188.50)	461,043.00	(85,029.00)
T-Hangar Storage Units	43,354.00	43,455.84	(101.84)	52,147.00	(8,793.00)
Owner Build Hangars	19,970.00	19,970.00	0.00	23,964.00	(3,994.00)
Subtotal	946,090.24	970,703.34	(24,613.10)	1,164,844.00	(218,753.76)
FBO Area					
Main Hangar	121,050.00	121,045.84	4.16	145,255.00	(24,205.00)
Commercial Hangars	398,172.12	361,052.50	37,119.62	433,263.00	(35,090.88)
Land Leases	84,434.00	81,840.00	2,594.00	98,208.00	(13,774.00)
Subtotal	603,656.12	563,938.34	39,717.78	676,726.00	(73,069.88)
Terminal Area					
Car Rental	137,147.74	149,890.84	(12,743.10)	179,869.00	(42,721.26)
Terminal Space Lease	145,927.43	143,692.50	2,234.93	172,431.00	(26,503.57)
Subtotal	283,075.17	293,583.34	(10,508.17)	352,300.00	(69,224.83)
Revenue generating land					
Non Aviation Land Leases	360,981.24	337,279.18	23,702.06	404,735.00	(43,753.76)
Agricultural Leases	1,575,798.88	1,512,116.68	63,682.20	1,814,540.00	(238,741.12)
Cell Towers	53,567.50	53,519.18	48.32	64,223.00	(10,655.50)
Airport Mobile Home Park	477,926.95	502,068.34	(24,141.39)	602,482.00	(124,555.05)
Subtotal	2,468,274.57	2,404,983.38	63,291.19	2,885,980.00	(417,705.43)
Administrative					
Badging Income					
Miscellaneous Income	20,182.89	23,954.18	(3,771.29)	28,745.00	(8,562.11)
Subtotal	20,182.89	23,954.18	(3,771.29)	28,745.00	(8,562.11)
Total Revenue from operations	4,475,886.33	4,450,223.42	25,662.91	5,340,268.00	(864,381.67)

**Santa Maria Public Airport District
Profit & Loss
As of April 30, 2026**

	YTD	YTD BUDGET	VARIANCE	FY BUD	VARIANCE
Operating Expenses:					

Landing Area	201,501.51	3,062,706.74	(2,861,205.23)	3,675,248.00	(3,473,746.49)
Hangar Area	79,500.60	112,447.60	(32,947.00)	134,937.00	(55,436.40)
FBO Area	84,209.27	96,223.42	(12,014.15)	115,468.00	(31,258.73)
Terminal Area	461,167.03	712,111.78	(250,944.75)	854,534.00	(393,366.97)
Revenue generating land	340,148.60	686,552.58	(346,403.98)	823,863.00	(483,714.40)
Public Administration	4,847,713.86	4,358,326.84	489,387.02	5,229,992.00	(382,278.14)
Other Miscellaneous Operating	338.51	0.00	338.51	0.00	338.51
	<hr/>				
Total Expenses	6,014,579.38	9,028,368.96	(3,013,789.58)	10,834,042.00	(4,819,462.62)
	<hr/>				
Operating income (loss)	(1,538,693.05)	(4,578,145.54)	3,039,452.49	(5,493,774.00)	3,955,080.95
	<hr/>				
Non-Operating Revenues (Expenses):					
Air Show Expense	74,661.49	0.00	74,661.49	0.00	74,661.49
PFC Revenue	82,398.20	47,365.84	35,032.36	56,839.00	25,559.20
Interest Income	95,803.82	185,000.00	(89,196.18)	222,000.00	(126,196.18)
Tax Revenues	1,339,868.63	2,122,750.00	(782,881.37)	2,547,300.00	(1,207,431.37)
AIP Reimbursement	5,823,147.00	3,625,672.50	2,197,474.50	4,350,807.00	1,472,340.00
Gain on Land Sale	0.00	0.00	0.00	0.00	0.00
	<hr/>				
Total non-operating rev (exp)	7,415,879.14	5,980,788.34	1,435,090.80	7,176,946.00	238,933.14
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Net Income	5,877,186.09	1,402,642.80	4,474,543.29	1,683,172.00	4,194,014.09
	<hr/>				

Santa Maria Public Airport District

Cash Flow Statement

For the period of July 1, 2025 to April 30, 2026

User: Mike Flores

Operating Activities, Cash Flows Provided by or Used in:

Net Income	5,229,250.00
Depreciation and Amortization	0.00
Decrease (Increase) in Accounts Receivable	184,047.56
Increase (Decrease) in Accounts Payable	-1,092,500.02
Increase (Decrease) in Tax Payable	-8,480.73
Increase (Decrease) in Other Operating Activities	0.00

Net Cash Flows From Operating Activities 4,312,316.81

Investing Activities, Cash Flows Provided by or Used in:

Capital Expenditures	-6,017,844.76
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Net Cash Flows from Investing Activities -6,017,844.76

Other Cash Flows From Financing Activities	0.00
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Net Cash Flows from Financing Activities 0.00

Net Increase (Decrease) in Cash and Cash Equivalents: -1,705,527.95

Cash at Beginning	5,557,802.65
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Cash at End 3,852,274.70

**TREASURERS REPORT
FOR MONTH ENDING 3/31/26**

CHECKING ACCOUNT COLUMBIA BANK		INTEREST RATES
BEGINNING BANK BALANCE	\$ 763,609.00	
DEPOSITS	\$ 813,514.85	
WITHDRAWALS	\$ 1,098,896.95	
ENDING CHECKING ACCOUNT BALANCE	\$ 478,226.90	0%
INVESTMENT SUMMARY		
LAIF	\$ 796,086.96	3.83%
COLUMBIA BANK MONEY MARKET ACCOUNT	\$ 131,334.76	3.68%
CLASS	\$ 2,445,300.50	3.69%
ENDING INVESTMENT BALANCE	\$ 3,372,722.22	
ENDING CASH BALANCE	\$ 3,850,949.12	

EXHIBIT A

Maintenance personnel shall normally report for duty at 8:00 A.M. and end the workday at 4:30 P.M., unless otherwise assigned as hereinabove provided.

4.8 OVERTIME

The District tries to keep costs down by avoiding overtime work. However, non-exempt employees may be required to work overtime with advance approval. The District compensates for overtime in fifteen (15) minute increments.

Overtime work for non-exempt employees is defined as hours assigned to be worked and actually worked in excess of forty (40) hours in the designated seven (7) day workweek. Overtime may be compensated by the payment of one and one-half (1-1/2) times the regular rate of pay or by compensatory time off for the employee involved. Only actual hours worked will be counted toward the 40-hour threshold for purposes of calculating FLSA overtime pay; paid leave will not be counted.

4.8.1 Compensatory Time in Lieu of Cash

In lieu of cash payment for overtime, an employee may elect to receive compensatory time off, credited at the rate of time and one-half for every overtime hour worked. The maximum accumulation of compensatory time off which may be credited is 240 hours (equivalent to 160 overtime hours worked). An employee who has requested to use accumulated compensatory time shall be permitted to use such time within a reasonable period of time after making the request unless, in the discretion of the department head or General Manager, the use of the compensatory time will unduly disrupt the operations of the District. An employee shall, upon termination, be paid for unused accumulated compensatory time at the higher of (1) the employee's final regular rate of pay or (2) the employee's average regular rate of pay during the last three years of his/her employment.

Hours worked by an employee on a specified District holiday shall be considered overtime work regardless of the number of hours the employee actually worked within the applicable work period.

4.9 RETURN TO WORK PAY

If the employee leaves the workplace following his or her regular workday but is requested to return to duty, the employee shall be entitled to be paid a minimum of two (2) hours at the employee's applicable overtime rate or receive compensatory time off. An employee who returns to work shall be paid time and one-half for all hours worked after the employee returns to work. Emergency service call back time between the hours of 12:01 a.m. and 4:59 a.m. will be a minimum of three hours paid at time and one-half comp time or cash at the employer's option. An employee will only qualify for the three-hour minimum of paid at time and one-half if the majority or entirety of the emergency call back is between 12:01 a.m. and 4:59 a.m.; if less than half of the time is between said hours, the employee will be eligible for the two-hour minimum paid at time and one-half.

4.10 Standby (On-Call) Assignment and Standby Pay

a. Standby (On-Call) Assignment

The District may require certain employees to be placed on standby (on-call) status outside of their regularly scheduled work hours in order to ensure the continuous and safe operation of airport facilities and services.

Standby assignments may be made by management and may be mandatory, rotational, scheduled, or assignment-based, depending on operational needs.

Employees may be permitted to trade or exchange standby assignments with management approval

b. Definition of Standby Status

An employee on standby status is not required to remain at a specific location, but must:

- Be ready and take immediate steps to respond within a reasonable time to calls for their service (which would exclude anyone on an approved vacation and/or out sick);
- Be readily available and reachable by telephone or paging device;
- Remain within a 30-mile radius of the Airport;
- Must use a District-assigned vehicle exclusively for transportation to and from the district; and
- Refrain from activities that might impair their ability to perform their assigned duties.

Time spent on standby does not constitute hours worked unless the employee is actually required to perform work.

c. Standby (On-Call) Pay

Employees assigned to standby (On Call) status shall receive compensation for availability, separate from regular wages.

- The amount shall be \$5 per each hour assigned to standby (On Call) status
- Standby pay is paid regardless of whether the employee is called in, provided the employee complies with standby requirements.

Standby pay is not considered hours worked for purposes of overtime calculation.

d. Call-Back and Compensation for Hours Worked

If an employee on standby status is required to return to work:

- All time actually worked shall be compensated in accordance with:
 - Section 4.8 Overtime, and
 - Section 4.9 Return to Work Pay, as applicable.
- Standby pay is paid in addition to any wages, overtime, or compensatory time earned for hours worked.
- Travel time shall be compensated as hours worked.

e. Failure to Respond

Failure to respond to a standby call, without good cause, may result in:

- Loss of the applicable standby pay; and/or
- Disciplinary action, consistent with District policies.

f. Modification or Discontinuation

Standby assignments and standby pay amounts may be modified, suspended, or discontinued by the District based on operational needs, budgetary considerations, or policy changes, subject to applicable law.

4.11 VACATION

All full-time employees will be granted annual vacation leave with pay according to the following schedule:

<u>Years of Service</u>	<u>Vacation Days</u>	<u>Credit Per Month</u>
1 to 3	10	6.67 hours per month
4	11	7.33 hours per month
5	12	8 hours per month
6	13	8.67 hours per month

RESOLUTION NO. 958

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
ADOPTING A STANDBY (ON-CALL) ASSIGNMENT AND STANDBY PAY POLICY,
AND AMENDING THE DISTRICT PERSONNEL MANUAL**

WHEREAS, the Santa Maria Public Airport District (“District”) is responsible for the safe, secure, and continuous operation of airport facilities and services, including response to after-hours and emergency situations; and

WHEREAS, certain District positions must be available outside of regularly scheduled work hours, requiring clearly defined standby (on-call) expectations and compensation; and

WHEREAS, the Board of Directors further desires to clarify and enhance compensation for emergency return-to-work situations occurring during late-night hours in recognition of the operational and personal impact of such calls; and

WHEREAS, the Board of Directors has determined that it is in the best interest of the District to adopt a formal Standby (On-Call) Assignment and Standby Pay Policy, consistent with applicable federal and State of California labor law; and

WHEREAS, the Board of Directors has authority to establish compensation, adopt personnel policies, and amend the District Personnel Manual;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Maria Public Airport District as follows:

Section 1. Adoption of Standby (On-Call) Policy

The Board of Directors hereby **adopts the Standby (On-Call) Assignment and Standby Pay Policy**, which shall be incorporated into the District Personnel Manual as **Section 4.10**, as set forth in **Exhibit A**, attached hereto and incorporated by reference.

Section 2. Amendment to Personnel Manual – Return to Work / Emergency Call-Back (Section 4.9)

Section **4.9 – Return to Work Pay** of the District Personnel Manual is hereby amended to include the following provision:

Emergency service call-back time occurring between the hours of 12:01 a.m. and 4:59 a.m. shall be compensated at a minimum of three (3) hours paid at time and one-half (1½), in the form of compensatory time or cash, at the employer’s option. An employee shall qualify for the three-hour minimum at time and one-half only when the majority or entirety of the emergency call-back occurs between 12:01 a.m. and 4:59 a.m.

If less than one-half of the emergency call-back time occurs between 12:01 a.m. and 4:59 a.m., the employee shall be eligible for the standard two-hour minimum paid at time and one-half.

All other provisions of Section 4.9 shall remain in full force and effect unless specifically amended herein.

Section 3. Administrative Authority

The **Manager of Finance and Administration** is authorized and directed to:

- Implement and administer the Standby (On-Call) Assignment and Standby Pay Policy;
- Update payroll, scheduling, and operational procedures to reflect the amended emergency call-back compensation provisions;
- Make conforming, non-substantive edits to the Personnel Manual consistent with the intent of this Resolution.

Section 4. Effective Date

This Resolution and all amendments to the Personnel Manual approved herein shall become effective July 1, 2026

Section 5. No Contractual Guarantee

Nothing in this Resolution or the Personnel Manual amendments approved herein shall be construed to create a contract of employment, express or implied, nor to alter the at-will employment status of District employees.

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

HISTORY OF SANTA MARIA PUBLIC AIRPORT

In the early 1940's, during World War II, the U. S. Army Corps of Engineers constructed what was then known as Santa Maria Army Base to provide training facilities for crews of B-25 aircraft. A few years later the B-25 groups left and the facility became a training field for P-38 pilots and ground crews.

In 1946, following the war's end, the County of Santa Barbara acquired the property by means of an interim permit issued by the War Assets Administration. The County retained control of the facility until 1949, at which time the City of Santa Maria obtained an undivided one-half interest. This dual ownership/management proved cumbersome to administer, and in March of 1964 transfer of the airport to the newly formed Santa Maria Public Airport District was accomplished.

The District was formed, as prescribed by law, by voter approval. Enabling legislation which covered this action is in the form of the California Airport District Act (Part 2 of the Public Utilities Code of the State of California).

Santa Maria Public Airport District encompasses an area of 400 square miles extending from the Santa Maria/Cuyama River at the north to a point three miles south of the community of Los Alamos at the south. In an east-west direction, the District commences at Point Sal at the Pacific Ocean and extends eastward a distance of 30 miles, or 10 miles east of the dam at Twitchell Reservoir.

The District is governed by a five-member Board of Directors who serve four-year terms and are elected at large. The directors entrust the responsibility for the efficient execution of airport policies to their designated representative, the General Manager.

Since formation of the District, numerous projects have been accomplished which directly and indirectly benefit each person in the District. Examples of these projects include design and construction of Skyway Drive from Betteravia Road to the Orcutt Expressway, design and construction of the industrial park east of Skyway Drive, and construction of the airport terminal building, crash/fire/rescue station, air traffic control tower, and other facilities adjacent to the primary runway.

Currently Santa Maria Public Airport encompasses approximately 2,550 acres, including two active runways. The airport provides facilities for regional airlines and serves as home base for over 150 general aviation aircraft.

SANTA MARIA PUBLIC AIRPORT DISTRICT
PERSONNEL MANUAL



TABLE OF CONTENTS

1.0 EMPLOYMENT POLICIES.....2

1.1 EQUAL EMPLOYMENT OPPORTUNITY2

1.2 POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION 2

 1.2.1 Introduction2

 1.2.2 Definitions3

 1.2.3 Prohibited Conduct5

 1.2.4 Complaint Procedure5

 1.2.5 Obligations of Supervisors.....6

 1.2.6 Investigative/Corrective Action6

 1.2.7 Protection Against Retaliation.....6

 1.2.8 Additional Enforcement Information.....6

1.3 NON-CONTRACT PROVISION7

1.4 AT-WILL EMPLOYMENT7

1.5 COVERAGE OF THE PERSONNEL RULES7

1.6 TIME OFF TO VOTE8

1.7 JOB ABANDONMENT8

1.8 PERSONNEL RECORDS8

 1.8.1 General8

 1.8.2 Notifying District of Changes in Personal Information8

 1.8.3 Location of Personnel Files8

 1.8.4 Medical Information9

 1.8.5 References and Release of Information in Personnel Files.....9

 1.8.6 Employee Access to Personnel File10

1.9 CONFLICTS OF INTEREST10

 1.9.1 Policy10

 1.9.2 Disclosure11

 1.9.3 Violations.....11

1.10 EMPLOYEE DRESS CODE11

1.11 ELECTRONIC MAIL (E-MAIL) ADMINISTRATIVE POLICY11

 1.11.1 Purpose11

 1.11.2 Policy11

 1.11.3 Provisions12

 1.11.4 Etiquette12

1.12 USE OF DISTRICT PROPERTY12

1.13 ALCOHOL AND DRUG ABUSE POLICY.....12

 1.13.1 Purpose12

 1.13.2 Policy13

 1.13.3 Definition of Terms14

1.14 ANTI-FRATERNIZATION POLICY16

 1.14.1 Purpose16

 1.14.2 Policy16

 1.14.3 Supervisor/Subordinate Relationships16

 1.14.4 Enforcement17

1.15 WORKPLACE VIOLENCE POLICY17

 1.15.1 Policy17

 1.15.2 Definitions18

 1.15.3 Incident Reporting Procedures18

2.0 SELECTION AND APPOINTMENT19

2.1 JOB ANNOUNCEMENTS19

2.2 APPLICATION PROCEDURE19

2.3 SELECTION PROCESS.....20

 2.3.1 Evaluation Panel20

2.4 APPOINTMENTS20

	2.5	RE-EMPLOYMENT	21
	2.6	ORIENTATION	21
3.0		EMPLOYMENT STATUS	21
	3.1	FULL-TIME AND PART-TIME EMPLOYMENT	21
	3.2	PROBATIONARY PERIOD.....	21
	3.2.1	Probationary Period For New Employees	21
	3.2.2	Probationary Period For Promotional Employees.....	21
4.0		COMPENSATION/PAYROLL	22
	4.1	SALARY PLAN ADMINISTRATION	22
	4.1.1	Salary Placement of New Employees	22
	4.1.2	Salary Reinstatement	22
	4.1.3	Salary Step Movement	22
	4.1.4	Salary on Promotion.....	22
	4.1.5	Salary on Demotion	23
	4.1.6	Salary on Transfer	23
	4.1.7	Salary on Reassignment of Class	23
	4.1.8	Salary on Reclassification of Position.....	23
	4.1.9	Salary for Airport Security Coordinator Certification.....	23
	4.2	LONGEVITY PAY PLAN.....	23
	4.3	PAYDAYS	24
	4.4	AUTHORIZED DEDUCTIONS	24
	4.5	GARNISHMENTS.....	24
	4.6	WORKING HOURS.....	24
	4.7	WORK SCHEDULE.....	24
	4.8	OVERTIME	25
	4.8.1	Compensatory Time in Lieu of Cash.....	25
	4.9	RETURN TO WORK PAY	25
	4.10	VACATION	25
	4.11	SICK LEAVE	26
	4.11.1	Definition	26
	4.11.2	Notice and Use of Sick Leave.....	27
	4.11.3	Sick Leave Accrual	27
	4.11.4	Abuse of Sick Leave	28
	4.11.5	Evaluation of Sick Leave Usage	28
	4.12	DISABILITY INSURANCE	28
	4.13	EXCEPTIONAL CIRCUMSTANCES.....	28
	4.14	HOLIDAYS	28
	4.15	ADDITIONAL EMPLOYEE BENEFITS.....	29
	4.15.1	Medical Insurance.....	29
	4.15.2	Dental Insurance	30
	4.15.3	Retirement Benefit Plan	30
	4.15.4	Deferred Compensation Plan.....	30
	4.15.5	Life Insurance	30
	4.15.6	Section 125, Internal Revenue Code, Flex Plan	31
5.0		JOB ACTIONS	31
	5.1	PROMOTIONS AND TRANSFERS	31
	5.2	RESIGNATION.....	31
	5.3	LAYOFFS	31
	5.3.1	Statement of Intent	31
	5.3.2	Notification	32
	5.3.3	Order of Layoff.....	32
6.0		DISCIPLINARY ACTIONS	32
	6.1	ATTENDANCE	32
	6.2	DISCIPLINARY ACTIONS	32
	6.3	GROUND FOR DISCIPLINARY ACTION.....	32
	6.4	TYPES OF DISCIPLINARY ACTION.....	34

	6.4.1	Counseling	34
	6.4.2	Verbal Reprimand	34
	6.4.3	Written Reprimand.....	34
	6.4.4	Suspension	35
	6.4.5	Reduction In Pay.....	35
	6.4.6	Demotion	35
	6.4.7	Discharge	35
6.5		PROCEDURES	35
	6.5.1	Notice of Intent.....	35
	6.5.2	Response by Employee	36
	6.5.3	Final Notice	36
6.6		APPEALS HEARING PROCEDURE	36
	6.6.1	Request for Hearing.....	36
	6.6.2	Scheduling of Hearing.....	37
	6.6.3	Closed Hearing	37
	6.6.4	General Manager As Hearing Officer	37
	6.6.5	Subpoenas	37
	6.6.6	Conduct at Hearing.....	37
	6.6.7	Right to Representation	38
	6.6.8	Administration of Oath.....	38
	6.6.9	Order of Proceeding	38
	6.6.10	Preponderance of Evidence	38
	6.6.11	Exclusion of Witnesses	39
	6.6.12	Exclusion of Visual Recordings.....	39
	6.6.13	Continuances.....	39
	6.6.14	General Manager's Decision.....	39
	6.6.15	Judicial Review.....	39
7.0		PERFORMANCE EVALUATIONS	39
	7.1	EVALUATIONS	39
	7.1.1	Performance Evaluation.....	39
	7.1.2	Performance Reports	40
8.0		LEAVES OF ABSENCE.....	40
	8.1	UNPAID LEAVE OF ABSENCE.....	40
	8.2	MILITARY LEAVE OF ABSENCE	40
	8.3	PERSONAL LEAVE	41
	8.4	BEREAVEMENT LEAVE	41
	8.5	PREGNANCY DISABILITY LEAVE.....	41
	8.5.1	Notice & Certification Requirements	41
	8.5.2	Benefits While on Leave	41
	8.5.3	Reinstatement	42
	8.6	ADMINISTRATIVE LEAVE	42
	8.7	REPRODUCTIVE LOSS LEAVE	42
	8.8	JURY DUTY / COURT-ORDERED LEAVE	43
	8.9	FAMILY CARE, MEDICAL, AND MILITARY EXIGENCY LEAVE	43
	8.9.1	Eligibility	44
	8.9.2	Qualifying Reasons for CFRA Leave	44
	8.9.3	Leave's Effect on Pay	44
	8.9.4	Leave's Effect on Benefits.....	45
	8.9.5	Procedure	45
	8.10	TEMPORARY DISABILITY LEAVE	46
9.		GRIEVANCES	46
	9.1	GRIEVANCE PROCEDURE	46
	9.1.1	Definition	46
	9.1.2	Exclusions.....	46
	9.1.3	Rights of Representation	47
	9.1.4	The Grievance Steps	47

	9.1.5	Specifics Of The Grievance	48
10.0		MISCELLANEOUS PROCEDURES	48
	10.1	MEDICAL EXAMINATION	48
	10.2	CONDUCT AND ETHICS	48
	10.3	TRAINING & CONFERENCES	48
	10.4	TUITION REIMBURSEMENT FOR CONTINUING EDUCATION	49
	10.5	TELEPHONE CALLS.....	49
	10.6	DEPARTURE NOTIFICATION	49
	10.7	SOLICITATION	49
	10.8	VENDING OR CANVASSING	49
	10.9	REST BREAKS	49
	10.10	SAFETY	49
	10.11	ACCIDENTS AND INCIDENTS.....	50
	10.12	COMMUNICATION	50
	10.13	“WRITE IT – DON’T SAY IT”	50
	10.14	LOST AND FOUND.....	50
	10.15	CONFLICT.....	50
	10.16	TELEWORK AND REIMBURSEMENT POLICY	50
	10.16.1	Purpose	51
	10.16.2	Definitions	51
	10.16.3	Scope of Policy	51
	10.16.4	Voluntary Teleworking Arrangements	51
	10.16.5	Mandatory Teleworking Arrangements During Exigent Circumstances	53
	10.16.6	Duties, Obligations and Responsibilities for Teleworking Employees.....	53
	10.16.7	Miscellaneous	54
	10.16.8	Work Schedule, Overtime, Leave, Benefits	54
	10.16.9	Space and Equipment, Information Security, Confidentiality.....	55
	10.16.10	Conditions and Requirements for Reimbursement.....	56

1.0 EMPLOYMENT POLICIES

1.1 EQUAL EMPLOYMENT OPPORTUNITY

The Santa Maria Public Airport District (“District”) provides equal employment opportunity to all applicants and employees in all areas of employment including recruitment, hiring, transfer, promotion, discipline, compensation, training, benefits and termination. The District prohibits unlawful discrimination based on any characteristic protected by law. Protected characteristics are race (including hair texture, protective hairstyles [including, but not limited to, such hairstyles as braids, locs, and twists], and other traits associated with race), color, religion and religious creed (including religious dress and religious grooming practices), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, and related medical conditions), reproductive health decision-making, gender, gender identity (including transgender identity), gender expression (including transgender expression or because an individual has transitioned or is (or is perceived to be) transitioning to live as the gender with which they identify), sex stereotyping, national origin, ancestry, citizenship, age (40 years and over), mental disability and physical disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (including a request for or approval of leave under applicable leave of absence laws), military or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, sexual orientation, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the National Labor Relations Act or California Fair Pay Act, requesting a reasonable accommodation on a protected basis such as a disability or sincerely-held religious belief, practice, or observance, a person’s use of cannabis off the job and away from the workplace, subject to and in accordance with applicable laws, or any other characteristic protected by local, state, or federal laws (“Protected Characteristics”). The District also prohibits discrimination based on (a) any combination of those Protected Characteristics; (b) a perception that the person has any of those Protected Characteristics or any combination of those Protected Characteristics; and (c) a perception that the person is associated with a person who has, or is perceived to have, any of those Protected Characteristics or any combination of those Protected Characteristics.

1.2 POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION

1.2.1 Introduction

The District is dedicated to taking all reasonable steps to prevent discrimination, harassment, and retaliation from occurring. Such actions violate this Policy and will not be tolerated.

This Policy applies to everyone involved in the operation of the District and sets a standard of expected behavior for all persons working in or with the District (including co-workers, supervisors, managers, contractors, volunteers and applications). This Policy applies all terms and conditions of employment, including but not limited to hiring, placement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, training opportunities and compensation, and even when the conduct takes place away from the District’s premises (including virtual workspaces being used by remote workers, on a business trip, or business-related social functions).

Employees who violate this Policy may be subject to disciplinary action up to and including termination.

1.2.2 Definitions

a. Discrimination

As used in this Policy, “discrimination” means the unequal treatment of an employee or applicant in any aspect of employment and based solely or in part on any Protected Characteristic. Discrimination violates this policy regardless of whether the applicant or employee actually has the Protected Characteristic or is merely perceived to have it. Discrimination also violates this policy when it’s based on a combination of two or more Protected Characteristics or the Protected Characteristic(s) of someone with whom the applicant or employee is associated, such as a family member or friend.

Examples of discrimination include, but are not limited to:

- Allowing the applicant’s or employee’s Protected Characteristic to be a factor in hiring, promotion, compensation, or other employment related decisions (unless otherwise permitted by applicable law).
- Refusing to acknowledge an employee’s disability-related accommodation request.
- Withholding work-related assistance, cooperation, and/or information to applicants or employees because of their Protected Characteristic.

b. Harassment

As used in this policy, “harassment” means disrespectful or unprofessional conduct that is not welcomed by the person being harassed and is based solely or in part on any Protected Characteristic. Harassment violates this policy regardless of whether the applicant or employee actually has the Protected Characteristic or is merely perceived to have it. Harassment also violates this policy when it’s based on a combination of two or more Protected Characteristics or the Protected Characteristic(s) of someone with whom the applicant or employee is associated, such as a family member or friend.

Harassment can include, but is not limited to:

- Verbal conduct (such as slurs, jokes, insults, epithets, gestures, or teasing).
- Visual conduct (such as posting or distributing offensive posters, symbols, cartoons, drawings, computer displays, or emails, staring, or leering).
- Physical conduct (such as physically threatening another person, blocking someone’s way, or making physical contact in an unwelcome manner).

c. Sexual Harassment

As used in this policy, “sexual harassment” means harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, or sexual orientation. It includes all of the actions described above as harassment, as well as other unwelcome sex-based conduct, such as unwelcome or unsolicited

sexual advances, requests for sexual favors, conversations regarding sexual activities, or other verbal or physical conduct of a sexual nature. Sexual harassment does not have to be of a sexual nature and sexual harassment does not need to be motivated by sexual desire. In addition, sexual harassment may include situations that began as a consensual dating or sexual relationship, but that later became a relationship that was not welcomed by one of the people involved. Sexual harassment is generally categorized into two types:

i. Quid Pro Quo Sexual Harassment (“this for that”) includes but is not limited to:

- Submitting to sexual harassment in order to keep one’s job, get a new job, or receive an employment benefit or opportunity
- Making decisions about an employee based on their acceptance or rejection of sexual harassment

ii. Hostile Work Environment Sexual Harassment

Unwelcome conduct on the basis of sex, gender, gender identity, gender expression, or sexual orientation by any person in the workplace that unreasonably interferes with an employee’s work performance and/or creates an intimidating, hostile, or otherwise offensive working environment. When the conduct is not welcome, severe or pervasive, and based on sex, gender, gender identity, gender expression, or sexual orientation, examples of sexual harassment creating a hostile work environment include, but are not limited to:

- Sexual advances, flirtation, teasing, sexually suggestive or obscene letters, invitations, notes, emails, voicemails, or gifts
- Comments, slurs, jokes, remarks, or epithets o Leering, obscene, or vulgar gestures
- Displaying or distributing sexually suggestive or derogatory objects, pictures, graphics, cartoons, videos, images, or posters
- Impeding or blocking movement, touching, or assaulting others o Reprisals or threats after a negative response to sexual advances
- Conduct or comments consistently targeted at one gender, even if the content is not sexual

d. Retaliation

As used in this policy, “retaliation” means any adverse employment action taken against an applicant or employee because that person participated in activity protected under this policy or reasonably thought to be protected under this policy. Examples of protected activities include, but are not limited to:

- Reporting or assisting someone in reporting suspected violations of this policy
- Cooperating in investigations or proceedings arising out of a violation of this policy
- Filing a complaint with the California Civil Rights Department, the United States Equal Employment Opportunity Commission, or a local agency that accepts employment discrimination complaints

“Adverse employment action” is conduct or an action that materially affects the terms and conditions of the applicant’s or employee’s employment status or is reasonably likely to discourage the person from engaging in a protected activity. Even actions that do not result in a direct loss of compensation or in termination may be regarded as an adverse employment action when considered in the totality of the circumstances.

When done because an applicant or employee reported a violation of this policy, filed a complaint, or otherwise participated in any activity protected (or reasonably thought to be protected) under this policy, examples of retaliation under this policy include, but are not limited to:

- Demotion, not promoting, or not considering for promotion
- Suspension, reduction in pay or hours, or changing work assignments
- Denial of a merit salary increase
- Failure to hire or consider for hire
- Harassment
- Denying employment opportunities or not talking to an employee when otherwise required by job duties
- Refusing to consider, or denying a disability- or religious practice-related accommodation request without individualized consideration

1.2.3 Prohibited Conduct

No supervisor, manager, or employee of the District shall create a hostile or offensive work environment for any other person by engaging in any discriminatory harassment or by tolerating it on the part of any employee.

No supervisor, manager, or employee of the District shall assist any individual in doing any act which constitutes discriminatory harassment against any employee of the District.

No supervisor, manager, or other authority figure may condition any employment, employee benefit or continued employment in this District on an applicant’s or employee’s acquiescence to any of the behavior defined above.

No supervisor, manager, or other authority figure may retaliate against any applicant or employee, because that person has opposed a practice prohibited by this Policy or has filed a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing conducted by an authorized investigator.

No person shall destroy evidence relevant to an investigation of harassment or discrimination.

1.2.4 Complaint Procedure

The District’s complaint procedure provides for an immediate, thorough and objective investigation of any harassment claim.

A covered individual who believes they have experienced any form of employment discrimination, harassment, or retaliation is strongly encouraged to report this experience immediately and should provide a written or verbal complaint to their own or any other supervisor, the General Manager, or their designee.

This includes conduct the individual personally experiences or directly observes, whether or not reported by the individual who is the object of the conduct. This shall also include conduct by non-employees.

1.2.5 Obligations of Supervisors

Supervisors and managers must immediately refer all harassment complaints to the General Manager. In the event the complaint is against the General Manager or a member of the Board of Directors, it shall be addressed to the Board President, except that if the complaint is against the Board President, it shall be addressed to any other Board Member.

Under no circumstances shall a supervisor, manager, or other authority figure retaliate in any way against an employee who has made a complaint or who has provided information as a witness to an incident of alleged discrimination or harassment.

All supervisors and managers are required to maintain confidentiality to the extent possible in communicating or investigating any claims of alleged discrimination or harassment.

1.2.6 Investigative/Corrective Action

All incidents of discrimination, harassment, or retaliation that are reported must be investigated. The General Manager or designee will promptly undertake an efficient, thorough and objective investigation of the allegations. The investigation will be completed and a determination regarding the harassment alleged will be made.

If the District determines that discrimination, harassment, or retaliation has occurred, the District will take effective remedial action commensurate with the circumstances. Appropriate action will also be taken to deter any future harassment. If a complaint of discrimination, harassment, or retaliation is substantiated, appropriate disciplinary action, up to and potentially including discharge, will be taken against the harassing individual(s).

1.2.7 Protection Against Retaliation

The District's policy and applicable law prohibits retaliation against any employee by another employee or by the District for using this complaint procedure or for filing, testifying, assisting or participating in any manner in any harassment investigation, proceeding or hearing.

Any report of retaliation by the one accused of harassment, or by coworkers, supervisors or managers, will also be promptly, effectively and thoroughly investigated in accordance with the District's investigation procedure outlined above. If a complaint of retaliation is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

1.2.8 Additional Enforcement Information

In addition to the District's internal complaint procedure, employees should also be aware that the Federal Equal Employment Opportunity Commission (EEOC) and the California Civil Rights Department (CRD) (formerly, the Department of Fair Employment & Housing (DFEH)) investigate and prosecute complaints of employment harassment. Both the EEOC and the CRD serve as neutral fact finders.

Contact the agencies directly to learn about their specific complaint processes and time limits.

U.S. Equal Employment Opportunity Commission (EEOC)

- Website: www.eeoc.gov/employees
- General information: (800) 669-4000, (800) 669-6820 (TTY), or (844) 234-5122 (ASL Video Phone)
- Email: info@eeoc.gov

California Civil Rights Department (CRD)

- Website: www.calcivilrights.ca.gov
- Complaint information: <https://calcivilrights.ca.gov/complaintprocess/>
- General information: (800) 884-1684 (voice), (800) 700-2320 (TTY), or California's Relay Service at 711

Email: contact.center@calcivilrights.ca.gov

1.3 NON-CONTRACT PROVISION

These rules do not create any contract of employment, express or implied, or any rights in the nature of a contract.

1.4 AT-WILL EMPLOYMENT

Pursuant to California Labor Code section 2922 unless otherwise expressly provided for in an applicable employment contract, District employees are employed on an at-will basis. Employment at-will may be terminated without cause and without notice at any time by the employee or the District.

No manager, supervisor, or employee of the District has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the District's Board of Directors has the authority to make any such agreement and only if it is in writing.

An employee's at-will employment relationship may not be modified by an oral agreement or an implied agreement (i.e., based on past workplace practices). Similarly, nothing contained in this handbook, or in any other documents or communications provided to employees or candidates for employment—aside from a special written agreement signed by the Board of Directors as stated above—is intended to be, nor should be, construed as a guarantee that employment (or any benefit) will be continued for a specific time period, or that a good reason or cause must exist before the District can terminate employment. For example, any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience. They are not intended to create an employment contract for a year or a specific period.

1.5 COVERAGE OF THE PERSONNEL RULES

These rules establish the personnel system for the District. These rules shall apply to all employees of the District, except those employees or employee groups who are excluded or except where these rules specifically otherwise provide.

1.6 TIME OFF TO VOTE

Pursuant to California Elections Code section 14000(a) and (b), if an employee does not have sufficient time outside of working hours to vote at a statewide election, the employee may take up to two (2) hours off without loss of pay at the beginning or end of the employee's regular work shift. Prior approval for this time off by the employee's supervisor is required. If, up to three days before the election day, the employee believes that time off will be necessary to be able to vote on election day, then the employee shall give the District at least two working days' notice that time off for voting is desired. (California Elections Code section 14000(c)).

1.7 JOB ABANDONMENT

An employee is deemed to have resigned if the employee is absent for five (5) consecutive workdays without prior authorization and without notification during the period of absence. On the third working day of unauthorized absence, the supervisor shall send an overnight letter to the employee's last known address informing the employee that if the employee fails to report to work within two (2) workdays, or receive authorization for such absence, the employee will be deemed to have resigned. Employees separated from employment for job abandonment will be reinstated with such charge removed from the employee's record upon presentation of justification for the absence such as severe accident, severe illness, false arrest, or mental or physical impairment which prevented notification. Employees have no right to appeal if deemed to have resigned as a result of job abandonment.

1.8 PERSONNEL RECORDS

1.8.1 General

The District maintains a personnel file on each employee. An employee's personnel file shall contain only material that is necessary and relevant to the administration of the District's personnel program. Personnel files are the property of the District, and access to the information they contain is restricted.

1.8.2 Notifying District of Changes in Personal Information

Each employee is responsible to promptly notify the District's Payroll Department of any changes in relevant personal information, including

- Mailing address
- Telephone number
- Persons to contact in emergency
- Number and names of dependents
- Marital Status

1.8.3 Location of Personnel Files

The Payroll Department maintains all personnel records for employees of the District, including employment records and evaluations.

1.8.4 Medical Information

a. Separate Confidential Files

All medical information about an employee or applicant is kept separately and is treated as confidential, in accordance with the Americans with Disabilities Act (42 U.S.C. section 12112(d)(3)(b)) and the California Confidentiality of Medical Information Act (Cal. Civil Code section 56 et seq.).

b. Information in Medical Files

The District will not obtain medical information about an employee or applicant except in compliance with the California Confidentiality of Medical Information Act. . However, an employee may voluntarily authorize release of their medical information to the District at their own discretion.

c. Access to Medical Information

Access to employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for District business reasons. In the case of an employee with a disability, managers and supervisors may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations.

The District will not provide employee or applicant medical information to a third party (except as permitted under the California Confidentiality of Medical Information Act) unless the employee signs an AUTHORIZATION FOR RELEASE OF EMPLOYEE MEDICAL INFORMATION. The District will release only the medical information that is identified in the employee's authorization. If the employee's authorization indicates any limitations regarding the use of the medical information, the District will communicate those limitations to the person or entity to which it discloses the medical information. Disclosure of an employee's medical information may also be made to first responders in the event of a medical emergency involving the employee.

1.8.5 References and Release of Information in Personnel Files

a. Public Information

Upon request, the District will release to the public information about its employees as required by the Public Records Act. The District will not disclose personnel information that is specifically exempt from disclosure under the PRA or would otherwise constitute an unwarranted invasion of personal privacy.

b. Reference Checks

All requests from outside the District for reference checks or verification of employment concerning any current or former employee must be referred to the Payroll Department. Information will be released only if the employee signs an AUTHORIZATION FOR RELEASE OF EMPLOYMENT INFORMATION, except that without such authorization, the following limited information will be provided: dates of employment, and salary upon departure. Department heads and supervisors should not provide information in response to requests for

reference checks or verification of employment, unless specifically approved by the Payroll Department on a case-by-case basis.

1.8.6 Employee Access to Personnel File

a. Inspection of File

A current or former employee, or an authorized representative of the current or former employee, may inspect his or her own personnel file, to the extent defined in California Labor Code section 1198.5, at reasonable times and at reasonable intervals. An employee who wishes to review his or her file should contact the Payroll Department to arrange an appointment. The review must be done in the presence of the Payroll Department or his/her designee.

b. Copies

On request, an employee is entitled to receive a copy of any personnel record relating to the employee's performance or to any grievance concerning the employee. An employee who wishes to receive such a copy should contact the Payroll Department

1.9 CONFLICTS OF INTEREST

1.9.1 Policy

Employees are expected to use good judgment, adhere to high ethical standards, and conduct themselves with integrity and honesty in the course of their employment. This requires that employees refrain from activities, relationships, or having any financial interests, that are inconsistent with satisfactorily executing (or giving attention to) the full-time performance of their job duties. In addition, employees must not engage in activity that creates the appearance that their ability to act in an impartial, ethical, and professional manner has been compromised. Moreover, employees are expected to avoid situations that create an actual or potential conflict between their personal financial interests—such as soliciting or accepting gifts, favors, or anything having a monetary value from an entity known to be a vendor, potential vendor, or in any way affiliated with the District—and the legitimate business interests of the District.

A conflict of interest exists when the employee's actions are divided between the District's best business interests and those of the employee or of another entity in direct or indirect competition with the District, such as a competitor, supplier, vendor, or customer. Both the fact and the appearance of a conflict of interest should be avoided. Employees unsure as to whether a certain transaction, activity, relationship, or action constitutes an apparent or actual conflict of interest should discuss it with their immediate supervisor or the General Manager for clarification. Any exceptions to this policy must be approved in writing by the General Manager.

While it is not feasible to describe all possible conflicts of interest that could develop, some of the more common situations that employees should avoid include the following:

- Accepting personal gifts or entertainment from competitors, customers, vendors, potential vendors, suppliers, or potential suppliers;
- Working for a different company, business, or other person (e.g., a competitor, supplier, customer, etc.) while employed by the District where such other work compromises the

employee's fulfillment of the employee's job responsibilities to the District (including, but not limited to, its attendance requirements) or otherwise;

- Using District property or labor or otherwise exploiting one's position with the District for personal gain.

1.9.2 Disclosure

Employees are expected to disclose actual or potential conflicts to the District as soon as possible. If an employee or someone with whom an employee has a close relationship (e.g., a family member or close companion) has a financial or employment relationship with a competitor, customer, vendor, potential vendor, supplier, or potential supplier, the employee must disclose this fact in writing to the General Manager.

1.9.3 Violations

Failure to adhere to this policy, including failure promptly to disclose any conflicts or to seek an exception, may result in discipline, up to and including termination of employment.

1.10 EMPLOYEE DRESS CODE

Employees of the District are required to dress appropriately for the jobs they are performing. Failure to follow the dress regulations contained in this section shall be grounds for discipline. The District adheres to the Fair Employment and Housing Act ("FEHA") with regards to dress and grooming standards related to, among other things, hair texture, protective hair styles and religious dress.

- All clothing must be neat, clean and in good repair.
- Prescribed uniforms and safety equipment must be worn where applicable. Maintenance workers receive an annual allowance of uniforms.
- Footwear must be appropriate for the work environment and functions being performed.
- Hair must be neat, clean and well groomed.
- Beards, mustaches and sideburns must be maintained in a neat and well-groomed fashion.
- Jewelry is acceptable except in areas where it constitutes a health or safety hazard.
- Good personal hygiene is required.
- Dress must be appropriate to the work setting, particularly if the employee deals with the public.

1.11 ELECTRONIC MAIL (E-MAIL) ADMINISTRATIVE POLICY

1.11.1 Purpose

To establish guidelines for the use of electronic mail throughout the District.

1.11.2 Policy

The District email system is an official communication tool for District Business. All electronic mail (email) messages are official District records and are the property of the District. Employees should restrict their use of District owned hardware and software to District

business. The District reserves the right to monitor the system for any reason, including the right to review, audit and disclose all matters sent over and/or stored in the system to ensure that the email is being used in compliance with the law and this Policy. email transmissions are not confidential; therefore, employees can have no reasonable expectation of privacy in anything that is sent over the email network.

1.11.3 Provisions

a. All messages transmitted over the E-mail system should be those which involve District business activities or contain information essential to its employees for the accomplishment of business-related tasks, any communication directly related to District business, administration or practices. Employees must send all District communications that are sent via email to and from their official District email address. Employees are prohibited from using their private email address when communicating District business via email.

b. Employees may use District internet access for incidental personal communications provided that the use: is kept to a minimum and limited to break times or non-working hours; does not interfere or conflict with District operations or the work performance of any District employees; is not abusive, illegal, inappropriate, or otherwise prohibited by this policy; and clearly indicates it is for personal use and does not indicate or imply City sponsorship or endorsement.

c. Users of email are responsible for the management of their mailbox and its associated folders. email documents will remain in a folder until deleted or trashed. Purging of emails and their associated contents will be conducted according to the District's document retention policy.

1.11.4 Etiquette

The District's Anti-Harassment Policies also apply to electronic communications. Language that is insulting, offensive, disrespectful, demeaning, or sexually suggestive will not be tolerated. Harassment of any form or ethnic slurs, obscenities, or any representation of obscenities, will not be tolerated. Sending a carbon copy of these types of offensive email to a separate party will not be tolerated. Failure to comply will result in disciplinary action, up to and including termination.

1.12 USE OF DISTRICT PROPERTY

All District equipment is property of the District and is to be used only for purposes related to conducting District business unless otherwise authorized. Equipment including but not limited to telephones, desks, computers, file cabinets, lockers, vehicles and other District property used by District employees in their work may be monitored and searched by District personnel at any time without notice. Employees are hereby notified that they do not have a reasonable expectation of privacy in their use of District property or equipment.

1.13 ALCOHOL AND DRUG ABUSE POLICY

1.13.1 Purpose

The District is committed to providing employees with a workplace which is safe, productive and conducive to the welfare of all persons. The presence of drugs and alcohol on the job, and the influence of these substances on employees during working hours, are inconsistent with this objective.

Nothing in this policy is meant to interfere with the District's adherence to Government Code section 12954, prohibiting discrimination against an employee for their use of cannabis off the job and away from the workplace. However, the District is still entitled to maintain a drug- and alcohol- free workplace as specified in Section 11362.45 of the Health and Safety Code.

1.13.2 Policy

a. Employees shall not be under the influence of, or in possession of, alcohol or unlawful drugs while at work locations, while on duty or subject to being called to duty. Furthermore, employees shall not sell, possess, use, or provide unlawful drugs or alcohol to any other employees or person while such employee is on duty or subject to being called to duty.

b. An employee reasonably believed to be under the influence of alcohol or drugs shall be prevented from engaging in further work.

c. The District shall, upon showing of reasonable suspicion that an employee is intoxicated or under the influence of drugs and/or alcohol while on the job or subject to being called to duty, compel an employee to submit to a reasonable suspicion drug and/or alcohol test on District time and at the District's expense. Refusal to submit to the test may be deemed insubordination and may subject the employee to discipline, up to and including termination. Nothing contained herein shall limit the District's right to discipline or discharge any employee. Any manager or supervisor directing an employee to submit to a drug and/or alcohol test shall timely document in writing the facts constituting reasonable suspicion that the employee in question is intoxicated or under the influence of drugs.

d. Any drug tests required by the District will comply with the requirements of Gov. Code section 12954. As such, no drug test will screen for non-psychoactive cannabis metabolites, such as those that test for tetrahydrocannabinol ("THC").

e. If a drug screen is positive, and the employee claims to have a prescription for the substance that led to a positive test, the employee must provide within 24 hours of request, bona fide verification of a valid current prescription for the drug declared by the employee before the drug test and identified in the drug screen. The prescription must be in the employee's name. If the employee does not provide acceptable verification of a valid prescription, or if the employee has not previously notified his or her supervisor, the employee will be subject to disciplinary action, up to and including termination.

f. If an alcohol or drug test is positive for alcohol or drugs, the District shall conduct an investigation to gather all facts. The decision to discipline or terminate will be carried out following an evaluation of the circumstances. A positive result from a drug and/or alcohol analysis may result in disciplinary action, up to and including termination.

g. If the employee desires to appeal a positive test result, he or she may request a new testing of the remaining portion of the original sample. The test shall be conducted at the employee's expense and shall be conducted at a laboratory mutually approved by the District and the employee.

h. Laboratory reports and test results shall not appear in an employee's general personnel folder. Information of this nature will be contained in a separate confidential medical folder that will be securely kept under the control of the District, pursuant with Policy 1.8.4 above. The reports or test results may be disclosed to District management on a strictly need-to-know basis and to the tested employee upon request. Disclosures, without patient consent, may also occur when: (1) the information is compelled by law or by judicial or administrative process; (2) the information has been placed at issue in a formal dispute between the District and the employee; (3) the information is to be used in administering an employee benefit plan; (4) the information is needed by medical personnel for the diagnosis or treatment of the patient who is unable to authorize disclosure.

i. Managers and supervisors shall notify their department head or designee when they have reasonable suspicion to believe that an employee may have prohibited drugs in his or her work area. If the department head or designee concurs that there is reasonable suspicion evidence of prohibited drug possession, the department head shall notify the appropriate law enforcement agency. The District reserves the right to search, without employee consent, all areas and property in the District which the District maintains control or joint control with the employee in such a situation.

j. Employees must notify their supervisor before beginning work when taking medications or drugs which could foreseeably interfere with the safe and effective performance of their duties or operation of District equipment. Medical clearance by a qualified physician may be required by the District in the event that there is a question regarding an employee's ability to safely and effectively perform assigned duties.

k. An employee who is convicted of a criminal drug charge because of a drug violation he or she committed on District property or during working hours or while attending a conference, training, seminar, or other activity paid for by the District, is required to notify the District of the conviction.

l. The employee must notify the District within five (5) days of the time he or she is convicted. In addition to any sentence imposed by a court, the District may still impose discipline, up to and including termination of employment, on any employee so convicted and may also require the employee to participate in an alcohol/drug abuse rehabilitation program.

m. The District recommends a voluntary employee assistance program (EAP) to provide confidential and professional assistance to employees who think that they may have an alcohol or drug usage problem. Every effort will be made by the District to refer employees who have such problems to such a counseling service for assistance.

n. The District is committed to providing reasonable accommodation to those employees whose drug and/or alcohol problems classify them as being disabled under federal and/or state law. Participation in a rehabilitation program does not limit or exclude the employee's obligation to comply with personnel rules and job performance standards.

1.13.3 Definition of Terms

a. "Under the influence" means, with respect to drugs or alcohol, the appearance of any detectable amount of a drug, or its metabolites, or alcohol, and an appearance, behavior or speech which leads a supervisor to reasonably suspect that an

employee's ability to perform his or her job safely and effectively has been impaired by drugs or alcohol.

b. The term "drugs" means any and all controlled substances, such as, but not limited to, marijuana (except for non-psychoactive metabolites due to off-duty marijuana use), cocaine, hallucinogens, amphetamines, barbiturates, PCP, depressants, opiates, methadone, methaqualone, benzodiazepines, "designer" drugs and synthesized substances with similar effects. The term "drugs" also includes the misuse of legally obtained prescription and medications, over-the-counter medications and inhalants, or the unlawful use of another person's prescription medication which are being abused, as well as inhalants such as glue and nitrous oxide.

c. "Reasonable suspicion" is a belief based upon objective and articulable facts, gathered from the totality of the circumstances, that would cause a reasonable, prudent supervisor to suspect that an employee is under the influence of drugs and/or alcohol so that the employee's ability to perform the functions of the job is impaired or so that the employee's ability to perform his/her job safely is reduced.

Any of the following, alone or in combination, may constitute reasonable suspicion, but they are neither all inclusive nor absolute signs of being under the influence of drugs and/or alcohol:

- i. Slurred speech
- ii. Odor of alcohol on breath
- iii. Inability to walk a straight line
- iv. An accident involving District property
- v. Physical altercation
- vi. Verbal altercation
- vii. Behavior which is so unusual that it warrants summoning a supervisor or anyone else with authority
- viii. Possession of alcohol or drugs
- ix. Information obtained from a reliable person, with personal knowledge both articulated and documented, of an employee's substance abuse or use and/or possession of alcohol or drugs in the workplace
- x. Physical appearance such as sloppiness, disarray or red eyes
- xi. Difficulty responding to simple questions such as time of day, location, etc.
- xii. Difficulty performing simple tasks such as counting, touching nose, etc.

Reasonable suspicion is not to be based upon unconfirmed rumors, but shall be based upon the individual observations by supervisors. Thus, when possible, a supervisor's observations, leading to a determination of reasonable suspicion, should be corroborated by other supervisory personnel. The supervisor is required to take into account other possible explanations for the observed behavior, such as lack of sleep, fatigue, and reactions to noxious

fumes or smoke. The factors supporting the determination of reasonable suspicion shall be documented or recorded in a manner provided and approved by District management.

1.14 ANTI-FRATERNIZATION POLICY

1.14.1 Purpose

The purpose of this policy is to memorialize the established procedures regarding romantic and/or sexual relationships between employees and trainees, supervisors and subordinates and between co-workers. Public trust, safety and District morale require adherence to this policy.

1.14.2 Policy

This policy will apply to all District employees and volunteers. The District recognizes the rights of its employees to become involved in personal, financial, or business relationships with other members of the District. However, it is the policy of the District to ensure that employees carry out their duties with impartiality and fairness so that public and organizational confidence in the actions of our employees is maintained.

a. Supervisor/Subordinate Relationships

Romantic and/or sexual relationships between a supervisor and a subordinate may lead to actual or potential problems of supervision, favoritism, morale, misunderstandings, safety, conflicts of interest or claims of discrimination, including sexual harassment. Hence, we strongly discourage any romantic and/or sexual relationship between supervisors and subordinates

b. Co-worker Relationships

Public trust, safety and District morale require that employees avoid relations, which may negatively impact the efficient operation of the District. In order to promote efficient operation of the District and to avoid claims of sexual harassment, gender based discrimination, and the blurring of professional and personal responsibilities and relationships in the workplace, all employees are encouraged to avoid conflict which may lead to the above conditions.

1.14.3 Supervisor/Subordinate Relationships

a. Supervisors must immediately notify the General Manager of any attempt to establish a personal, romantic, or sexual relationship with any employee working under their direct or indirect supervision or management.

b. An employee shall not directly supervise, nor be directly supervised by another employee with whom they have a romantic and/or sexual relationship.

c. A supervisor shall not recommend advancement, contribute to a performance rating or take part in decisions regarding the assignment of another employee with whom they have a romantic and/or sexual relationship.

d. Employees who have a romantic and/or sexual relationship may not work on the same shift or within the same work group but may work overlapping shifts provided the above listed restrictions are not violated.

1.14.4 Enforcement

The District reserves the right to investigate situations in the workplace to determine whether a romantic and/or sexual relationship exists and therefore presents a possible violation of this Policy or otherwise disrupts District operations. If the District determines that a proscribed relationship (as defined by this Policy) exists, remedial and/or disciplinary measures, including but not limited to a transfer, reassignment, or dismissal, shall be utilized to mitigate issues that arise relevant to the enforcement of this Policy.

In determining rules and regulations governing the employment of District employees who become related, as defined herein, after commencement of District employ, the District is guided by the principles enunciated in the California Civil Rights Department (CRD), which prohibits discrimination on the grounds of marital status. However, CRD and its attendant regulations do authorize restrictions on married District employees/ in-laws. For business reasons of supervision, safety, security, morale, or potential conflicts of interest, the employer may refuse to place one relative under the direct supervision of another relative and/or refuse to place both relatives in the same department, division, or facility if the work involves hazards greater for married couples or other relatives than for other persons. (Government Code Section 12940(a)(3)).

Where the circumstances mandate that two spouses shall not work together, the District will attempt to transfer one spouse to a similar position, however the ability of the District to transfer employees is limited by its size and the limited number of positions available.

If continuing employment of two spouses cannot be accommodated consistent with the District's interest in promotion of safety, security, morale and efficiency, then the District retains sole discretion to separate one spouse from District employment. Absent resignation by one affected spouse, the less senior of the involved spouses will be subject to separation and the same shall not constitute discipline and shall not be subject to any administrative appeal.

1.15 WORKPLACE VIOLENCE POLICY

The District is committed to providing a safe and secure work environment that is free of violence and the threat of violence. To this end, violence or the threat of violence in the workplace will not be tolerated in any form. The workplace includes any location where District business is conducted, including vehicles and parking lots. Any violation of this policy may lead to criminal prosecution and/or disciplinary action, up to and including termination.

1.15.1 Policy

Employees are prohibited from participating in or promoting acts of intimidation, violence, threats, coercion, assault, and/or abusive behavior toward any person while in the course of District employment. The District has zero tolerance for any conduct that references workplace violence, even if it was intended to be harmless, humorous, a prank, blowing off steam, or venting.

1.15.2 Definitions

“Workplace violence” is defined as any conduct that causes an individual to reasonably fear for their personal safety or the safety of their family, friends, and/or property. Specific examples of workplace violence include, but are not limited to, the following:

- a. Striking, punching, slapping or assaulting another person;
- b. Fighting or challenging another person to fight;
- c. Grabbing, pinching or touching another person in an unwanted way whether sexually or otherwise;
- d. Engaging in dangerous, threatening or unwanted horseplay;
- e. Possession, use, or threat of use, of a gun, knife or other weapon (including firearms, chemical agents, clubs, batons, or any other device or tool that can cause bodily harm if used as a weapon or displayed in such a manner to cause harm or threaten a person with harm) of any kind on District property, including parking lots, other exterior premises, District vehicles, or while engaged in activities for the District in other locations, unless such possession or use is a requirement of the job;
- f. Threats or acts of physical harm directed toward an individual or their family, friends, associates, or property;
- g. Harassing or threatening phone calls;
- h. Surveillance;
- i. Stalking; and
- j. The destruction of, or threat of destruction of District property or another employee’s property.

1.15.3 Incident Reporting Procedures

Any employee who is the victim of any violent, threatening or harassing conduct, any witness to such conduct, or anyone who witnessed or received a report of such conduct, whether the perpetrator is a District employee or a non-employee, shall immediately report the incident to their supervisor or other appropriate person. All reports or incidents of violence will be thoroughly and promptly investigated.

The supervisor or other appropriate person who receives the report of workplace violence will document the incident, including the employee’s name(s), date/time, location, incident description, witness names and statements, description of unidentified parties, description of the act(s) and/or behavior arising from the incident, action taken, and provide any other relevant information regarding the incident.

The District will take all appropriate steps to provide security, including but not limited to:

- a. Placing the employee alleged to have engaged in workplace violence on administrative leave, pending investigation;
- b. Asking any threatening or potentially violent person to leave the site; or
- c. Immediately contacting an appropriate law enforcement agency

No one, acting in good faith, who initiates a complaint or reports an incident under this policy will be subject to retaliation or harassment.

2.0 SELECTION AND APPOINTMENT

2.1 JOB ANNOUNCEMENTS

Announcements of all open and promotional openings shall be posted on bulletin boards at the various District facilities for employees' review. The General Manager or designee may also undertake whatever other recruiting activities he or she feels are necessary or desirable to fill a particular position consistent with the District's goal of obtaining the most qualified employees.

The Announcement shall include:

- a. Title and pay for the position;
- b. The nature of the work to be performed;
- c. The minimum qualifications;
- d. The time and place of examination, if known;
- e. The method of applying;
- f. The closing date for the application, if one is established;
- g. Whether a medical and/or psychological examination, including a drug screen, will be required, post-offer of employment;
- h. Such other information as is desirable in the discretion of the General Manager or designee.

Job applicants shall apply for positions on forms provided by the General Manager. All applications must be completed in full and signed by the applicant. The District will not process any application which is not fully completed and signed.

2.2 APPLICATION PROCEDURE

The General Manager or designee may reject an application, or may disqualify or remove the applicant's name from an eligible list, if the applicant:

- a. Has made false statements of any material fact, or practiced any deception or fraud on the application, declarations or in securing eligibility or appointment;
- b. Is found to lack any of the requirements, certifications, or qualifications for the position involved;
- c. Is physically or mentally unable to perform the essential functions of the job, with or without reasonable accommodation;
- d. Is a current user of illegal drugs;

- e. Has been convicted of a crime, either a misdemeanor or felony, that, after an individualized assessment, causes the District to reject the applicant;
- f. Used or attempted to use political pressure or bribery to secure an advantage in an examination or in appointment;
- g. Directly or indirectly obtained specific information regarding an examination, such as interview or exercise questions;
- h. Refuses to execute the loyalty oath;
- i. Failed to submit the employment application within the prescribed time limits;
- j. Has had his or her privilege to operate a motor vehicle in the State of California suspended or revoked, if driving is an essential function of the applied for position.
- k. For any material cause which in the judgment of the General Manager or designee would render the applicant unsuitable for the position.

Defective applications may be returned to the applicant with notice to amend and refile, provided that the time limit for receiving applications has not expired.

2.3 SELECTION PROCESS

The selection process involves testing fairly the qualifications of candidates. The determination of which selection procedures shall be used for any particular position is solely within the discretion of the General Manager or designee.

2.3.1 Evaluation Panel

- a. In his/her sole discretion, the General Manager or designee may convene an Applicant Evaluation Panel for the purpose of evaluating applicants for positions within the District.
- b. The Applicant Evaluation Panel may question applicants about relevant, job-related matters to evaluate the applicant's fitness for the position.
- c. The Applicant Evaluation Panel shall rate each applicant on rating sheets provided by the District. Each rating sheet shall be submitted to the General Manager or designee who shall prepare the results of the panel evaluation.
- d. It shall be the sole responsibility of the General Manager or designee to monitor the activities of the Applicant Evaluation Panel and to investigate and make findings of any complaints concerning the Panel or its ratings.

2.4 APPOINTMENTS

Employees are appointed by the General Manager or designee. Vacancies may be filled by re-employment, promotion, transfer, demotion, appointment of hourly employees, or from an

appropriate eligible list, if available. The General Manager or designee shall decide in what manner the vacancy is to be filled.

2.5 RE-EMPLOYMENT

Re-employment of any person who has resigned in good standing from a position will be contingent upon, among other things, District need, the employee's prior work experience with the District, physical examination where such examinations are necessary and job related, and administrative evaluation.

2.6 ORIENTATION

The District shall provide orientation to all employees. The orientation shall familiarize new employees with, among other things, the physical environment of the District, District policies, and their job descriptions.

3.0 EMPLOYMENT STATUS

3.1 FULL-TIME AND PART-TIME EMPLOYMENT

All employees of the District (except the General Manager) who successfully complete their probationary period and who work a minimum of 40 hours per week shall be considered full-time employees. All employees of the District who successfully complete their probationary period and who work less than 40 hours per week but more than 20 hours per week shall become part-time employees. Only employees who are hired into positions established in the District's job specifications manual may qualify as full-time employees.

3.2 PROBATIONARY PERIOD

A probationary period is defined as a working test period during which an employee is required to demonstrate his/her fitness for the position to which he/she is appointed. Newly hired and promoted personnel will be subject to a probationary period of 6 months.

3.2.1 Probationary Period For New Employees

Newly hired probationary employees are evaluated during the probationary period. Prior to the conclusion of the probationary period, the General Manager or designee will determine whether the employee will be entitled to attain regular status. The probationary period may, at the General Manager's sole and exclusive discretion, be extended for an additional period of up to 6 months of actual and continuous service. Periods of time on paid or unpaid leave exceeding five (5) days (consecutive or not) shall automatically extend the probationary period by that number of days the employee is on leave. If the General Manager, or his or her designee, determines that the probationary period should be extended, the probationary employee shall be given notice in writing prior to expiration of the original probationary period.

Employment may be terminated at any time for any reason during the probationary period, or during any extension thereof without cause and without right to appeal.

3.2.2 Probationary Period For Promotional Employees

Upon an internal promotion, the employee that is promoted shall be evaluated in the promotional position. If the promoted employee does not satisfactorily perform in the

promotional position within six (6) months of actual and continuous service in that position, the employee shall be entitled to return to the position held prior to promotion at the same salary range and within the same salary step the employee held prior to promotion if there is a vacancy in the prior position. Nothing in this section prevents the District from discharging a promoted employee pursuant to the District's at-will employment policy as set forth in Section 1.4, above.

4.0 COMPENSATION/PAYROLL

4.1 SALARY PLAN ADMINISTRATION

The salary plan for the District shall be administered in accordance with the following provisions:

4.1.1 Salary Placement of New Employees

New employees shall be appointed at the first step of the applicable salary range, except that the General Manager may authorize an appointment of a new employee to any higher step.

4.1.2 Salary Reinstatement

An employee who resigned in good standing may, within one year of such resignation be reinstated by the General Manager without examination in a vacant position in the class in which he/she previously had served. Upon such reinstatement, the anniversary date shall be based upon the date of reinstatement.

4.1.3 Salary Step Movement

Normally, and as a general rule, employees may be considered eligible for an increase in salary according to the following general plan:

- a. The letters A, B, C, D and E, respectively, denote the various steps in the pay range.
- b. Salary step "A" shall generally be paid upon initial employment.
- c. Salary step "B" will generally be paid upon completion of one year of employment in step "A" where the employee has demonstrated job progress and productivity and upon recommendation of the department head. This date will become the employee's salary anniversary date. Exemplary performance may result in Salary Step "B" being paid after six months.
- d. Salary steps "C", "D", and "E" will be paid upon completion of one year of employment in the prior step where the employee has demonstrated satisfactory job progress and normally increasing productivity and upon recommendation of the department head.

4.1.4 Salary on Promotion

Any employee who is promoted to a position in a class with a higher salary range shall be placed at the step in the new range which provides the employee with a salary increase at least equal to an advancement of a full step in the former range. An employee thus promoted is

therefore assigned to a new salary anniversary date effective on the date of promotion. An employee who, on or within 30 days prior to the salary anniversary date, is promoted to a class with a higher salary range shall first receive any within range increase to which he/she is entitled, and then the higher step, as provided in this section. The District Manager may authorize an appointment to a higher step than provided herein.

4.1.5 Salary on Demotion

Any employee demoted to a position in a class with a lower salary range shall have his/her salary reduced to the same salary step in the range for the lower class as he/she was receiving in the former range. The new anniversary date shall be the date of the demotion.

4.1.6 Salary on Transfer

The salary of any employee who is (1) transferred from one position to another position in the same class or (2) transferred from one position to another position in a different class but having the same salary range, shall be the same step in the new salary range as he/she was receiving in the former range. The salary anniversary date shall not change.

4.1.7 Salary on Reassignment of Class

Whenever a class is reassigned to either a higher or lower salary range by the Board, the salary of each incumbent in such class on the date the reassignment is effective shall be adjusted to the same step in the new range as he/she was receiving in the former range. The same salary anniversary date shall not change. When a reassignment becomes effective on the same date as an employee's salary anniversary date, the employee shall first receive any step increase to which the employee is entitled in the former range and then receive the corresponding step adjustments.

4.1.8 Salary on Reclassification of Position:

If the position is reclassified to a class having the same salary range, the salary and the anniversary date of the incumbent shall not change. If the position is reclassified to a class which has a higher salary range, the employee shall be placed in the same step in the new range as he/she was receiving in the former range. The salary anniversary date of the incumbent shall not change. If the position is reclassified to a class with a lower salary range, the salary of the employee shall not change, unless such salary is greater than the maximum of the salary range for the new class, in which case the employee shall receive the maximum salary of the new range. The salary anniversary date shall not change.

4.1.9 Salary for Airport Security Coordinator Certification:

Employees who hold the Airport Security Coordinator Certificate and who are designated by the General Manager as performing Airport Security Coordinator duties shall receive a five percent (5%) salary increase over the employee's then current regular salary for the position he/she occupies.

4.2 LONGEVITY PAY PLAN

Longevity pay will be granted to all eligible employees as follows:

- a. An employee with ten (10) years of continuous service to the District may receive a five percent (5%) longevity salary increase over the employee's then current regular salary for the position he/she occupies.
- b. An employee with twenty (20) years of continuous service to the District may receive an additional five percent (5%) longevity salary increase over the amount the employee received when he/she had ten (10) years of continuous service.
- c. The maximum cumulative longevity increase for any employee is ten percent (10%).

4.3 PAYDAYS

Employees of the District shall be paid every two weeks on every other Friday.

4.4 AUTHORIZED DEDUCTIONS

The District may make the following deductions from an employee's paycheck:

Deductions: Federal Income Tax (withholding)
State Income Tax (withholding)
Disability Insurance
Medicare Tax (only if hired after 4/86)
Authorized deductions under the District's 457 Plan
Other deductions: Other deductions may be authorized by the employee for:
 Additional money needed for medical plan
 Dependent coverage or health plan
 PERS retirement
 Personal savings account
 Deferred Compensation Plan
 Flex Plan

4.5 GARNISHMENTS

An employee's wages can be garnished by a court order. Employees are encouraged to notify their supervisor when a wage attachment is expected. Affected employees will be promptly notified if the District receives a lawful garnishment order.

4.6 WORKING HOURS

An employee's regular workday and workweek shall be established by the General Manager. The General Manager, however, where public necessity or convenience requires may direct certain employees to work at hours different than the employee's regular workday.

4.7 WORK SCHEDULE

It is the duty of the General Manager to arrange the work of the District so that each regular employee therein shall work not more than the number of days the employee is regularly scheduled to work in each work period.

Maintenance personnel shall normally report for duty at 8:00 A.M. and end the workday at 4:30 P.M., unless otherwise assigned as hereinabove provided.

4.8 OVERTIME

The District tries to keep costs down by avoiding overtime work. However, non-exempt employees may be required to work overtime with advance approval. The District compensates for overtime in fifteen (15) minute increments.

Overtime work for non-exempt employees is defined as hours assigned to be worked and actually worked in excess of forty (40) hours in the designated seven (7) day workweek. Overtime may be compensated by the payment of one and one-half (1-1/2) times the regular rate of pay or by compensatory time off for the employee involved. Only actual hours worked will be counted toward the 40-hour threshold for purposes of calculating FLSA overtime pay; paid leave will not be counted.

4.8.1 Compensatory Time in Lieu of Cash

In lieu of cash payment for overtime, an employee may elect to receive compensatory time off, credited at the rate of time and one-half for every overtime hour worked. The maximum accumulation of compensatory time off which may be credited is 240 hours (equivalent to 160 overtime hours worked). An employee who has requested to use accumulated compensatory time shall be permitted to use such time within a reasonable period of time after making the request unless, in the discretion of the department head or General Manager, the use of the compensatory time will unduly disrupt the operations of the District. An employee shall, upon termination, be paid for unused accumulated compensatory time at the higher of (1) the employee's final regular rate of pay or (2) the employee's average regular rate of pay during the last three years of his/her employment.

Hours worked by an employee on a specified District holiday shall be considered overtime work regardless of the number of hours the employee actually worked within the applicable work period.

4.9 RETURN TO WORK PAY

If the employee leaves the workplace following his or her regular workday but is requested to return to duty, the employee shall be entitled to be paid a minimum of two (2) hours at the employee's applicable overtime rate or receive compensatory time off. An employee who returns to work shall be paid time and one-half for all hours worked after the employee returns to work. Emergency service call back time between the hours of 12:01 a.m. and 4:59 a.m. will be a minimum of three hours paid at time and one-half comp time or cash at the employer's option. An employee will only qualify for the three-hour minimum of paid at time and one-half if the majority or entirety of the emergency call back is between 12:01 a.m. and 4:59 a.m.; if less than half of the time is between said hours, the employee will be eligible for the two-hour minimum paid at time and one-half.

4.10 Standby (On-Call) Assignment and Standby Pay

a. Standby (On-Call) Assignment

The District may require certain employees to be placed on standby (on-call) status outside of their regularly scheduled work hours in order to ensure the continuous and safe operation of airport facilities and services.

Standby assignments may be made by management and may be mandatory, rotational, scheduled, or assignment-based, depending on operational needs.

Employees may be permitted to trade or exchange standby assignments with management approval

b. Definition of Standby Status

An employee on standby status is not required to remain at a specific location, but must:

- Be ready and take immediate steps to respond within a reasonable time to calls for their service (which would exclude anyone on an approved vacation and/or out sick);
- Be readily available and reachable by telephone or paging device;
- Remain within a 30-mile radius of the Airport;
- Must use a District-assigned vehicle exclusively for transportation to and from the district; and
- Refrain from activities that might impair their ability to perform their assigned duties.

Time spent on standby does not constitute hours worked unless the employee is actually required to perform work.

c. Standby (On-Call) Pay

Employees assigned to standby (On Call) status shall receive compensation for availability, separate from regular wages.

- The amount shall be \$5 per each hour assigned to standby (On Call) status
- Standby pay is paid regardless of whether the employee is called in, provided the employee complies with standby requirements.

Standby pay is not considered hours worked for purposes of overtime calculation.

d. Call-Back and Compensation for Hours Worked

If an employee on standby status is required to return to work:

- All time actually worked shall be compensated in accordance with:
 - Section 4.8 Overtime, and
 - Section 4.9 Return to Work Pay, as applicable.
- Standby pay is paid in addition to any wages, overtime, or compensatory time earned for hours worked.
- Travel time shall be compensated as hours worked.

e. Failure to Respond

Failure to respond to a standby call, without good cause, may result in:

- Loss of the applicable standby pay; and/or
- Disciplinary action, consistent with District policies.

f. Modification or Discontinuation

Standby assignments and standby pay amounts may be modified, suspended, or discontinued by the District based on operational needs, budgetary considerations, or policy changes, subject to applicable law.

4.11 VACATION

All full-time employees will be granted annual vacation leave with pay according to the following schedule:

<u>Years of Service</u>	<u>Vacation Days</u>	<u>Credit Per Month</u>
1 to 3	10	6.67 hours per month
4	11	7.33 hours per month
5	12	8 hours per month
6	13	8.67 hours per month

7	14	9.33 hours per month
8	15	10 hours per month
9	16	10.67 hours per month
10	17	11.33 hours per month
11	18	12 hours per month
12	19	12.67 hours per month
13	20	13.33 hours per month

All eligible employees who have completed at least twelve (12) continuous months of service from the anniversary date of his/her employment by the District are eligible to use vacation benefits. All vacation days must be taken not later than the calendar year immediately following the year in which they accrue, unless the employee obtains the consent of the General Manager. Service shall be deemed to be continuous if employment by the District has not been interrupted for a period in excess of fifteen (15) consecutive working days. Vacation accruals may not exceed twice an employee's current annual entitlement without approval by the Board of Directors. When an employee reaches the maximum accrual he/she shall cease earning vacation. Vacation accruals will recommence after the employee has taken vacation and his or her accrued hours have dropped below the maximum.

Pay for vacation leave shall be at the employee's hourly rate of pay at the time his/her vacation is taken.

When an employee offers his/her notice of resignation from employment the employee will be granted leave for the duration of any accumulated earned vacation time.

In computing the amount of vacation time due an employee, holidays, vacation time, and sick leave shall be included as continuous service, and the period of time to be granted to an employee shall not include Saturdays, Sundays and holidays which fall within the employee's period of leave.

4.12 SICK LEAVE

All full-time employees will be granted sick leave under the following conditions:

4.12.1 Definition

Sick leave is paid leave from work that an employee may use for the following purposes:

- a. Diagnosis, care, or treatment of an existing health condition of, or preventative care for the employee themselves or any of the following family members of the employee: a child of any age or dependency status; a parent; a parent-in-law; a spouse; a registered domestic partner; a grandparent; a grandchild; or a sibling; or
- b. Diagnosis, care, or treatment of an existing health condition of, or preventative care for a "designated person" or
- c. For an employee who is a victim of domestic violence, sexual assault, stalking, or other crime in order for the employee to engage in any of the following activities: (1) obtain or attempt to obtain a temporary restraining order or other court assistance to help ensure the health, safety, or welfare of the employee or their

child; or (2) obtain medical attention or psychological counseling, or services from a shelter, program, or crisis center, or (3) participate in safety planning or other actions to increase safety.

4.12.2 Notice and Use of Sick Leave

An employee shall provide reasonable advance notification of the need to use accrued sick leave to the employee's supervisor if the need for sick leave use is foreseeable (ex: doctor's appointment scheduled in advance.) If the need for sick leave use is unforeseeable, an employee shall notify the appropriate immediate supervisor as soon as possible, but no later than one (1) hour after the time established as the beginning of the employee's work day, unless the District determines that the employee's duties require more restrictive reporting. Failure to do so without good reason shall result in that day of absence being treated as leave of absence without pay.

If the employee is absent on sick leave for more than one (1) day, the employee shall keep his/her immediate supervisor informed as to the date the employee expects to return to work. Sick leave shall not be granted to any employee to permit an extension of the employee's vacation.

Subject to applicable law, the District may require a physician's certification for any absence due to the sickness or injury of the employee or their immediate family member and the date of the employee's intended return to work. Employees returning to work after an illness or injury may be required to provide a doctor's certification that they are permitted to return to work.

Employees will not be permitted to use vacation in lieu of sick leave unless approved by the General Manager.

4.12.3 Sick Leave Accrual

- a. All employees shall accrue one (1) workday of sick leave, for each calendar month of service spent as a District employee. Such accrual shall take place on a monthly basis. No accrual shall take place for any month in which the employee has performed less than a full calendar month of service.
- b. Accrued sick leave carries over from year to year. Sick leave may be accrued to a maximum of one hundred twenty (120) days. An employee may elect a full payoff provision upon retirement or termination of employment with the District.
- c. Sick leave granted by the District and used by an employee shall be deducted from the employee's accrued sick leave balance.
- d. Employees granted a leave of absence with pay or other approved leave with pay shall accrue sick leave as provided herein.
- d. Sick leave shall not be accrued by an employee during a District authorized leave of absence without pay, or any other absence from duty not authorized by the District.

4.12.4 Abuse of Sick Leave

An employee shall be subject to disciplinary action for abuse of sick leave where the employee claims entitlement to sick leave, but does not meet the requirements of sick leave as set forth herein.

4.12.5 Evaluation of Sick Leave Usage

Abuse of sick leave may be considered in establishing the employee's performance rating.

4.13 DISABILITY INSURANCE

The District maintains a long-term disability insurance policy. The District currently pays fifty percent (50%) of the premium. Those benefits are established exclusively under the terms of that insurance policy. In general terms, the policy provides for the following:

- a. The amount of monthly income for full-time employees shall be 66-2/3% of the first \$5,000 of the member's basic monthly earnings, reduced by any deductible benefit.
- b. Limitations and exclusions apply.
- c. Maximum benefit period: To age 65 or 12 months, whichever is longer.
- d. Elimination period: For full-time employees, the first 7 days of each period of total disability or the period during which the member chooses to receive sick leave benefits under the District's sick leave program, whichever is longer.

4.14 EXCEPTIONAL CIRCUMSTANCES

The Board of Directors recognizes that exceptional circumstances may, from time to time, exist whereby the application of the above vacation and sick leave provisions would be inequitable as to a particular employee and consequently not to the advantage of the District. For good cause shown to the Board, the Board may vary said provisions as to a particular employee relative only to the specific set of facts shown to the Board. It will be the policy of the Board to vary these regulations only in exceptional cases.

4.15 HOLIDAYS

The holidays of this District are as follows:

1. January 1 (New Year's Day)
2. Third Monday in January (Martin Luther King's Birthday)
3. Third Monday in February (President's Day)
4. Last Monday in May (Memorial Day)
5. June 19 (Juneteenth Holiday)

6. July 4 (Independence Day)
7. First Monday in September (Labor Day)
8. Second Monday in October (Indigenous People Day)
9. November 11 (Veterans' Day)
10. Fourth Thursday in November (Thanksgiving Day)
11. Friday after Thanksgiving Day
12. December 25 (Christmas Day)

Employees shall receive one-half (1/2) day off before each of the Christmas and New Year's holidays. When a Christmas or New Year's holiday falls on a weekend, the half day off prior to the holiday shall be considered a "floating holiday" and taken at the employee's option.

When a holiday falls on a Saturday, the preceding Friday shall be considered a holiday. When a holiday falls on a Sunday, the following Monday shall be considered a holiday.

4.16 ADDITIONAL EMPLOYEE BENEFITS

The following is a brief description of additional employee benefits which are currently furnished through the District. The information set forth below does not establish the terms and conditions of the benefits, all of which are subject to and/or contained in the applicable insurance policies, retirement plan documents, and employee benefit plan documents. Further, except where a requirement to meet and confer with recognized bargaining units is established, the District reserves the right at any time to alter, change, eliminate, modify, or revise any benefit which it currently offers and to change the carrier or provider of any service.

4.16.1 Medical Insurance

The District requires that each full-time employee have medical coverage. Employees have the option of enrolling with the District's medical provider, Public Employees' Retirement System (PERS), and receive medical coverage. Retirees of the District are also eligible to participate in the benefit program.

The District will contribute for each eligible employee, annuitant and survivor, the amount necessary to pay the full cost of enrollment, up to an amount determined by PERS. The District will also pay an additional amount determined by the Board per month per eligible employee, excluding retirees and their survivors, which will be applied to the medical plan of choice. This is considered the "total" premium.

Should an employee elect to enroll in a PERS Health Benefits Program whose monthly premium is more than the agreed-upon "total", the employee shall be responsible for payment of the difference, which will automatically be deducted from the employee's paycheck. Should an employee enroll in a PERS Health Benefits Program whose monthly premium is less than the agreed total, the employee shall elect to apply the difference to one of the following options:

1. Employee dependent medical coverage. Any balance of the premium to be paid by employee.
2. District's contracted deferred compensation plan.
3. District's contracted accident or sickness disability plan.
4. Employee's paycheck (available only for employees hired before June 1, 2004).

4.16.2 Dental Insurance

Dental insurance is provided by Principal Financial. The employee's coverage is totally paid for by the District. Dependent coverage is the responsibility of the employee.

4.16.3 Retirement Benefit Plan

Public employees Retirement System (PERS) includes:

1. Treatment of employee's contribution as deferred income, i.e., income tax on contributions paid after retirement, when income would be less.
2. "Third Level of 59 Survivor's Benefits" – Upon death of employee before or after retirement, spouse and/or unmarried children under age 22 receive various monthly allowances listed in PERS booklet.

District's contribution: balance

3. 2% at 55
4. One-year final compensation – Upon retirement, the highest year's income is used for determination of benefits.

4.16.4 Deferred Compensation Plan

District employees may participate in a Deferred Compensation Plan maintained by the District which has the following features:

1. The plan is 100% contributory.
2. The annual maximum contribution by any employee is determined by federal law and plan documents.
3. The plan provides for various elections on the part of contributors regarding withdrawal, frequency of contributions and investment fund selection.

4.16.5 Life Insurance

The District currently provides life insurance for each employee at District expense. The amount of insurance varies based on the employee's salary. The benefits are established exclusively under the terms of that insurance policy.

4.16.6 Section 125, Internal Revenue Code, Flex Plan

District employees may participate in a Flex Plan maintained by the District which has the following features:

1. The plan is 100% contributory by employee.
2. The plan allows a qualified employee to use pre-tax monies for premium conversion, medical reimbursement, dependent care reimbursement or additional health policies.

The Payroll Department can answer any question regarding the Employee Benefits.

5.0 JOB ACTIONS

5.1 PROMOTIONS AND TRANSFERS

The District has the philosophy of promoting from within whenever possible. Application may be made with the General Manager for any vacant position that occurs. Promotion is based on qualifications.

An employee may initiate a request to transfer to another position for which the employee is qualified. Written request for transfer to another department must be submitted to the employee's immediate supervisor. Notice of vacancies will be posted on the bulletin board at the District offices. Employees with less than one year of service, less than an overall performance evaluation grade of satisfactory on the employee's most recent evaluation, or a disciplinary suspension, reduction in pay or equivalent disciplinary action within the last year are not eligible for a voluntary transfer.

5.2 RESIGNATION

A resignation becomes final when accepted by the General Manager. Once a resignation has been accepted by the General Manager, it cannot be withdrawn.

The District requests that employees give at least two weeks' written notice before the effective date of resignation. Unless requested sooner, final checks will be ready on the next regular payday after the day of termination (to include all accrued benefits payable by the District). It is requested that management and administrative personnel give at least one month written notice before the effective date of resignation.

5.3 LAYOFFS

5.3.1 Statement of Intent:

Whenever, in the judgment of the Board of Directors, it becomes necessary to abolish any position or employment, the employee holding such position or employment may be laid off or demoted without disciplinary action and without the right of appeal.

5.3.2 Notification:

Employees to be laid off shall be given, whenever possible, at least fourteen (14) calendar days prior notice.

5.3.3 Order of Layoff:

The order of layoff among positions in the same class within a department shall be: seasonal and/or temporary workers first; then employees serving a probationary period; then all other employees.

In deciding which persons shall be laid off, job-related factors such as an employee's job knowledge, skill and ability to do the required work; previous work experience, including ability to perform other jobs which the employee may be called upon to perform as a result of the reduction in force; attendance, safety and disciplinary records; work performance with the District; and efficiency of operations will be considered. When two employees are equally qualified under these factors, the employee with the most seniority from the employee's hire date shall be retained.

6.0 DISCIPLINARY ACTIONS

6.1 ATTENDANCE

Absence from work means more work for fellow employees. In case of illness or emergency, the employee's immediate supervisor or the General Manager's designee must be notified.

Excessive absence, abuse of leave or tardiness may be cause for disciplinary action, up to and including discharge from employment. Any unauthorized absence may be cause for disciplinary action up to and including discharge. Unauthorized absences are absences from work without notice or permission.

6.2 DISCIPLINARY ACTIONS

Disciplinary action may be taken against any District employee. The extent of the disciplinary action taken shall be commensurate with the offense and the prior employment history of the employee.

6.3 GROUNDS FOR DISCIPLINARY ACTION

Each of the following constitutes cause for disciplinary action by the District. The following list is not meant to be exclusive, and disciplinary action may be based on grounds other than those enumerated, provided that the acts, errors or omissions of the employee are related to the employee's job or to the welfare or efficiency of the District.

- a. Falsification, misstatement, or concealment of facts in connection with employment, promotion, any record, investigation, or other proper proceeding.
- b. Incompetency, i.e. inability to comply with the minimum standard of an employee's position.

- c. Inefficiency or failure to fulfill work standards or requirements.
- d. Neglect of duty.
- e. Willful disobedience and insubordination.
- f. Dishonesty.
- g. Being on duty or subject to being called to duty while under the influence of alcohol, or illegal drugs or narcotics in violation of District's Alcohol and Drug Abuse Policy.
- h. Inexcusable absence without leave.
- i. Conviction of a felony or conviction of a misdemeanor. The record of conviction shall be conclusive evidence of the fact that the conviction occurred. A plea or verdict of guilty, or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this section.
- j. Discourteous, disrespectful, or undignified treatment of the public or other employees.
- k. Improper or unauthorized use of District property or supplies.
- l. Breach of any of the provisions of any rule, regulations or policies which may be prescribed by the District.
- m. Causing damage to property or waste of public supplies.
- n. Willful or chronic violation of any District rule, procedure or policy affecting the safety of persons or property.
- o. Using official position or office for personal gain or advantage.
- p. Unauthorized disclosure of confidential information.
- q. Failure to maintain a necessary job requirement, such as a license.
- r. Violation of the District's harassment or nondiscrimination policy.
- s. Any willful act or conduct taken in bad faith either during or outside of duty hours, which is of such a nature that it causes discredit or harm to the, efficiency or welfare of the District or the employees' department or division.
- t. Excessive absenteeism.
- u. Abuse of sick leave, i.e., taking sick leave without a doctor's certificate when one is required, or misuse of sick leave.
- v. Refusal to subscribe to any oath or affirmation which is required by law in connection with agency employment.

- w. Violation of the rules and regulations published in any department.
- x. Outside employment not specifically authorized by the appointing authority.
- y. Acceptance from any source of a reward, gift, or other form of remuneration in addition to regular compensation to an employee for the performance of his or her official duties.
- z. Working overtime without authorization.
- aa. Possession of weapons on District property.
- bb. Making false or malicious statements concerning any employee, the District or the District's policies or practices.

6.4 TYPES OF DISCIPLINARY ACTION

The following are illustrations of types of disciplinary action which the District may, in its discretion, impose. The District's imposition of discipline need not follow any particular progression or order. Nor are the illustrations of disciplinary actions which may be imposed, as set forth below, intended to require that the District impose the least serious form of discipline initially. Rather, the District may impose such discipline as it, within its sole and exclusive discretion, deems appropriate under the circumstances.

6.4.1 Counseling

Any informal discussion with an employee designed to assist the employee to fully develop their skills and abilities. The discussion may clarify standards, evaluate the employee's strengths and weaknesses, seek information or solve problems.

6.4.2 Verbal Reprimand

A verbal notification that the employee's performance or behavior must improve. The employee should be told of the consequences if no significant improvement results from this discussion.

A written memo will be made of this discussion briefly indicating the matter discussed, the employee's response, and the result of the discussion. It will be dated, signed by both parties and kept by the supervisor giving the oral warning. Included in the note will be any comment made to the employee that failure to improve job performance may result in the use of future disciplinary action. In the discretion of the supervisor, the memo may, after notice to the employee, be placed in the employee's personnel file.

6.4.3 Written Reprimand

A formal notice to an employee that further disciplinary action will be taken unless his/her behavior or performance improves.

Written reprimands will be in the form of a "Warning Notice", with a copy for the supervisor, General Manager and employee. The form must be signed by the employee, noting

his/her receipt of the disciplinary action. The Warning Notice shall also contain a statement to the effect that either failure to improve job performance or a repeat of this violation may mean the use of more serious disciplinary actions. Copies of the written reprimand are filed in the employee's personnel file.

6.4.4 Suspension

Except as noted, suspended employees are temporarily suspended from District service without pay. Suspension is to be used where an employee's conduct so warrants such an action. A flagrant violation, repeated violation, or continued lack of improvement in job performance are examples of reasons for using this type of disciplinary action. Exempt employees shall not be subject to unpaid disciplinary suspension, except in cases of major safety violations or in one work week increments.

6.4.5 Reduction In Pay

Reduction in pay shall be a decrease in salary paid to an employee for a fixed period of time for disciplinary purposes. FLSA-exempt employees are not subject to a reduction in pay.

6.4.6 Demotion

The involuntary placement of the employee in a lower paying classification or pay step.

6.4.7 Discharge

The disciplinary action of discharge is reserved for either serious offenses or the final step after seeking improvement in an employee's conduct or job performance.

6.5 PROCEDURES

Disciplinary action of the level of suspension or greater shall be taken in compliance with the following procedures. This Section shall not apply to any employee who has not yet successfully completed his/her probationary period.

6.5.1 Notice of Intent

Suspension of an employee for 1 – 3 days may be imposed without issuing the employee a Notice of Intent. Whenever the appropriate authority intends to suspend an employee for more than three (3) days, demote the employee, reduce the employee in pay or dismiss the employee, the appropriate authority shall give the employee a written notice of intent to discipline which sets forth the following:

- a. The disciplinary action intended;
- b. The specific charges upon which the action is based;
- c. A summary of the facts upon which the charges are based;
- d. A copy of all written materials, reports, or documents upon which the discipline is based;

- e. Notice of the employee's right to respond to the charges either orally or in writing to the appropriate authority;
- f. The date, time and person before whom the employee may respond in no less than five (5) working days;
- g. Notice that failure to respond at the time specified shall constitute a waiver of the right to respond prior to final discipline being imposed.

6.5.2 Response by Employee

The employee shall have the right to respond to the appropriate authority orally or in writing within five (5) working days after the employee receives a copy of the notice of intent to discipline. The employee shall have a right to be represented at any meeting set by the District to hear the employee's response. In cases of suspensions greater than three days, demotions, reductions in pay or dismissal, the employee's response will be considered before final action is taken.

6.5.3 Final Notice

After the consideration of the employee's response or the expiration of the employee's time to respond to the notice of intent, the appropriate authority shall: (1) dismiss the notice of intent and take no disciplinary action against the employee; (2) modify the intended disciplinary action; or (3) prepare and serve upon the employee a final notice of disciplinary action. The final notice of disciplinary action shall include the following:

- a. The disciplinary action taken;
- b. The effective date of the disciplinary action taken
- c. Specific charges upon which the action is based;
- d. A summary of the facts upon which the charges are based;
- e. The written materials, reports and documents upon which the disciplinary action is based
- f. An explanation of appeal procedures.

6.6 APPEALS HEARING PROCEDURE

This appeal procedure applies only to cases of disciplinary suspensions, reductions in pay, demotions and dismissals affecting regular employees. This Section shall only apply to employees who have successfully completed her/her probationary period.

6.6.1 Request for Hearing

Within seven (7) working days after final notice of suspension, reduction in pay, demotion or dismissal, the employee or the employee's representative may file an appeal in writing to the General Manager. If, within the seven (7) working day appeal period, the employee does not file said appeal, unless good cause for the failure is shown, the disciplinary action shall be considered final. The appeal shall include the following:

- a. An admission or denial of each charge with an explanation why the charge is admitted or denied.
- b. A statement of any affirmative defenses.
- c. A statement that the employee disagrees with the penalty with an explanation of why the employee disagrees.
- d. The employee's current address.
- e. A request for a hearing.

Failure to provide this information may result in the appeal not being processed.

6.6.2 Scheduling of Hearing

Upon receipt of the request for an appeal, the District shall schedule a hearing before the General Manager or his/her designee. All interested parties shall be notified in writing of the day, time, and place of the hearing at least ten (10) working days prior to the hearing.

6.6.3 Closed Hearing

All hearings shall be private; provided, however, that the employee may request a hearing open to the public. Any request for an open hearing must be submitted five (5) working days prior to the hearing date or the hearing will be closed.

6.6.4 General Manager As Hearing Officer

The General Manager, or his/her designee, will serve as the Hearing Officer to preside over any disciplinary appeal hearing.

6.6.5 Subpoenas

The General Manager, or his/her designee, is authorized to issue subpoenas at the request of either party prior to the commencement of the hearing. After the commencement of the hearing, subpoenas shall be issued only at the discretion of the General Manager, or his/her designee, upon a showing of good cause.

6.6.6 Conduct at Hearing

The hearing need not be conducted in accordance with the technical rules relating to evidence and witnesses, but hearings shall be conducted in a manner most conducive to determination of the truth. Any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of such evidence over objections in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions, and irrelevant and unduly repetitious evidence may be excluded.

Decisions made by the General Manager, or his/her designee, shall not be invalidated by any informality in the proceeding.

The General Manager, or his/her designee, shall rule on the admission or exclusion of evidence.

6.6.7 Right to Representation

Each party shall have these rights: to be represented by legal counsel or other person of his/her choice; to call and examine witnesses; to introduce evidence; to cross-examine opposing witnesses on any matter relevant to the issues; to impeach any witness regardless of which party first called him/her to testify; and to rebut the evidence against him/her. If the employee does not testify in his/her own behalf, he/she may be called and examined under cross-examination.

6.6.8 Administration of Oath

Oral evidence shall be taken only on oath or affirmation.

6.6.9 Order of Proceeding

The hearing shall proceed in the following order unless the Hearing Officer otherwise directs:

- a. The party imposing discipline shall be permitted to make an opening statement.
- b. The appealing party shall be permitted to make an opening statement or reserve an opening statement until presentation of their case.
- c. The party imposing disciplinary action shall produce the evidence on his/her part.
- d. The party appealing from such disciplinary action may then open his/her defense and offer his/her evidence in support thereof.
- e. The parties may then, in order, respectively offer rebutting evidence only, unless the General Manager, or his/her designee, for good reason, permits them to offer evidence upon their original case.
- f. Closing arguments shall be permitted in the discretion of the General Manager, or his/her designee,. The General Manager, or his/her designee, may request or allow the submission of written briefs.
- g. In a disciplinary appeal, the District has the burden of proof by preponderance of the evidence.

6.6.10 Preponderance of Evidence

The General Manager, or his/her designee, shall determine relevancy, weight, and credibility of testimony and evidence, and shall base his/her findings on the preponderance of evidence.

6.6.11 Exclusion of Witnesses

During the examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing upon motion of either party.

6.6.12 Exclusion of Visual Recordings

No still photographs, moving pictures, video, digital, television or other pictures shall be taken in the hearing chamber during a hearing without the consent of all parties and the General Manager, or his/her designee. Any person may record the audio portion of the hearing.

6.6.13 Continuances

The General Manager, or his/her designee, prior to or during a hearing, may grant a continuance for good cause.

6.6.14 General Manager's Decision

The General Manager, or his/her designee's, decision shall be final and binding upon the parties.

The General Manager, or his/her designee's decision shall be made in writing as soon after conclusion of the hearing as reasonably possible, not to exceed thirty (30) calendar days, unless otherwise stipulated by the parties.

6.6.15 Judicial Review

Judicial review of any decision of the General Manager may be had pursuant to Section 1094.5 of the California Code of Civil Procedure only if the petition for writ of mandate pursuant to such section is filed within the time limits specified in this section.

Pursuant to Code of Civil Procedure 1094.6 any such petition shall be filed not later than the ninetieth (90th) day following the date on which the General Manager gives written notice to the employee appealing disciplinary action of the final decision.

7.0 PERFORMANCE EVALUATIONS

7.1 EVALUATIONS

7.1.1 Performance Evaluation

The General Manager or designee shall provide a method of reporting of individual employee performance which relates to quantity and quality of work, ability, reliability, attendance, and other factors. The General Manager or designee shall prescribe forms for such performance evaluations and shall be responsible for assuring that such evaluations are adequate to provide information to both the employee and the District for the purposes set forth in this section. An employee must have an overall evaluation grade of satisfactory in order to be eligible for a merit salary increase or promotion. Deficiencies in performance by an employee may result in a decrease in salary, suspension, demotion, or dismissal.

7.1.2 Performance Reports

Department heads shall periodically rate the performance of each employee; provided, however, that the department heads may delegate the responsibility for rating the performance of specified employees in their departments to that employee's supervisor. Interim reports may be completed as necessary. Each employee shall be informed in such reports of his or her strengths and weaknesses. Each performance report shall be discussed with the employee. The employee shall sign the report to acknowledge its contents. Such signature shall not necessarily mean he or she fully endorses the contents of said report. The performance reports shall not be subject to any grievance procedure.

District employees are evaluated on at least an annual basis by their immediate supervisor. These evaluations become a permanent part of the employee's personnel file and are used as a factor in judging qualifications for promotions, demotions, wage and merit increases.

8.0 LEAVES OF ABSENCE

8.1 UNPAID LEAVE OF ABSENCE

All full-time employees who have been employed over 180 days may, at the discretion of District management, be granted an unpaid leave of absence, provided there are good and sufficient reasons. A request for a leave of absence may not exceed 30 days in any one (1) year period of time. Authorization is necessary to cover absence for any reason (other than paid vacation) in excess of five (5) working days. This is not to be construed as relieving the employee of reporting his/her absence immediately.

The District does not pay an employee's group health premiums during a leave of absence. Employees wishing to maintain their insurance coverage during a leave of absence must prepay health insurance premiums on a monthly basis, if they elect to continue insurance coverage under the Medical Continuation and Conversion Rights of the District's health benefit plan.

Benefit credit will not be accrued toward vacation and sick leave for the duration of the leave. An employee returning from a leave of absence during the course of a calendar year will receive only a prorated portion of sick leave and vacation benefits for the duration of that year.

Employees returning from leave will be reinstated to the same or comparable position, unless irrespective of their leave, the employee's employment would have ceased, or their hours would have been reduced.

Any employee who fails to report for work at the end of an approved leave shall be deemed to have voluntarily resigned. Any employee who does not return to his/her job is ineligible for continued insurance coverage under the District's health benefit plan.

8.2 MILITARY LEAVE OF ABSENCE

Military leave shall be granted in accordance with the provisions of state and federal law. An employee requesting leave for this purpose shall provide the District, whenever possible, with a copy of the military orders specifying the dates, site and purpose of the activity or

mission. Within the limits of such orders, the District may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave.

8.3 PERSONAL LEAVE

All employees are allowed one three-hour personal leave period each year. All leave and vacation requests are subject to the approval of District's General Manager.

8.4 BEREAVEMENT LEAVE

Employees will be granted up to five (5) days per year for "bereavement leave" in addition to sick leave. Bereavement leave is to be granted for death in the immediate family only as follows: spouse, domestic partner, children, parents, siblings, grandparents, grandchildren, and parent-in-laws. Employees taking bereavement leave under this Policy shall be paid at the employee's regular rate of pay. Employees may be required to provide documentation of the death of a family member within 30 days of the first day of the leave. Bereavement leave must be completed within 3 months of the date of death, however, the leave need not be taken consecutively.

8.5 PREGNANCY DISABILITY LEAVE

An employee who is disabled because of pregnancy, childbirth, or a related medical condition is entitled to a leave of absence without pay for up to the number of hours she would normally work within four (4) months (i.e., 17.33 weeks). During said leave of absence without pay, the employee has the option of using accumulated sick leave, compensatory time and/or vacation credits. Such leave is in addition to any family care or medical leave to which the employee may be entitled under the California FEHA (as described below in this handbook). Pregnancy disability leaves may be taken intermittently, or on a reduced-hours schedule, as medically advisable.

8.5.1 Notice & Certification Requirements

Requests for pregnancy disability leave must be submitted in writing with reasonable advance notice of the medical need for the leave. All leaves must be confirmed in writing, have an agreed-upon specified date of return, and be submitted to the General Manager.

The request for pregnancy disability leave must be supported by a written certification from the attending physician stating that: (1) the employee is disabled from working by pregnancy, childbirth or a related medical condition; (2) the date on which the employee became disabled by pregnancy, childbirth or a related medical condition; and (3) the estimated duration or end date of the leave

8.5.2 Benefits While on Leave

a. Group Health Insurance. An employee on pregnancy disability leave may continue to receive any group health insurance coverage that was provided before her leave, beginning on the date the pregnancy disability leave begins and continuing for up to four months in a 12-month period, at the same level and under the same conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. The District may recover premiums it paid to maintain health coverage if an employee does not return to work following pregnancy disability leave, unless the reason for the

failure to return is a circumstance beyond her control or the use of the separate right to 12 weeks of bonding leave under the FMLA.

b. Sick and Vacation Leaves. Sick and vacation leaves do not accrue while an employee is on unpaid pregnancy disability leave.

8.5.3 Reinstatement

Upon expiration of the approved leave, the employee shall be reinstated to her former position or to a comparable one if the former position is abolished during the period of leave and the employee would otherwise not have been laid off. The comparable position is one having similar terms of pay, location, job content and promotional opportunities

Prior to the employee being reinstated, the District may require a statement from the attending physician that the employee is physically capable of resuming the regular duties of her position. If upon return from leave an employee is unable to perform the essential functions of her job because of a physical or mental disability, the District will initiate an interactive process with the employee in order to identify a potential reasonable accommodation in accordance with these Policies.

Failure to return to work after the authorized four month leave period causes the employee to have no reinstatement rights. An employee who plans to take such a leave should give reasonable notice of the date the leave shall commence and the estimated duration of the leave.

Female employees shall be reasonably accommodated for conditions related to pregnancy, childbirth, or related medical conditions if the employee requests an accommodation with the advice of her healthcare provider.

8.6 ADMINISTRATIVE LEAVE

The District shall have the right to place an employee on leave at any time with full pay for non-disciplinary reasons at any time when the General Manager has determined that the employee's and/or District's best interests warrant the leave. The employee does not have a right to appeal the decision to be placed on administrative leave with pay.

8.7 REPRODUCTIVE LOSS LEAVE

The District provides eligible employees who have been employed at least thirty (30) calendar days with Reproductive Loss Leave, as set forth in this Policy.

Reproductive Loss Leave is available for a "Reproductive Loss Event", which means the day or, for a multiple-day event, the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction.

The following definitions apply regarding a Reproductive Loss Event:

- "Failed adoption" means the dissolution or breach of an adoption agreement with the birth mother or legal guardian, or an adoption that is not finalized because it is contested by another party. This event applies to a person who would have been a parent of the adoptee if the adoption had been completed.

- “Failed surrogacy” means the dissolution or breach of a surrogacy agreement, or a failed embryo transfer to the surrogate. This event applies to a person who would have been a parent of a child born as a result of the surrogacy.
- “Miscarriage” means a miscarriage by a person, by the person’s current spouse or domestic partner, or by another individual if the person would have been a parent of a child born as a result of the pregnancy.
- “Stillbirth” means a stillbirth resulting from a person’s pregnancy, the pregnancy of a person’s current spouse or domestic partner, or another individual, if the person would have been a parent of a child born as a result of the pregnancy that ended in stillbirth.
- “Unsuccessful assisted reproduction” means an unsuccessful round of intrauterine insemination or of an assisted reproductive technology procedure. This event applies to a person, the person’s current spouse or domestic partner, or another individual, if the person would have been a parent of a child born as a result of the pregnancy.

Leave may be taken for up to five (5) days per Reproductive Loss Event.

The leave is not required to be taken consecutively, but must be completed within three (3) months of the Reproductive Loss Event, with the exception that if an employee is on California Family Rights Act leave, Pregnancy Disability Leave, or another leave protected by state and/or federal law at the time of or immediately following the Reproductive Loss Event, the employee may use their Reproductive Loss Leave within three (3) months of the end date of the other protected leave.

If an employee experiences more than one (1) Reproductive Loss Event within a 12-month period, the District will provide up to twenty (20) days within a 12-month period.

Reproductive Loss Leave is unpaid, but employees may elect to use accrued paid leaves, such as sick leave, personal leave, or vacation, as applicable.

The District will maintain confidentiality of any employee requesting Reproductive Loss Leave and the District will not disclose such information other than to internal personnel on a need to know basis, or as required by law.

8.8 JURY DUTY / COURT-ORDERED LEAVE

Any employee, including a temporary, seasonal, or part-time employee, who is summoned to serve on a jury, or subpoenaed or ordered to be a witness, must notify their supervisor as soon as possible. Employees who require leave to serve on a jury will be provided their full pay for their absence. Leave for all other reasons under this provision will be unpaid. Any employee who is released from jury service prior to the end of their scheduled work hours must report to work unless otherwise authorized by their supervisor.

8.9 FAMILY CARE, MEDICAL, AND MILITARY EXIGENCY LEAVE

The District provides eligible employees with family care, medical, and military exigency leave in accordance with the California Family Rights Act (“CFRA”). Employees should direct any questions to the General Manager.

8.9.1 Eligibility

To be eligible for family care, medical, and military exigency leave, an employee must (1) have worked for the District for at least 12 months before the date on which the leave is to commence, and (2) have worked at least 1,250 hours in the 12-month period leading up to the date on which the leave commences.

8.9.2 Qualifying Reasons for CFRA Leave

Leave under CFRA may be requested for up to a total of 12 workweeks in a 12-month period for the following purposes:

- a. "Family care and medical leave"—
 - for the birth or adoption of an employee's child or the child of the employee's domestic partner, or the placement of a foster child with the employee or the employee's domestic partner;
 - for the employee's own serious health condition;
 - to care for a family member with a serious health condition who is the employee's child (of any age), parent, grandparent, grandchild, sibling, spouse, or domestic partner, parent, parent-in-law (parent of spouse or domestic partner), or who is the child of the employee's [registered] domestic partner ("covered family member"); or
 - to care for an employee's designated person, meaning an individual related by blood or whose association is the equivalent of a family member; or
- b. "Military exigency leave"—
 - because of a qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child, or parent in the U.S. Armed Forces.

Medical leave for an employee's own serious health condition means that the employee is unable to work at all or is unable to perform any one or more of the essential functions of the position of that employee, but excludes leave taken due to the employee's pregnancy—related disabilities covered under the FEHA (see Pregnancy Disability Leave policy in Section 8.5 above)

8.9.3 Leave's Effect on Pay

Except to the extent that other paid time off/paid leave is substituted during a CFRA leave, such leave is unpaid. Employees may utilize accrued paid time off during any unpaid period of such leave.

An employee who is otherwise entitled to short-term or long-term disability leave benefits under the District's plan may use such benefits for the period of unpaid CFRA leave taken for the employee's own serious health condition, subject to and as determined by the terms and conditions of such plan and employee's compliance with this leave policy. Use of such paid disability benefits runs concurrently with the CFRA leave.

Employees may be eligible for insurance benefit payments under the California State Disability Insurance ("SDI") program, administered by an agency called the Employment Development Department ("EDD"). These wage replacement payments are funded by

mandatory “SDI” taxes deducted from each employee’s pay, and transmitted by the District to the EDD, which deposits them into a state fund in each employee’s name. See <https://edd.ca.gov/Disability/> for more information.

Importantly, state benefit payments under the SDI system do not entitle employees to a leave of absence or to job security. They are monetary payments. Employees separately must be entitled to a leave of absence from work.

8.9.4 Leave’s Effect on Benefits

During CFRA Leaves, the District will continue to pay for employees’ participation (if applicable) in the District’s group health plan for the duration of the leave but not to exceed 12 weeks over the course of a 12-month period, commencing on the date that the leave began, at the level and under the conditions that would have been applicable if the employee had not taken CFRA leave. Thus, the employee must continue to pay the employee’s share of any group health plan premiums during the leave. If paid leave is substituted for the unpaid leave, such payments will be deducted from the employee’s pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the District to ensure payment of such premiums.

If an employee has other voluntary benefit plans and/or dependent medical insurance coverage, the employee also will be required to pay the regular contributions for those benefits while on leave.

8.9.5 Procedure

Employees who would like to request leave under CFRA must (1) notify the District of their request for such leave, and (2) provide a sufficient, complete health care certification form on a timely basis if the leave is for either an employee’s own serious health condition, or the serious health condition of a covered family member or designated person. Please see the General Manager for more information about the request process.

Once the District has sufficient information from the employee to determine if the leave qualifies under CFRA, and on the basis of such information, the District will (1) designate the requested leave of absence as CFRA-qualifying, or not CFRA-qualifying, and (2) notify the employee of such designation, including the extent of CFRA leave (in weeks/days) is available to the employee. In the event CFRA leave is granted, employees should note that they are guaranteed employment in the same or a comparable position upon termination of such leave, subject to any exceptions provided by law. (The District will remind employees of this reinstatement guarantee when CFRA leave is granted.)

If an employee takes leave because of the employee’s own serious health condition or to care for a family member or designated person, the employee must keep the District periodically informed of the status of the leave and employee’s intention to return to work. In addition, employees must give notice as soon as practicable (within two business days if feasible) if the leave start and end dates change or are extended, or if they initially were not known but then became clear.

Eligible employees who take CFRA leave should note that they are guaranteed employment in the same or a comparable position upon termination of such leave, subject to any exceptions provided by law.

8.10 TEMPORARY DISABILITY LEAVE

In addition to any legally-mandated leave to which an employee may be entitled, the District will make every effort to reasonably accommodate your need for an unpaid leave of absence in the event of a disability, as long as it will not pose an undue hardship for the District. Employees that require a disability leave, shall make a written request to the General Manager.

Employees must notify the General Manager of their intent to resume work at least one week prior to their expected return date. Before returning to work after a disability leave of absence, the employee must provide the District with a written statement from their healthcare provider, stating their ability to return to their regular duties and any restrictions they may have.

Although the District cannot guarantee that their job will be held open until an employee returns from a disability leave, it will make every effort to return employees to the same or a similar job position. If no job opening exists for which the employee is qualified, the employee will be separated from employment.

While on a disability leave, employees may not accept other employment involving the same duties or activities as their position with District. If they do so, or if the employee fails to return to work at the end of their disability leave, the District will assume they have voluntarily resigned your position with the District.

9. GRIEVANCES

9.1 GRIEVANCE PROCEDURE

9.1.1 Definition

“Grievance” shall be defined as a written allegation by an employee submitted as herein specified claiming violation(s) of the specific express terms of the Personnel Manual, or Departmental Rules and Regulations for which there is no specific method of review, provided by District law.

A grievant is an employee or group of employees adversely affected by an act or omission of the employer.

9.1.2 Exclusions

- a. The procedure is not to be used for the purpose of resolving complaints, requests or changes in wages, hours and working conditions.
- b. The procedure is not to be used to challenge the content of employee evaluations or performance reviews.
- c. The procedure is not to be used to challenge the decision to reclassify, layoff, deny reinstatement, or deny a step or merit increase to an employee.
- d. The procedure is not to be used in cases of oral reprimand, written reprimand, reduction in pay, demotion, suspensions, or termination.
- e. This procedure is not to be used to challenge violation of law or past practice.

- f. This procedure is not to be used to challenge examinations or appointment to positions.

9.1.3 Rights of Representation

The grievant may be represented by an attorney or one representative from the agency staff. If the representative is a fellow employee, that employee will receive time off from his or her work assignment for the time of the grievance meeting or hearing plus reasonable travel time. Forty-eight hours prior to the grievance meeting, the employee shall inform the Personnel Office whether he or she will be represented at the grievance meeting and identify the representative.

9.1.4 The Grievance Steps

The grievance procedure consists of the following steps:

STEP ONE: An employee must attempt first to resolve a grievance through discussion with his/her immediate supervisor without undue delay on an informal basis within five (5) working days of the incident. The supervisor shall respond within three (3) working days. In no case, may more than five (5) working days elapse from the date of the alleged incident or action giving rise to the grievance and the employee's discussion with the supervisor at Step One or the grievance shall be barred and waived.

STEP TWO: Department Head Response: If the grievance is not resolved in Step One, or if no answer has been received within five (5) working days from the presentation of the oral grievance, the employee may, within ten (10) working days from the date of the incident giving rise to the grievance, present the grievance in writing to his/her department head. Failure of an employee to take this action will constitute termination of the grievance by the employee. The department head shall further review and discuss the grievance with the employee and shall render his/her decision and comments, in writing, and return them to the employee within ten (10) working days after receiving the grievance.

STEP THREE: If the grievance is not resolved in Step Two, or if no answer has been received within the time limits established in Step Two, the employee may, within ten (10) working days, present the grievance in writing to the General Manager. Failure of the employee to take this action will constitute termination of the grievance by the employee.

Within ten (10) calendar days of having received the grievance, the General Manager, or his/her designee, shall set a meeting with the employee, the employee's designated representative and such other personnel as the General Manager or his/her designee deems appropriate, to consider the grievance. In the event the grievance is not satisfactorily adjusted or settled through discussion at this level, the General Manager or his/her designee shall advise the employee, in writing, within ten (10) working days, as to the position on the grievance. The decision of the General Manager or his/her designee shall be final.

The time limits set forth in steps one through three shall be strictly construed. If the grievance is not appealed to the next level within the specified time limit, or any agreed upon date specified in a written agreement, the grievance shall be considered withdrawn and will not

be processed further. If the District fails to process the grievance in a timely manner, the grievance will go to the next step.

9.1.5 Specifics Of The Grievance

In filing a grievance, the employee should set forth the following information:

- g. The specific section of the Personnel Rule(s) allegedly violated, misinterpreted or misapplied.
- h. The specific act or omission which gave rise to this alleged violation, misinterpretation or misapplication.
- i. The date or dates on which the violation, misinterpretation or misapplication occurred.
- j. What documents, witnesses or other evidence support your position.
- k. The remedy requested.

10.0 MISCELLANEOUS PROCEDURES

10.1 MEDICAL EXAMINATION

The General Manager or designee may require a medical examination during employment or prior to employment provided a conditional offer of employment has been made and all entering employees in the same job category are required to take the examination. An examination may be required in order to determine the medical fitness of an employee or prospective employee to perform the essential functions of his/her job and where the examination is job related and consistent with business necessity. The cost of such medical examination will be borne by the District. All examinations shall be conducted by a duly licensed physician, psychologist or testing service approved by the General Manager, or designee.

10.2 CONDUCT AND ETHICS

Employees are to conduct themselves in a manner which brings credit to the District at all times.

10.3 TRAINING & CONFERENCES

Safety training programs, conferences, meetings, seminars and on-the-job training are conducted from time to time to enhance safety and maintain proficiency in District operations.

Employees wishing to attend such functions must obtain approval from the General Manager. If the employee desires the District to reimburse the cost of the training or conference, it must be related to the employee's work for the District and should be beneficial to the District as well as the employee. The District will not reimburse non work-related expenses, such as entertainment, alcoholic beverages, or normal personal needs. When an employee attends an approved training session or conference, allowable transportation and per diem will be provided and the employee's time will be counted as hours worked.

10.4 TUITION REIMBURSEMENT FOR CONTINUING EDUCATION

The District may reimburse an employee for cost and expense of tuition for continuing educational programs which relate to the employee's employment with the District and are beneficial to the District as well as the employee. Continuing Education programs are subject to approval by the General Manager and the Board of Directors, provided the employee maintains an overall grade point average of 2.5 or better in each course taken. For determination of grade point average, 4.0 is the highest possible average.

10.5 TELEPHONE CALLS

District telephones are to be used only for District business except in case of emergency.

10.6 DEPARTURE NOTIFICATION

All employees are asked to notify the appropriate supervisor when leaving their working area during working hours, including breaks.

10.7 SOLICITATION

In order to prevent disruption in the operation of the District, interference with tenants and inconvenience to businesses on District premises, the following rules will apply to solicitation and distribution of non-District literature on airport property: Employees may not solicit funds or distribute literature for any purpose during working hours or in working areas. Working hours include the working time of employees doing the solicitation or distribution and the employee to whom it is directed. Solicitation or distribution of literature for any purpose by non-employees is strictly prohibited on District property at any time.

10.8 VENDING OR CANVASSING

Selling articles, goods or services of any kind for profit by employees is not permitted during working hours or in working areas. Working hours include the working time of the employee doing the selling and the employee to whom it is directed.

10.9 REST BREAKS

Each employee shall be entitled to one 15-minute rest break each morning and each afternoon.

10.10 SAFETY

Employees are required to know all safety policies of the District. The following are employee guidelines concerning good safety practices:

- a. Learn the right way to do your job.
- b. Work at a safe speed. Trying to beat the clock is dangerous.
- c. Keep your work area in order.

- d. Obey all warning tags and signs.
- e. Report to your supervisor any unsafe conditions or defective equipment.
- f. Store waste and flammable materials in proper receptacles.
- g. Clean up spills. If you are the closest available person, you are responsible.
- h. Keep corridors and exits clear. Do not obstruct fire extinguishers.
- i. When lifting, bend your knees and keep your back straight.
- j. Obey all smoking regulations.
- k. Make any suggestions that will assist in the safe performance of work.

10.11 ACCIDENTS AND INCIDENTS

If you are injured at work, report the accident immediately to your supervisor, who will arrange treatment, if necessary. An injury report must be completed and given to the General Manager within 24 hours. All employees are covered by Worker's Compensation Insurance.

10.12 COMMUNICATION

Bulletin boards are located in the District offices and shop. These boards are maintained to provide you with current information. Consult them for information about policies, announcements, etc. All materials for posting must be approved by the General Manager.

10.13 "WRITE IT – DON'T SAY IT"

All requests for vacation days, appropriate holidays, or leave of absence should be written on the proper form in a timely manner and given to your immediate supervisor. Any suggestions for improvement and/or change should also be in writing.

10.14 LOST AND FOUND

All items found should be turned in to the District office. Articles may be claimed following proper identification by the owner.

10.15 CONFLICT

In the event of any conflict between any provision of this Personnel Manual and the District's Administrative Code or any prior rules, regulations or policies, the provisions of this Personnel Manual shall prevail.

10.16 TELEWORK AND REIMBURSEMENT POLICY

The following constitutes the Telework Policy (Policy") for Santa Maria Public Airport District (the "District").

10.16.1 Purpose

The purpose of the policy is to allow certain employees, subject to their execution of a Teleworking Agreement, to Telework from an Alternative Worksite for some or all of their regularly scheduled work hours and to ensure that, for the duration of such Telework, employees perform their job duties, and in so doing provide quality work in a timely manner, and to the benefit of the public.

10.16.2 Definitions

“Alternative Worksite” means the employee’s home, place of residence or from another location approved by the District other than the employee’s normal workplace at a District worksite or facility.

“Telework(ing)” means a work arrangement under which an employee works from their home, place of residence or from another location other than the employees’ normal workplace at a District worksite or facility (“Alternative Worksite”) for all or a portion of their regularly scheduled work hours.

“Work Schedule” means the days and hours determined by supervisors or managers during which non-exempt, overtime eligible employees should be in attendance at the Alternative Worksite. The Work Schedule shall provide for and include the rest and meal breaks required under applicable federal and state law as well as under contract.

10.16.3 Scope of Policy

This policy covers Teleworking voluntarily requested by a District employee and provided by the District, subject to certain conditions and requirements.

10.16.4 Voluntary Teleworking Arrangements

The District may allow Teleworking for certain eligible employees who request to Telework.

a. Eligibility Criteria

The General Manager, or their designee, possesses the discretionary authority to determine the job classifications, positions, and employees who are eligible to telework under this policy.

The General Manager, or their designee, may make such determination using criteria including, but not limited to, the following:

- The employee’s adherence to the District’s policies regarding teleworking and the requisite 24-hour written request to telework expressly stating the date(s) on which the employee seeks to telework.
- The operational needs of the District;
- The disruption of or potential disruption to the District’s function;

- The ability of the employee to perform their job duties (both essential and marginal) from an Alternative Worksite without diminishing the quantity or quality of the work performed;
- The degree to which the employee's job functions require face-to-face interaction with other District employees and/or members of the public;
- The employee's job performance, as determined by their last performance review;
- The employee's length of service with the District;
- The portability of the employee's work, including the employee's ability to remotely access tools, equipment, and materials necessary to perform their job functions;
- The availability of or ability to create a functional, reliable, healthy, safe, and secure Alternate Worksite for the employee at a reasonable cost;
- The risk factors associated with performing the employee's job duties from a location other than the employee's normal workplace at the District;
- The District's capacity to monitor and measure the employee's work performance at the Alternate Worksite;
- The employee's supervisory responsibilities;
- The employee's need for supervision; and
- Other considerations deemed necessary and appropriate by the District, including tax and other legal implications of teleworking.

b. Process for an Employee to Request to Telework

To make a request for a Teleworking arrangement, employees must complete a Voluntary Telework Request Form and file the completed request form with their supervisor or manager.

The employee's supervisor or manager will provide the request form to the General Manager, or their designee, and will discuss the employee's request with the General Manager, or their designee.

In consultation with or based on information provided by the employee's supervisor or manager, the General Manager, or their designee, will make a determination regarding the employee's request to telework.

The General Manager will consider Teleworking requests on a case-by-case basis consistent with the criteria above and other factors relevant to the employee's request to telework.

c. Final Determination; No Right to Appeal

The decision of the General Manager regarding an employee's Teleworking request is final and binding. Neither the employee nor the employee's employee organization has any right to appeal or grieve the decision.

d. Approval of Requests; Voluntary Telework Agreement

An eligible and qualified employee who has requested and been granted the opportunity to Telework, must execute a Voluntary Teleworking Agreement ("Agreement") prior to and as a precondition to the employee teleworking.

The Agreement shall provide the mutual understanding of the employee, the employee's supervisor or manager, and the General Manager concerning the teleworking arrangement.

10.16.5 Mandatory Teleworking Arrangements During Exigent Circumstances

Where an exigent circumstance exists, the District may direct District employees to remain at their homes or places of residence and the District adopt and implement a short-term teleworking arrangement for such employees in order to provide for the continuity of essential services provided by the District.

Exigent circumstances means a situation in which there is an imminent threat of extreme peril to life, property and resources. Exigent circumstances may include, but are not limited to, war, public health emergencies, power failures, natural and man-made disasters, and other states of emergency.

Where such an exigency exists and necessitates the adoption and implementation of a short-term mandatory teleworking arrangement for District employees, the General Manager is expressly authorized to suspend some or all provisions of this policy and adopt and implement alternative provisions necessary to provide for the continuity of essential services.

10.16.6 Duties, Obligations and Responsibilities for Teleworking Employees

Teleworking employees must adhere to the provisions set forth in these policies, including, but not limited to the following:

- a. All of the teleworking employee's existing duties, obligations, responsibilities and conditions of employment remain unchanged. Teleworking employees shall abide by all District policies and procedures, rules and regulations.
- b. All of the Teleworking employee's existing supervisory relationships, lines of authority and supervisory practices remain in effect.
- c. Teleworking employees authorized to perform work at an Alternate Worksite must meet the same standards of performance and professionalism expected of District employees in terms of job responsibilities, work product, timeliness of assignments, and contact with other District employees and members of the public.

- d. Teleworking employees are required to be accessible in the same manner as if they are working at the District during the established teleworking Work Schedule, regardless of the designated location for teleworking, or Alternate Worksite. Teleworking employees must be accessible via telephone, email, and/or network access to the General Manager, their supervisor, and other District employees while Teleworking, as if working at their District. Teleworking employees shall check their District-related business phone messages and emails on a consistent basis, as if working at their District worksite.

10.16.7 Miscellaneous

- a. Teleworking employees must notify the General Manager promptly when unable to perform work assignments because of equipment failure or any other unforeseen circumstances.
- b. Teleworking employees must have access to an Alternate Worksite that is quiet and free of distractions and which has reliable and secure power, internet and/or wireless access.
- c. Teleworking employees shall ensure that all official District documents are retained and maintained according to the normal operating procedures in the same manner as if working at the District.
- d. Teleworking employees must ensure dependent care will not interfere with work responsibilities.

10.16.8 Work Schedule, Overtime, Leave, Benefits

When teleworking, employees shall continue to abide by their work schedules as if they were working in-person at the District, which includes abiding by the District's policies and procedures for breaks, overtime, requests of sick, vacation, and other leaves of absence. Any deviation from the employee's work schedule shall be approved in advance, in writing, by the General Manager.

- a. For non-exempt employees, the District will either provide such employee: (1) a work schedule that will be included in the Agreement, and which will include meal and rest breaks ("Work Schedule"); or (2) authorization to work on an intermittent basis.
- b. For non-exempt employees assigned a Work Schedule, any deviation from the Work Schedule must be approved in advance, in writing, by the General Manager.
- c. Non-exempt employees may not Telework outside their normal work hours without prior written authorization from the General Manager. A non-exempt employee who fails to secure written authorization before Teleworking outside their normal work hours may face discipline in accordance with the District's policy for working unauthorized overtime.
- d. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, must take meal and rest breaks while

Teleworking as required under applicable law and/or under applicable contract or District policy and procedures.

- e. For non-exempt employees assigned a Work Schedule, all periods of Teleworking employees' unavailability must be approved in advance by the General Manager in accordance with District policy and documented in writing. For non-exempt employees authorized to work intermittently, all periods of Teleworking employees' unavailability must be approved in advance by the General Manager.
- f. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, are required to report in a timely manner all hours worked at the Alternate Worksite and make that record available to the General Manager upon request. Employees shall record all non-productive work time on their timesheet.
- g. Employees shall continue to abide by the District's policies and procedures for requests of sick, vacation and other leaves of absences. If an employee becomes ill while working under the Agreement, they shall notify the General Manager immediately and record on their timesheet any hours not worked due to illness and/or incapacitation.
- h. Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, are required to request to work overtime in advance of doing so and such requests must be pre-approved in writing by the General Manager.
- i. Teleworking employees' salary and benefits remain unchanged during the Teleworking arrangement.
- j. Workers' Compensation benefits will apply only to injuries arising out of and in the course of employment as defined by Workers' Compensation law. Teleworking employees must report any such work-related injuries to the General Manager immediately. The District shall not be responsible for injuries or property damage unrelated to such work activities, including injuries to third-persons when said injuries occur at the Alternate Worksite.

10.16.9 Space and Equipment, Information Security, Confidentiality

- a. Teleworking employees will either receive approval to use personal computer equipment or will be provided with District-issued equipment at the discretion of the General Manager.
- b. If the General Manager provided any District-issued equipment, teleworking employees agree to follow the District's policy for the use of such equipment. Teleworking employees must report to the General Manager any loss, damage, or unauthorized access to District owned equipment, immediately upon discovery of such loss, damage, or unauthorized access.
- c. Where, in response to a request to Telework, the General Manager allows an employee to Telework, the District shall not be responsible for Teleworking costs,

including, but not limited to, the employee's use of their home or place of residence, their personal computer, utilities, internet, data, network costs, home maintenance, workspace furniture, ergonomic equipment, or any other incidental costs, unless expressly provided for in a written agreement.

- d. Employees must take reasonable precautions to ensure their devices (e.g., computers, laptops, tablets, smart phones, etc.) are secure before connecting remotely to the District's network and must close or secure all connections to the District desktop or system resources (e.g., remote desktop, VPN connections, etc.) when not conducting work for the District. Employees must maintain adequate firewall and security protection on all such devices used to conduct District work from the Alternate Worksite.
- e. Teleworking employees shall exercise the same precautions to safeguard electronic and paper information, protect confidentiality, and adhere to the District's records retention policies. Teleworking employees must safeguard all sensitive and confidential information (both on paper and in electronic form) relating to District work they access from the Alternate Worksite or transport from their District worksite to the Alternate Worksite. Teleworking employees must also take reasonable precautions to prevent third parties from accessing or handling sensitive and confidential information they access from the Alternate Worksite or transport from their District worksite to the Alternate Worksite. Teleworking employees must return all records, documents, and correspondence to the District at the termination of the Agreement or upon request by the General Manager.

10.16.10 Conditions and Requirements for Reimbursement

In conjunction with the Teleworking policy, the purpose of this policy is to provide the conditions and requirements for reimbursements for certain expenses incurred by Teleworking employees.

a. Applicability of Policy to District Employees

This policy covers and applies to all Teleworking employees.

b. Teleworking Expenses Subject to Reimbursement

The District will reimburse covered Teleworking employees only for those expenses incurred which are necessary for the Teleworking employee to perform the job duties assigned to the Teleworking employee by the District from their home, place of residence, or location other than a District worksite as determined at the sole discretion of the District. Such expenses may include the following:

- i. Computer, if the employee does not have such a device and the District does not have such a device to lend to the employee;
- ii. Computer monitor, if the employee does not have such a device and the District does not have such a device to lend to the employee;

- iii. Keyboard and mouse, if the employee does not have such devices and the District does not have such a device to lend to the employee;
 - iv. Teleconferencing equipment (i.e., a video camera and microphone), if the employee does not have such a device and the District does not have such equipment to lend to the employee;
 - v. A desk and desk chair, if the employee does not have such furniture and the District does not have such furniture to lend to the employee;
 - vi. Internet; and
 - vii. Utilities
- c. Process for Requesting Reimbursement for Teleworking Expenses Not Covered Above

An employee that believes that other equipment, furniture or supplies are necessary in order for the employee to perform the job duties assigned by the District from their home, place of residence, or location other than a District worksite may request that the District provide reimbursement for such expense(s). In order to request reimbursement for an expense not enumerated above, the employee may file with their Supervisor or Manager, a Teleworking Expense Reimbursement Request form. An employee organization may file with the Accounting Department a Teleworking Expense Reimbursement Request form. The manager or supervisor will discuss the request with the General Manager who will make a determination as to the expense at issue. The determination of the General Manager shall be final and not subject to appeal or grievance.

d. Amount of Reimbursement for One-Time and Recurring Expenses

One-time and recurring expenses of covered Teleworking employees may be reimbursed by the District at amounts to be determined at the sole discretion of the General Manager.

e. Amount of Reimbursement for Covered Teleworking Employees Who Do Not Telework on a Full-Time Basis

For covered teleworking employees who are Teleworking on a part-time basis, the reimbursement amounts provided above will be provided on a pro rata basis to be determined at the sole discretion of the General Manager to reflect the amount of time that the employee is working from their home, place of residence, or location other than a District worksite.

f. Requirement that Employee Request Prior Approval for Reimbursable Expenses

If a covered Teleworking employee expects to incur an expense that is subject to reimbursement as identified in this policy, that employee is required to file with their manager or supervisor, a Teleworking Expense Reimbursement Request Form. The manager or supervisor will discuss the request with the General Manager who will make a determination as to the expense at issue. The determination of the General Manager shall be final and not subject to appeal.

RESOLUTION NO. 959

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
ADOPTING A PURCHASING POLICY AND DELEGATING PURCHASING AUTHORITY**

WHEREAS, The Santa Maria Public Airport District (“District”) is authorized to adopt rules, regulations, and policies necessary for the administration of District operations; and

WHEREAS, The District Board of Directors (“Board”) desires to establish clear, consistent, and transparent policies and procedures governing the procurement of supplies, materials, equipment, construction, professional services, and other goods and services; and

WHEREAS, A comprehensive Purchasing Policy has been prepared to define purchasing authorities and responsibilities, bidding and approval thresholds, permitted procurement methods, contract management requirements, emergency purchasing procedures, and internal controls to ensure fiscal accountability and compliance with applicable state and federal laws; and

WHEREAS, The proposed Purchasing Policy provides for appropriate delegation of purchasing authority to the General Manager and designated staff, within defined limits, while reserving ultimate authority over significant purchases and policy changes to the Board of Directors; and

WHEREAS, The Board has reviewed the Purchasing Policy titled “Santa Maria Public Airport District Purchasing Policy”, attached hereto and incorporated herein by reference, and finds that adoption of the policy is in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Maria Public Airport District as follows:

- **Adoption of Purchasing Policy**

The Purchasing Policy entitled “Santa Maria Public Airport District Purchasing Policy,” attached to this Resolution, is hereby adopted and approved, effective as of the date of adoption of this Resolution.

- **Delegation of Authority**

The Board hereby delegates purchasing and contracting authority to the General Manager and designated District staff as set forth in the Purchasing Policy, including authority to approve purchases, execute contracts, and administer procurement processes within the limits and requirements established therein.

- **Administration and Implementation**

The General Manager is authorized and directed to implement the Purchasing Policy, establish administrative procedures consistent with the policy, and ensure District staff are informed of and comply with its requirements.

- **Policy Amendments**

Administrative changes to procedures and processes that do not modify purchasing thresholds or delegated authorities may be approved by the General Manager as provided in the Purchasing Policy. Any amendments that modify purchasing thresholds, approval authorities, or Board-reserved powers shall require approval by the Board of Directors by resolution.

- **Supersession of Prior Policies**

Upon the effective date of this Resolution, any prior purchasing policies, resolutions, or administrative practices inconsistent with the adopted Purchasing Policy are hereby repealed or superseded to the extent of such inconsistency.

- **Severability**

If any provision of this Resolution or the Purchasing Policy is held invalid or unenforceable, such invalidity shall not affect the remaining provisions, which shall remain in full force and effect.

PASSED AND ADOPTED this ___ day of _____, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

SMX PURCHASING SUMMARY

Purchases of Supplies, Materials, Equipment and General Services:

Purchase Amount	Bid Process	Approval Authority
\$5,000 or less	None Required	Department Head or designee approves invoice
\$5,001-\$50,000	Informal Quotes Process*	General Manager or designee approves invoice
\$50,001-\$100,000	RFB Process	General Manager approves
More than \$100,000	RFB Process	District Board approves contract

Purchases for Public Projects:

Purchase Amount	Bid Process	Approval
\$5,000 or less	None Required	Department Head or designee approves invoice
\$5,001-\$50,000	RFB/ RFP Process	General Manager or designee approves invoice
\$50,001-\$100,000	RFB/RFP Process	General Manager approves PO
\$100,001-\$200,000	RFB/RFP Process	District Board approves contract
More than \$200,000	RFB/RFP Process	District Board approves project concept prior to bidding process and resulting contract

Purchases for Certain Professional Services (such as engineering and architectural services):

Purchase Amount	Bid Process	Approval
\$5,000 or less	None Required	Department Head or designee approves invoice
\$5,001-\$50,000	Informal Quotes Process*	General Manager or designee approves PO
\$50,001-\$100,000	Informal Quotes Process*	General Manager approves PO
More than \$100,000	RFB/RFP Process	District Board approves contract

On-Call Consultant Services (previously approved firms for design and geotechnical services):

Purchase Amount	Bid Process	Approval
\$5,000 or less	None Required	Department Head or designee approves invoice
\$5,001-\$50,000	Proposals from On-call Consultants	General Manager or designee approves PO
\$50,001-\$100,000	Proposals from On-call Consultants	General Manager approves PO
More than \$100,000	Proposals from On-call Consultants	District Board approves contract

SMX PURCHASING SUMMARY

Bidding Criteria

	RFB	RFP	RFQ	Informal Quote
Goal	Lowest Price	Lowest Responsible Bidder	Most Qualified	Lowest Price
Public Opening Requirements	Open publicly and read aloud	Open publicly and pricing read aloud	No public opening. Qualification statements made publicly available	No public opening
Evaluation Process	Select lowest responsive bid. No scoring	Responsible proposals evaluated and scored based on qualifications.	Qualifications evaluated and scored (can have pass/fail responses). No cost evaluation.	Select lowest responsive quote. No scoring
Award Basis	Lowest responsive bid	Highest scored proposal	Highest scored submittal	Lowest responsive quote

Santa Maria Public Airport District



SANTA MARIA AIRPORT
SMX

Purchasing Policy

As Approved by Resolution XXX

Date:

XXXXXX

TABLE OF CONTENTS

CONTENTS

Contents

	SECTION 1 – OVERVIEW	4
1.1	Introduction	4
1.2	Purchasing System	4
1.3	Types of Purchases.....	4
	SECTION 2 – PURCHASING AUTHORITIES/RESPONSIBILITIES	5
2.1	General Authority	5
2.2	Grant Funding	7
	SECTION 3 – PURCHASING PROCESS	8
3.1	Permitted Purchasing Methods.....	8
3.2	Purchase Requisitions/Purchase Orders	8
	SECTION 4 – PURCHASING BIDDING AND APPROVAL THRESHOLDS.....	10
4.1	Supplies, Materials, Equipment and General Services.....	10
4.2	Public Projects	11
4.2	Purchases of Certain Professional Services	12
4.3	On-Call Consultant Services	13
4.4	Contract Amendments and Change Orders.....	13
	SECTION 5 – BIDDING PROCEDURES	14
	SECTION 6 – NO-BID PURCHASING	11
6.1	Low-Cost Purchasing	11
6.2	Sole Source Purchasing	11
6.3	Emergency Purchasing	11
6.4	Cooperative Agreement Purchasing	12
6.5	Routine Expenditures for Utilities, Payroll and Other Services	12
	SECTION 7 – CREDIT CARD CHARGES	12
7.1	Credit Card Issuance.....	12
	SECTION 8 – PAYMENT OF INVOICES	14
8.1	Receipt of Goods and Services	14
8.2	Invoice Process.....	14
	SECTION 9 – CONTRACT MANAGEMENT	15
9.1	Responsibilities	15
9.2	District Counsel Approval	15
9.2	Execution	16
9.3	Control of Contract	16
	SECTION 10 – DISPOSAL OF SURPLUS PROPERTY.....	16
10.1	General	16

10.2 Value Exceeding \$5,000 16

10.3 Value of \$5,000 or Less 16

10.4 Donations to Other Agencies..... 16

10.5 Disposal 17

11 – DEFINITIONS 17

11.1 Capital Asset..... 17

11.2 Force Account..... 17

11.3 Job Order Contract..... 17

11.4 Public Project..... 17

11.5 Sole Source Purchase..... 17

11.6 Surplus Property 18

11.7 Time-Only Extension..... 18

EXHIBIT A..... 19

Policy Statement 19

Purpose 19

Definitions..... 19

Emergency and Disaster Purchasing Policy 19

SECTION 1 – OVERVIEW

1.1 Introduction

The purpose of this chapter is to guide Santa Maria Public Airport District employees in purchasing goods and services on behalf of the District by establishing responsibilities and authorization levels, outlining statutory requirements, and setting forth the policies and procedures that govern purchasing activities.

These guidelines are not intended to address every issue, exception or contingency that may arise in purchasing activities. Accordingly, the basic standard that should always prevail is to exercise good judgment in the use and stewardship of District resources. Any questions about purchasing activities or proper purchasing process should be referred to the Manager of Finance and Administration.

Definitions for certain terms in this policy are included in Section 11 of this policy.

1.2 Purchasing System

Article IX of the Santa Maria Public Airport District Administrative Code, which incorporates these Policies (this Purchasing Policy) and the policies and procedures set forth in this chapter shall govern the District's purchasing system, in addition to applicable sections of the Public Contracting Code to the extent the act preempts local regulations governing public works contracts (see California Public Contract Code Sections 20100, et. seq.). This system has been developed to achieve the following objectives:

- Secure goods and services at the lowest cost possible commensurate with quality requirements and the District's needs;
- Establish authority, responsibility and accountability for purchasing activities conducted on behalf of the District;
- Ensure appropriate levels of competition and provide equal opportunities for all qualified vendors;
- Standardize procedures where appropriate to achieve consistency in purchasing practices in adherence to District policies and goals;
- Coordinate Districtwide purchasing for commonly used items.

1.3 Types of Purchases

The type of purchase and the estimated cost of the purchase determine the formality of the process by which the purchase shall be made. The District has identified three basic types of purchases:

- Purchases of Supplies, Materials, Equipment and General Services. Purchases or contracts for supplies and equipment, as well as operating and maintenance services.
- Purchases for Public Projects. Purchases for public projects, as defined by Public Contracting Code Section 20161 (generally, contracts for construction, reconstruction, erection, alteration, renovation, improvement, demolition and repair work, including painting of any facility owned, leased or operated by the District

and street or sewer work).

- Purchases for Certain Professional Services. Professional work provided to the District by specially trained and experienced individuals or firms regarding engineering, planning, architectural, landscape architectural, environmental, land surveying and construction project management.
- Purchases for Services from On-Call Contractors. Purchases of consultant services, made from a list of contractors deemed most qualified via a competitive Request for Statement of Qualifications process and approved by District. On-call lists must be approved by District at least every three years.

SECTION 2 – PURCHASING AUTHORITIES/RESPONSIBILITIES

2.1 General Authority

The Table below demonstrates the District’s purchasing authorities and responsibilities:

<p>Board of Directors</p>	<ul style="list-style-type: none"> • Adopt resolution to approve purchasing policy • Approve changes to the purchasing policy involving purchasing thresholds or authorities • Approve purchases as required under Section 4 of this policy • Delegate authority to General Manager/staff for purchases within certain cost thresholds and approved budget
<p>General Manager</p>	<ul style="list-style-type: none"> • Ensure implementation of purchasing policies • Approve administrative changes to the policy, including changes to processes and procedures, but not including changes to purchasing thresholds or authority. • Award contracts as specified in Section 4 of this policy
<p>Manager of Finance and Administration</p>	<ul style="list-style-type: none"> • Review purchases and contract awards for compliance with purchasing policy • Serve as or designate “Purchasing

	<p>Agent”</p> <ul style="list-style-type: none">• Assist departments in development of solicitations• Create, manage and maintain Purchase Orders• Review and approve departmental purchases and contracts as specified in Sections 4 and 10• Approve invoices or payment requests for departmental purchases• Delegate purchasing authority to department employees as appropriate• Review all purchases of Districtwide or departmental technology systems, applications, software or hardware for recommendation on purchase
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<p>Manager of Operations and Maintenance</p>	<ul style="list-style-type: none"> • Approve specifications for public projects • Approve Job Order Contract task orders for public projects • Review and approve departmental purchases and contracts as specified in Sections 4 and 10 • Approve invoices or payment requests for departmental purchases • Delegate purchasing authority to department employees as appropriate
<p>Authorized Employees</p>	<ul style="list-style-type: none"> • Purchase, receive and pay for items in accordance with District guidelines • Review (and approve, if delegated) invoices or payment requests for departmental purchases

2.2 Grant Funding

Federal, State or other grant programs may require additional conditions that are more stringent than the District’s procedures. It is the responsibility of the department accepting the grant to ensure all grant provisions are complied with. Departments should adhere to Part 200 – Uniform Administrative Requirements for Federal Grants, including the Section 200.318 general procurement standards, which can be found here: <https://www.ecfr.gov/current/title-2/part-200>.

SECTION 3 – PURCHASING PROCESS

3.1 Permitted Purchasing Methods

Departments may use three methods to purchase goods and services: Purchase Order/Contract, District Credit Card and Emergency Purchases. The table below summarizes the dollar thresholds and requirements for each method. Note that work may be performed by Force Account, or with internal resources, if the Department Head determines internal resources have the needed ability/expertise and the total cost is less than \$25,000.

Purchase Type	Dollar Threshold	Requirements
Contract/Purchase Requisition/ Purchase Order	Within approved budget	Must obtain all approvals as required by Section 4
Credit Card	Up to \$5,000*	Not permitted for purchases of Capital assets. Only authorized employees may make credit card purchases.
Emergency Purchase	Within Budget* for a General Emergency For a Proclaimed Emergency or Disaster, refer to Attachment B	Only permitted if there is an immediate and serious need that cannot be met through normal purchasing procedures that would seriously threaten the functioning of District operations, the preservation of property or the health and safety of any person consistent with approved emergency declaration. All emergency purchases must be reported to the Manager of Finance and Administration as soon as is practicable.

* Limit/amount may be raised with General Manager approval

3.2 Purchase Requisitions/Purchase Orders

3.2.1. Purchase Requisition Submission

- Staff or managers requesting goods or services shall submit a Purchase Requisition through the District’s accounting system prior to placing an order. Each requisition must include:
- A description of the goods or services being requested;
- An attached vendor quote, estimate, proposal, or invoice, as applicable; and

- Correct budget and account coding.

3.2.2. Review and Approval

All Purchase Requisitions shall be reviewed by the Manager of Finance and Administration to confirm budget availability, appropriate coding, and compliance with this Policy.

The Manager of Finance and Administration is authorized to approve requisitions within the approved budget and within delegated purchasing authority.

Purchases exceeding that authority or otherwise requiring General Manager or District Board approval under Section 4 of this Policy, shall be routed to the appropriate approving authority.

3.2.3. Approval or Denial Notification

The Purchase Requisition shall be approved or denied within the accounting system. The employee who submitted the requisition shall be notified of the approval or denial. Upon approval, the requested amount shall be encumbered against the applicable budget.

3.2.4. Purchase Order Issuance

Following approval and budget encumbrance, a Purchase Order shall be generated in the accounting system by the Manager of Finance and Administration or designee. Goods or services shall not be ordered until a Purchase Order has been issued, unless otherwise permitted by this Policy.

3.2.5. Order Fulfillment

The authorized employee or department shall place the order with the vendor in accordance with the issued Purchase Order.

3.2.6. Invoice Processing and Payment

Invoices shall reference the applicable Purchase Order number and shall be processed in accordance with Section 8 of this Policy. Invoices shall be matched to the Purchase Order prior to payment. Payment of an invoice shall reduce or fully release the encumbered amount associated with the Purchase Order.

SECTION 4 – PURCHASING BIDDING AND APPROVAL THRESHOLDS

The required bidding process and level of approvals for any purchase is determined by the type of purchase (see Section 1.3 of this policy) and the cost of the purchase. Most purchases that do not fall within an exception listed in Section 6 of this policy require an informal or formal bidding process (See Section 5 of this policy which defines each bidding process). Note that the buyer for any purchase cannot serve as the approver of that purchase.

4.1 Supplies, Materials, Equipment and General Services

The table below summarizes the bidding and approval requirements for purchases of supplies, materials, equipment and general services.

Purchase Amount	Bid Process	Approval	PO/Contract Requirement
\$5,000 or less	None Required	Department Head or designee approves invoice	No PO or contract required
\$5,001-\$50,000	Informal Quotes Process*	General Manager or designee approves invoice	PO or contract required
\$50,001-\$100,000	RFB Process	General Manager approves	PO or contract required
More than \$100,000	RFB Process	District Board approves contract	PO or contract required

* Generally, staff should seek at least three quotes. A “no-bid” response may be considered a quote for this purpose.

4.2 Public Projects

The table below summarizes the bidding and approval requirements for Public Project purchases. Staff should also consult the Public Contracting Code.

Purchase Amount	Bid Process	Approval	PO/Contract Requirement
\$5,000 or less	None Required	Department Head or designee approves invoice	No PO or contract required
\$5,001-\$50,000	RFB/RFP Process	General Manager or designee approves invoice	PO or contract required
\$50,001-\$100,000	RFB/RFP Process	General Manager approves PO	Contract or PO required
\$100,001-\$200,000	RFB/RFP Process	District Board approves contract	Contract required
More than \$200,000	RFB/RFP Process	District Board approves project concept prior to bidding process and resulting contract	Contract required

4.2 Purchases of Certain Professional Services

For purchases of certain professional services, as defined in Section 1.3 of this policy, persons or firms must be selected on the basis of demonstrated competency and professional qualifications necessary for the performance of the services required and proposers must provide information about the cost of services under separate cover. The table below summarizes the bidding and approval requirements for each type of service under this section.

Purchase Amount	Bid Process	Approval	PO/Contract Requirement
\$5,000 or less	None Required	Department Head or designee approves invoice	No PO or contract required
\$5,001-\$50,000	Informal Quotes Process*	General Manager or designee approves PO	PO or contract required
\$50,001-\$100,000	Informal Quotes Process*	General Manager approves PO	Contract required
More than \$100,000	RFB/RFP Process	District Board approves contract	Contract required

* Generally, staff should seek at least three quotes. A “no-bid” response may be considered a quote for this purpose.

4.3 On-Call Consultant Services

The table below summarizes the bidding and approval requirements for purchases of on-call consultant services, as defined in Section 1.3 of this policy.

Purchase Amount	Bid Process	Approval	PO/Contract Requirement
\$5,000 or less	None Required	Department Head or designee approves invoice	No PO or contract required
\$5,001-\$50,000	Proposals from On-call Consultants	General Manager or designee approves PO	Contract required
\$50,001-\$100,000	Proposals from On-call Consultants	General Manager approves PO	Contract required
More than \$100,000	Proposals from On-call Consultants	District Board approves contract	Contract required

4.4 Contract Amendments and Change Orders

A purchase approver may amend a contract or approve a change order in an amount not to exceed 20% of the original contract amount without approval from the higher purchasing authority, provided that the original contract was within the approver's authority, as noted in this Section 4, and the amendment or change order does not materially change the scope of services.

4.5 Time-Only Contract Extensions

Time-only extensions are amendments that extend the contract term or completion date **without increasing the contract amount, scope of work, quantity of goods, or level of services.**

4.5.1 Authority to Approve

Time-only contract extensions may be approved by the **General Manager**, regardless of the original contract amount, provided that:

- The original contract was properly approved in accordance with this Policy; and
- The extension does not increase cost or materially change scope, deliverables, or performance requirements.

4.5.2 No Increase in Cost or Scope

A time-only extension shall not:

- Increase total compensation to the contractor;
- Add, modify, or expand the scope of services or deliverables; or
- Materially alter the nature or intent of the original agreement.

Any extension that results in a change to cost or scope shall be processed as a contract amendment and approved in accordance with Section 4 of this Policy.

4.5.3 Documentation Requirements

The requesting department shall document the reason for the time extension and certify, in writing, that there is no increase in cost or scope. Documentation shall be retained with the contract record.

4.5.4 Legal Review

Review by District Counsel is required unless the extension:

- Uses an already approved contract template; and
- Includes no modifications other than the contract term.

4.5.5 Term Limits

Time-only extensions shall be limited up to a period of 6 months to complete the work or transition to a new contract.

SECTION 5 – BIDDING PROCEDURES

For purchases that require a bidding process as shown in Section 4 of this policy that do not fall within the exceptions listed in Section 6 of this policy, staff must engage in one of the following competitive bidding processes describe below.

5.1 Request for Bids (RFB)

An RFB is a request to vendors to submit an offer or quote for specific, defined goods, products or construction. An RFB should be used when seeking a fixed price for goods with known specifications (e.g. Dell XPS 13 laptops). RFBs are used for Construction of Public Projects and when setting up a Job Order Contract (defined in Section 11 of this Policy). RFBs must be posted on the District's designated solicitation site along with other desired noticing.

5.2 Request for Proposals (RFP)

An RFP is a request to vendors to submit a proposal for goods or services for which the

exact specifications or methodology of providing the desired goods or services is not defined. An RFP is generally used for more complex goods or services purchases. RFPs allow for consideration of factors other than price, including the qualifications of the vendor

and the vendor's ability to perform. RFPs must be posted on the District's designated solicitation site along with other desired noticing.

5.3 Request for Qualifications (RFQ)

An RFQ is a request for a statement of qualifications for a certain class of vendors or consultants. RFQs are used to develop On-call or Master Agreements. RFQs must be posted on the District's designated solicitation site along with other desired noticing.

5.4 Informal Quotes

When formal bidding is not required by the District's purchasing policy, staff may seek informal quotes by verbal or written request. An informal or quick quote is a simple request

for pricing on simple, low-cost goods or services. Staff should request quotes from at least

three vendors, if available. If quotes are sought by verbal or written request, staff must create a quote summary to record the quotations received.

5.5 Bidding Criteria

The table below summarizes the requirements and process for each type of solicitation listed in Sections 5.1 – 5.4 of this policy

	RFB	RFP	RFQ	Informal Quote
Goal	Lowest Price	Lowest Responsible Bidder	Most Qualified	Lowest Price
Public Opening Requirements	Open publicly and read aloud	Open publicly and pricing read aloud	No public opening. Qualification statements made publicly available	No public opening
Evaluation Process	Select lowest responsive bid. No scoring	Responsible proposals evaluated and scored based on qualifications.	Qualifications evaluated and scored (can have pass/fail responses). No cost evaluation.	Select lowest responsive quote. No scoring
Award Basis	Lowest responsive bid	Highest scored proposal	Highest scored submittal	Lowest responsive quote

SECTION 6 – NO-BID PURCHASING

6.1 Low-Cost Purchasing

As noted in the tables in Section 4 of this manual, no bidding process (formal or informal) is required for purchases of less than \$5,000.

6.2 Sole Source Purchasing

Generally, it is the policy of the District to solicit quotations or bids for purchases of commodities or services for more than \$5,000 and to select vendors on a competitive basis. However, certain acquisitions in which the products or services may only be obtained from a single source may be purchased without engaging in bidding procedures.

Sole Source purchases must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process and approved by the Manager of Finance and Administration before such a purchase is made.

Some examples of legitimate sole source purchases include the following:

- Purchases in which only one known source exists or there is no reasonable alternative source for the goods or services as determined by documented research
- Purchases in which only one source meets the District's business needs (e.g., compatibility with existing systems, unique features or services that meet the desired goals of the District, etc.).
- Purchases of proprietary items which only the manufacturer, owner, or designated re-seller is permitted to sell (this includes purchases in which purchasing from a non-designated seller would result in nullification of manufacturer warranties)
- Upgrades to existing systems where purchasing a different solution or product would result in significant additional costs (e.g., data conversion, re-training of staff, new system implementation costs)
- Purchases of services from a contractor with specific and unique knowledge of existing District systems, procedures or historical data that is critical to the project or District goals where use of another contractor would result in significant costs or project delays due to lack of such knowledge.

6.3 Emergency Purchasing

Generally, it is the policy of the District to solicit quotations or bids for purchases of commodities or services for more than \$5,000 and to select vendors on a competitive basis. However, purchases that are required to safeguard and immediate life, health or property interest may be made without a bidding process.

Section 6.3.1 – A purchase qualifies as an Emergency Purchase if all of the following are true:

- The District's need cannot be met under the time constraints of the normal purchasing process and;

- The lack of equipment, goods or services would seriously threaten the functioning of District operations, the preservation of property or the health and safety of any person.

Section 6.3.2 – District staff must not use the emergency purchase process to circumvent general purchasing policy requirements. District staff should seek quotes and determine reasonableness of pricing when making an emergency purchase whenever possible.

Section 6.3.3 – Local Emergency Purchasing. If a local emergency is declared, District staff must adhere to the Emergency and Disaster Purchasing Policy (see Attachment B).

6.4 Cooperative Agreement Purchasing

Section 6.4.1 – District staff may use established cooperative agreements involving other public agencies for purchases without a competitive bidding process, if those cooperative agreements were competitively bid. District staff is responsible for researching cooperative agreements to ensure the bidding process complies with District competitive bidding rules.

Section 6.4.2 – District staff should research the pricing for the goods or services being sought and compare the pricing set forth in the cooperative agreement is reasonable. If the pricing set forth in a cooperative agreement is not reasonable, District staff should initiate a competitive bidding process rather than leveraging the cooperative agreement.

6.5 Routine Expenditures for Utilities, Payroll and Other Services

Routine expenditures that benefit the operations of the district, such as telephone, utilities, debt service payments, and payroll benefit costs, shall be paid by the Manager of Finance and Administration without the use of a Purchase Order Request. Computer spreadsheets, reports, or other coding information will be sufficient to use as backup documentation.

These procedures may be waived in the event of an emergency if it is in the public interest.

SECTION 7 – CREDIT CARD CHARGES

7.1 Credit Card Issuance

The Manager of Finance and Administration will issue credit cards only to permanent employees who are approved by the General Manager.

7.1.1 Limits. Generally, District-issued credit cards shall have a credit limit of \$5,000. However, the General Manager may approve an increase of this limit on a case by case basis.

7.1.2 District Business. District credit cards are for official District business only. No personal purchases may be charged to the card. Intentional charging of personal expenses on District credit cards is a misuse of District funds, and a serious breach of the District's ethics policy. Doing so, even if the intent is to reimburse the District later, will result in disciplinary action, up to and including termination and legal action. Minor incidental expense as a component part of a larger billing, such as personal calls on a hotel bill, may be allowed if reimbursed at the time the credit card billing is submitted for payment.

7.1.3 Travel Expenses. Credit cards may be used in paying for travel expenses. However, the District's Travel Guidelines still apply to all such credit card payments, including the use of Travel Authorizations and per diem amounts.

7.1.4 Gratuities. Generally, purchases with District credit cards may include reasonable gratuities for services for which such gratuities are standard but should not exceed 20 percent of the total cost.

7.1.5 Comply with Rules. District credit cards may not be used to circumvent other purchasing rules in this manual. Additionally, District credit cards may not be used for the following:

- Cash advances, wire transfers, money orders, etc.
- Purchases of items for which the District has contracts (water meters, bulk fuel, etc.) unless it is an emergency situation, and approved by the Purchasing Agent.
- Political or religious organizations.
- Court costs, fines, bail, or bonds.
- Rentals, except for small pieces of equipment to be used for less than a week in duration or vehicle rentals related to travel.
- Temporary employees.
- Alcoholic beverages and tobacco products.

7.1.6 Cardholder Responsibility. Each cardholder is responsible for the security and safe keeping of the credit card and must sign the District's Credit Card Agreement (See Attachment C – Credit Card Agreement). Cardholders should obtain itemized receipts for every transaction. Cardholders who fail to provide itemized receipts for purchases may be held personally responsible for charges. If an item is billed incorrectly, the cardholder is responsible for contacting the vendor within 10 days of the transaction. The employee should notify Accounts Payable and should provide all documentation relating to the charge in a timely manner. Accounts payable will contact the bank and will pursue the matter until resolved.

7.1.7 Department Head Responsibility. Department Heads must authorize issuance of credit cards and develop and implement departmental procedures to be sure credit card purchases are approved and forwarded to Accounts Payable in accordance with this manual, and in a timely manner. Department Heads must retrieve credit cards from the cardholder if the cardholder fails to adhere to the policies in this manual or separates from District service. When necessary, Department Heads must enforce disciplinary action associated with the misuse of credit cards.

7.1.8 Disciplinary Action. The Manager of Finance and Administration or authorized designee will notify Department Heads regarding misuse of District credit cards. Department Heads will be responsible for all disciplinary action surrounding misuse of cards, or abuse of this policy. This will include cancellation of card privileges, and other action as deemed appropriate.

SECTION 8 – PAYMENT OF INVOICES

8.1 Receipt of Goods and Services

Items must generally be shipped to a District address or worksite. If the product will be shipped to an alternate location, this must be cleared through the Manager of Finance and Administration in advance.

8.2 Invoice Process

Once an invoice is received, staff should verify the goods or services were received in good working order or pursuant to the scope and terms of the contract, when applicable. Upon verification, the Department should provide the following information to the Accounts Payable department:

- That they are authorizing payment (i.e., use stamp)
- The amount that they are authorizing for payment
- The account number(s) that is to be charged
- Include vendor's W-9 form if not already on file (should be checked with the Manager of Finance and Administration)

- Attach a copy of the contract, if applicable
- Attach invoice/receipt/backup

SECTION 9 – CONTRACT MANAGEMENT

Purchases that require contracts, as noted in Section 4 of this policy, and any contract entered into on behalf of the District must adhere to this Section 9.

9.1 Responsibilities

Contract management is the primary responsibility of the department in charge of the project or services. Prior to requesting bids or proposals, the Department head shall work with the District Counsel to ensure the contract is in proper legal form and shall ensure the contract is properly executed upon award. The Department head shall also ensure that payment to contractors or vendors are in accordance with the payment terms and/or schedule within the contract.

9.2 District Counsel Approval

10.1.1 Unless otherwise exempted in this Policy, contracts must be reviewed and approved as to legal effect and form by the District Counsel prior to execution or submittal for inclusion in the District Board Agenda.

10.2.3 Templates. If staff uses a District counsel-approved contract template for the purchase of goods or equipment and no changes are made, additional District Counsel approval and/or signature is not required.

9.2 Execution

Whenever possible, contracts that require approval of the District Board should be signed by the contractor prior to being brought before the Board and a copy of the contract shall be included in the District agenda package. Contracts should be signed via electronic signature whenever legally permitted. Contracts that are signed by a corporation or any other legal entity other than an individual, should be verified by written delegation of the legal entity the party signing the agreement has authority to do so. The District Counsel can assist with the type and nature of written authority necessary for a binding agreement.

9.3 Control of Contract

The Manager of Finance and Administration shall maintain a copy of each contract and should be maintained for at least three years from the date of final payment under the contract.

SECTION 10 – DISPOSAL OF SURPLUS PROPERTY

All departments shall notify the Manager of Finance and Administration of existing materials, supplies or equipment that are no longer used or have become obsolete. Departments may sell or dispose of such property under the following Sections.

10.1 General

If disposing of any District property, staff should determine the property's value and reason for disposal (ie: property is past useful life, property is obsolete or being replaced by updated equipment). Disposal of capital assets must be approved by the General Manager and reported to the Manager of Finance and Administration.

10.2 Value Exceeding \$5,000

11.1.1. If the value of the equipment or goods exceeds \$5,000, the District shall sell the property using one of the following methods:

(A) A notice inviting formal bids published in a newspaper of general circulation and sale shall be made to the highest bidder.

(B) The District may use a third party vendor to auction the items on behalf of the District.

11.1.2. The district may dispose of property with a value exceeding \$5,000 only if it is determined to be unusable or if an attempted sale is not successful. Disposal of such property must be approved by the General Manager.

10.3 Value of \$5,000 or Less

If the value of the equipment or goods is \$5,000 or less it must be sold by informal bids to the highest bidder. If no bids are received or if the property has no resale value, the General Manager may approve the destruction of the property.

10.4 Donations to Other Agencies

If property may properly be donated to another governmental agency, staff shall make

arrangements with that agency and notify the Manager of Finance and Administration of property being donated and estimated value. Donations should be made on an “as-is” basis, without any express or implied representations or warranties under applicable law.

10.5 Disposal

District shall dispose of property at the District’s Corporation Yard.

11 – DEFINITIONS

For definitions of bidding processes, see Section 5 of this policy.

11.1 Capital Asset

Any asset, tangible or intangible, used in operations that has a service life of more than one year with a cost exceeding \$25,000 for infrastructure and \$10,000 for all other capital assets.

11.2 Force Account

Use of District assets, equipment or labor of District staff, rather than a contractor.

11.3 Job Order Contract

A competitively bid, fixed price, multi-year construction contract based on established or published unit prices via a unit price book (UPB) or a price list with a multiplier (termed coefficient) applied to the unit prices.

11.4 Public Project

A public project is “construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds . . . For purposes of this paragraph, “construction” includes work performed during the design, site assessment, feasibility study and other preconstruction phases of construction, including, but not limited to, inspection and land surveying work regardless of whether any further construction work is conducted, and work performed during the postconstruction phases, including but not limited to, all cleanup work at the jobsite. For purposes of this paragraph, “installation” includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems.” (See CA Labor Code Section 1720, CA Public Contract Code Section 20161).

11.5 Sole Source Purchase

A sole source purchase is when the District enters into a contract with a contractor without going through the typical competitive process as required by law because it deems that the contractor is the only source available that can meet the District’s

requirements or the purchase complies with the requirements of Section 6.2 of this Policy.

11.6 Surplus Property

Surplus property is tangible property (any property that can be physically relocated) that is no longer of use to any District department because it is obsolete, uneconomical to repair, or valued only for its base contents. Surplus Property may include anything from office supplies and furniture to vehicles and heavy equipment. Surplus property for purposes of this Policy shall not include real property as defined by State law.

11.7 Time-Only Extension

A contract amendment that solely extends the term or completion date of a contract, with no change in cost, scope of work, level of service, or quantity of goods.

DRAFT



EXHIBIT A

EMERGENCY AND DISASTER PURCHASING POLICY

Policy Statement

The Santa Maria Public Airport District (District) has the responsibility to establish policies for prudent financial oversight and accountability.

The District Board sets legislative financial management policies, as recommended by staff. During declared states of emergency, the District may be required to invoke emergency purchasing practices to maintain operations. These emergency practices are only authorized when there is a declared local state of emergency.

Purpose

When there is a declared local state of emergency, any official or employee who is required to purchase materials, supplies or services on behalf of the District shall use purchasing practices set forth in this document until such time that the local state of emergency has been lifted.

This Policy modifies the District's normal purchasing practices to assure that, in exigent circumstances caused by a proclaimed disaster or emergency, the District is able to acquire the goods and services required to address an immediate threat to health, safety or improved property while still maintaining an effective purchasing process and complying with applicable local and state purchasing laws. Where the District is included in a major disaster or emergency declared by the President of the United States, this Policy also assures that District procurements comply with federal regulations applicable to FEMA disaster grant reimbursement.

Definitions

For purposes of this Policy, (a) a proclaimed disaster or emergency exists if (i) the Governor has declared a state of emergency for an area which includes the geographic territory of the District; or (ii) the Chief Executive Officer of the District of Santa Maria or County of Santa Barbara has declared an emergency in the District; (b) "Exigent Circumstances" are situations in which

(i) a disaster or emergency has been proclaimed, and (ii) the public exigency for goods and services required to address an immediate threat to health, safety, or improved property will not permit competitive solicitation.

Emergency and Disaster Purchasing Policy

Disaster purchasing has a number of facets, first emergency spending limits are expanded and authorized

by District without the need to obtain their prior approval. There can be individual limits and aggregate limits which give emergency managers the necessary authority to act quickly under exigent circumstances. The concept of emergency purchases regards purchases made under “crisis” conditions, where there is an immediate threat to health, safety or improved property. When this condition (an immediate threat to health, safety or improved property) exists, the District has wider latitude to do what is necessary to save lives and prevent further damage to improved property. Given this, and operating under the understanding that when an emergency is in place, the District will be in need of supplies, goods and services as quickly as possible, local vendors within the District and County will be contacted first to obtain the quickest possible acquisition to preserve immediate health and safety for the Grover Beach community. This is consistent with the policy directives outlined below.

Section 1 - Delegations of Purchasing Authority in Exigent Circumstances.

- (a) if the General Manager determines that goods and services must be procured before the District Board is able to assemble and approve purchases, the General Manager has authority, subject to the limitations set forth in sub-paragraphs (a)(i) and (a)(ii), to approve the immediate rental or purchase of any equipment, supplies, services or other items necessary to respond to an immediate threat to health, safety or improved property.
 - (i) Limits of Single Purchase Authority. The General Manager shall have the authority to make individual purchases up to \$250,000 on his or her signature alone. The General Manager shall have the authority to make purchases in excess of \$250,000 up to a maximum of \$500,000 when countersigned by the President or in the President’s absence countersigned by another District Board member.
 - (ii) Limits of Aggregate Purchase Authority. The General Manager shall have the authority to make aggregate purchases up to \$500,000 on his or her signature alone. The General Manager shall have the authority to make purchases in excess of \$500,000 up to a maximum of \$1,500,000 when countersigned by the President or in the President’s absence countersigned by another District Board member.
- (b) Sub-delegation to EOC Coordinator. The EOC Coordinator shall be a designee of the General Manager at any time that the General Manager is not available to approve purchases as allowed in this section.
- (c) Administrative Procedures: Reporting Requirements.
 - (i) As soon as possible after purchases are made under this section 1, the General Manager, EOC Coordinator, or department head shall submit to the Purchasing Officer (Manager of Finance and Administration) a requisition and a notation that the commodity has been ordered on an emergency basis from the vendor designated.
 - (ii) The Purchasing Officer will inform the General Manager and the District of any individual purchase under this section with a contract amount greater than \$125,000, and also whenever the aggregate of purchases under this section is greater than \$200,000 dollars.
 - (iii) The Purchasing Officer will obtain the General Manager's (or EOC Coordinator as the General Manager’s designee) approval prior to any purchase by a department head if the amount is \$150,000 dollars or more.
 - (iv) The Purchasing Officer shall have the authority to approve all disaster related purchases under

\$150,000 thousand dollars. The Purchasing Officer will expedite the verification of funds available and complete the preparation of the purchase order.

Section 2 - Procurement Procedures in Exigent Circumstances.

Upon receipt of requisitions under Section 1 above, the Purchasing Officer shall prepare purchase orders for the emergency equipment, supplies, services or other items in accordance with the requirements of this section.

- (a) *Exempt Purchases.* Purchases below \$200,000 shall not be required to be formally bid. Purchases greater than \$200,000 may be made following the procedures specified in this section. The signature(s) of the General Manager, Purchasing Officer and/or Department Head are still required as provided in Section 1.
- (b) Justification of “Sole Source” or “No-bid” Contracts. Where exigent circumstances require immediate procurement from the nearest available source:
 - (i) the Procurement Officer shall complete a Sole Source Justification Form;
 - (ii) procurement should be limited to that portion of the work that must be performed immediately, allowing subsequent procurement by competitive proposals of the remainder of the work;
 - (iii) “Sole source” or “no-bid” acquisitions shall be necessary for one of the following reasons: placement of emergency protective measures; procurement of a scarce commodities, goods, or services; or acquisition or rental of emergency equipment , emergency consulting services, emergency road clearance or other emergency requirements.
- (c) *Provision for Alternate Bid Solicitation Procedures.* The District's normal requirements for sealed bids shall not apply to acquisitions under Section 1. However, the Procurement Officer shall conduct telephonic or other electronic bid solicitation from potential vendors or suppliers, in lieu of written and/or sealed bids, in an effort to obtain multiple competitive proposals when and if time allows in light of the exigent circumstances.
- (d) *Locations of Postings for Requests for Proposals or Solicitation of Bids.* The Procurement Officer may waive normal requirements for public posting of requests for proposals or solicitation of bids. Notices soliciting bids or requests for proposals shall be posted at the Emergency Operations Center or Alternate Emergency Operations Center, if the Primary Emergency Operations Center is not being used.
- (e) *Length of Time for Posting Requests for Proposals or Solicitation of Bids.* The Procurement Officer may shorten the normal bid period to expedite the award of contracts for emergency equipment, goods, or services. The Procurement Officer should seek to assure that the shortened bid period allows multiple suppliers to submit bids.
- (f) *Number of Bids Required.* Solicited bids that are non-responsive shall count towards the minimum numbers of bids required when there is a declared emergency or disaster in the District.

Section 3 - Notification and Ratification

- (a) *Posting of Contract Awards.* Under this section, all contracts awarded that exceed \$750,000 shall be presented to the District Board for ratification and shall be publicly posted within sixty (60) days of the award.
- (b) *Authority to Cancel Emergency Procurements.* As a provision of this policy, the District has the absolute authority to rescind a contract for non-performance within 24 hours when a contractor or vendor, once awarded a contract, is unable to perform under the terms of the contract and the resulting delay or non-performance presents an immediate threat to life, safety or improved property.
- (c) *Notification Requirement for Emergency Purchases.* For any purchase in excess of \$150,000, the General Manager shall report all such purchases to the District Board within thirty (30) days.
- (d) *Requirement for Separate Invoicing.* All purchases or rentals made during proclaimed emergency or disaster conditions shall require separate invoicing from routine (non-disaster related) purchases. All invoices shall state the goods, services or equipment provided and shall specify where the goods or services were delivered and be coded to the designated disaster project code.
- (e) *Auditing of Invoices for Debris Clearance Prior to Payment.* All invoices for debris clearance and removal shall be audited by the District prior to payment to the vendor. Vendors shall be notified of this requirement prior to the awarding of any contract for debris clearance and/or removal. Audits shall be in accordance with procedures for debris removal monitoring specified in FEMA's Publication 325, Debris Management Guide.
- (f) *Limitations of Disaster Purchasing Policy.* For the purposes of this section, an emergency or disaster shall be deemed to exist when a condition exists that presents an immediate threat to health, safety or improved property and a local emergency or disaster has been proclaimed. Any purchases that do not meet the standard of being necessary for responding to an immediate threat to health, safety or improved property shall follow the District's regular purchasing provisions.



EXHIBIT B

**SANTA MARIA PUBLIC AIRPORT DISTRICT
CREDIT CARD HOLDER USE AGREEMENT**

Employee: _____ **Department:** _____

The above-named employee (Cardholder) of the Santa Maria Public Airport District has been issued a District credit card. The Cardholder has been provided with a copy of the District's purchasing policy, and hereby agrees to comply with all terms and conditions set forth therein, including but not limited to:

1. **Official Use Only.** District credit cards are for official District use only. Charging personal expenses on District cards is a misuse of District funds and a serious breach of the District's ethics policy. Doing so—even if the intent is to reimburse the District later—will result in disciplinary action, up to and including termination. Minor incidental expenses as a component part of a larger billing—such as personal telephone calls or video rentals on a hotel bill—may be allowed if reimbursed at the time the credit card billing is submitted for payment.
2. **Timely, Accurate and Supported Payments.** Credit card payments will be processed on a timely basis, and adequate supporting documentation (such as vendor order forms, receipts, invoices and credit card receipts) will be retained for all charges and attached to payment vouchers.
3. **Disputed Charges.** The vendor and issuing bank will be notified immediately of any disputed charges.
4. **Lost or Stolen Cards.** The issuing bank and the Manager of Finance and Administration will be notified immediately of a lost or stolen card. Failure to do so could make the Cardholder responsible for any fraudulent use of the card.
5. **Surrender Upon Request or Separation.** The credit card will be immediately surrendered upon retirement, termination or upon request of the department head. Use of the credit card for any purpose after its surrender is prohibited.

Cardholder Signature **Date**

DISTRIBUTION: Original - Cardholder Personnel File Copies - Manager of Finance and Administration

RETURN OF DISTRICT CREDIT CARD UPON SEPARATION FROM DISTRICT EMPLOYMENT

I HEREBY SURRENDER the credit card issued to me by the Santa Maria Public Airport District. I declare that all outstanding charges on the credit card are for official District business and will be paid through established procedures.

Cardholder

Date

Department Head

Date

RESOLUTION NO. 960

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
RECEIVING AND ADOPTING THE AIRPORT RENT STUDY
AND AUTHORIZING IMPLEMENTATION OF MARKET RENT ADJUSTMENTS**

WHEREAS, The Santa Maria Public Airport District (“District”) owns and operates the Santa Maria Airport (“Airport”) and leases hangars, offices, shop/storage facilities, apron areas, and other improvements located on Airport property; and

WHEREAS, The District Board of Directors (“Board”) is responsible for ensuring that Airport lease rates are reasonable, non-discriminatory, reflective of fair market value, and consistent with applicable state law and Federal Aviation Administration grant assurances; and

WHEREAS, The District engaged Aviation Management Consulting Group (AMCG) to prepare an Airport Rent Study to determine the fair market value of rent for certain Airport-owned improvements (the “Subject Properties”); and

WHEREAS, AMCG prepared the **Airport Rent Study Summary dated March 23, 2026**, with an effective appraisal date of July 29, 2025, which evaluated national, regional, comparable, enplanement-based, and competitive airport data to develop opinions of market rent for hangar, office, shop/storage, and apron components at the Airport; and

WHEREAS, The Airport Rent Study identifies existing rents that are below market levels for a number of Subject Properties and provides recommended market rent opinions to support financial sustainability of the Airport while remaining consistent with industry practices; and

WHEREAS, The Board finds that the Airport Rent Study provides a reasonable and defensible basis for establishing and adjusting rents for Airport facilities in a manner that supports Airport self-sufficiency, transparency, and accountability; and

WHEREAS, The Board desires to formally receive and adopt the Airport Rent Study and to authorize the General Manager to implement rent adjustments in accordance with the Study through appropriate lease actions and administrative processes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Maria Public Airport District that:

Receipt and Adoption of Airport Rent Study

The Board hereby receives, accepts, and adopts the Airport Rent Study Summary prepared by Aviation Management Consulting Group dated March 23, 2026, attached hereto as “Airport Rent Study” and incorporated herein by reference.

Establishment of Market Rent Basis

The Airport Rent Study shall serve as the District’s primary reference for determining fair market rental rates for Airport-owned hangars, office space, shop/storage space, apron areas, and similar improvements leased to tenants.

Authorization to Implement Rent Adjustments

The General Manager is hereby authorized and directed to implement rent adjustments consistent with the Airport Rent Study, including through:

- New lease agreements;
- Lease amendments;
- Periodic rent adjustments permitted under existing leases; and
- Phased or incremental rent increases, where appropriate.

Administrative Discretion and Phasing

In implementing rent adjustments, the General Manager may consider lease expirations, tenant notice requirements, phased-in increases, and other administrative factors, provided that rents ultimately move toward the market rent opinions set forth in the Airport Rent Study.

Consistency with Law and Grant Assurances

All rents established or adjusted pursuant to this Resolution shall be applied in a reasonable and non-discriminatory manner and in compliance with applicable state law and Federal Aviation Administration grant assurances governing airport rates and charges.

Supersession of Prior Rent Actions

To the extent any prior resolutions, lease rate schedules, or administrative practices are inconsistent with the adopted Airport Rent Study, such actions are hereby superseded.

Future Review

The Board directs that Airport rents be periodically reviewed and updated as necessary, and that future rent studies be conducted at appropriate intervals to ensure continued alignment with market conditions.

PASSED AND ADOPTED this ___ day of _____, 2026, by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

Steve Brown, President

ATTEST:

Tony Guy, Secretary

Tenant Rent Summary Table									
Address	Tenant and/or Unit Identification	Component	Component Size (SF)	Current Rent		Market Rent Opinion		% Increase	
				PSF/YR	Annual	PSF/YR	Annual		
3115 Airpark Drive	A	Hangar	2,160	\$5.10	\$11,016.00	\$5.80	\$12,528.00	13.73%	
	B	Hangar	2,160	\$5.27	\$11,376.00	\$5.80	\$12,528.00	10.13%	
	C	Hangar	2,160	\$4.93	\$10,656.00	\$5.80	\$12,528.00	17.57%	
		Total		\$5.10	\$33,048.00	\$5.80	\$37,584.00	13.73%	
3117 Liberator Street	A	Office	1,287	\$6.18	\$7,956.00	8.75	\$11,261.25		
		Total		\$6.18	\$7,956.00	8.75	\$11,261.25	41.54%	
	B	Office	742	\$5.18	\$3,840.00	8.75	\$6,492.50		
		Total		\$5.18	\$3,840.00	8.75	\$6,492.50	69.08%	
	C	Hangar	2,306	\$5.80	\$13,374.80				
		Office	169	\$8.75	\$1,478.75				
		Total		\$4.88	\$12,084.00	\$6.00	\$14,853.55	22.92%	
	D	Hangar	2,479	\$5.80	\$14,378.20				
		Office	169	\$8.75	\$1,478.75				
		Total		\$5.07	\$13,416.00	\$5.99	\$15,856.95	18.19%	
	E	Hangar	2,461	\$4.86	\$12,780.00	\$5.80	\$14,273.80		
		Office	169	\$8.75	\$1,478.75				
	Total		\$4.86	\$12,780.00	\$5.99	\$15,752.55	23.26%		
3119 Liberator Street	North	Hangar	2,400			\$5.25	\$12,600.00		
		Office	720	\$1.43	\$10,800.00	\$7.90	\$5,688.00		
		Shop/Storage	720			\$4.90	\$3,528.00		
	South	Hangar	3,690			\$5.50	\$20,295.00		
		Total		\$1.43	\$10,800.00	\$5.59	\$42,111.00	289.92%	
3121 Liberator Street		Hangar	2,100	\$4.92	\$10,332.00	\$5.50	\$11,550.00	11.79%	
3123 Liberator Street		Office	1,056	N/A	N/A	\$7.90	\$8,342.40	N/A	
3125 Liberator Street		Hangar	8,930	\$4.58	\$46,152.00	\$5.50	\$49,115.00		
		Office	1,154			\$9.65	\$11,136.10		
		Total		\$4.58	\$46,152.00	\$5.97	\$60,251.10	30.55%	
3203 Lightning Street		Paint Hangar	3,278	N/A	N/A	\$5.80	\$19,012.40	N/A	
		Hangar (Units 108/128)	23,597			\$4.40	\$103,826.80		
		Office (East Units 101 - 104 and All West)	7,061	\$4.60	\$144,948.00	\$8.30	\$58,606.30		
		Shop/Storage (East Units 106 - 107)	875			\$4.75	\$4,156.25		
		Total		\$4.60	\$144,948.00	\$5.89	\$185,601.75	28.05%	
		Office (West Units 211 - 219)	3,223	N/A	N/A	\$7.45	\$24,011.35	N/A	
	Office (East Units 202 - 204)	2,662	\$6.66	\$17,720.00	\$8.75	\$23,292.50	31.45%		
	Office (Unit 105)	575	\$7.87	\$4,524.00	\$8.30	\$4,772.50	5.49%		
3409 Corsair Circle		Hangar	10,800			\$5.80	\$62,640.00		
		Office	4,301	\$4.00	\$81,624.00	\$8.75	\$37,633.75		
		Shop/Storage	823			\$5.90	\$4,855.70		
		Apron	4,500			\$1.00	\$4,500.00		
		Total		\$4.00	\$81,624.00	\$5.37	\$109,629.45	34.31%	
3940 Mitchell Road		Hangar	21,700			\$4.95	\$107,415.00		
		Office	5,821	N/A	N/A	\$7.90	\$45,985.90		
		Total		N/A	N/A	N/A	\$153,400.90	N/A	
3944 Mitchell Road		Hangar	6,400			\$4.40	\$28,160.00		
		Office	1,120	\$2.65	\$22,920.00	\$8.30	\$9,296.00		
		Shop/Storage	1,120			\$4.65	\$5,208.00		
		Total		\$2.65	\$22,920.00	\$4.94	\$42,664.00	86.14%	
3950 Mitchell Road		Hangar	5,594	\$4.59	\$25,656.00	\$5.50	\$30,767.00	19.92%	
				Current Total	\$480,230.00	New Total	\$830,624.75	72.96%	



Aviation Management
Consulting Group

Airport Rent Study Summary

Santa Maria Public Airport District

Santa Maria Airport

March 23, 2026



March 23, 2026

Martin Pehl
General Manager – Chief Administrative Officer
Santa Maria Airport
3217 Terminal Drive
Santa Maria, California 93455

RE: Airport Rent Study Summary

Dear Martin:

In accordance with your request and authorization, this writing transmits a summary of Aviation Management Consulting Group's (AMCG's) Appraisal Report for certain improvements located at Santa Maria Airport (Airport). The purpose of the appraisal assignment was to determine the fair market value (FMV) of rent for the Subject Properties which are owned by Santa Maria Public Airport District (District). The effective date for the appraisal was the date of inspection (July 29, 2025). The conclusions of AMCG's appraisal are outlined in this Summary.

The analyses, conclusions, and values stated in the report are subject to the assumptions, hypothetical conditions, and limiting conditions described in this report. The extent of AMCG's investigation and analyses are described in the Scope of the Work section. The following conclusions summarize the appraisal findings and have been prepared for the sole use of the District. The accompanying summary describes AMCG's conclusions. The analyses and supporting data are kept in AMCG's work file, and this document is not to be considered an appraisal or complete report in any form.

Helping your aviation management excellence,

A handwritten signature in black ink, appearing to read "M. Fish".

Matthew F. Fish, MAI
Appraiser
AMCG
California License No. 3013736

A handwritten signature in black ink, appearing to read "D.C. Benner".

David C. Benner, C.M.
Managing Principal
AMCG



- I. EXECUTIVE SUMMARY 1
- II. INTRODUCTION..... 3
 - A. Project Approach..... 3
- III. STUDY METHODOLOGY..... 3
 - A. National Data 3
 - B. Regional Data (FAA Western Pacific Region)..... 4
 - C. Comparable Airport Data..... 4
 - D. Airports with Similar Enplanements..... 5
 - E. Competitive Airport Data 5
 - F. Focus Airports..... 6
- IV. SUBJECT PROPERTIES IDENTIFICATION MAPS 7



I. EXECUTIVE SUMMARY

Airport:	Santa Maria Airport 3217 Terminal Drive Santa Maria, California 93455
Scope of Work:	This summary document conveys Aviation Management Consulting Group's opinion of market rent for certain improvements (Subject Properties) located at Santa Maria Airport which are currently leased or available for lease from Santa Maria Public Airport District.
Subject Properties:	The components of the Subject Properties include Hangar, Office, Shop/Storage, and Asphalt Apron.
Date of Report:	March 23, 2026
Effective Date:	July 29, 2025
Methodology:	An opinion of market rent for the Subject Properties was developed based on an analysis of the information and data obtained for similar properties from national, regional, comparable, airports with similar enplanements, and competitive airports (which is summarized in Section VI. Study Findings).
Rental Rate Conclusions:	Table 1 identifies AMCG's opinion of market rent for the Subject Properties.



AIRPORT RENT STUDY SUMMARY

Table 1 – Rental Rate Conclusions

Tenant Rent Summary Table									
Address	Tenant and/or Unit Identification	Component	Component Size (SF)	Current Rent		Market Rent Opinion		% Increase	
				PSF/YR	Annual	PSF/YR	Annual		
3115 Airpark Drive	A	Hangar	2,160	\$5.10	\$11,016.00	\$5.80	\$12,528.00	13.73%	
	B	Hangar	2,160	\$5.27	\$11,376.00	\$5.80	\$12,528.00	10.13%	
	C	Hangar	2,160	\$4.93	\$10,656.00	\$5.80	\$12,528.00	17.57%	
		Total		\$5.10	\$33,048.00	\$5.80	\$37,584.00	13.73%	
3117 Liberator Street	A	Office	1,287	\$6.18	\$7,956.00	8.75	\$11,261.25		
		Total		\$6.18	\$7,956.00	8.75	\$11,261.25	41.54%	
	B	Office	742	\$5.18	\$3,840.00	8.75	\$6,492.50		
		Total		\$5.18	\$3,840.00	8.75	\$6,492.50	69.08%	
	C	Hangar	2,308	\$4.88	\$12,084.00	\$5.80	\$13,374.80		
		Office	169			\$8.75	\$1,478.75		
		Total		\$4.88	\$12,084.00	\$6.00	\$14,853.55	22.92%	
	D	Hangar	2,479	\$5.07	\$13,416.00	\$5.80	\$14,378.20		
		Office	169			\$8.75	\$1,478.75		
		Total		\$5.07	\$13,416.00	\$5.99	\$15,856.95	18.19%	
	E	Hangar	2,461	\$4.86	\$12,780.00	\$5.80	\$14,273.80		
		Office	169			\$8.75	\$1,478.75		
	Total		\$4.86	\$12,780.00	\$5.99	\$15,752.55	23.26%		
3119 Liberator Street	North	Hangar	2,400			\$5.25	\$12,600.00		
		Office	720			\$7.90	\$5,688.00		
		Shop/Storage	720			\$4.90	\$3,528.00		
	South	Hangar	3,690			\$5.50	\$20,295.00		
		Total		\$1.43	\$10,800.00	\$5.59	\$42,111.00	289.92%	
3121 Liberator Street	N/A	Hangar	2,100	\$4.92	\$10,332.00	\$5.50	\$11,550.00	11.79%	
3123 Liberator Street	N/A	Office	1,056			N/A	\$8,342.40	N/A	
3125 Liberator Street	Rotocraft	Hangar	8,930	\$4.58	\$46,152.00	\$5.50	\$49,115.00		
		Office	1,154			\$9.65	\$11,136.10		
		Total		\$4.58	\$46,152.00	\$5.97	\$60,251.10	30.55%	
3203 Lightning Street	Art-Craft Interiors	Paint Hangar	3,278			\$5.80	\$19,012.40	N/A	
		Hangar (Units 108/128)	23,597			\$4.40	\$103,826.80		
	Art-Craft Interiors	Office (East Units 101 - 104 and All	7,061	\$4.60	\$144,948.00	\$8.30	\$58,606.30		
		Shop/Storage (East Units 106 - 107)	875			\$4.75	\$4,156.25		
		Total		\$4.60	\$144,948.00	\$5.89	\$185,601.75	28.05%	
	Civil Air Patrol	Office (West Units 211 - 219)	3,223			\$7.45	\$24,011.35	N/A	
	AT&T (Cell Tower)	Office (East Unit 201) and Roof Area	473 sq office plus roof area		\$32,430.00	Atypical lease to cell tower operator, no change			
	PleinAier Design Group	Office (East Units 202 - 204)	2,662	\$6.66	\$17,720.00	\$8.75	\$23,292.50	31.45%	
	Photography Studio	Office (Unit 105)	575	\$7.87	\$4,524.00	\$8.30	\$4,772.50	5.49%	
	3409 Corsair Circle	English Air	Hangar	10,800			\$5.80	\$62,640.00	
Office			4,301	\$4.00	\$81,624.00	\$8.75	\$37,633.75		
Shop/Storage			823			\$5.90	\$4,855.70		
Apron			4,500			\$1.00	\$4,500.00		
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3940 Mitchell Road	N/A	Hangar	21,700			\$4.95	\$107,415.00		
		Office	5,821			\$7.90	\$45,985.90		
		Total				N/A	\$153,400.90	N/A	
3944 Mitchell Road	N/A	Hangar	6,400			\$4.40	\$28,160.00		
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	Total		\$2.65	\$22,920.00	\$4.94	\$42,664.00	86.14%		
3950 Mitchell Road	N/A	Hangar	5,594	\$4.59	\$25,656.00	\$5.50	\$30,767.00	19.92%	
				Current Total	\$480,230.00	New Total	\$830,624.75	72.96%	

II. INTRODUCTION

A. Project Approach

To achieve the scope of work, AMCG completed the following work plan:

1. developed a profile of the Airport,
2. conducted a personal inspection of the Subject Properties,
3. identified research airports (comparable, airports based on enplanements, and competitive airports),
4. obtained rental rates (and related information) for aeronautical uses from the Airport as well as the research airports,
5. analyzed the data obtained from the Airport as well as the research airports,
6. analyzed national and regional data; and
7. developed an opinion of market rents for the Subject Properties based on the collected data.

In drawing opinions of market rent for the Subject Properties, consideration was given to those factors that typically affect market rents for on-airport, aeronautical properties (e.g., property use, attributes, restrictions, limitations, etc.). Beyond this, AMCG's opinion of market rent for the Subject Properties has been formed based on a comparative analysis of current rents for aeronautical-use properties at national, regional, and research airports. The rental rates currently charged for the Subject Properties by the District were not included in the analysis of national, regional, or research airports but were utilized as a point of reference to develop the opinion of market rent.

Market rents for off-airport properties were not utilized as this approach is highly problematic due to the different types of use. Off-airport and on-airport properties, are subject to dissimilar property rights and development standards. It is very difficult, if not impossible, to determine the adjustment applied to unencumbered off-airport rental rates to reflect the constraints imposed by the FAA, the airport sponsor, and others pertaining to the development and use of on-airport, aeronautical properties.

III. STUDY METHODOLOGY

Information and data from similar properties at the Airport and national, regional, comparable, airports based on enplanements, and competitive airports were analyzed to derive an opinion of market rent for the Subject Properties. The types and specific research airports are summarized in this section.

A. National Data

Rents obtained over the last 5 years from more than 500 airports located throughout the United States were analyzed.

B. Regional Data (FAA Western Pacific Region)

Rents obtained over the last 5 years from over 50 airports in the FAA Western Pacific Region (consisting of Arizona, California, Hawaii, and Nevada) 1 were researched and analyzed.

C. Comparable Airport Data

The first step in identifying comparable airports is developing an accurate profile of the Airport. The profile was developed based on data available from various sources, including the FAA. The Airport profile provided the basis for establishing the criteria and parameters for identifying comparable airports.

The selection of comparable airports was based on aeronautical activity and infrastructure criteria including the following:

- The Airport is utilized by the air carrier and general aviation segments of the market. As such, airports with air carrier operations were considered comparable.
- The Airport is classified as a Primary Commercial Service Nonhub airport in the FAA NPIAS. As such, airports ranging from Primary Commercial Service Nonhub to Primary Commercial Small Hub were considered comparable.
- The Airport has a control tower and precision approach capabilities. As such, airports with a control tower and with a precision approach were considered comparable.
- The Airport consists of 2,516 acres. Airports having a total acreage between 1,000 and 4,000 acres were considered comparable.
- The Airport has 2 runways, one of which is 8,004 feet in length. Airports with at least one runway greater than 5,000 feet are considered comparable.
- For the 12-month period ending December 31, 2024 (as reported by the FAA Master Record 5010), total operations at the Airport totaled 29,153. As such, the range for total operations was established at 15,000 to 50,000.
- The number of based aircraft at the Airport as of December 31, 2023 (as reported by the FAA Master Record 5010) was 214. As such, the range for based aircraft was established at 100 to 300.
- The Airport has based jet aircraft. As such, only airports with 15 or less based jet were considered comparable.

While a total of 12 airports were considered comparable to the Airport, rental rates and usable information from 5 airports² were obtained and analyzed, as shown in Table 2.

¹ While American Samoa, Commonwealth of the Northern Mariana Islands, and Guam are included in the FAA Western-Pacific Region, rents from airports in these territories were not included or analyzed

² Relevant and useable information was not available from Abilene Regional Airport (ABI), Chicago Rockford International Airport (RFD), Glacier Park International Airport (GPI), Helena Regional Airport (HLN), Lake Charles Regional Airport (LCH), Magic Valley Regional Airport (TWF), and Tri Cities Regional Airport (PSC).

Table 2 – Comparable Airports

Comparable Airports		
Airport	Identifier	Location
Bismark Municipal Airport	BIS	Bismarck, North Dakota
Eastern Iowa Airport	CID	Cedar Rapids, Iowa
Minot International Airport	MOT	Minot, North Dakota
St. Cloud Regional Airport	STC	St Cloud, Minnesota
Walla Walla Regional Airport	ALW	Walla Walla, Washington

D. Airports with Similar Enplanements

Additional airports were considered based solely on enplanements. As outlined in the FAA Air Carrier Activity Information System (ACAIS), the subject airport was the 379th ranked Primary Commercial Service airport in the United States in terms of passenger enplanements with approximately 14,409 enplanements in calendar year (CY) 2023. As such, airports with passenger enplanements ranging from 13,500 to 15,500 enplanements in CY 2023 were considered comparable.

While a total of 6 airports had similar enplanements to the Airport, rental rates and usable information from 1 airport³ were obtained and analyzed, as shown in Table 3.

Table 3 – Airports with Similar Enplanements

Enplanement Airports		
Airport	Identifier	Location
Tupelo Airport	TUP	Tupelo, Mississippi

E. Competitive Airport Data

Typically, an airport is considered competitive if located in proximity to the Airport and serves a similar market. Each airport identified is then compared to the Airport based on (1) infrastructure and (2) available products, services, and facilities.

For the purposes of this study, airports within a 75-minute drive of the Airport were identified as potentially competitive airports. While a total of 10 airports⁴ were considered competitive to the Airport, rental rates and usable information from 7 airports were obtained and analyzed, as shown in Table 4:

³ Relevant and useable information was not available from Clovis Regional Airport (CVN), Johnstown Airport (JST), Joplin Regional Airport (JLN), Kearney Regional Airport (EAR), and North Platte Regional Airport (LBF).

⁴ Relevant and useable information was not available from Oceano County Airport (L52), San Luis Obispo County Airport (SBP), and Santa Ynez Airport (IZA).

Table 4 – Competitive Airports

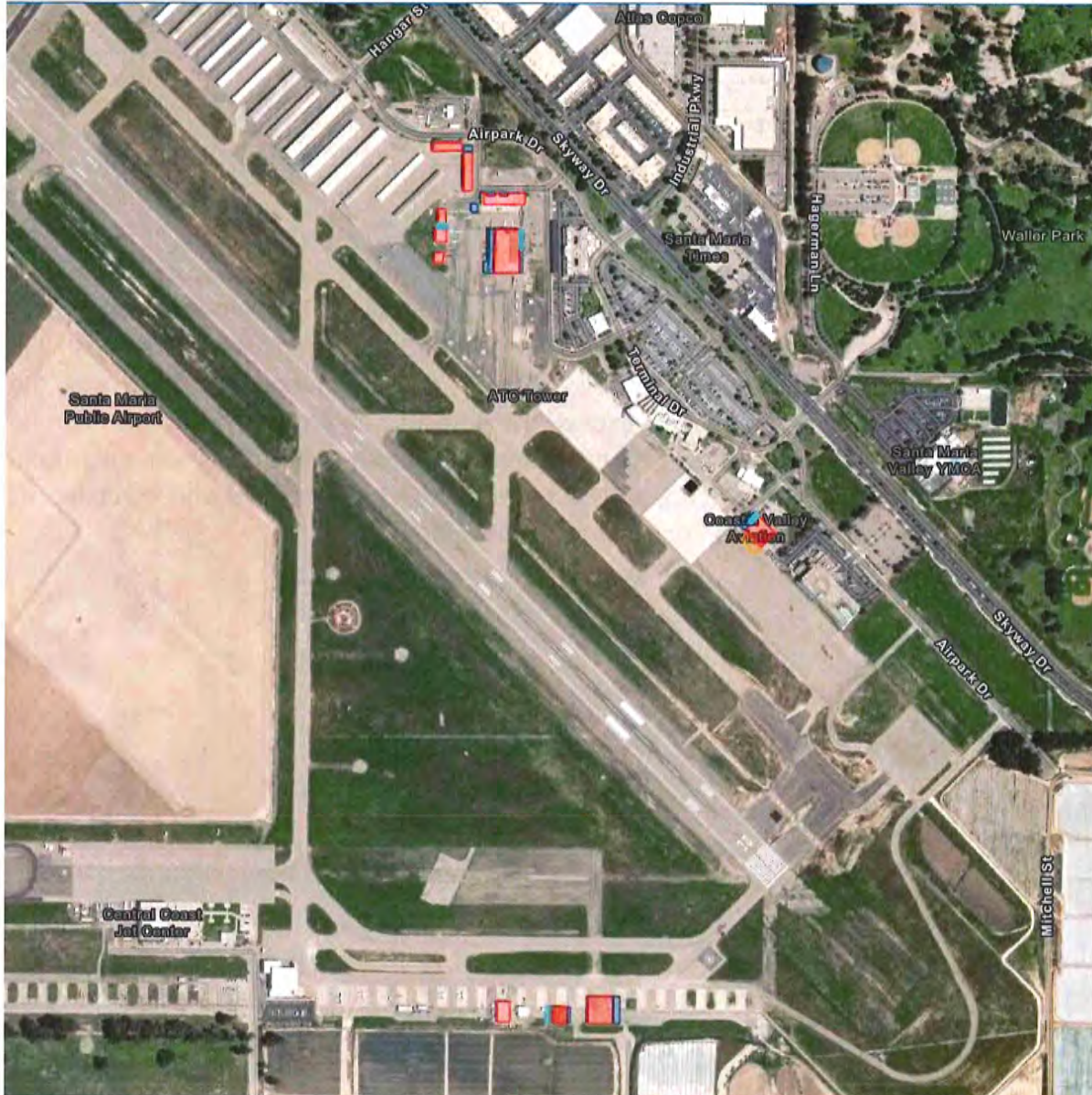
Competitive Airports		
Airport	Identifier	Location
Camarillo Airport	CMA	Camarillo, California
Lompoc City Airport	LPC	Lompoc, California
Monterey Airport	MRY	Monterey, California
Oxnard Airport	OXR	Oxnard, California
Paso Robles Municipal Airport	PRB	Paso Robles, California
Salinas Municipal Airport	SNS	Salinas, California
Santa Barbara Airport	SBA	Santa Barbara California

F. Focus Airports

Rental rates and related information gathered from four competitive airports - Camarillo Airport, Monterey Regional Airport, Oxnard Airport, and Salinas Municipal Airport (Focus Airports) were given greater weight. These Focus Airports are identified by the District in their Long-Term Aviation Land Lease Policy (Policy). In accordance with the Policy, the Airports ground rental rates shall not exceed the highest rate among the Focus Airports by more than 10% or be more than 10% below the lowest rate. While developing a ground lease rate was not within the scope of the report, AMCG researched and compiled all Subject Property rental rates at Focus Airports for reference.

IV. SUBJECT PROPERTIES IDENTIFICATION MAPS

Figure 1 – Airport Overview



For reference purposes only

Figure 2 – Subject Properties



For reference purposes only

Figure 3 – Subject Properties

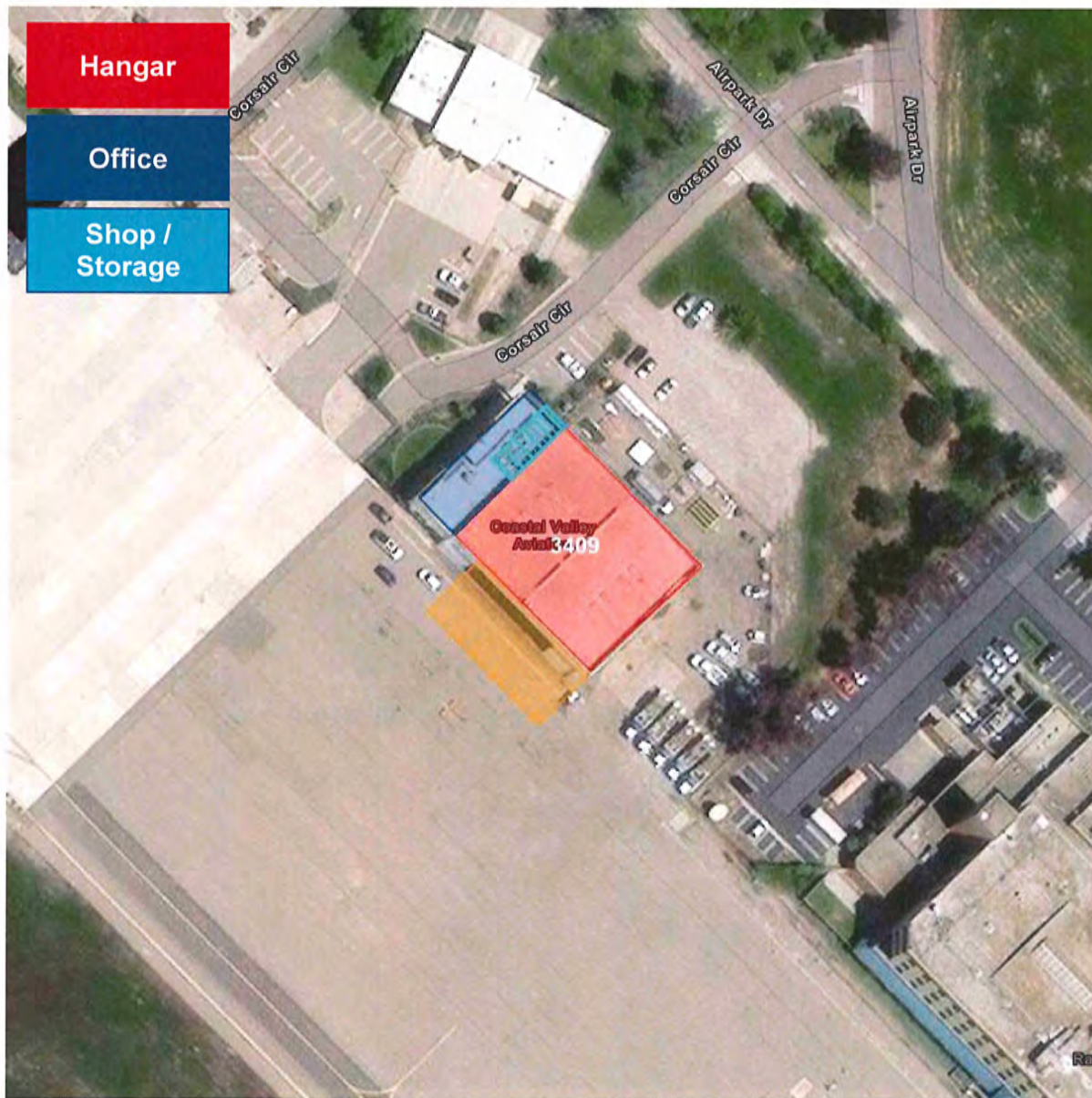
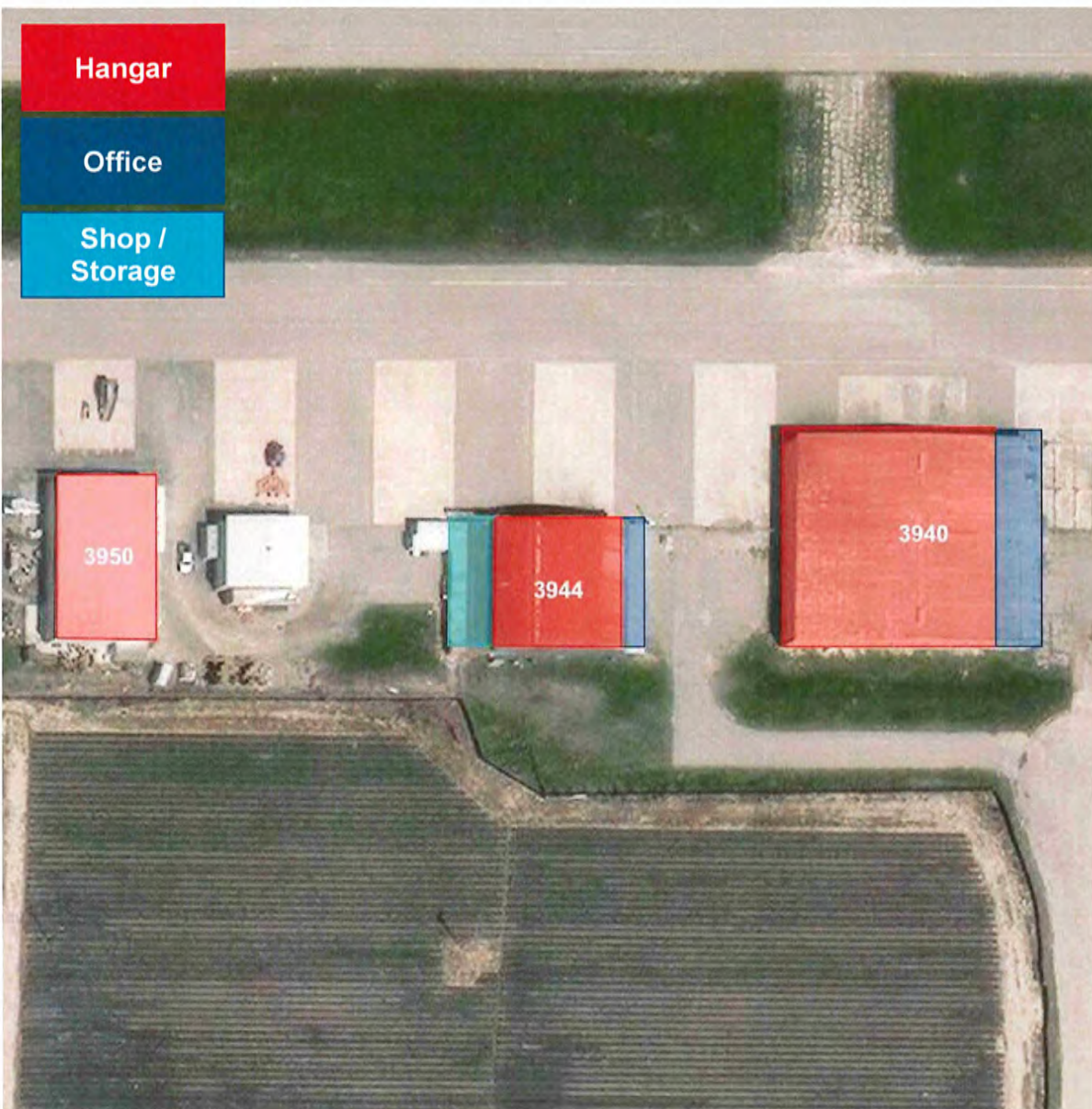


Figure 4 – Subject Properties



RESOLUTION NO. 961

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
RECEIVING AND ADOPTING THE AIRPORT FEE STUDY
AND APPROVING THE AIRPORT FEE SCHEDULE**

WHEREAS, The Santa Maria Public Airport District (“District”) owns and operates the Santa Maria Airport (“Airport”); and

WHEREAS, The District Board of Directors (“Board”) is responsible for establishing fees, charges, and rates related to the use of Airport facilities and services in a manner that is reasonable, non-discriminatory, and consistent with applicable state and federal law; and

WHEREAS, The District engaged **Aviation Management Consulting Group (AMCG)** to prepare an Airport Fee Study evaluating existing aeronautical and administrative fees, industry practices, comparable and competitive airports, and the financial requirements of the Airport; and

WHEREAS, AMCG prepared the **Draft Airport Fee Study dated March 27, 2026**, utilizing a **cost recovery–based methodology**, with consideration of market conditions and industry best practices, and developed recommended aeronautical and administrative fees and an Airport Fee Schedule; and

WHEREAS, The Airport Fee Study identifies the costs incurred by the District for the planning, development, operation, maintenance, management, and marketing of the Airport that are not fully offset by existing revenues or state and federal grant funding; and

WHEREAS, The Airport Fee Study concludes that adoption of updated aeronautical and administrative fees is necessary to improve cost recovery, ensure financial sustainability of Airport operations, and maintain compliance with Federal Aviation Administration grant assurances, including rates and charges requirements; and

WHEREAS, The Board has reviewed the Airport Fee Study, including its assumptions, analyses, findings, and recommendations, and finds that adoption of the Study and approval of an updated Airport Fee Schedule is in the best interests of the District and the Airport.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Maria Public Airport District that:

Receipt and Adoption of Airport Fee Study

The Board hereby receives, accepts, and adopts the Airport Fee Study prepared by Aviation Management Consulting Group dated March 27, 2026, attached hereto as “Airport Fee Study” and incorporated herein by reference.

Approval of Airport Fee Schedule

The Board approves the Airport Fee Schedule derived from and consistent with the adopted Airport Fee Study, including aeronautical and administrative fees, as presented to the Board and attached hereto as “Rates Annex”

Authorization to Implement Fees

The General Manager is hereby authorized and directed to implement the approved Airport Fee Schedule, including incorporation of the fees into Airport rules, regulations, permits, lease agreements, use permits, and administrative procedures, as applicable.

Adjustment and Administration of Fees

The General Manager is authorized to administer and apply the Airport Fee Schedule in a manner consistent with the Airport Fee Study, including:

- Interpretation and application of fee classifications;
 - Periodic administrative adjustments consistent with the Study; and
 - Annual review of fees in conjunction with the Airport budget process.
- Any material changes to fee types or overall fee structure shall require Board approval.

Consistency with Laws and Grant Assurances

All fees adopted pursuant to this Resolution shall be imposed in a reasonable, non-discriminatory manner and in compliance with applicable state law, the California Public Contract Code, and applicable FAA grant assurances and policies governing airport rates and charges.

Supersession of Prior Fee Actions

Upon the effective date of this Resolution, any prior resolutions, fee schedules, or administrative practices establishing fees inconsistent with the approved Airport Fee Schedule are hereby repealed or superseded to the extent of such inconsistency.

Effective Date

This Resolution shall take effect on July 1, 2026, or such other date as determined by the Board and specified in the approved Airport Fee Schedule.

PASSED AND ADOPTED this ___ day of _____, 2026, by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

Steve Brown, President

ATTEST:

Tony Guy, Secretary



Aviation Management
Consulting Group

DRAFT – Airport Fee Study

Santa Maria Public Airport District

Santa Maria Airport

March 27, 2026



March 27, 2026

Martin Pehl
General Manger – Chief Administrative Officer
Santa Maria Airport
3217 Terminal Drive
Santa Maria, California

RE: Airport Fee Study

Dear Martin:

In accordance with your request and authorization, Aviation Management Consulting Group (AMCG) has prepared the Airport Fee Study for the Santa Maria Airport for your review and consideration. It is AMCG's recommendation that the Santa Maria Airport District establish aeronautical related fees utilizing a cost recovery-based approach or methodology, not a market-based approach.

Based on the type of aeronautical and administrative fees selected by Airport management for implementation, AMCG provided a recommendation for the fee amounts and developed an Airport Fee Schedule.

AMCG is pleased to have been called on to conduct this Airport Fee Study. Please contact me if you have any questions pertaining to this analysis or the recommendations provided.

Helping your aviation management excellence,

A handwritten signature in blue ink that reads "D.C. Benner".

David C. Benner, C.M.
Managing Principal
AMCG

A handwritten signature in blue ink that reads "Brandon K. Borne".

Brandon K. Borne, C.M., ACE
Consultant
AMCG

I. EXECUTIVE SUMMARY	1
II. INTRODUCTION.....	3
A. Scope of Work.....	3
B. Project Approach.....	3
C. Aeronautical and Administrative Fee Summary	3
III. INDUSTRY PRACTICES	6
IV. SIGNIFICANT FINDINGS	8
A. Comparable Airports	8
B. Airports Based on Enplanements.....	13
C. Competitive Airports.....	16
V. RECOMMENDATIONS.....	20
A. Cost Center Approach.....	20
B. Fees Selected	20
C. Adjustment of Fees	21
VI. FEES CALCULATION.....	23
A. Financial Analysis	23
B. Establishment of Fees.....	24
1. Aeronautical Fee Calculation Analysis	25
2. Projected General Aviation Fee Revenue	26
VII. FEE SCHEDULE	28

I. EXECUTIVE SUMMARY

Airports: Santa Maria Airport
3217 Terminal Drive
Santa Maria, California 93455

Scope of Work: The Santa Maria Public Airport District (District) engaged Aviation Management Consulting Group (AMCG) to prepare an Airport Fee Study. Based on the type of aeronautical and administrative fees selected by Airport management for implementation, AMCG provided a recommendation for the fee amounts and developed an Airport Fee Schedule.

Date of Report: March 27, 2026

Methodology: AMCG recommends the District utilizes a cost recovery-based approach or methodology for developing aeronautical fees, not solely a market-based approach. Consistent with industry practices, administrative fees can be established through a cost recovery-based approach or market-based approach.

Fee

Recommendations: Table 1 and Table 2 identify the recommended aeronautical and administrative fees for the Airport.

Table 1 – Aeronautical Fee Overview

Type of Fee	Recommendation
Fuel Flowage Fee	Yes
Landing Fee	Yes
Aircraft Parking - Monthly Tiedowns	Yes
Freight and Mooring – Monthly Tiedowns	Yes
Operator Permit	Yes
Access Card (AOA, SIDA, Lost Card)	Yes

Table 2 – Administrative Fee Overview

Type of Fee	Recommendation
Non-Airworthy Aircraft Storage	Yes
Through-the-Fence Access	Yes
Abandoned Vehicle Removal	Yes
Concession Fee (Rental Cars)	Yes
Concession Fee (Restaurant)	Yes
Conference Room Rental (Hourly/Daily)	Yes
Copy Fee	Yes
Film Permit (Aero Impact and Non-Aero Impact)	Yes
Hangar Waitlist Application	Yes
Late Charges (Monthly)	Yes
Lease Administrative Fee	Yes
Percentage of Gross Receipts (Vending)	Yes
Special Event Fee	Yes
Staff Hourly Rate	Yes
Tenant Employee Parking (Annual Per Spot)	Yes
TNC Permit (Per Trip)	Yes
Use Permit	Yes
Vehicle Parking	Yes

II. INTRODUCTION

A. Scope of Work

Santa Maria Airport District (District) has engaged Aviation Management Consulting Group (AMCG) to prepare an Airport Fee Study for the Santa Maria Airport (Airport). Based on the type of aeronautical and administrative fees selected by Airport management for implementation, AMCG provided a recommendation for the fee amounts and developed an Airport Fee Schedule.

To achieve this objective, AMCG identified current industry practices for establishing aeronautical and administrative fees including identification of the types of fees generally charged and the measures generally utilized in the industry.

The results of this analysis include AMCG's recommendations for the structure of a fee program. The methodology used to determine the aeronautical and administrative fees is outlined in this report.

B. Project Approach

To achieve the scope of work, AMCG completed the following work program:

- identified the elements of the existing aeronautical and administrative fee program at the Airport,
- identified current industry practices,
- obtained and analyzed aeronautical and administrative fees (and related information) from comparable airports, competitive airports and airports based on enplanements, and
- provided recommendations to Airport management for the methodology and types of aeronautical and administrative fees.

Based on the structure of fees selected by Airport management, AMCG provided recommendations for the fee amounts.

C. Aeronautical and Administrative Fee Summary

Table 3 and Table 4 provide a brief overview of the current aeronautical and administrative fees charged by the District, industry practices, and additional fees charged within the aviation industry.

It is important to note that additional fees may be imposed by the District or commercial aeronautical operators at the Airport. However, this analysis focuses solely on aeronautical and administrative fees charged by the District, as the airport sponsor, for the use of the Airport.

Table 3 – Aeronautical Fee Summary

Type of Aeronautical Fee	Fee Basis	Industry Practice	Current Fee Amount
Fuel Flowage Fee	Per Gallon	Most Common	\$0.06 (Jet Fuel) \$0.06 (Avgas)
Landing Fee	Per 1,000lb MGLW	Moderately Common	\$1.00 per 1,000 MGLW (Scheduled Air Carrier, Non Scheduled Air Carrier, and Freight Forwarding) \$0.50 per 1,000 MGLW (USFS – including contract)
Aircraft Parking – Monthly Tiedown	Per Month for Aircraft and Freight	Moderately Common	\$85.00 (Small Single-Engine) \$100.00 (Light Twin) \$139 (Freight Forwarding)
Freight and Mooring - Monthly Tiedown	Per day	Less Common	\$155.00
Commercial Use Permit	Per Year	Moderately Common	\$150.00
AOA Access	Per Badge	Moderately Common	\$50.00
AOA Reactivation	Per Badge	Moderately Common	\$125.00
AOA Renewal	Per Badge	Moderately Common	\$25.00
SIDA Access	Per Badge	Moderately Common	150.00
SIDA Reactivation	Per Badge	Moderately Common	\$200.00
SIDA Renewal	Per Badge	Moderately Common	\$75.00

Table 4 – Administrative Fee Summary

Type of Fee	Fee Basis	Industry Practice	Current Fee Amount
Administrative Fees			
Abandoned Vehicle Removal	Each Incident	Moderately Common	Cost + Admin Fee
Rental Car Concession	Monthly % of sales	Most Common	8%
Conference Room Rental	Per Hour or Per Day	Most Common	\$50.00 per meeting
Copy Fee	Per Page / Per USB	Moderately Common	\$0.25 (Per Page) \$10.00 (per USB)
Film Permit	Per application/negotiation	Moderately Common	\$5,000 with impact on operations \$1,000 no impact on operations
Administrative Fee	Per Incident	Most Common	25%
Escort Fee for Tenant Projects	Per hour per escort	Less Common	\$50.00
Key Replacement	Per Key	Most Common	\$35.00
Lost Key	Per Key	Most Common	\$150.00
Operations / Maintenance Worker	Hourly	Moderately Common	100.00



INTRODUCTION

Security Deposit	Upon Execution of Lease	Most Common	1 Month Rent (Hangars) \$250.00 (Storage Units)
Security Escort	Hourly	Less Common	\$50.00
Special Event Permit	Per Day	Moderately Common	\$630.00 per event \$150.00 (Per group – special event badge)
Terminal Vending	Monthly % of gross receipts	Moderately Common	10%
Terminal Restaurant	4% of gross revenue	Most Common	\$0.45
TNC	Per Trip	Moderately Common	\$3.50
Hourly Parking	Per Hour	Most Common	No charge

III. INDUSTRY PRACTICES

Based on industry experience and supported by the information contained in AMCG’s proprietary industry database (which is utilized to track, monitor, and analyze aeronautical related fee data and trends), AMCG has identified current industry practices for establishing aeronautical-related fees. A summary of these findings which, in AMCG’s opinion, are representative of current industry practices for establishing aeronautical-related fees is outlined in this section.

	Methodology	Collection
Aircraft Parking Fees	Typically, aircraft parking fees are charged in accordance with an established schedule (i.e., aircraft within designated weight and/or size ranges pay the same fee) and a minimum fee may be specified. In the alternative, aircraft parking fees may be charged on a “cents per 1,000 pounds” approach and a minimum fee may be specified	Collected directly by the airport sponsor or the airport sponsor may have an agreement with a commercial operator to collect and remit aircraft parking fees.
Based Aircraft Fees	Based aircraft fees are typically charged on a “cents per 1,000 pounds” approach (similar to landing fees). In the alternative, based aircraft fees can be charged in accordance with an established schedule (i.e., aircraft within designated weight and/or size ranges pay the same fee).	Collected directly by the airport sponsor or the airport sponsor may have an agreement with a commercial operator to collect and remit based aircraft fees.
Fuel Flowage Fees	Paid on a “cents per gallon” basis and typically range from \$0.05 per gallon to \$0.40 per gallon for general aviation fuel (excluding air carrier fueling).	Typically collected directly by the airport sponsor on a monthly or annual basis.
Landing Fees	Landing fees are commonly based on aircraft weight and a “cents per 1,000 pounds” approach using historic airport costs and the gross landed weight for aircraft using the airport.	Collected directly by the airport sponsor or the airport sponsor may have an agreement with a commercial operator to collect and remit landing fees.
Throughput Fees	Charged by airport sponsors based on the fixed and variable costs related to the airport sponsor owned fuel storage facility and a reasonable return on investment for the airport sponsor based on each gallon of fuel sold or dispensed.	Typically collected directly by the airport sponsor on a monthly or annual basis.

<p>Transient Aircraft Fees</p>	<p>Typically, transient aircraft fees are charged in accordance with an established schedule (i.e., aircraft within designated size ranges pay the same fee) and a minimum fee may be specified.</p>	<p>Collected directly by the airport sponsor or the airport sponsor may have an agreement with a commercial operator to collect and remit transient aircraft fees.</p>
<p>Percentage of Gross Receipts</p>	<p>The amount of the fee and any exceptions or exemptions is typically stipulated in the lease agreement between the airport sponsor and the commercial operator.</p>	<p>Percentage of gross receipts fees are typically collected directly by the airport sponsor on a monthly or annual basis.</p>
<p>Aeronautical Permit Fees</p>	<p>Typically based on a flat amount that must be paid to obtain a permit to operate a commercial business at the airport. The operating permit typically expires on an annual basis, thus requiring aeronautical permit fees to be paid annually for renewal.</p>	<p>Typically collected directly by the airport sponsor on a monthly or annual basis.</p>
<p>Airport Access Fees</p>	<p>Typically, airport access fees are charged in accordance with an established schedule on a monthly or annual basis. Depending on the approach and infrastructure, the airport access fee may be charged for individual access (for an airport badge, gate card, keys, or other instrument) or for vehicle access (vehicle permit or other instrument).</p>	<p>Typically collected directly by the airport sponsor upon issuance of the badge, gate card, keys, permit, and/or other instrument. Additionally, airport access fees are typically collected on an annual basis.</p>

IV. SIGNIFICANT FINDINGS

Consistent with the project approach, aeronautical and administrative fees at airports comparable, airports with similar enplanements, and competitive to the Airport were analyzed. Additional airports were analyzed solely based on enplanements.

A. Comparable Airports

The first step in identifying comparable airports is developing an accurate profile of the Airport. The profile was developed based on data available from various sources, including the FAA. The Airport profile provided the basis for establishing the criteria and parameters for identifying comparable airports.

The selection of comparable airports was based on aeronautical activity and infrastructure criteria including the following:

- The Airport is utilized by the air carrier and general aviation segments of the market. As such, airports with air carrier operations were considered comparable.
- The Airport is classified as a Primary Commercial Service Nonhub airport in the FAA NPIAS. As such, airports ranging from Primary Commercial Service Nonhub to Primary Commercial Small-hub were considered comparable.
- The Airport has a control tower and precision approach capabilities. As such, airports with a control tower and with a precision approach were considered comparable.
- The Airport consists of 2,516 acres. Airports having a total acreage between 1,000 and 4,000 acres were considered comparable.
- The Airport has 2 runways, one of which is 8,004 feet in length. Airports with at least one runway greater than 5,000 feet are considered comparable.
- For the 12-month period ending December 31, 2024 (as reported by the FAA Master Record 5010), total operations at the Airport totaled 29,153. As such, the range for total operations was established at 15,000 to 50,000.
- The number of based aircraft at the Airport as of December 31, 2023 (as reported by the FAA Master Record 5010) was 214. As such, the range for based aircraft was established at 100 to 300.
- The Airport has based jet aircraft. As such, only airports with 15 or less based jet were considered comparable.

While a total of 12 airports were considered comparable to the Airport, fees from 11 airports¹ were obtained and analyzed, as shown in Table 5

¹ Relevant and useable information was not available from Lake Charles Regional Airport (LCH).

Table 5 – Comparable Airports

Comparable Airports		
Airport	Identifier	Location
Abilene Regional Airport	ABI	Abilene, Texas
Bismark Airport	BIS	Bismarck, North Dakota
Chicago Rockford International Airport	RFD	Rockford, Illinois
Eastern Iowa Airport	CID	Cedar Rapids, Iowa
Glacier Park International Airport	GPI	Kalispell, Montana
Helena Regional Airport	HLN	Helena, Montana
Magic Valley Regional Airport	TWF	Twin Falls, Idaho
Minot Airport	MOT	Minot, North Dakota
St. Cloud Regional Airport	STC	St. Cloud, Minnesota
Tri-Cities Airport	PSC	Pasco, Washington
Walla Walla Regional Airport	ALW	Walla Walla, Washington

Table 6 – Comparable Airports Summary

Aeronautical Fees	Comparable Airports											Range
	ABI	ALW	BIS	CID	GPI	HLN	MOT	PSC	RFD	STC	TWF	
Aircraft Parking: Monthly Tiedown (SE, ME)	No	Yes	No	No	No	No	No	Yes	No	No	Yes	\$6.00-\$195.00
Airport ID Badge: Initial/Replacement/Renewal /Lost Key	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	New AOA: \$15 - \$55 New SIDA: \$70 - \$100 Renewal/ Replacement AOA: \$10- \$55 Renewal/ Replacement SIDA: \$12- \$150 Lost Key: \$75- \$250
Fuel Flowage	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	\$0. 06-\$0.13
Landing Fee (per 1,000 MGLW)	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	\$0.63 MGLW. – \$6.00 per 1,000lbs of gross landing weight
Monthly Tiedown (Freight and Mooring)	No	No	No	No	No	No	No	No	No	No	No	N/A
Non-Airworthy Storage	No	No	No	No	No	No	No	No	No	No	No	N/A
Operator Permit	No	No	N/A	Yes	N/A	No	Yes	No	Yes	No	N/A	\$325 - \$500 a year or \$100 a month

Administrative Fees	Comparable Airports											Range
	ABI	ALW	BIS	CID	GPI	HLN	MOT	PSC	RFD	STC	TWF	
Abandoned Vehicle Removal Fee	No	No	No	No	No	No	No	No	No	No	No	N/A
Concession Fee (Rental Cars)	No	Yes	No	No	Yes	Yes	No	No	No	No	Yes	Monthly gross revenue: 10%
Concession Fee (Restaurant)	No	No	No	No	Yes	Yes	No	No	No	No	Yes	Monthly gross revenue: 10% Gross year for utilities: 1%
Conference Room Rental (Hourly/Daily)	Yes	Yes	No	No	N/A	No	Yes	No	No	Yes	No	Less than 4 hours: \$110 for 4 or more hours: 248 \$25 per day - \$240 per day
Copy Fee	No	No	No	Yes	No	No	No	No	No	No	No	Page: \$0.25
Film Permit	No	No	No	No	No	N/A	No	No	No	No	N/A	N/A
Hangar Waitlist / Security Deposit	No	No	N/A	N/A	No	No	No	No	N/A	Yes	No	Application/waitlist: \$25 Deposit to be applied to first month's hangar rent: \$150
Late Charges	No	No	N/A	No	No	No	No	No	No	Yes	Yes	Per annum: 10% - 12%
Lease Administrative Fee	No	No	N/A	No	No	No	Yes	No	No	No	Yes	Actual cost + 10% - \$4,000 per land lease survey
Percentage of Gross Receipts (Vending)	No	No	No	No	No	No	No	No	No	No	No	N/A
Special Event Fee	No	Yes	No	No	No	No	Yes	No	No	No	No	Application: \$20 Permit \$500 - \$1,000 Daily Fee \$50 - \$ 200
Staff Hourly Rate	No	Yes	No	No	No	No	Yes	No	No	No	Yes	Per hour: \$20- \$120 FOIA Request \$20

Administrative Fees	Comparable Airports											Range
	ABI	ALW	BIS	CID	GPI	HLN	MOT	PSC	RFD	STC	TWF	
Tenant Employee Parking	Yes	No	N/A	Yes	No	No	Yes	Yes	N/A	No	No	Per month: \$50 - \$100 Airport Terminal Employee: \$250 annual
TNC Permit	Yes	Yes	Yes	N/A	No	No	No	Yes	N/A	No	No	Per trip: \$2 - \$3
Use Permit	No	No	No	No	No	No	No	No	No	No	No	N/A
Vehicle Parking	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Short term: \$1 - \$14 per hour Daily: \$9 - \$18

B. Airports Based on Enplanements

As outlined in the FAA Air Carrier Activity Information System (ACAIS), as of 2023, the airport was the 379th ranked Commercial Service Airport in the United States in terms of passenger enplanements. As such, airports with similar passenger enplanements have been included in the analysis as well. The following airports were analyzed due to similar passenger enplanements.

While a total of 6 airports were considered comparable to the Airport, fees from 5 airports² were obtained and analyzed, as shown in Table 7

Table 7 – Airports Based on Enplanements

Airports Based on Enplanements		
Airport	Identifier	Location
Johnstown Airport	JST	Johnstown, Pennsylvania
Kearney Regional Airport	EAR	Kearney, Nebraska
North Platte Regional Airport	LBF	North Platte, Nebraska
Tupelo Regional Airport	TUP	Tupelo, Mississippi

² Relevant and useable information was not available from Clovis Regional Airport (CVN) and Joplin Regional Airport (JLN),

Table 8 – Enplanement Airports Summary

Aeronautical Fees	Enplanement Airports				Range
	EAR	JST	LBF	TUP	
Aircraft Parking - Monthly Tiedown (SE, ME)	Yes	Yes	No	No	\$65.00-\$350.00
Airport ID Badge Initial/Replacement/Renewal/Lost Key	No	No	No	Yes	Initial: \$100 Replacement: \$200. Initial Key: \$25
Fuel Flowage	Yes	Yes	Yes	Yes	\$0.04 - \$0.10 gallon
Landing Fee (per 1,000 MGLW)	Yes	Yes	Yes	Yes	\$0.63 MGLW. – \$6.00 per 1,000lbs of maximum gross landing weight \$25.00 - \$100.00 based off aircraft type
Monthly Tiedown (Freight, Mooring)	No	No	No	No	N/A
Non-Airworthy Storage	Yes	No	No	No	5% of monthly hangar cost
Operator Permit	No	No	No	Yes	\$75.00 - \$250.00 on an annual basis depending on service provided

Administrative Fees	Enplanement Airports				Range
	EAR	JST	LBF	TUP	
Abandoned Vehicle Removal Fee	No	No	No	No	N/A
Concession Fee (Rental Cars)	No	No	No	Yes	12%
Concession Fee (Restaurant)	No	No	No	No	N/A
Conference Room Rental (Hourly/Daily)	No	No	Yes	Yes	\$200 - \$350 per use per day
Copy Fee	No	No	No	No	N/A
Film Permit	No	No	No	No	N/A
Hangar Waitlist / Security Deposit	No	No	N/A	N/A	N/A
Late Charges	No	No	N/A	Yes	6%
Lease Administrative Fee	No	No	N/A	Yes	\$25.00 per lease
Percentage of Gross Receipts (Vending)	No	No	No	No	N/A
Special Event Fee	No	No	No	No	N/A
Staff Hourly Rate	No	No	N/A	Yes	\$15 an hour
Tenant Employee Parking	No	No	N/A	No	N/A
TNC Permit	No	N/A	No	N/A	N/A
Use Permit	No	No	No	No	No
Vehicle Parking	No	No	No	Yes	\$5 a day or \$56 for a week or more

C. Competitive Airports

Typically, an airport is considered competitive if located in proximity to the Airport and serves a similar market. Each airport identified is then compared to the Airport based on (1) infrastructure and (2) available products, services, and facilities.

For the purposes of this study, airports within a 75-minute drive of the Airport were identified as potentially competitive airports. While a total of 10 airports³ were considered competitive to the Airport, rental rates and usable information from 9 airports were obtained and analyzed, as shown in Table 9:

Table 9 – Competitive Airports

Competitive Airports		
Airport	Identifier	Location
Camarillo Airport	CMA	Camarillo, California
Lompoc City Airport	LPC	Lompoc, California
Monterey Airport	MRY	Monterey, California
Oceano Airport	L52	Oceano, California
Oxnard Airport	OXR	Oxnard, California
Paso Robles Municipal Airport	PRB	Paso Robles, California
Salinas Municipal Airport	SNS	Salinas, California
San Luis Obispo County Regional Airport	SBP	San Luis Obispo, California
Santa Barbra Airport	SBA	Santa Barbra California

³ Relevant and useable information was not available from Santa Ynez Airport (IZA).

Table 10 – Competitive Airports Summary

Aeronautical Fees	Competitive Airports									Range
	CMA	L52	LPC	MRY	OXR	PRB	SBA	SBP	SNS	
Aircraft Parking – Monthly Tiedowns (SE, ME)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	SE: \$50 - \$84 ME: \$50 - \$114 Small Commercial Jet: \$200 Large Commercial Jet: \$500
Airport ID Badge Initial/Replacement/ Renewal/Lost Key	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	AOA Initial: \$14.50 - \$62 AOA Renewal: \$25 - \$41 AOA Parking Permit: \$9.75 SIDA Initial: \$18 - \$75 (depending on if fingerprints are needed) SIDA Renewal: \$25 - \$41 Lost key/badge replacement: \$16 - \$100
Fuel Flowage	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	\$0.02 – \$0.15 per gallon.
Landing Fee (per 1,000 MGLW)	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	\$15 - \$250 based on aircraft type \$2.97 - \$10 MGLW
Monthly Tiedown (Freight, Mooring)	No	No	N/A	No	No	No	No	No	Yes	Airship Mooring - \$1,140.75
Non-Airworthy Storage	Yes	No	Yes	No	Yes	No	No	No	Yes	After 90 days - \$1,500 \$109 - \$122 depending on hangar Unit rate +40%
Operator Permit	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	N/A	Annual: \$350 - \$750 Skydiving: \$6,000 annual Non-Aviation Permit: \$2,438

Administrative Fees	Competitive Airports									Range
	CMA	L52	LPC	MRY	OXR	PRB	SBA	SBP	SNS	
Abandoned Vehicle Removal Fee	No	No	No	Yes	No	No	No	No	No	Per incident: \$315
Concession Fee (Rental Cars)	Yes	No	No	No	Yes	No	No	No	No	Off Airports: 8.5% of gross revenue
Concession Fee (Restaurant)	Yes	No	No	No	Yes	No	No	No	No	6% of gross revenue
Conference Room Rental (Hourly/Daily)	No	No	No	Yes	No	Yes	No	Yes	No	\$100 hour or \$750 per day \$2.00 per sq. ft. of space rented
Copy Fee	Yes	No	No	Yes	Yes	No	No	No	No	\$10 each request \$0.04 per page
Film Permit	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	\$15,000 for 1 day and \$10,000 for each additional day \$1,000 - \$1,200 for commercial still photography \$1,500 - \$2,500 depending on crew size \$350 application fee. \$113 an hour for commercial filming monitoring
Hangar Waitlist / Security Deposit	No	No	No	No	No	No	No	Yes	Yes	\$51.75 - \$450
Late Charges	Yes	Yes	No	Yes	Yes	No	No	Yes	N/A	5% - 10%
Lease Administrative Fee	Yes	Yes	No	No	Yes	No	No	Yes	No	\$350 per assignment 2% - 5% for lease transfer \$50.00 admin fee
Percentage of Gross Receipts (Vending)	N/A	N/A	No	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special Event Fee	Yes	Yes	No	Yes	Yes	No	Yes	Yes	Yes	\$100 - 436 daily \$100 each additional day \$300 one time permit \$1,000 daily for aero use and \$2,000 for non-aero use
Staff Hourly Rate	No	Yes	No	Yes	No	No	Yes	Yes	N/A	\$80 to \$100 per hour
Tenant Employee Parking	No	Yes	No	No	No	No	N/A	Yes	No	\$60 per parking permit

Administrative Fees	Competitive Airports									Range
	CMA	L52	LPC	MRY	OXR	PRB	SBA	SBP	SNS	
TNC Permit	No	Yes	No	Yes	No	No	Yes	Yes	No	N/A
Use Permit	Yes	Yes	No	No	Yes	No	No	Yes	Yes	\$155 – 350 per application
Vehicle Parking	No	No	No	Yes	Yes	No	Yes	Yes	No	\$ 4 per hour to a max of \$32 per day

V. RECOMMENDATIONS

A. Cost Center Approach

Regardless of the type of aeronautical fees the District ultimately decides to implement, AMCG suggests (consistent with a best practices approach) that the costs being incurred by the District relating to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport that are not being covered by federal or state Airport Improvement Programs (AIP) be identified and quantified to the greatest extent possible.

This would include, but would not necessarily be limited to, the capital and operating costs being incurred by the District (or portion thereof), as follows:

- Airport planning projects not funded through AIP,
- Airport development projects not funded through AIP,
- Airport vehicles and equipment not funded through AIP,
- Airport reserve accounts to provide funding for future planning and development projects and vehicles and equipment that would not be eligible for AIP funding, and
- all other operating costs (e.g., personnel, insurance, utilities, etc.).

Once this is accomplished, revenues (including rents) should be quantified, and all capital and operating costs should be deducted which results in the cost recovery gap. Consistent with a best practices approach, the District should implement an aeronautical fee program designed to close the gap between aeronautical related revenues and the associated capital and operating costs.

If the aeronautical fees necessary to close the gap are unreasonable or not within the bounds of the market, AMCG recommends that an appropriate portion (or percentage) of the gap should be targeted (cost recovery target).

B. Fees Selected

Based on the District's current fee program and supported by the research conducted, AMCG recommends the District implement an aeronautical and administrative fee program as outlined in Table 11:

Table 11 – Aeronautical and Administrative Fees Recommended

Type of Fee	Classification	Recommendation
Fuel Flowage Fee	Aeronautical	Yes
Landing Fee	Aeronautical	Yes
Aircraft Parking - Monthly Tiedowns	Aeronautical	Yes
Freight and Mooring – Monthly Tiedowns	Aeronautical	Yes
Operator Permit	Aeronautical	Yes
Access Card (AOA, SIDA, Lost Card)	Aeronautical	Yes
Non-Airworthy Aircraft Storage	Administrative	Yes
Through-the-Fence Access	Administrative	Yes
Abandoned Vehicle Removal	Administrative	Yes
Concession Fee (Rental Cars)	Administrative	Yes
Concession Fee (Restaurant)	Administrative	Yes
Conference Room Rental (Hourly/Daily)	Administrative	Yes
Copy Fee	Administrative	Yes
Film Permit (Aero Impact and Non-Aero Impact)	Administrative	Yes
Hangar Waitlist Application	Administrative	Yes
Late Charges (Monthly)	Administrative	Yes
Lease Administrative Fee	Administrative	Yes
Percentage of Gross Receipts (Vending)	Administrative	Yes
Special Event Fee	Administrative	Yes
Staff Hourly Rate	Administrative	Yes
Tenant Employee Parking (Annual Per Spot)	Administrative	Yes
TNC Permit (Per Trip)	Administrative	Yes
Use Permit	Administrative	Yes
Vehicle Parking	Administrative	Yes

C. Adjustment of Fees

AMCG recommends the aeronautical and administrative fees be reviewed annually based on the prior year’s financial statements and next year’s budget for the Airport. Any deficits should be carried forward and considered when updating the fees in the future and that any surplus be: (1) used for non-AIP funded Airport planning or development projects (including capital expenditures relating to non-AIP funded Airport improvements, vehicles, and equipment), (2) set aside in reserve accounts for future non-AIP funded planning or development projects, or (3) carried forward for consideration in establishing fees for the following period.

Aeronautical fees should not be imbedded in future lease agreements with commercial operators or non-commercial tenants. Conversely, aeronautical fees should be established in a separate fee schedule. AMCG recommends that all applicable lease agreements and lease amendments include a provision such as the following:

“To recover the costs being incurred by the District relating to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport (that are not being covered by federal or state AIP funds), the lessee agrees to pay the aeronautical and administrative fees set forth in the Airport Fee Schedule.”

If it is necessary to include fees in a lease agreement, the lease should specify the District may adjust fees from time to time.

VI. FEES CALCULATION
A. Financial Analysis

With Airport management’s assistance, AMCG recast the financial statements for the Airport to determine the gap between Airport revenues and costs being incurred by the District based on *Fiscal Year (FY) 2025 Airport Adopted Budget (Budget)*. The financial recast (Table 12 and Table 13) identifies (1) all revenues generated by the Airport, (2) all costs incurred by the District related to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport that are not covered by federal or state AIP, and (3) capital expenses related to historical, current, and reserves for future development projects.

Table 13 identifies the net loss of \$4,341,871 which includes an extra ordinary non-operating use of funds (Conservation Easement for \$2,065,870).

Table 12 – Financial Analysis Summary (Revenues)

Revenues	Total	Aeronautical		Non-Aeronautical	
		% of Total	Amount	% of Total	Amount
Rents					
T-Hangars	\$ 1,067,320	100.00%	\$ 1,067,320	0.00%	\$ -
Other Hangars	\$ 164,988	100.00%	\$ 164,988	0.00%	\$ -
Commercial Hangars	\$ 456,471	100.00%	\$ 456,471	0.00%	\$ -
Car Rental	\$ 179,497	100.00%	\$ 179,497	0.00%	\$ -
Terminal Space Lease	\$ 170,905	100.00%	\$ 170,905	0.00%	\$ -
Land Leases	\$ 2,750,075	0.00%	\$ -	100.00%	\$ 2,750,075
<i>Total Revenue</i>	\$ 4,789,256		\$ 2,039,180		\$ 2,750,075
<i>% of Total Revenue</i>	95.25%		89.51%		100.00%
<i>Cost of Goods Sold</i>	\$ -		\$ -		\$ -
<i>% of Total Rents Revenue</i>	0.00%		0.00%		0.00%
<i>Gross Margin</i>	\$ 4,789,256		\$ 2,039,180		\$ 2,750,075
<i>% of Total Rents Revenue</i>	100.00%		100.00%		100.00%
Fees					
Landing Fees and Tiedowns	\$ 92,147	100.00%	\$ 92,147	0.00%	\$ -
Fuel Flowage Fees	\$ 116,996	100.00%	\$ 116,996	0.00%	\$ -
Air Fest Revenues	\$ -	0.00%	\$ -	0.00%	\$ -
<i>Total Fees Revenue</i>	\$ 209,142		\$ 209,142		\$ -
<i>% of Total Revenue</i>	4.16%		9.18%		0.00%
<i>Cost of Goods Sold</i>	\$ -		\$ -		\$ -
<i>% of Total Fees Revenue</i>	0.00%		0.00%		0.00%
<i>Gross Margin</i>	\$ 209,142		\$ 209,142		\$ -
<i>% of Total Fees Revenue</i>	100.00%		100.00%		0.00%
Other Income					
Miscellaneous Income	\$ 29,785	100.00%	\$ 29,785	0.00%	\$ -
<i>Total Other Income Revenue</i>	\$ 29,785		\$ 29,785		\$ -
<i>% of Total Revenue</i>	0.59%		1.31%		0.00%
Summary					
TOTAL REVENUE	\$ 5,028,183		\$ 2,278,107		\$ 2,750,075
COST OF GOODS SOLD	\$ -		\$ -		\$ -
GROSS MARGIN	\$ 5,028,183		\$ 2,278,107		\$ 2,750,075

It is important to note the revenue generated by the existing aeronautical-related fee program of \$209,142 are included in Table 12 and Table 13 but removed when determining the total cost recovery amount.

Table 13 – Financial Analysis Summary (Expenses)

Expenses	Total	Aeronautical		Non-Aeronautical	
		% of Total	Amount	% of Total	Amount
Operating Expenses					
Salaries and Benefits	\$ 1,946,590	95.00%	\$ 1,849,260	5.00%	\$ 97,329
Utilities	\$ 708,338	67.00%	\$ 474,587	33.00%	\$ 233,752
Supplies	\$ 159,816	95.00%	\$ 151,825	5.00%	\$ 7,991
Maintenance and Repairs	\$ 386,272	95.00%	\$ 366,959	5.00%	\$ 19,314
Contractual Services	\$ 1,023,790	95.00%	\$ 972,601	5.00%	\$ 51,190
Communication Expense	\$ 38,909	100.00%	\$ 38,909	0.00%	\$ -
ARFF Services	\$ 993,280	100.00%	\$ 993,280	0.00%	\$ -
Security Services	\$ 488,470	100.00%	\$ 488,470	0.00%	\$ -
Dues and Subscriptions	\$ 78,019	95.00%	\$ 74,118	5.00%	\$ 3,901
Advertising	\$ 16,028	100.00%	\$ 16,028	0.00%	\$ -
Depreciation	\$ 3,339,981	100.00%	\$ 3,339,981	0.00%	\$ -
Insurance	\$ 481,005	95.00%	\$ 456,954	5.00%	\$ 24,050
Election Expense	\$ 30,623	100.00%	\$ 30,623	0.00%	\$ -
Business Travel	\$ 25,123	100.00%	\$ 25,123	0.00%	\$ -
Fire Fighting Training	\$ 27,486	100.00%	\$ 27,486	0.00%	\$ -
Air Show Expense	\$ 76,054	100.00%	\$ 76,054	0.00%	\$ -
Other Miscellaneous Expense	\$ 20,749	100.00%	\$ 20,749	0.00%	\$ -
Professional Fees	\$ 256,903	100.00%	\$ 256,903	0.00%	\$ -
OPERATING EXPENSES	\$ 10,097,435		\$ 9,659,909		\$ 437,526
OPERATING INCOME	\$ (5,069,253)		\$ (7,381,802)		\$ 2,312,549
Non-Operating Revenue (Expenses)					
AIP Reimbursement	\$ 19,545	100.00%	\$ 19,545	0.00%	\$ -
PFC Revenue	\$ 57,745	100.00%	\$ 57,745	0.00%	\$ -
Tax Revenue	\$ 2,420,814	100.00%	\$ 2,420,814	0.00%	\$ -
Interest	\$ 295,149	100.00%	\$ 295,149	0.00%	\$ -
Gain on the Sale of an Asset	\$ -	0.00%	\$ -	0.00%	\$ -
Extra Ordinary - Conservation Easement	\$ (2,065,870)	100.00%	\$ (2,065,870)	0.00%	\$ -
NON-OPERATING EXP. (INC.)	\$ 727,382		\$ 727,382		\$ -
NET INCOME (LOSS)	\$ (4,341,871)		\$ (8,109,184)		\$ 2,312,549

B. Establishment of Fees

As indicated previously, regardless of the types of aeronautical fees the District ultimately decides to charge, AMCG suggests (consistent with a best practices approach) that all costs relating to the planning, development, operation (including maintenance and repair), management, and marketing of the Airport (not covered by federal or state AIP) be identified and quantified to the greatest extent possible.

Additionally, regardless of the types of administrative fees the District ultimately decides to charge, AMCG suggests utilizing a cost recovery-based approach (when appropriate) or a market-based approach.

Once this is accomplished, revenues should be deducted from costs to determine the gap and the District should establish an aeronautical fee program that closes the gap (if reasonable, 100% of the gap should be targeted by the District).

As identified in Table 13, the net loss is \$4,341,871. AMCG eliminated the existing aeronautical revenue (\$209,142) and an extra ordinary non-operating use of funds (\$2,065,870) to determine the annual full cost recovery total of \$2,066,859 for Fiscal Year 2025.

1. Aeronautical Fee Calculation Analysis

Based on the full cost recovery total, AMCG calculated the rate for each of the aeronautical fees selected by Airport management. Table 14 outlines the fee calculations, the recommended fee structure, and the resulting rate calculated for each aeronautical fee.

The following key underlying assumptions were utilized in development of the aeronautical fees:

a. Key Underlying Assumptions

- Fuel volumes based on Calendar Year 2025 projected fuel volumes.
- Landing Fee based on Calendar Year 2024 collections.
- Aircraft Parking/Tiedown based on Calendar Year 2024 activity.
- Operating Permits and Access Cards based on Calendar Year 2024 issuance.

Utilizing a cost recovery approach with consideration given to the findings from the research airports, AMCG calculated the rate for each aeronautical fee selected by Airport management. The calculated rates are conveyed in the *Aeronautical Fee Schedule* provided in Section VII.

Table 14 – Aeronautical Fee Calculation

Fee Calculation	Assumptions		Fee	Revenue
Fuel Flowage Fee	Gallons		Fee (per gallon)	Revenue
Avgas and Jet Fuel	1,615,000		\$0.12	\$193,800
Landing Fee	Arrivals (by aircraft)	Average MGLW	Fee (1,000 MGLW)	Revenue
Air Carrier	1,095	80,500	\$2.50	\$220,369
United States Forest Service	200	130,000	\$2.50	\$65,000
Aircraft Parking Fee	Number of Aircraft Charged Fee (Annual)		Per Aircraft	Total
Overnight (more than 12 hours per day)				
<i>Single-Engine Piston</i>	256		\$12.50	\$3,200
<i>Multi-Engine Piston</i>	73		\$15.00	\$1,095
<i>Turboprop (Group I)</i>	135		\$15.00	\$2,025
<i>Turboprop (Group II)</i>	102		\$17.50	\$1,785
<i>Jet (Group I)</i>	32		\$15.00	\$480
<i>Jet (Group II)</i>	16		\$17.50	\$280
<i>Helicopter</i>	12		\$12.50	\$150
<i>Freight and Mooring</i>	10		\$175.00	\$1,750
Monthly Aircraft Parking Fee				
<i>Single-Engine Piston</i>	28		\$125.00	\$42,000
<i>Multi-Engine Piston</i>	8		\$150.00	\$14,400
<i>Turboprop (Group I)</i>	135		\$150.00	\$243,000
<i>Turboprop (Group II)</i>	102		\$175.00	\$214,200
<i>Jet (Group I)</i>	22		\$150.00	\$39,600
<i>Jet (Group II)</i>	11		\$175.00	\$23,100
<i>Helicopter</i>	1		\$125.00	\$1,500
Administrative Fee*				
Administrative Fee	N/A		0%	\$0
Operator Permit Fee	Number of Operators		Fee (annual)	Revenue
Fixed Base Operator	1		\$1,000.00	\$1,000
Aircraft Maintenance Operator	1		\$750.00	\$750
Avionics or Instrument Maintenance Operator	0		\$750.00	\$0
Aircraft Rental or Flight Training Operator	0		\$750.00	\$0
Aircraft Charter or Aircraft Management Operator	4		\$750.00	\$3,000
Aircraft Sales Operator	1		\$750.00	\$750
Other Commercial Aeronautical Activities	9		\$750.00	\$6,750
Temporary Specialized Aviation Service Operator	0		\$500.00	\$0
Self-Fueling Permittee	0		\$1,000.00	\$0
Access Card Fee	Number of Applicants		Fee (annual)	Revenue
AOA Access Card (2-year term)	200		\$75.00	\$15,000
AOA Renewal (2-year term)	400		\$50.00	\$20,000
AOA Lost or Stolen Badge	50		\$150.00	\$7,500
SIDA Access Card (2-year term)	125		\$200.00	\$25,000
SIDA Renewal (2-year term)	75		\$150.00	\$11,250
SIDA Lost or Stolen Badge	25		\$400.00	\$10,000

2. Projected General Aviation Fee Revenue

Table 15 summarizes the revenue projected based on the findings of Table 14 for each of the aeronautical fees selected by Airport management, identifies the District's revenue potential (predicated on the underlying assumptions).

It is important to note that while the aeronautical fees are cost recovery based, aeronautical fees should be within the bounds of the market to minimize an overly negative impact on airport activity and overall demand.

Table 15 – Projected Fee Revenue

Projected General Aviation Fee Revenue	Total	Percent of Goal
Fuel Flowage Fee	\$193,800	16.58%
Landing Fee	\$285,369	24.42%
Aircraft Parking Fee	\$588,565	50.36%
Operator Permit Fee	\$12,250	1.05%
Access Card Fee	\$88,750	7.59%
Potential Fees Revenue	\$1,168,734	
Full Cost Recovery Total	\$2,066,859	
Cost Recovery Target (Percent)	100%	
Cost Recovery Target (Amount)	\$2,066,859	
Cost Recovery Reconciliation	(\$898,125)	

VII. FEE SCHEDULE

Table 16 – Aeronautical and Administrative Fee Schedule

TYPE OF FEE		FEE	
Fuel Flowage Fee			
Avgas and Jet Fuel		\$0.12	
Landing Fee			
Air Carrier		\$2.50	
United States Forest Service		\$2.50	
Aircraft Parking Fee			
Aircraft Type	Overnight (more than 12 hours per day)	Monthly	
	<i>Single-Engine Piston</i>	\$12.50	\$125.00
	<i>Multi-Engine Piston</i>	\$15.00	\$150.00
	<i>Turboprop (Group I)</i>	\$15.00	\$150.00
	<i>Turboprop (Group II)</i>	\$17.50	\$175.00
	<i>Jet (Group I)</i>	\$15.00	\$150.00
	<i>Jet (Group II)</i>	\$17.50	\$175.00
	<i>Helicopter</i>	\$12.50	\$125.00
	<i>Freight and Mooring</i>	\$175.00	N/A
Operator Permit Fee			
Fixed Base Operator		\$1,000.00	
Aircraft Maintenance Operator		\$750.00	
Avionics or Instrument Maintenance Operator		\$750.00	
Aircraft Rental or Flight Training Operator		\$750.00	
Aircraft Charter or Aircraft Management Operator		\$750.00	
Aircraft Sales Operator		\$750.00	
Other Commercial Aeronautical Activities		\$750.00	
Temporary Specialized Aviation Service Operator		\$500.00	
Self-Fueling Permittee		\$1,000.00	
Access Card Fee			
AOA Access Card (2-year term)		\$75.00	
AOA Renewal (2-year term)		\$50.00	
AOA Lost or Stolen Badge		\$150.00	
SIDA Access Card (2-year term)		\$200.00	
SIDA Renewal (2-year term)		\$150.00	
SIDA Lost or Stolen Badge		\$400.00	
Administrative Fees			
Non-Airworthy Aircraft Storage	3 times monthly rent after 90 days (unless previously approved)		
Through-the-Fence Access	Off-airport land used for aeronautical purposes by land rental rate		
Abandoned Vehicle Removal Fee	\$300		
Concession Fee Rental Car	10% of gross receipts		
Concession Fee Restaurant	10% of gross receipts		
Conference Room Rental	\$100 (3 hours) and \$50 every additional hour \$250 cleaning fee		
Copy Fee	\$0.25 per page (first 10 pages exempt)		
Film Permit (Aero Impact and Non-Aero Impact)	\$350 application fee Daily Permit Fee to be set by Airport Management		
Hangar Waitlist Application	\$150		
Late Charges (Monthly)	10%		
Lease Administrative Fee	\$250 per assignment		
Percentage of Gross Receipts (Vending)	10% of gross receipts		
Special Event Fee	\$150 application review \$300 per event or as negotiated		
Staff Hourly Rate	\$100 per hour (2 hour minimum)		
Tenant Employee Parking	\$37.50 (Monthly)		
TNC Permit (Per Trip)	\$3.50 per trip		
Use Permit	\$150 per application		
Vehicle Parking	Free (first hour), \$2.00 (hourly), \$12.00 (daily)		

RESOLUTION NO. 962

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
ADOPTING THE SCHEDULE OF RATES & CHARGES
(RATES ANNEX) FOR FISCAL YEAR 2026–27**

WHEREAS, The Santa Maria Public Airport District (“District”) owns and operates the Santa Maria Airport (“Airport”) and various aviation and non-aviation facilities, services, and properties; and

WHEREAS, The District Board of Directors (“Board”) is authorized and obligated to establish and adopt reasonable, non-discriminatory rates, rents, fees, and charges for the use of District facilities and services in accordance with applicable state law and Federal Aviation Administration grant assurances; and

WHEREAS, The District has undertaken comprehensive reviews of Airport rates, fees, and rents through the preparation and adoption of an Airport Fee Study, an Airport Rent Study, and related policy actions; and

WHEREAS, Based on those studies and staff analysis, District staff has prepared a proposed Schedule of Rates & Charges (Rates Annex) for Fiscal Year 2026–27, which consolidates aviation, non-aviation, terminal, and miscellaneous rates, rents, and fees into a single, standardized schedule; and

WHEREAS, The proposed Rates Annex reflects updated and adjusted rates intended to support Airport financial sustainability, cost recovery, transparency, and consistency with industry practices while maintaining compliance with FAA requirements; and

WHEREAS, The Board has reviewed the proposed Rates Annex and finds that its adoption is in the best interests of the District and the Airport.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Maria Public Airport District that:

Adoption of Rates Annex

The Schedule of Rates & Charges – FY 2026–27, commonly referred to as the Rates Annex, attached hereto as Exhibit A and incorporated herein by reference, is hereby adopted and approved.

Authorization to Implement Rates

The General Manager is hereby authorized and directed to implement the adopted Rates Annex effective July 1, 2026, or such other date as specified therein, and to apply the adopted rates, rents, fees, and charges to all applicable Airport tenants, users, permits, and agreements.

Administration and Interpretation

The General Manager is authorized to administer, interpret, and apply the Rates Annex, including:

Incorporation of the rates into lease agreements, permits, contracts, and Airport rules and regulations;
Application of rates consistent with the adopted Airport Fee Study and Airport Rent Study;
Charging actual costs for services not expressly listed in the Rates Annex, where permitted.

Non-Discriminatory Application

All rates, fees, and charges adopted by this Resolution shall be applied in a reasonable, fair, and non-discriminatory manner and in compliance with applicable state law and Federal Aviation Administration grant assurances.

Supersession of Prior Rates

Upon the effective date of this Resolution, any prior schedules of rates and charges, fee resolutions, or administrative rate actions inconsistent with the adopted Rates Annex are hereby repealed and superseded.

Future Adjustments

Nothing in this Resolution shall limit the authority of the Board to amend, revise, or replace the Rates Annex by subsequent resolution, nor the authority of the General Manager to make administrative determinations as expressly allowed by District policy.

PASSED AND ADOPTED this ___ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

ANNEX A

**SANTA MARIA PUBLIC AIRPORT DISTRICT
Schedule of Rates & Charges - FY 2026-27**

TERMINAL

Charge		Unit of Measure	Current Rate	New Rate
Air Carrier Space				
	Counter Space	Per Sq. Ft./Per Month	\$1.37	\$1.37
	Office Space	Per Sq. Ft./Per Month	\$1.37	\$1.37
	Baggage Make-Up Area	Per Sq. Ft./Per Month	\$1.37	\$1.37
	Storage & Other Spaces	Per Sq. Ft./Per Month	\$1.37	\$1.37
	Other	Per Sq. Ft./Per Month	\$1.37	\$1.37
Rental Cars				
	Counter Space (Minimum)	Per Sq. Ft./Per Month	\$2.38	\$2.45
	Office Space (Minimum)	Per Sq. Ft./Per Month	\$2.38	\$2.45
	Storage Space (Minimum)	Per Sq. Ft./Per Month	\$2.38	\$2.45
	Ready Parking (Minimum)	Per Space/Per Month	\$31.17	\$32.11
	Concession	Monthly % of Sales	8%	10%
TNC's				
	Pickup/Dropoff	Per Trip	\$3.50	\$3.50
District Facilities				
	Boardroom Use (1)	Per Meeting	\$50.00	\$100 (3 hours) and \$50 every additional hour - \$250 cleaning fee
Miscellaneous				
	Terminal Restaurant (Minimum)	Per Sq. Ft./Per Month	\$0.4549	\$0.4549
		Monthly % of Sales	4%	10%
	Vending	10% of Gross Monthly Receipts		
	Shuttle Space Rent	Per Sq. Ft./Per Month	\$1.98	\$2.04
	TSA Facilities	Per Sq. Ft./Per Month	\$5.36	\$5.36
	Administrative Fee		25%	25%
(1) Aviation related and/or community orientated one-time events considered to be of public interest, non-profit, and/or having a value to the aviation community, may request in writing a waiver of fees, which may be approved at the discretion of the General Manager				

Any requested services not covered by the Schedule of Rates & Charges will be charged actual costs based on time and materials. A deposit may be required.

ANNEX A

**SANTA MARIA PUBLIC AIRPORT DISTRICT
Schedule of Rates & Charges - FY 2026-27**

NON-AVIATION

Charge		Unit of Measure	Current Rate	New Rate
Mobile Home Park		Per Space/Per Month	\$427.00 - \$446.00	\$468.00 - \$488.00
Outside Storage		Per Sq. Ft./Per Month	\$0.353	\$0.364
Agriculture				
	AG Lease (Outside Water)	Per Acre/Per Year	Grazing Rate + 50% of Sublease	Grazing Rate + 50% of Sublease
	AG Lease (District Water)	Per Acre/Per Year	Market Rate	Market Rate
	Grazing	Per Acre/Per Year	\$11.00	\$11.00
Miscellaneous				
	Special Event Permit		\$630.00	\$150 application review - \$630 per event or as negotiated
	Use Permit		\$150.00	\$150.00
	Filming Permit (Impact on Operations)		\$5,000.00	\$350 application fee - Daily Permit Fee Set by Management
	Filming Permit (No Impact on Operations)		\$1,000.00	\$350 application fee - Daily Permit Fee Set by Management
	Abandoned Vehicle Removal	Each Incident	\$200.00	Cost + Admin Fee
	Copy Fee	Per Page	\$0.25	\$0.25
		Per USB	\$10.00	\$10.00
Personnel				
	Operations/Maintenance Worker	Hourly	\$100.00	Cost + Admin Fee
	Security Escort	Hourly (Minimum 2 Hours)	\$50.00	Cost + Admin Fee
Administrative Fee			25%	25%

Any requested services not covered by the Schedule of Rates & Charges will be charged actual costs based on time and materials. A deposit may be required

ANNEX A

**SANTA MARIA PUBLIC AIRPORT DISTRICT
Schedule of Rates & Charges - FY 2026-27**

AVIATION

Charge	Unit of Measure	Current Rate	New Rate
Landing			
Scheduled Air Carriers	Per 1,000 lbs MGLW	\$1.00	\$1.00
Non-Scheduled Air Carriers	Per 1,000 lbs MGLW	\$1.00	\$2.50
Freight Forwarding	Per 1,000 lbs MGLW	\$1.00	\$2.50
USFS (Including Contract Aircraft)	Per 1,000 lbs MGLW	\$0.50	\$2.50
Fuel Flowage			
Jet A	Per Gallon	\$0.06	\$0.12
100 LL	Per Gallon	\$0.06	\$0.12
Hangar Rental	Per Month (Includes Electricity)	See Exhibit "A"	See Exhibit "A"
Storage Units	Per Month (Includes Electricity)	See Exhibit "B"	See Exhibit "B"
Security Deposit			
Hangars	Upon Execution of Lease	\$250.00	1 Month Rent
Storage Units	Upon Execution of Lease	\$250.00	\$250.00
Special Event Badge	Based on Group Size		\$150.00 x Group
Tie Down			
Single Engine	Per Month	\$85.00	\$125.00
Single Engine	Overnight (More than 12 hours per day)	\$0.00	\$12.50
Multi-Engine Piston	Per Month	\$100.00	\$150.00
Multi-Engine Piston	Overnight (More than 12 hours per day)	\$0.00	\$15.00
Turboprop (Group I)	Per Month	\$0.00	\$150.00
Turboprop (Group I)	Overnight (More than 12 hours per day)	\$0.00	\$15.00
Turboprop (Group II)	Per Month	\$0.00	\$175.00
Turboprop (Group II)	Overnight (More than 12 hours per day)	\$0.00	\$17.50
Jet (Group I)	Per Month	\$0.00	\$150.00
Jet (Group I)	Overnight (More than 12 hours per day)	\$0.00	\$15.00
Jet (Group II)	Per Month	\$0.00	\$175.00
Jet (Group II)	Overnight (More than 12 hours per day)	\$0.00	\$17.50
Helicopter	Per Month	\$0.00	\$125.00

	Helicopter	Overnight (More than 12 hours per day)	\$0.00	\$12.50
	Freight and Mooring	Overnight (More than 12 hours per day)	\$0.00	\$175.00
Airport Access Card				
	AOA Access Badge	Each	\$50.00	\$75.00
	AOA Renewal	Each	\$25.00	\$50.00
	AOA Re-Activation	Each	\$125.00	\$125.00
	SIDA Access Badge	Each	\$150.00	\$200.00
	SIDA Renewal	Each	\$75.00	\$150.00
	SIDA Re-Activation	Each	\$200.00	\$200.00
	SIDA Lost/Replacement	Each	\$150.00	\$400.00
	AOA Lost/Replacement	Each	\$150.00	\$400.00
District Issued Keys				
	Key Replacement	Per Key	\$35.00	\$35.00
Operator Permit Fee				
		Per permit		
	Fixed Base Operator	Annual	\$0.00	\$1,000.00
	Aircraft Maintenance Operator	Annual	\$0.00	\$750.00
	Avionics or Instrument Maintenance Operator	Annual	\$0.00	\$750.00
	Aircraft Rental or Flight Training Operator	Annual	\$0.00	\$750.00
	Aircraft Charter or Aircraft Management Operator	Annual	\$0.00	\$750.00
	Aircraft Sales Operator	Annual	\$0.00	\$750.00
	Other Commercial Aeronautical Activities	Annual	\$0.00	\$750.00
	Temporary Specialized Aviation Service Operator	Annual	\$0.00	\$500.00
	Self-Fueling Permittee	Annual	\$0.00	\$1,000.00
Administrative Fees				
	Non-Airworthy Aircraft Storage			3 times monthly rent after 90 days (unless previously approved)
	Through-the-Fence Access			Off-airport land used for aeronautical purposes by land rental rate
	Abandoned Vehicle Removal Fee			Cost + Admin Fee
	Concession Fee Rental Car			10% of gross receipts
	Concession Fee Restaurant			10% of gross receipts
	Conference Room Rental			\$100 (3 hours) and \$50 every additional hour - \$250 cleaning fee
	Film Permit (Aero Impact and Non-Aero Impact)			\$350 application fee - Daily Permit Fee to be set by Airport Management
	Hangar Waitlist Application Fee			\$150.00
	Late Charges (Monthly)			10%
		Administrative Fee		25%
	Percentage of Gross Receipts (Vending)			10% of gross receipts
	Special Event Fee			\$150 application review - \$630 per day or as negotiated
	Staff Hourly Rate			Cost + Admin Fee
	Tenant Employee Parking			\$37.50 (Monthly) or as negotiated
	TNC Permit (Per Trip)			\$3.50 per trip
	Use Permit			\$150 per application

Any requested services not covered by the Schedule of Rates & Charges will be charged actual costs based on time and materials. A deposit may be required

SMPAD Hangars

Hangar Row/Unit	Lease Type	Sq Ft	Current PPSF	Current Rent	% Increase	New PPSF	New Rent	Increase
3001- A, D, H	Corp Hgr	2,119	\$0.41264	\$874	3%	\$0.4250	\$901	\$27
3001- B, G	Corp Hgr	2,064	\$0.41269	\$852	3%	\$0.4251	\$877	\$25
3001-C, F	Corp Hgr	2,027	\$0.41250	\$836	3%	\$0.4249	\$861	\$25
3001-E	Corp Hgr	2,109	\$0.41295	\$871	3%	\$0.4253	\$897	\$26
3005	T-Hgr	1,078	\$0.41282	\$445	3%	\$0.4252	\$458	\$13
3009	T-Hgr	1,040	\$0.41286	\$429	3%	\$0.4252	\$442	\$13
3011	T-Hgr	1,000	\$0.41199	\$412	3%	\$0.4243	\$424	\$12
3019	T-Hgr	1,000	\$0.41199	\$412	3%	\$0.4243	\$424	\$12
3023	T-Hgr	1,040	\$0.41286	\$429	3%	\$0.4252	\$442	\$13
3027	T-Hgr	1,026	\$0.41341	\$424	3%	\$0.4258	\$437	\$13
3029-A, F	Corp Hgr	3,098	\$0.41242	\$1,278	3%	\$0.4248	\$1,316	\$38
3029-B-E	Corp Hgr	3,040	\$0.41229	\$1,253	3%	\$0.4247	\$1,291	\$38
3031	T-Hgr	1,026	\$0.41341	\$424	3%	\$0.4258	\$437	\$13
3035-A	Corp T-Hgr	1,982	\$0.41222	\$817	3%	\$0.4246	\$842	\$25
3035-B-D, G-J	Corp T-Hgr	1,839	\$0.41214	\$758	3%	\$0.4245	\$781	\$23
3039	T-Hgr	994	\$0.41273	\$410	3%	\$0.4251	\$423	\$13
3043	Corp Hgr	3,040	\$0.41229	\$1,253	3%	\$0.4247	\$1,291	\$38
3103	T-Hgr	1,043	\$0.41167	\$429	3%	\$0.4240	\$442	\$13
3105-A	Corp Hgr	3,115	\$0.45649	\$1,422	3%	\$0.4702	\$1,465	\$43
3105-B-G	Corp Hgr	3,115	\$0.41240	\$1,285	3%	\$0.4248	\$1,323	\$38
3107	T-Hgr	870	\$0.41161	\$358	3%	\$0.4240	\$369	\$11
3109	T-Hgr	940	\$0.41424	\$389	3%	\$0.4267	\$401	\$12
3111	T-Hgr	963	\$0.41338	\$398	3%	\$0.4258	\$410	\$12

EXHIBIT "A"

SMPAD Storage Units						
Hangar Row/Unit	Lease Type	Sq Ft	Current Rent	% Increase	New Rent	Increase
3005-A, I	Storage	537	\$ 454	3%	\$ 467	\$ 13.00
3009-F, G	Storage	180	\$ 151	3%	\$ 156	\$ 5.00
3011-F, G	Storage	190	\$ 160	3%	\$ 165	\$ 5.00
3019-F	Storage	190	\$ 160	3%	\$ 165	\$ 5.00
3023-F	Storage	180	\$ 151	3%	\$ 156	\$ 5.00
3027-F, G	Storage	176	\$ 149	3%	\$ 154	\$ 5.00
3031-F, G	Storage	176	\$ 149	3%	\$ 154	\$ 5.00
3035-E	Storage	363	\$ 306	3%	\$ 315	\$ 9.00
3039-A, I	Storage	537	\$ 454	3%	\$ 467	\$ 13.00
3107-J, K	Storage	180	\$ 151	3%	\$ 156	\$ 5.00
3109-F	Storage	155	\$ 132	3%	\$ 136	\$ 4.00
3111-F, G	Storage	176	\$ 149	3%	\$ 154	\$ 5.00
EXHIBIT "B"						

Tenant Rent Summary Table								
Address	Tenant and/or Unit Identification	Component	Component Size (SF)	Current Rent		Market Rent Opinion		% Increase
				PSF/YR	Annual	PSF/YR	Annual	
3115 Airpark Drive	A	Hangar	2,160	\$5.10	\$11,016.00	\$5.80	\$12,528.00	13.73%
	B	Hangar	2,160	\$5.27	\$11,376.00	\$5.80	\$12,528.00	10.13%
	C	Hangar	2,160	\$4.93	\$10,656.00	\$5.80	\$12,528.00	17.57%
	Total			\$5.10	\$33,048.00	\$5.80	\$37,584.00	13.73%
3117 Liberator Street	A	Office	1,287	\$6.18	\$7,956.00	8.75	\$11,261.25	
	Total			\$6.18	\$7,956.00	8.75	\$11,261.25	41.54%
	B	Office	742	\$5.18	\$3,840.00	8.75	\$6,492.50	
	Total			\$5.18	\$3,840.00	8.75	\$6,492.50	69.08%
	C	Hangar	2,306	\$4.88	\$12,084.00	\$5.80	\$13,374.80	
		Office	169			\$8.75	\$1,478.75	
		Total			\$4.88	\$12,084.00	\$6.00	\$14,853.55
	D	Hangar	2,479	\$5.07	\$13,416.00	\$5.80	\$14,378.20	
		Office	169			\$8.75	\$1,478.75	
		Total			\$5.07	\$13,416.00	\$5.99	\$15,856.95
	E	Hangar	2,461	\$4.86	\$12,780.00	\$5.80	\$14,273.80	
		Office	169			\$8.75	\$1,478.75	
Total			\$4.86	\$12,780.00	\$5.99	\$15,752.55	23.26%	
3119 Liberator Street	North	Hangar	2,400			\$5.25	\$12,600.00	
		Office	720	\$1.43	\$10,800.00	\$7.90	\$5,688.00	
		Shop/Storage	720			\$4.90	\$3,528.00	
	South	Hangar	3,690			\$5.50	\$20,295.00	
	Total			\$1.43	\$10,800.00	\$5.59	\$42,111.00	289.92%
3121 Liberator Street		Hangar	2,100	\$4.92	\$10,332.00	\$5.50	\$11,550.00	11.79%
3123 Liberator Street		Office	1,056	N/A	N/A	\$7.90	\$8,342.40	N/A
3125 Liberator Street		Hangar	8,930	\$4.58	\$46,152.00	\$5.50	\$49,115.00	
		Office	1,154			\$9.65	\$11,136.10	
		Total			\$4.58	\$46,152.00	\$5.97	\$60,251.10
		Paint Hangar	3,278	N/A	N/A	\$5.80	\$19,012.40	N/A
3203 Lightning Street		Hangar (Units 108/128)	23,597			\$4.40	\$103,826.80	
		Office (East Units 101 - 104 and All West)	7,061	\$4.60	\$144,948.00	\$8.30	\$58,606.30	
		Shop/Storage (East Units 106 - 107)	875			\$4.75	\$4,156.25	
		Total			\$4.60	\$144,948.00	\$5.89	\$185,601.75
		Office (West Units 211 - 219)	3,223	N/A	N/A	\$7.45	\$24,011.35	N/A
		Office (East Units 202 - 204)	2,662	\$6.66	\$17,720.00	\$8.75	\$23,292.50	31.45%
		Office (Unit 105)	575	\$7.87	\$4,524.00	\$8.30	\$4,772.50	5.49%
3409 Corsair Circle		Hangar	10,800			\$5.80	\$62,640.00	
		Office	4,301	\$4.00	\$81,624.00	\$8.75	\$37,633.75	
		Shop/Storage	823			\$5.90	\$4,855.70	
		Apron	4,500			\$1.00	\$4,500.00	
	Total			\$4.00	\$81,624.00	\$5.37	\$109,629.45	34.31%
3940 Mitchell Road		Hangar	21,700	N/A	N/A	\$4.95	\$107,415.00	
		Office	5,821			\$7.90	\$45,985.90	
	Total			N/A	N/A	N/A	\$153,400.90	N/A
3944 Mitchell Road		Hangar	6,400			\$4.40	\$28,160.00	
		Office	1,120	\$2.65	\$22,920.00	\$8.30	\$9,296.00	
		Shop/Storage	1,120			\$4.65	\$5,208.00	
	Total			\$2.65	\$22,920.00	\$4.94	\$42,664.00	86.14%
3950 Mitchell Road		Hangar	5,594	\$4.59	\$25,656.00	\$5.50	\$30,767.00	19.92%



TO: President and
Members of the Board
Board of Directors
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

FROM: Craig A. Steele, General Counsel
Richards Watson & Gershon

MEETING: APRIL 23, 2026

ITEM

Authorization for the President and Secretary to Execute a Revised Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and to Related Matters regarding Ground Lease with United Lions Corporation

BACKGROUND

The Board approved a version of this agreement on February 12, 2026 and the Board's officers executed it on behalf of the District. After the agreement was executed, the lender for the project requested additional relatively minor changes to the document.

The Santa Maria Public Airport District ("District") and H&H, LLC and Edgewater Motel, Inc. ("H&H") entered into a Ground Lease on July 14, 2011, effective on August 1, 2011, as amended and restated on October 27, 2022 ("Lease"). The District, as Landlord, leased property containing an area of approximately 5.19 acres, located at 3455 Skyway Drive, Santa Maria, California 93455 ("Property"). On October 27, 2022, H&H assigned the Lease to United Lions Corporation ("Tenant"), assigning all rights and obligations under the Lease to Tenant for the remainder of the Lease term. Tenant's term on the Lease, following the assignment, commenced on November 30, 2022 and expires on November 29, 2062.

Tenant is undergoing a renovation project on the Property and has secured various funding sources for the project. Tenant is currently pursuing its options for funding under the California Statewide Communities Development Authority ("CSCDA") Open PACE Program ("PACE Program"). CSCDA is a public entity. The PACE Program assists property owners with financing for the installation of, among other things, certain renewable energy, energy and water efficiency, and seismic strengthening improvements that are permanently fixed to real property and authorized by statute.

When the property is leased, the PACE Program requires cooperation from the landlord of the property as well as a local sponsoring agency. As the first step in pursuing this funding option, Tenant requests that the District, as Landlord, sign the document titled "Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and to Related Matters" ("Consent and Agreement") and an Estoppel Certificate. The previously-approved Estoppel Certificate is not being changed.

Signing the Consent and Agreement will provide the District's consent to Tenant entering into an agreement with CSCDA regarding the funding, acknowledge that Tenant is not violating the terms of the Lease by entering into an agreement with CSCDA, and agree that the District would recognize and be bound to any subsequent buyer of the Leasehold interest following a foreclosure sale.

ANALYSIS

The changes the lender requested are not material. The only change to the actual Consent and Agreement text is to add a provision that adds the PACE program to Section III(v) as the lender for United Lions' financing. This gives the lender certain rights to notice in the event of a default by United Lions. There are more changes to the "Form Assessment Contract" between the lender and United Lions that will be an exhibit to the Consent and Agreement. This is the document the District is consenting to. Most significant, the new language permits the borrower to prepay the assessment without penalty. Also, it prohibits United Lions from terminating the lease early if it still owes money under the Assessment Contract. These changes actually provide slightly more protection to the District and we see no reason to object to adding them to the agreement.

The terms of the Consent and Agreement is consistent with rights provided to Tenant through the Lease and the financing will provide a benefit to the Airport by providing funds for covered improvements. Our office has reviewed the documents and requested certain changes, to which the Tenant and the lender have agreed. While it is regrettable that the lender requested these changes after the Board had approved what we were told was the final version of the documents, it is in the District's interest to help move this financing forward.

RECOMMENDATION

The General Counsel recommends that the Board of Directors authorize the President and Secretary to execute the Consent and Agreement and Estoppel Certificate regarding the District's Lease with United Lions Corporation.

ATTACHMENTS

- A. Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and to Related Matters Executed by Tenant

Alexander F. Simas
Christian P. Salgado
Evan A. Ferini
Diana H. Alcalá
Kelly A. Stone (*also licensed in New Mexico*)

KIRK & SIMAS

— A Professional Law Corporation —

Daniel J. Kirk
1927-2020

Timothy K. Nguyen
Jazmine A. Killian
Sara M. Ferini
Yasameen K. Mohajer (*provisionally licensed*)

Joslynn Betty
Office Manager

VIA DELIVERY

April 15, 2026

Santa Maria Airport Board of Directors
Santa Maria Public Airport District
3249 Terminal Drive
Santa Maria, Ca 93455

**RE: United Lions (Airport Radisson) PACE Loan Estoppel and Consent
Kirk & Simas File #17027.01**

Gentlemen:

Per my recent correspondence with your District legal counsel, attached please find enclosed and updated Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and as to Related Matters for consideration at your April 23 Board meeting.

This is a document to facilitate a loan to finance the ongoing improvements underway at the Radisson hotel on airport property and us an updated version of the document approved at your February 12 meeting.

We hope that you will consider this revised request on our client's behalf, approve, and return the documents.

If you have any questions, we will be happy to address them.

Sincerely,



Alexander F. Simas
ASimas@KirkSimas.com
AFS/kg
CC: Client
District Counsel
Enclosures as stated

SANTA MARIA PUBLIC AIRPORT DISTRICT

**CONSENT AND AGREEMENT TO THE LEVY OF
A CONTRACTUAL ASSESSMENT
ON A LEASEHOLD INTEREST
AND TO RELATED MATTERS**

Date: April 23, 2026

Property Address: 3455 Skyway Drive, Santa Maria, California, 93455

Property APNs: 111-231-005 & 111-231-006, 111-231-018

To Whom it May Concern:

The Santa Maria Public Airport District (“**District**”), acting by and through its Board of Directors (“**Board**”), (together, the “**Local Agency**”) is the owner of the fee simple interest in a property identified by the above-referenced address and assessor’s parcel numbers (the “**Property**”). The Local Agency has conveyed a leasehold interest in the Property (the “**Leasehold Interest**”) pursuant to that certain unrecorded Lease by and between the Local Agency and United Lions Corporation (“**Lessee**”), originally dated July 14, 2011, as amended and restated October 27, 2022 (the “**Ground Lease**”).

I. Background. Lessee has informed the Local Agency of the following:

(i) The California Statewide Communities Development Authority (“**Authority**”) has established CSCDA Open PACE (“**PACE Program**”), which assists property owners with financing for the installation of, among other things, certain renewable energy, energy and water efficiency and seismic strengthening improvements that are permanently fixed to their properties (“**Authorized Improvements**”) and authorized under Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California (“**Chapter 29**”).

(ii) In general, under Chapter 29, the Authority levies contractual assessments to finance the installation of Authorized Improvements on private property by agreement with the owners of the property (an “assessment contract”). Pursuant to Section 5898.30 of Chapter 29, the contractual assessment is collected in installments on the property tax bill in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes.

(iii) Section 5898.33 of Chapter 29 provides for the levy of contractual assessments on a leasehold or possessory interest granted by a public agency in its property and, in that circumstance, requires (A) the contractual assessment to be paid by the owner of the leasehold or possessory interest, (B) the assessment contract to be entered into by the public agency that established the program (in this case the Authority) and the lessee, and (C) the public agency owning the property to provide prior written consent to the contractual assessment.

(iv) The Authority issues bonds payable from contractual assessments pursuant to the Improvement Bond Act of 1915 (the “**Bond Act**”). Under the Bond Act, as a cumulative remedy, if any contractual assessment or installment thereof is not paid when due, the Authority may order that the same be collected by an action brought in the superior court to foreclose the lien thereof.

II. Requests by Lessee. The Lessee has informed the Local Agency that it wishes to agree to a contractual assessment on the Leasehold Interest to be levied by the Authority pursuant to the Assessment Contract (defined below) and has requested that the Local Agency:

(i) consent to the Lessee executing an assessment contract with the Authority (the “**Assessment Contract**”), providing for the levy of a contractual assessment on the Leasehold Interest in an amount not to exceed \$16,000,000 and an interest rate not to exceed 8.15% (the “**Leasehold**”).

Contractual Assessment”), in substantially the same form as the Assessment Contract attached hereto as Exhibit A:

(ii) agree that the levy of the Leasehold Contractual Assessment on the Leasehold Interest does not and will not constitute a default or an event of default or trigger the exercise of any remedies by the Local Agency under the Ground Lease;

(iii) agree that, the Authority will enjoy all the same benefits that a “lender” enjoys under the terms of the Ground Lease (including, without limitation, Article 11 of the Ground Lease), and the Assessment Contract and related financing will receive all of the same benefits that a “mortgage” enjoys under the terms of the Ground Lease (including, without limitation, Article 11 of the Ground Lease) and, accordingly, the Authority shall be entitled to exercise all applicable rights and remedies granted to a lender under the Ground Lease with respect to the Leasehold Contractual Assessment and the Assessment Contract; and

(iv) agree that the written consent of the Local Agency is not required for the Leasehold Interest to be purchased at a foreclosure sale under the Bond Act or the exercise of any rights and remedies of the Authority (or the Program Administrator) under the Assessment Contract or any other documents executed and delivered by the Lessee and/or the Authority evidencing, governing, securing, or pertaining to the Leasehold Contractual Assessment (as the same may be amended from time to time, collectively, the “**PACE Documents**”).

III. Consent and Agreement. The Local Agency hereby consents, represents and agrees as follows:

(i) The Local Agency hereby consents to the Lessee executing the Assessment Contract in substantially the same form attached hereto as Exhibit A and to the levy by the Authority of the Leasehold Contractual Assessment on the Leasehold Interest. The Lessee agrees to provide the Local Agency a fully-executed copy of the Assessment Contract within a reasonable time following execution of the Assessment Contract. The Local Agency hereby consents to and acknowledges the appointment by the Authority of Stonehill PACE, LLC, a Delaware limited liability company (the “**Program Administrator**”) as a program administrator for the PACE Program as it pertains to the Leasehold Contractual Assessment.

(ii) The Local Agency hereby represents and agrees that the levy of the Leasehold Contractual Assessment on the Leasehold Interest and the execution, delivery and performance of the PACE Documents do not and will not constitute a default, event of default, or an event which, with the giving of notice or the lapse of time, or both, would constitute a default under the Ground Lease or trigger the exercise of any remedies by Local Agency under the Ground Lease.

(iii) The Local Agency hereby agrees that, in the event of a delinquency in the Lessee’s payment of any portion of the Assessment Obligations (as defined in the Assessment Contract) and the subsequent purchase of any portion of the Leasehold Interest at a foreclosure sale commenced by the Authority, the Ground Lease shall automatically transfer to such purchaser or transferee without the need for further action, documentation (other than execution and delivery of an assumption agreement), approval or consent of the Local Agency. Under no circumstances shall the Local Agency be responsible for paying the Leasehold Contractual Assessment.

(iv) The Local Agency hereby agrees that if the Leasehold Interest shall be purchased by reason of foreclosure or other proceedings to collect any delinquent Leasehold Contractual Assessment installments, the Local Agency shall be bound to the purchaser under all of the terms, covenants, and conditions of the Ground Lease for the balance of the term thereof remaining and any extensions or renewals thereof that may be effected in accordance with any option therefor in the Ground Lease, with the same force and effect as if the purchaser were the Lessee under the Ground Lease from and after the purchase of the Leasehold Interest, and the Local Agency does hereby attorn to the purchaser as the Lessee. Such attornment shall be effective and self-operative without the execution of any further instruments on the part the Local Agency or the purchaser (other than execution and delivery of an

assumption agreement), immediately upon a purchaser succeeding to the interest of Lessee under the Ground Lease.

(v) The Local Agency hereby agrees that the Authority will enjoy all the same benefits that a "lender" enjoys under the terms of the Ground Lease (including, without limitation, Article 11 of the Ground Lease), and the Assessment Contract and related financing will receive all of the same benefits that a "mortgage" enjoys under the terms of the Ground Lease (including, without limitation, Article 11 of the Ground Lease) and, accordingly, the Authority shall be entitled to exercise all applicable rights and remedies granted to a lender under the Ground Lease with respect to the Leasehold Contractual Assessment and the Assessment Contract.

(vi) Notwithstanding anything to the contrary stated or implied herein or in the Assessment Contract or any other documents executed in connection with the levy of the Leasehold Contractual Assessment, neither the Assessment Contract nor any other documents executed in connection with the levy of the Leasehold Contractual Assessment grant or shall be deemed to grant any interest in the Local Agency's fee estate or to subordinate the Local Agency's fee estate to the lien created by the Assessment Contract.

(vii) All notices or other communications delivered to the Authority shall be in writing, with a copy by email, addressed to the following address:

Stonehill PACE, LLC
One Alliance Center
3500 Lenox Road, Suite 625
Atlanta, Georgia 30326
Attn: Hannah Hughes
E-mail: hhughes@peachtreegroup.com

All notices or other communications delivered to the Landowner shall be in writing, delivered in the manner and to the addresses set forth in Section 16.01 of the Ground Lease.

(viii) Except as set forth herein, the Local Agency will not be prohibited from enforcing any provision of the Ground Lease following a default by the Lessee thereunder.

(xi) The Local Agency hereby acknowledges and intends that the Lessee, the Authority, the Program Administrator and any purchaser at a foreclosure sale under the Bond Act, together with their respective successors and assigns, will each rely on the representations, agreements and consent of the Local Agency set forth herein.

*[Remainder of page intentionally left blank;
signature page immediately follows]*

IN WITNESS WHEREOF, Local Agency and Lessee have executed this Consent and Agreement to the Levy of a Contractual Assessment on the date set forth to the left of their signatures.

LOCAL AGENCY:

SANTA MARIA AIRPORT DISTRICT

Dated: _____

By: _____

Name: Steve Brown

Title: President

Dated: _____

By: _____

Name: Tony Guy

Title: Secretary

Approved as to Content:

By: _____

Name: Martin Pehl

Title: General Manager

Approved as to Form:

By: _____

Name: Craig A. Steele

Title: General Counsel

LESSEE:

UNITED LIONS CORPORATION

Dated: _____

By: _____

Name: _____

Title: _____

Exhibit A

Form of Assessment Contract

[see attached]

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
OPEN PACE PROGRAM**

ASSESSMENT CONTRACT

This Assessment Contract (this “**Contract**”) is made and entered into as of [], 2026, by and between the California Statewide Communities Development Authority, a joint exercise of powers authority (the “**Authority**”) and United Lions Corporation (together with its successors and assigns, the “**Assessee**”, and together with the Authority, the “**Parties**” or individually, a “**Party**”), in its capacity as the owner of a leasehold interest in the parcels of real property identified on Exhibit A (collectively, the “**Property**”) pursuant to the Lease (as defined below).

RECITALS

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CSCDA Open PACE Program (the “**Program**”) to allow the financing or refinancing of certain distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (collectively, the “**Authorized Improvements**”) through the levy of contractual assessments pursuant to Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code (“**Chapter 29**”) and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the “**1915 Act**”) upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, Chapter 29 further provides that if a public agency owning property grants a leasehold interest in such property, a contractual assessment may be levied on the leasehold interest and shall be payable by the owner of the leasehold interest pursuant to an assessment contract entered into by the public agency and the lessee, provided that the public agency provides prior written consent to the contractual assessment; and

WHEREAS, the Santa Maria Public Airport District (together, the “**Property Owner**”), as the owner of the Property, has conveyed a leasehold interest in the Property to Assessee pursuant to that certain unrecorded Lease by and between the Property Owner as lessor, and the Assessee as lessee, originally dated July 14, 2011, as amended and restated October 27, 2022, together with any replacement lease, as may be amended, restated, replaced, supplemented or otherwise modified from time to time in compliance with the terms of this Contract and the Consent and Agreement (defined below) (the “**Lease**”); and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the city or county identified as the “**Participating Entity**” in Exhibit A; and

WHEREAS, the Authority has appointed Stonehill PACE, LLC, a Delaware limited liability company as a program administrator (together with any successors or assigns, the “**Program Administrator**”) for the Program as it pertains to this Contract; and

WHEREAS, the Property is located within the boundaries of the Participating Entity, and the Participating Entity has consented to (i) owners of property within its jurisdiction participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance or refinance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Parties wish to enter into this Contract pursuant to which the Assessee would agree to pay an assessment in order to finance or refinance the installation of the Authorized Improvements described in Exhibit A (the “**Improvements**”) and the Authority would agree to provide financing for the installation of the Improvements, all on the terms set forth in this Contract; and

WHEREAS, the Property Owner, the Assessee and the Authority intend for an assessment to be levied on the Assessee’s leasehold interest in the Property; and

WHEREAS, in furtherance of the foregoing and in accordance with Chapter 29, pursuant to that certain Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and to Related Matters, dated [], 2026 (the “**Consent and Agreement**”), the Property Owner (in its capacity as the owner of the Property) has consented in writing to the Assessee entering into this Contract, whereby the Authority shall levy contractual assessment on the Assessee’s leasehold interest in the Property.

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Assessee and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

AGREEMENT

Section 1. Purpose. The Assessee and the Authority are entering into this Contract for the purpose of financing or refinancing the installation of the Improvements.

The Assessee hereby agrees to construct the Improvements on the Property, or represents and warrants that the Improvements have been constructed on the Property (as the case may be), and that the Improvements will be, or are, permanently affixed to the Property (subject to casualty or condemnation and replacement of certain fixtures in the ordinary course).

Section 2. The Property. This Contract relates to a leasehold interest in the Property created by the Lease. The Assessee has supplied to Program Administrator and the Authority evidence of: (i) the Property Owner’s ownership of fee title to the Property, and (ii) the Consent and Agreement, evidencing Property Owner’s consent to the contractual assessment to be levied by the Authority pursuant to this Contract on the Assessee’s leasehold interest under the Lease. Assessee has delivered to Program Administrator and the Authority true and complete copies of the Lease and all amendments thereto.

Section 3. Contract to Pay Assessment; Prepayment; Non-Completion Assessment.

(a) **Payment of Assessment.** With respect to the leasehold interest in the Property, the Assessee hereby freely and willingly agrees to pay the assessment (the “**Assessment**”) in the

amount shown as the "Assessment Amount" on Exhibit B, representing the amounts being financed to (i) install, or refinance the installation of, the Improvements, which is shown as the "Project Amount" on Exhibit B, (ii) capitalize interest, which is shown as the "Capitalized Interest" on Exhibit B, and (iii) pay certain closing costs, as described in Section 3(c), which is shown as the "Closing Costs" on Exhibit B. The Authority will provide financing under this Contract for the benefit of the Assessee in an amount not exceeding the Assessment Amount. The Assessee acknowledges that the Authority may bill the Assessment Installments separately from the County property tax bill, as needed. The Authority will obtain the money to finance or refinance the installation of the Improvements with the proceeds of California Statewide Communities Development Authority Open PACE limited obligation improvement bonds (the "**Bonds**") pursuant to an Indenture (the "**Indenture**") dated as of [_____], 2026, by and between the Authority and Western Alliance Trust Company, National Association, as trustee (the "**Trustee**"), payable in whole or in part from the installments described below. Interest will accrue on the Assessment Amount at the interest rate set forth on Exhibit B beginning on the date on which the Authority issues the Bonds to finance or refinance the installation of the Improvements. Except as otherwise set forth in this Contract, the Assessment will be paid in the installments of principal (representing the amortization of the Assessment over the period shown on Exhibit B) and interest on the unpaid principal at the interest rate set forth on Exhibit B. Such installments of principal and interest are referred to collectively in this Contract as the "**Assessment Installments**" and are further described in Section 5(b).

(b) Payment of Non-Completion Assessment. The Assessee acknowledges that if, by the Completion Deadline (as shown in Exhibit B) or such later date as the Authority, in its sole discretion, determines, the Assessee fails to install, or cause to be installed, the Improvements in compliance with the Program rules, this Contract and/or any other documents related to the Program or the Improvements, including that certain Program Fund Disbursement Agreement by and between the Assessee and the Program Administrator to be executed on or about the day hereof (the "**Disbursement Agreement**"), the Authority may apply the undisbursed proceeds of the Bonds that had been intended for financing the Improvements, plus any related amounts financed for capitalized interest or a debt service reserve fund deposit, to pay scheduled debt service on the Bonds or redeem the Bonds, including any redemption premium and related administrative costs. Any use of proceeds of the Bonds to redeem the Bonds or pay principal of the Bonds in accordance with this paragraph shall result in a prepayment or payment (as applicable) of the principal amount of the Assessment in the same amount as the principal amount of the Bonds that were redeemed.

(c) With respect to the leasehold interest in the Property, the Assessee hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") to pay (i) any costs incurred by the Authority in connection with such redemption and (ii) if applicable, all of the Authority's costs related to the release of the discharged portion of the lien of the Assessment. The Assessee acknowledges that, if the Authority elects to levy a Non-Completion Assessment on the leasehold interest in the Property, the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the property tax roll of the county identified at Exhibit A (the "**County**"). As used in this Contract, "**Applicable Law**" means any federal, state or local or municipal law of any Governmental Authority (defined below), applicable to a person or entity or any of its properties, assets, business or operations. As used in this Contract, "**Governmental Authority**" means any domestic or federal, state or municipal government.

(d) Financing the Closing Costs. In addition to financing the Project Amount, the Authority will finance certain amounts, which are included in the Assessment as "Closing Costs" on Exhibit B from a portion of the proceeds of the Bonds.

(e) Annual Administrative Fee. The Assessee hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to any Assessment Installment in order to pay for the costs of collecting the Assessment, including the Assessment Installment, the annual administration of the Assessment, the annual administration of Bonds, and other administrative costs, including but not limited to the Administrative Costs as defined in the Indenture (the "**Annual Administrative Fee**"). Such additional amounts, if any, may include administrative costs that were paid from penalties and interest as a result of one or more delinquent Assessment Installments if such penalties and interest otherwise would have been paid to the owners of the Bonds as additional interest. Exhibit B shows the estimated Annual Administrative Fees and the Assessment Installments; provided however, such estimated Annual Administrative Fees might increase if the costs of collecting the Assessment Installments or administering the Program increase. The Assessee agrees to pay actual Annual Administrative Fees, which may be higher than such estimates. The Annual Administrative Fees, together with each Assessment Installment, the Non-Completion Assessment and the Assessment, are referred to collectively as the "**Assessment Obligations.**"

(f) Prepayment of the Assessment. The Assessee may prepay the Assessment, in whole or in part, on any date. Should the Assessee wish to prepay the Assessment, the Assessee shall provide written notice to the Program Administrator, whose contact information appears in Exhibit A hereto (such notice, the "**Prepayment Notice**"). Upon receipt of the Prepayment Notice, a prepayment statement will be prepared and provided to the Assessee. The Assessment may be prepaid pursuant to such prepayment statement upon the payment of (a) the amount of any delinquent installments of principal or interest on the Assessment, together with penalties accrued to the date of prepayment, plus (b) the amount of the unpaid, non-delinquent principal of the Assessment to be prepaid (the "**Assessment Prepayment Amount**"), plus (c) interest on the Assessment Prepayment Amount through the next redemption date of the Bonds that is at least 60 days following the date of prepayment, plus (d) an amount equal to the Prepayment Premium (as defined in Exhibit B), if applicable, plus (e) a fee, if charged by the Authority or Program Administrator, for the cost of administering the prepayment and the redemption of Bonds. For the avoidance of doubt, the Bonds can be redeemed on any date.

The Authority shall apply the elements of the amounts listed in clauses (a) through (d) above to the redemption of the Bonds.

In the event the Assessee prepays the Assessment in whole, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of such Assessment on the leasehold interest in the Property. In the event the Assessee prepays the Assessment in part, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary (including an amendment to the "Notice of Assessment" as defined below) reflecting a modification to remaining Assessment Installments to take into account prepayment of the Assessment Prepayment Amount and a recalculation of the amortization of the remaining Assessment (after application of the Assessment Prepayment Amount) over the remaining term of the Bonds in a manner that is consistent with the amortization schedule of the remaining outstanding Bonds.

(g) Unused Bond Proceeds. In the event that the Authority concludes that there are proceeds of the Bonds secured by the Assessment that will not be used to finance or refinance

the installation of the Improvements, including in the circumstances described in Section 3(b), the Authority shall use such proceeds to pay scheduled debt service on the Bonds or pay the redemption price of all or a portion of the Bonds and related administrative costs. In the event that the Assessee notifies the Authority that proceeds of the Bonds will not be used to finance or refinance the installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Bonds and related costs or to make payments on the Bonds as they come due, as directed by the Authority. Any use of proceeds of the Bonds to pay scheduled principal or redeem the Bonds in accordance with this paragraph shall result in a prepayment or payment (as applicable) of the principal amount of the Assessment in the same amount as the principal amount of the Bonds that were redeemed.

(h) Absolute Obligation. The Assessee hereby agrees that the Assessment Obligations will not be subject to reduction, offset or credit of any kind if the Improvements fail to perform in any way or for any reason, the Bonds are refunded or for any other reason.

Section 4. Collection of Assessment; Lien.

(a) The Assessment Obligations, statutory interest and penalties on any delinquent payments of the Assessment Obligations and the costs of suit (including attorneys' fees) shall constitute a lien against the leasehold interest in the Property until they are paid and shall be collected, for so long as the Lease is in existence in accordance with Applicable Law. As set forth in Chapter 29, such lien shall be coequal to and independent of the lien for general taxes. Assessee shall not amend, modify, supplement, restate or terminate the Consent and Agreement without the prior written consent of the Program Administrator.

(b) The Assessee acknowledges that if any Assessment Obligation for any year is not paid prior to delinquency, the Authority has the right to have such delinquent Assessment installment and its associated statutory penalties and interest stripped off the secured property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the entire leasehold interest of Assessee under the Lease for the payment of the delinquent installments, associated statutory penalties and interest, and all costs of suit, including attorneys' fees. The Assessee further acknowledges that Section 5898.33 of Chapter 29 also provides for the tax collector to use collection procedures that are available for the collection of assessments on the unsecured roll if the Assessee does not pay any Assessment Obligation for any year when due.

(c) The Assessee acknowledges that, if Bonds are sold to finance or refinance the Improvements, the Authority may pledge and assign this Contract and the Assessment and lien as security for the Bonds and obligate itself, through a covenant with the owners of such Bonds, to exercise its judicial foreclosure rights with respect to delinquent Assessment Obligations under circumstances specified in such covenant. Such a covenant would typically provide that, no later than a specific date in each year, the Authority will determine whether the leasehold interest in the Property is delinquent in the payment of any portion of the Assessment Obligations and, if so, will commence, or cause to be commenced, judicial foreclosure proceedings against the leasehold interest of Assessee under the Lease, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the Bond owner(s).

(d) The Parties hereby acknowledge that the Lease creates a leasehold interest in multiple legal parcels that have been assigned separate assessor parcel numbers, and that the intent of the Parties is that, to the maximum extent permitted by Applicable Law, the Authority will

provide financing for the Improvements and, in consideration of such financing, the Assessee is securing its obligation to repay the Assessment Obligations with the entire leasehold interest granted to Assessee under the Lease. Consistent with the foregoing, the Parties hereby agree that the Assessment Obligations shall be levied on the leasehold interest granted to Assessee under the Lease on Assessor Parcel Number [_____]¹ as set forth in Exhibit B hereto (which is referred to herein as the Participating Parcel), that such Participating Parcel serves as a representative of the leasehold interest in the Property, and that, in the event of a delinquency in the payment of any portion of the Assessment Obligations and the purchase of such leasehold interest in the delinquent Participating Parcel at a foreclosure sale commenced by the Authority or a transfer of such leasehold interest in the Participating Parcel by conveyance or assignment in lieu of foreclosure, such leasehold interest in the remaining parcels constituting the Property encumbered by the Lease shall automatically transfer to such purchaser or transferee without the need for further action, documentation, approval or consent, although the Assessee hereby agrees to provide to the Authority and Program Administrator any documentation required to evidence such assignment as may be requested by the Authority or Program Administrator. The Authority and the Assignee hereby agree that the agreement set forth in the preceding sentence is of a special and unique kind and character, and that there would not be an adequate remedy at law for a breach of such agreement, and the Assessee hereby agrees that such agreement may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California. In pursuing specific performance of such agreement, the party seeking to enforce such agreement shall be entitled to injunctive relief. The Assessee hereby acknowledges that (i) the Authority would not have entered into this Contract or issued the Bonds, and the Program Administrator would not have agreed to administer the Program with respect to the leasehold interest in the Property, in either case, without the agreements set forth in this paragraph, and (ii) the Authority and the Program Administrator are relying on such acknowledgements and agreements by Assessee. In the event of a conflict between this paragraph and the other provisions of this Contract, the provisions of this paragraph shall prevail.

Section 5. Financing or Refinancing of the Improvements.

(a) Contract to Finance or Refinance Improvements. The Authority hereby agrees to use the Assessment, together with the Annual Administrative Fee, to finance or refinance the installation of the Improvements, including the payment of the Authority's and the Program Administrator's costs of administering the Program, subject to the Assessee's compliance with the conditions for such financing or refinancing established by the Authority. The proceeds of such financing or refinancing may be used to pay for the ownership of the Improvements or, subject to the requirements of Chapter 29, pay or prepay for the lease of the Improvements or the energy or other output of the Improvements, which Improvements may be owned for tax purposes or otherwise by a third-party.

(b) Assessment Installments. The Assessee agrees to the issuance of the Bonds by the Authority to finance or refinance the installation of the Improvements. The interest rate used to calculate the interest component of the Assessment Installments is identified on Exhibit B. If the actual cost of acquisition, construction or installation of the Improvements exceeds the Project Amount as set forth in Exhibit B, then the Assessee agrees to pay the additional costs from a source of funds other than the Program and complete the acquisition, construction or installation of the Improvements.

¹ NTD: Stonehill to confirm APN to levy.

(c) Disbursement of Bond Proceeds from the Program Fund. The Assessee and the Authority hereby agree that the Assessee may request disbursements of Bond proceeds from the Program Fund (as defined in the Indenture), established for the Bonds in compliance with the disbursement requirements established on behalf of the Authority by the Program Administrator.

Section 6. Term; Contract Runs with the Land; Subdivision.

(a) Except as otherwise set forth in this Contract, this Contract shall expire upon the payment or prepayment in full of the Assessment Obligations or, subject to the terms and conditions of the Lease and the Consent and Agreement.

(b) This Contract establishes rights and obligations that are for the benefit of the Property and Assessee's leasehold interest in the Property, and therefore, such rights and obligations run with the land pursuant to California Civil Code Section 1462 for the term of the Lease.

(c) In the event the Participating Parcel is subdivided while the Assessment Obligation remains unpaid, the Assessment Obligation will be assigned to the newly-created parcels on a pro rata basis, calculated on the relative assessed value of each newly-created parcel, unless the Authority, in its sole discretion, determines that the Assessment Obligation should be allocated in an alternate manner. Any such subdivision and assignment shall not alter the nature of the Participating Parcel (and any successor parcels) as a representative of the leasehold interest in all of the parcels comprising the Property.

(d) In the event a single assessor's parcel number is assigned to the leasehold interest in the Property held by Assignee under the Lease, the Assessment Obligations will be assigned to the new assessor's parcel number.

Section 7. Recordation of Documents.

(a) The Assessee hereby authorizes and directs the Authority to cause to be recorded against the Property in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the leasehold interest in the Property, including but not limited to the Notice of Assessment and Payment of Contractual Assessment Required (the "**Notice of Assessment**").

(b) The Assessment Installments and related Annual Administrative Fee will be placed on the County property tax roll each "**Tax Year**" (being the period beginning July 1 and ending the immediately succeeding June 30), commencing with the first Tax Year for which the Assessment Installments and related Annual Administrative Fee are placed on the Assessee's property tax bill prior to the applicable tax roll deadline (the "**Initial Tax Year on Roll**"). The Initial Tax Year on Roll is identified on Exhibit B.

Section 8. Successor Assessee. If required by Applicable Law, the Assessee hereby agrees to provide written notice to any subsequent leasehold owner of the Lease in direct succession to Assessee of the Participating Parcel of the obligation to pay the related Assessment Obligations pursuant to this Contract.

Section 9. Waivers, Acknowledgment and Contract. Because this Contract reflects the Assessee's free and willing consent to pay the Assessment Obligations following a noticed public hearing, the Assessee hereby waives any otherwise applicable requirements of Article XIID of

the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

The Assessee hereby waives its right to repeal the Assessment by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessment, the Assessment Obligations or any aspect of the proceedings of the Authority undertaken in connection with the Program. The Assessee hereby agrees that it and its successors in interest to the leasehold interest in the Property pursuant to the Lease shall be solely responsible for the installation, operation and maintenance of the Improvements. The Assessee hereby acknowledges that the Assessee will be responsible for payment of the Assessment Obligations regardless of whether the Improvements are properly installed, operated or maintained or perform as expected.

The Assessee hereby agrees that the Authority is entering into this Contract solely for the purpose of assisting the Assessee with the financing or refinancing of the installation of the Improvements, and the Authority, the Program Administrator, the owners of the Bonds and the Participating Entity have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing, maintenance or performance of the Improvements. Based upon the foregoing, the Assessee hereby waives the right to recover from and fully and irrevocably releases the Authority, the Program Administrator, the owners of the Bonds and the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority, the Program Administrator, the owners of the Bonds and the Participating Entity from any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all out-of-pocket litigation costs and attorney's fees), relating to the subject matter of this Contract or the Disbursement Agreement that the Assessee may now have or hereafter acquire against the Authority, the Program Administrator, the owners of the Bonds, the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority, the Program Administrator, the owners of the Bonds and the Participating Entity.

If the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other Applicable Law, it is the intention of the Assessee that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all out-of-pocket litigation costs and attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Assessee agrees to waive any and all rights and benefits conferred upon the Assessee by the provisions of Section 1542 of the California Civil Code or similar provisions of Applicable Law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BY INITIALING BELOW, ASSESSEE HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS THAT ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Assessee(s) Initials: _____

The waivers, releases and agreements set forth in this Section 9 shall survive termination or expiration of this Contract.

Section 10. Indemnification. The Assessee agrees to indemnify, defend, protect, and hold harmless the Property Owner, Authority, the Program Administrator, the owners of the Bonds, and the Participating Entity and any and all agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority, the Program Administrator, the owners of the Bonds or the Participating Entity from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all out-of-pocket litigation costs and attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with, (i) the Assessee's participation in the Program, (ii) the Assessment, (iii) the Improvements, (iv) the Bonds, (v) any act or omission of the Assessee or any of its agents, contractors, servants, employees, tenants or licensees in connection with the Lease, the Property or the Improvements, the operation of the Property or the Improvements, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Property or the Improvements or any part thereof, (vi) any lien or charge upon payments by the Assessee to the Authority and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or the Trustee in respect of any portion of the Property or the Improvements, (vii) any violation of any Environmental Regulations (as defined below) with respect to, or the release of any Hazardous Substances (as defined below) from, the Property or the Improvements or any part thereof, (viii) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact made by the Assessee contained in any of the documents relating to the Bonds, or any omission or alleged omission of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (ix) the Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party or (x) any other fact, circumstance or event related to the subject matter of this Contract, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all out-of-pocket litigation costs and attorney's fees) accrue before or after the date of this Contract.

For purposes of this Section, Environmental Regulations and Hazardous Substances have the following meaning:

"Environmental Regulations" means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances or chemical waste, materials or substances.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Property or to persons on or about the Property or (ii) cause the Property to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law (“HWCL”), Cal. Health & Safety Code §§ 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety Code §§ 25280 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property, or any other person coming upon the Property or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

The provisions of this Section 10 shall survive the final payment or defeasance of the Bonds and the termination or expiration of this Contract.

Section 11. Right to Ongoing Information. The Assessee hereby grants the Authority, its agents and representatives the right to examine and copy any documentation relating to the Improvements as well as documents relating to the financial operation of the Property, including operating statements, rent rolls, appraisals, and similar documents and information.

The Assessee hereby grants the Authority, its agents and representatives the right to enter the Property to inspect the Improvements, at any reasonable time, upon reasonable notice.

In addition, at the Authority’s request, Assessee shall secure and deliver to Authority an appraisal of Assessee leasehold interest in the Property under the Lease prepared by an appraiser approved by the Authority in its sole discretion; provided, however, if the Assessee is not in default under this Contract, the Authority will not request any such appraisal more than one time in a 12-month period.

Section 12. Carbon Credits. The Parties hereby agree that any carbon credits attributable to the Improvements shall be owned by the Assessee.

Section 13. Program Application. The Assessee hereby represents and warrants to the Authority that the written information supplied by the Assessee or its representatives to the Authority or the Program Administrator in connection with its request for financing is true and correct in all material respects as of the date hereof.

Section 14. Additional Covenants.

(a) **Insurance.**

(i) The Assessee hereby covenants for the benefit of the Authority to maintain fire and other risk insurance and public liability insurance with respect to the Property, in commercially reasonable amounts and with the property insurance not less than the full replacement value of the Property. In addition to the foregoing, the Assessee agrees to cause the Authority, the Program Administrator and their successors and assigns to be named as “additional insureds” on all casualty and general liability insurance policies that the Assessee maintains on the Property, and to cause the Authority, as issuer of the Bonds, and its successors and assigns, to be named as “lender’s loss payable” and “loss payee” on all property insurance that the Assessee maintains on the Property. The Assessee will deliver the policies or certificates of insurance in form reasonably satisfactory to the Authority, including stipulations, to the extent reasonably available in the marketplace, that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to the Authority. Each insurance policy also shall include an endorsement providing that coverage in favor of the Authority will not be impaired in any way by any act, omission or default of the Assessee or any other person (except non-payment of premium). The Assessee will provide the Authority with a “lender’s loss payee” endorsement in connection with the property insurance policy in favor of the Authority, as issuer of the Bonds.

(ii) Subject to the provisions of clause (iii) of this Section 14(a) if the Assessee receives any property insurance proceeds attributable to the Property during the term of this Contract, subject to Section 12.01 of the Lease (1) the Assessee may use such proceeds to repair and restore the Property if (A) there is no uncured event of default under this Contract and (B) the Assessee provides evidence to the Authority that the Assessee has entered into a fixed price or guaranteed maximum contract for the repair and restoration of the Property, the price of which, including amounts for contingencies, is equal to or less than the amount of the insurance proceeds and other amounts that the Assessee represents in writing are available to repair and restore the Property or (2) the Assessee shall use such proceeds to prepay the Assessment Obligations. If both clauses (A) and (B) of the immediately preceding sentence are not satisfied and if the Assessee receives the property insurance proceeds attributable to the Property during the term of this Contract, unless the Authority agrees otherwise in writing, the Assessee shall transfer such proceeds to the Authority for deposit into the Insurance Proceeds Fund established and maintained by the Trustee under the Indenture.

(iii) Notwithstanding the foregoing provisions of this Section 14(a) or anything else under this Contract (but subject to the Lease and without limiting Assessee’s obligations under the first sentence of Section 14(a)(i)), as long as the loan, made as of October 4, 2024, pursuant to which a Deed of Trust was recorded on October 29, 2024, document number 2024-0032136 (the “**Existing Financing**”), to the Assessee by American Riviera Bank, a California banking corporation (the “**Existing Lender**”) as of the date of this Contract remains unpaid:

(1) Each of (i) Existing Lender, (ii) Program Administrator and (ii) the Authority shall be named as “lender’s loss payable” on all property insurance that the Assessee maintains on the Property, and “additional insured” on all casualty and general liability insurance policies that the Assessee maintains on the Property, and

(2) In the event of damage or destruction of the Property, (A) the Existing Lender shall have sole authority to collect and apply any property insurance proceeds

affecting the Property if the Existing Lender determines insurance proceeds are to be applied to repair and restore the Property, subject to the terms and conditions of the documents evidencing and securing such Existing Financing are satisfied or otherwise waived by such Existing Lender or (B) the Existing Lender shall apply any property insurance proceeds affecting the Property to the repayment of such Existing Financing and the Assessment on a pro rata basis based on the outstanding principal amounts; provided, however, as a condition to the Authority's agreement to the provisions of this clause (iii), Assessee shall have secured a written agreement from Existing Lender in favor of the Authority in which the Existing Lender agrees to the provisions of this clause (iii).

(b) Reporting. Following completion of the installation of the Improvements and through the term of this Contract, within sixty (60) days of the Assessee's fiscal year end, the Assessee shall furnish to the Authority a copy of its financial statements, in form and quality as the Authority shall request. Assessee's financial statements shall contain a balance sheet, profit and loss statement and statement of cash flow, each in reasonable detail, prepared in accordance with generally accepted accounting principles reasonably acceptable to the Authority, consistently applied, and shall be certified by a duly authorized manager or officer of Assessee to be complete, correct and accurate. The Assessee shall also furnish (i) a copy of its income tax returns within thirty (30) days of their filing, (ii) within thirty (30) days after the end of each fiscal quarter, an unaudited quarterly financial statement for the Property prepared by Assessee in form reasonably satisfactory to the Authority containing a balance sheet, profit and loss statement, statement of cash flow, and all supporting schedules covering the operation of the Property, all in reasonable detail.

(c) Use of Project. The Assessee shall not use any portion of the Improvements for any business activity that violates any Federal or State law. No portion of the proceeds of the Bonds shall be used to finance or refinance any facility, place or building to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship.

(d) Covenant Not to Terminate or Amend the Lease. The Assessee covenants that for so long as any portion of the Assessment Obligations remains unpaid and the Bonds are outstanding, the Assessee will not (i) terminate the Lease, or (ii) amend, restate, supplement, or otherwise modify the Lease in a manner that would reasonably be expected to have a material adverse effect on the Assessment and Assessee's ability to pay the Assessment Obligations or otherwise perform its obligations under this Contract or the Disbursement Agreement ("**Material Adverse Effect**"), in each case, without the prior written consent of the Program Administrator. Moreover, so long as any portion of the Assessment Obligations remains unpaid and the Bonds are outstanding, Assessee shall comply with the terms and conditions of the Lease and perform all of its obligations thereunder and shall deliver to Program Administrator copies of any notices of material default given by Assessee to Property Owner or received by Assessee from Property Owner.

(e) Additional Property Assessed Clean Energy Financing. The Assessee will not voluntarily agree to a special tax or special assessment lien without the prior written consent of the Program Administrator, which consent will not be unreasonably withheld, conditioned or delayed.

Section 15. Non-Liability of Authority; Waiver of Personal Liability.

The Authority shall not be obligated to pay the principal (or redemption price) of or interest on the Bonds, except from the Assessment and other moneys and assets received by the

Authority pursuant to this Contract. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof (including the Participating Entity), nor the faith and credit of the Authority is pledged to the payment of the principal (or redemption price) of or interest on the Bonds. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Contract, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Assessee under this Contract.

The Assessee hereby acknowledges that the Authority's sole source of moneys to repay the Bonds (whether by maturity, redemption, acceleration or otherwise) will be the Assessment, together with amounts on deposit in and investment income on certain funds and accounts held by the Trustee under the Indenture.

The Assessee acknowledges that the Participating Entity shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with, the Bonds.

No member, officer, agent or employee of the Participating Entity or the Authority or any director, officer, agent or employee of the Assessee shall be individually or personally liable for the payment of any principal (or redemption price) of or interest on the Bonds or any sum hereunder or under the Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this Contract; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Contract.

Section 16. Amendment. Except as set forth in Section 3, this Contract may be modified only by the written agreement of the Authority and the Assessee. A modification of this Contract must be approved in writing by the owner(s) of any Bonds secured by the Assessment if the amendment will adversely impact the owner(s) of the Bonds.

Section 17. Binding Effect; Assignment. This Contract inures to the benefit of and is binding upon the Authority, the Assessee and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Assessee. The Authority intends to delegate certain of its functions under this Contract to the Program Administrator and may pledge and assign this Contract to the Trustee as security for the Bonds. The obligation to pay the Assessment Obligations set forth in this Contract is an obligation of a leasehold interest in the Property, and no agreement or action of the Assessee will be competent to impair in any way the Authority's rights under this Contract or applicable law, including, but not limited to, the right to pursue judicial foreclosure of the Assessment lien or the right to enforce the collection of the Assessment Obligations, any installment thereof or any other amount due and payable by the Assessee under this Contract.

Section 18. Exhibits. Exhibits A and B attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

Section 19. Severability. If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

Section 20. Corrective Instruments. The Authority and the Assessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and

delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract.

Section 21. Governing Law: Venue. This Contract shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Contract shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of Sacramento; provided, however, that actions to foreclose delinquent Assessment Installments and Annual Assessment Administrative Fees will be filed and maintained in the Superior Court of California in the County identified in Exhibit A or as otherwise required by law.

Section 22. Counterparts. This Contract may be executed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

Section 23. Electronic Signatures.

The parties hereto acknowledge and agree that this Contract may be executed by one or more electronic means (hereinafter referred to as “**Electronic Signatures**”). Each party hereto agrees that Electronic Signatures provided by such party shall constitute effective execution and delivery of this Contract by such party to all other parties to or relying on this Contract. Each party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such party to be bound by those signatures and by the terms and conditions of this Contract as signed. Each party agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

Each party hereto agrees to accept Electronic Signatures provided by any and all other parties to this Contract as (i) full and sufficient intent by such parties to be bound hereunder, (ii) effective execution and delivery of this Contract and (iii) constituting this Contract an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

If Electronic Signatures are used to execute this Contract, each party hereto hereby accepts the terms of, and intends and does sign, this Contract by its Electronic Signature hereto.

Section 24. Contract Documents.

Assessee understands and acknowledges that this Contract consists of the entire agreement between Assessee and the Authority.

Assessee hereby represents, warrants, acknowledges and agrees that it has had sufficient time to review and has reviewed this Contract (including its exhibits) and has had the opportunity to ask any questions of the Authority that Assessee may have with respect hereto.

Section 25. Possibility of Default under Current Mortgage (or Other Indebtedness): Potential Inability to Refinance Mortgage or Transfer Assessment. BEFORE SIGNING THIS CONTRACT, THE ASSESSEE SHOULD CAREFULLY REVIEW ANY MORTGAGES, DEEDS OF TRUST, LOAN AGREEMENTS OR OTHER SECURITY INSTRUMENTS WHICH AFFECT THE PROPERTY OR TO WHICH THE ASSESSEE IS A PARTY. ENTERING INTO THIS CONTRACT WITHOUT THE CONSENT OF THE ASSESSEE’S EXISTING LENDERS COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH MORTGAGES, DEEDS OF TRUST,

LOAN AGREEMENTS OR OTHER SECURITY INSTRUMENTS. DEFAULTING UNDER A MORTGAGE, DEED OF TRUST, LOAN AGREEMENT OR OTHER SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE ASSESSEE, WHICH COULD INCLUDE THE ACCELERATION OF THE ASSESSEE'S REPAYMENT OBLIGATIONS.

[Signatures pages follow.]

IN WITNESS WHEREOF, the Authority and the Assessee have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the date identified in the first paragraph of this Contract.

AUTHORITY:

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____

Name:

Title:

The following are the authorized signatories of the Assessee:

ASSESSEE:

UNITED LIONS CORPORATION,
a California corporation

By: _____
Name: Sardaben Patel
Title: Chief Executive Officer and Secretary

EXHIBIT A

**DESCRIPTION OF PROPERTY; DESCRIPTION OF IMPROVEMENTS;
AND NOTICE INFORMATION**

Description of Property Subject to the Lease:

Assessee Name(s): United Lions Corporation
Property Address: 3455 Skyway Drive, Santa Maria, CA 93455
APNs of Property: 111-231-018; 111-231-005; and 111-231-006
Participating Entity: City of Santa Maria
County: Santa Barbara County
Property Legal Description:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE: APN 111-231-005 & 006

That portion of Section 34, Township 10 North, Range 34 West, San Bernardino Base and Meridian, in the City of Santa Maria, County of Santa Barbara, State of California, described as follows:

Beginning at the most Southerly corner of the certain 2.42 acre parcel of land shown on record of survey map recorded in Book 110, Page 10, records of said County; thence North 46° 43' 30" East along the Southeasterly boundary thereof, 44.95 feet to the true point of beginning; thence North 46° 43' 30" East, continuing along said Southeasterly boundary and the Northeasterly prolongation thereof, a distance of 297 .99 feet to a point; thence South 41° 47' 33" East, a distance of 479.16 feet; thence South 46° 43' 30" West, a distance of 285.37 feet; thence North 43° 18' 08" West, a distance of 479.00 feet to the true point of beginning.

Excepting therefrom all oil, gas and other hydrocarbon substances and minerals under said land and mineral rights, without the right of surface entry on said land.

Also excepting from said Parcel One, all uranium, thorium and all other minerals determined pursuant to Section 5B, 1 of Atomic Energy Act of 1946, 60 stat., 761, Executive Order No. 9908 approved December 12, 1947 as reserved in Deed from The United States of America to the County of Santa Barbara, recorded in Book 857 at Page 309 and in the deed from the County of Santa Barbara to the City of Santa Maria, recorded in Book 890 at Page 12 of Official Records of said County.

PARCEL TWO: APN 111-231-018

That portion of Section 34, Township 10 North, Range 34 West, San Bernardino Base and Meridian, in the City of Santa Maria, County of Santa Barbara, State of California, described as follows:

Beginning at the most Southerly corner of the certain 2.42 acre parcel of land shown on record of survey map recorded in Book 110, Page 10, records of said County; thence North 46° 43' 30" East along the Southeasterly boundary thereof and the Northeasterly prolongation thereof, a

distance of 503.02 feet to a point; thence South 41° 47' 33" East, a distance of 120.73 feet to the true point of beginning; thence South 41° 47' 33" East, a distance of 345.00 feet; thence North 48° 12' 27" East, a distance of 249.98 feet, more or less, to a point on the Southwesterly boundary of Skyway Drive as shown on a record of survey map in Book 82, of record of surveys at Page 67, records of said County; thence North 41° 45' 42" West, along said Southwesterly boundary a distance of 345.00 feet; thence South 48° 12' 27" West, a distance of 250.16 feet to the true point of beginning.

Excepting therefrom all oil, gas and other hydrocarbon substances and minerals under said land and mineral rights, without the right of surface entry on said land.

Also excepting all oil, gas and other hydrocarbon substances and minerals in and under said land and mineral rights, without the right of surface entry on said land, as reserved by Santa Maria Public Airport District in the lease recorded November 21, 1984 as Instrument No. 1984-062713 of Official Records.

Also excepting from said Parcel Two, all uranium, thorium and all other minerals determined pursuant to Section 5B, 1 of Atomic Energy Act of 1946, 60 stat., 761, Executive Order No. 9908 approved December 12, 1947 as reserved in Deed from The United States of America to the County of Santa Barbara, recorded in Book 857 at Page 309 and in the deed from the County of Santa Barbara to the City of Santa Maria, recorded in Book 890 at Page 12 of Official Records of said County.

Description of Improvements:

The Improvements include the following:

<u>Improvement</u>	<u>Amount[*]</u>
Envelope	\$3,484,008.97
Mechanical & HVAC	2,899,613.43
Electrical & Lighting	1,079,870.65
Plumbing & Water	1,364,948.75
Covered Process	467,954.87
Seismic Resiliency	917,753.64
Qualifying Soft Costs	3,052,434.83
Total	\$13,266,585.14

[*Eligible costs exceed financed amount.]

Notice Information:

Program Administrator Contact Information:

Stonehill PACE, LLC
One Alliance Center
3500 Lenox Road, Suite 625
Atlanta, Georgia 30326
Attn: Hannah Hughes

Assessee Contact Information:

United Lions Corporation
3455 Skyway Drive
Santa Maria, CA 93455
Attn: Atul Patel
Phone: (805) 680-4627
Email: AtulP67@GMail.com

Summary of Assessment Terms:

The schedule of the Assessment Installments above is based on the amounts listed in the table below.

Project Amount ²	\$[]
Capitalized Interest ³	\$[]
Closing Costs	\$[]
Assessment Amount (Project Amount + Capitalized Interest + Closing Costs)	[Not to exceed \$16,000,000,000]
Interest Rate	[8.15]%
Completion Deadline	[]
Final Maturity Date	September 2, 20[]
Initial Tax Year on Roll	2027-2028

Prepayment Terms:

The prepayment premium is set forth in the following chart:

Date of Assessment Contract: [], 2026 Closing Date: [], 2026	
<u>Date of Bond Redemption</u>	<u>Prepayment Premium</u>
Any date beginning on the day following the Closing Date and continuing through the second anniversary of the Closing Date.	3.00% of the Bond Principal Amount Redeemed
Any date beginning on the day following the second anniversary of the Closing Date and continuing thereafter	1.00% of the Bond Principal Amount Redeemed

Interest Accrual Method:

Interest will be computed on the basis of a three hundred sixty (360) day year and the actual number of days elapsed.

Reserve Fund Deposit: \$0.00

² The "Project Amount" is the maximum amount that the Authority will finance under this Contract for the Improvements described on Exhibit A.

³ Interest will be capitalized through September 2, 2027.

IN WITNESS WHEREOF, Local Agency and Lessee have executed this Consent and Agreement to the Levy of a Contractual Assessment on the date set forth to the left of their signatures.

LOCAL AGENCY:

SANTA MARIA AIRPORT DISTRICT

Dated: _____

By: _____

Name: Steve Brown

Title: President

Dated: _____

By: _____

Name: Tony Guy

Title: Secretary

Approved as to Content:

By: _____

Name: Martin Pehl

Title: General Manager

Approved as to Form:

By: _____

Name: Craig A. Steele

Title: General Counsel

LESSEE:

UNITED LIONS CORPORATION

Dated: 4/15/2026

By: Sardaben P. Patel

Name: SARDABEN P. PATEL

Title: President



TO: President and
Members of the Board
Board of Directors
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

FROM: Micheal Flores
Manager of Finance and Administration

MEETING: APRIL 23, 2026

ITEM

Authorization for Two Staff Members to Visit San Bernardino International Airport and ProDIGIQ Headquarters to Support Implementation of U.S. Customs and Border Protection Operations on April 30 – May 1, 2026

BACKGROUND

The Santa Maria Public Airport District is in the process of establishing U.S. Customs and Border Protection (CBP) services at Santa Maria Public Airport in order to accommodate international aviation activity. District staff are actively working on implementation efforts that include facility planning, operational coordination, and preparation for ongoing CBP requirements.

Successful implementation of customs services requires a thorough understanding of operational procedures, facility layout, passenger processing flow, staffing coordination, security protocols, and technology systems used to support CBP operations. To support these efforts, staff recommends visiting a peer airport with an established customs operation as well as a technology provider whose systems support airport inspections and operational readiness.

San Bernardino International Airport (SBD) operates a CBP facility and serves as a relevant example of how customs services are integrated into airport operations within California. In addition, SBD utilizes operational technology platforms to support inspections, compliance, and asset tracking associated with airfield and terminal operations. A site visit to SBD will allow District staff to observe both CBP operations and the supporting systems used to manage them.



Staff also proposes a visit to **ProDIGIQ Headquarters** to review technology tools that may assist the District in supporting customs operations, including inspection documentation, asset management, and operational tracking.

PURPOSE OF TRAVEL

Staff proposes that two District employees travel to San Bernardino to support ongoing CBP implementation efforts at Santa Maria Public Airport.

The visit to **San Bernardino International Airport** will allow staff to meet with airport management and personnel involved in customs operations in order to:

- Observe CBP facility layout, passenger processing flow, and security controls;
- Review coordination procedures between the airport, CBP, airlines, and other stakeholders;
- Understand staffing models, operational schedules, and constraints;
- Evaluate facility, infrastructure, technology, and space requirements necessary to support customs operations; and
- Identify best practices and lessons learned applicable to Santa Maria Public Airport.

The visit to **ProDIGIQ Headquarters** will provide staff with the opportunity to review operational and inspection management systems that support airport compliance and readiness activities, including those associated with customs operations, facility inspections, and asset tracking.

TRAVEL DETAILS

Destination: San Bernardino, California

Dates: April 30 – May 1, 2026

Participants: Two District staff members

Duration: Two days / one overnight stay

All travel will be conducted in accordance with the District's adopted travel and reimbursement policies.

FINANCIAL IMPACT



Estimated travel-related costs include transportation, lodging, meals, and incidental expenses and will not exceed limits established under District travel policy. Funding is available within the adopted operating budget.

This authorization supports implementation activities already underway and does not create any additional long-term financial obligation beyond approved travel expenses.

ANALYSIS

This site visit supports the District's ongoing efforts to implement CBP operations by providing staff with practical, real-world insight into:

- Day-to-day CBP operational and regulatory requirements;
- Facility design and infrastructure considerations;
- Coordination and staffing impacts on airport operations;
- Technology tools that support inspections, compliance, and operational readiness; and
- Strategies to ensure efficient, compliant, and sustainable customs operations.

The information gathered will assist staff in reducing implementation risk and ensuring that Santa Maria Public Airport is adequately prepared to support CBP services.

RECOMMENDATION

Authorize two District staff members to travel to San Bernardino International Airport and ProDIGIQ Headquarters on April 30 – May 1, 2026, to support implementation of U.S. Customs and Border Protection operations, with expenses reimbursed in accordance with District travel policies.



TO: President and
Members of the Board
Board of Directors
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455

FROM: Micheal Flores
Manager of Finance and Administration

MEETING: APRIL 23, 2026

ITEM

Authorization for the Manager of Finance and Administration to Execute Contracts with Oracle NetSuite Enterprise Software Company and AppWrap, LLC for Enterprise Resource Planning (ERP) Software and Implementation Services

BACKGROUND

The Santa Maria Public Airport District (“District”) currently utilizes a combination of legacy accounting systems and manual processes to manage its financial operations, purchasing, grant accounting, fixed assets, and reporting. These systems are increasingly fragmented and limited in their ability to support the District’s operational complexity, internal control requirements, audit readiness, and reporting needs.

In order to modernize its financial and administrative systems and improve efficiency and transparency, District staff evaluated enterprise resource planning (“ERP”) solutions appropriate for public agencies and airport operations. As part of this evaluation, **Oracle NetSuite**, a cloud-based ERP platform widely used by public agencies and nonprofit entities, was identified as a suitable solution.

NetSuite requires both a **software subscription agreement** with Oracle NetSuite Enterprise Software Company (“Oracle NetSuite”) and a separate **implementation services agreement** with a certified NetSuite implementation partner. After evaluating implementation options, staff recommends **AppWrap, LLC (“AppWrap”)**, a NetSuite partner with experience implementing the NetSuite Social Impact (non-profit/public sector) platform.



SCOPE OF SERVICES

Oracle NetSuite (Software Subscription)

Under the proposed agreement with Oracle NetSuite, the District will subscribe to **NetSuite SuiteSuccess – Social Impact Standard**, a comprehensive, cloud-based ERP platform that includes:

- Core Financial Management (General Ledger, Accounts Payable/Receivable, Purchasing, Budgeting, Amortization)
- Project and **Grant Management**
- Fixed Asset Management
- Advanced Electronic Bank Payments
- Reporting dashboards and analytics
- Employee Center user access
- Premium Support and Learning Cloud Services

The NetSuite platform will replace multiple legacy systems and consolidate financial, purchasing, and grant accounting into a single integrated solution.

The subscription term is **60 months (five years)**, with monthly billing and renewal protections limiting future increases.

AppWrap (Implementation Services)

AppWrap will provide professional services to implement NetSuite and configure the system for the District's operational and financial requirements pursuant to a **Master Services Agreement and Statement of Work**.

Implementation services include:

- Project management and governance
- Configuration of NetSuite financial, purchasing, grant, and asset modules
- Chart of Accounts configuration and system setup
- Data migration (general ledger balances, vendors, customers, grants, assets)
- Integration support with Columbia Bank and Paychex (using third-party plugins)
- User and role setup
- User acceptance testing (UAT)
- Training using a "train-the-trainer" approach
- Go-live and post-implementation support

The implementation project is scheduled to begin in **April 2026**, with an estimated **go-live in July or August 2026**.



FINANCIAL IMPACT

Oracle NetSuite – Software Subscription

Oracle NetSuite submitted **Estimate #1804600**, dated April 8, 2026, for a five-year subscription term.

- **Total Net Subscription Cost (60 months): \$59,615.84**
- Renewal protection: Annual increases capped at **3%** for up to two renewal terms

AppWrap – Implementation Services

AppWrap submitted a fixed-fee implementation proposal pursuant to a Master Services Agreement and Statement of Work.

- **Fixed Implementation Fee: \$25,000**
- Billing schedule tied to project milestones

Implementation costs are one-time expenses and will be funded from existing budgeted resources for system upgrades and professional services in FY26-27

ANALYSIS

Together, the NetSuite software subscription and AppWrap implementation services represent a coordinated modernization of the District's financial and administrative infrastructure. This approach:

- Improves financial transparency and reporting
- Strengthens internal controls and audit readiness
- Enhances grant and project cost tracking
- Reduces manual processes and spreadsheet dependency
- Provides a scalable cloud-based platform with long-term vendor support

The proposed agreements follow standard industry terms. Oracle NetSuite provides the licensed software and ongoing support, while AppWrap provides fixed-fee professional services for implementation. District Counsel will review both agreements as to form and legal sufficiency prior to execution.

Delegating authority to the **Manager of Finance and Administration** to execute these agreements is consistent with the District's Purchasing Policy and will allow timely execution of both contracts to meet the proposed implementation schedule.



RECOMMENDATION

It is recommended that the **Board of Directors authorize the Manager of Finance and Administration to execute contracts with Oracle NetSuite Enterprise Software Company and AppWrap, LLC**, substantially in the forms presented, for:

- Oracle NetSuite ERP software and support services in an amount not to exceed **\$59,615.84** for the initial five-year subscription term; and
- AppWrap implementation services in an amount not to exceed **\$25,000**, plus any approved change orders;

ATTACHMENTS

- A. Oracle Netsuite Estimate
- B. Oracle Pricing Proposal
- C. AppWrap Master Services Agreement and Statement of Work



NetSuite Subscription	Annual List	Discount	Annual w/ Discount
	\$ 47,673.60	74.99%	\$11,923.17
AppWrap Professional Services			Implementation
Implementation			\$25,000
			\$25,000

Oracle America, Inc.
 2300 Oracle Way
 Austin, TX 78741
 800 762 5524
 www.netsuite.com

Date
 Estimate #

4/8/2026
 1804600

Customer Name & Bill To Address

Santa Maria Public Airport
 3249 Terminal Dr.
 Santa Maria CA 93455
 United States

Item	Qty	Description	Term Mos.	Amount
Header - License and Support		LICENSE AND SUPPORT		
NetSuite SuiteSuccess Social Impact Standard Cloud Service	1	Item # 7056 Refer to the NetSuite GBU Cloud Services - Service Descriptions found at https://www.oracle.com/corporate/contracts/cloud-services/netsuite/descriptions.html	60	\$149,940.00
NetSuite Social Impact Donation for SuiteSuccess : 3-User Bundle	1	Item # 6360 Refer to the NetSuite GBU Cloud Services - Service Descriptions found at https://www.oracle.com/corporate/contracts/cloud-services/netsuite/descriptions.html	60	\$0.00
NetSuite Specialized View and Approve Cloud Service 5-Pk Users	1	Item # 6986 Refer to the NetSuite GBU Cloud Services - Service Descriptions found at https://www.oracle.com/corporate/contracts/cloud-services/netsuite/descriptions.html	60	\$9,000.00
NetSuite Fixed Asset Management Mid-Market Cloud Service	1	Item # 2268 Refer to the NetSuite GBU Cloud Services - Service Descriptions found at https://www.oracle.com/corporate/contracts/cloud-services/netsuite/descriptions.html	60	\$35,940.00
Customer Learning Cloud Support Company Pass - Standard	1	The Customer Learning Cloud Support Company Pass - Standard provides Go-Live training and ongoing adoption as described in the Training Service Descriptions https://www.oracle.com/corporate/contracts/cloud-services/netsuite/descriptions.html#training	60	\$24,000.00
NetSuite Premium Support	1	Users of NetSuite Premium Support are authorized to access the services: Users of NetSuite Premium Support are authorized to access the services: 24x7 access for critical support; Extended hours for non-critical issues (S3's); improved Response Time Goals; functional questions logged via SuiteAnswers, and additional Authorized Contacts are provided (4). Current URL Terms for support are located at https://www.oracle.com/corporate/contracts/cloud-services/netsuite/	60	\$19,488.00
Subtotal				\$238,368.00
Discount		Discount		(\$178,752.16)
Subtotal				\$59,615.84

Subtotal \$59,615.84
Total \$59,615.84

Oracle America, Inc.
2300 Oracle Way
Austin, TX 78741
800 762 5524
www.netsuite.com

Date 4/8/2026
Estimate # 1804600

A. Terms of this Order

1. Agreement

The products and/or services set forth in this Estimate/Order Form, between Customer and the Oracle entity referenced above, are governed by the Controller Subscription Services Agreement v061625 found at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/contracts.html#cssa> (including any referenced URL Terms). This Estimate/Order Form is non-cancelable and all fees non-refundable unless otherwise explicitly stated in this Estimate/Order Form or in the Agreement. For clarity, the Services Start Date shall be the date this document is signed by Customer, unless a different date is specified as the Service Start Date. Notwithstanding the foregoing, if this Estimate/Order form is an "add-on order," to the original Cloud Services Estimate/Order Form, the terms of Customer's original Estimate/Order Form and the version of the Controller Subscription Services Agreement in effect on the date of the original order, will apply to the add-on order, even if the add-on order is placed after an updated version of the Controller Subscription Services Agreement is published. An "add-on order" is an order that updates the quantity or type of previously ordered Cloud Services, such as by adding capacity, new users, or additional applications or modules. The "Oracle NetSuite Hosting and Support Delivery Policies" which can be found at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/cloud-delivery-policies.html> govern the Services ordered under this Estimate/Order Form

The Oracle Data Processing Agreement for Oracle Services found at <https://www.oracle.com/contracts/cloud-services/> ("Data Processing Agreement"), is incorporated herein. The Data Processing Agreement describes how Oracle will process Personal Data (as defined therein) that Customer provides to Oracle as part of Oracle's provision of the Cloud Services. This Data Processing Agreement does not apply to the following: (i) Mobile Push Notifications, (ii) NetSuite POS Cloud Services, (iii) NetSuite Payroll services, (iv) demonstration accounts, trials, beta releases, or other similar versions of the services, (v) any features, services or products which are provided pursuant to a separate agreement or by a party other than Oracle (as defined in the Data Processing Agreement) (including but not limited to Celigo and Pacejet), (vi) the processing of Personal Data for the R&D Purpose (as defined in Controller Subscription Services Agreement, which, if applicable, will be referenced in the "Agreement" section above), or (vii) any other services identified by Oracle as being excluded from the applicability of this Data Processing Agreement. For purposes of this order, (1) the definition of "Services Agreement" in the Data Processing Agreement is deleted and replaced in its entirety with the following: "Services Agreement" means (i) the applicable order for the Cloud Services you have purchased from Oracle; (ii) the applicable master agreement referenced in the applicable order; (iii) the Privacy Policy found at <https://www.oracle.com/legal/privacy/> (or other location as may be updated by Oracle), and (iv) the Oracle NetSuite Hosting and Support Delivery Policies found at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/cloud-delivery-policies.html>; (2) references to the "Cloud Hosting and Delivery Policies" in the Privacy Code for Processing Personal Information of Customer Individuals, shall be replaced by the applicable Oracle NetSuite Hosting and Support Delivery Policies found at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/cloud-delivery-policies.html>; and (3) references to "Your Content" shall have the same meaning as "Customer Data".

The Oracle NetSuite Hosting and Support Delivery Policies (including the Oracle NetSuite Exceptions to the Hosting and Support Delivery Policies) (collectively, the "Hosting and Support Delivery Policies") are applicable to the Services under this Estimate/Order Form. During the Term, Oracle may update the Services and the Hosting and Support Delivery Policies to reflect changes in, among other things, laws, regulations, rules, technology, industry practices, patterns of system use, and availability of third party content. Oracle updates to the Services or Hosting and Support Delivery Policies will not materially reduce the level of performance, functionality, security or availability of the Services during the Term of Customer's Estimate/Order Form.

Customer may have access to enable and use features within the NetSuite Cloud Service ("Features"), which may be subject to additional terms and conditions and may also require Customer's acceptance of in-application terms and conditions ("In-application Terms"). Customer's use of any such Features is governed by the "NetSuite Cloud Services: Supplemental Terms and Conditions" document (the "Supplemental Terms"), found at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/other-terms.html>. The Supplemental Terms may be updated by Oracle to include additions and updates required to use any such Features. Customer's use of any such Features is acceptance of the Supplemental Terms. The Supplemental Terms are in addition to the terms and conditions contained in the Agreement. In event of conflict or inconsistency between the Supplemental Terms and the In-Application Terms, the Supplemental Terms take precedence.

2. Start Date

3. Subscription Services Payment Terms

Net 30 – Monthly Billing

4. Subscription Services Payment Frequency

Monthly in Advance

A. Terms of this Order**5. Professional Services Payment Terms**

N/A

6. AI Terms

The Oracle Artificial Intelligence Terms ("AI Terms") apply to artificial intelligence ("AI") systems, and Customer and Customer's Users use of related AI functionality, that is included in Customer's Cloud Services. The AI Terms are included in the NetSuite Written Materials for Customer's Cloud Services and remain subject to update pursuant to the terms of Customer's Agreement. A current version of the AI Terms may be accessed at <https://www.oracle.com/contracts/> (or by searching for "Oracle AI Terms" at <https://www.oracle.com/contracts/a-z/contract-documents/>).

7. AI Functionality

The Cloud Services include features which utilize AI Functionality. Use of AI Functionality may subject Customers to terms and conditions that impose additional obligations or limitations on Customer's use of the Cloud Services as specified in the Supplemental Terms and Conditions document referenced above. Current Customers will find a complete list of AI Functionality in the "LLM Mapping for Generative AI Features" article found in SuiteAnswers. New Customers should request a copy of the "LLM Mapping for Generative AI Features" from their sales representative and should review the "LLM Mapping for Generative AI Features" together with the Artificial Intelligence Terms and Conditions specified in the Supplemental Terms and Conditions document prior to executing this Estimate/Order Form. By signing this Estimate/Order Form, Customer acknowledges it has reviewed the "LLM Mapping for Generative AI Features" and has reviewed and agrees to comply with the Artificial Intelligence Terms & Conditions specified in the Supplemental Terms and Conditions document.

8. Currency

USD

9. Offer Valid Through

4/24/2026

10. Customer Reference

Oracle may refer to You as an Oracle customer of the ordered Services in sales presentations, marketing materials and activities.

Oracle America, Inc.
2300 Oracle Way
Austin, TX 78741
800 762 5524
www.netsuite.com

Date
Estimate #

4/8/2026
1804600

B. Additional Order Terms

1. Renewal Cap

Subject to (i) Customer's compliance with the terms set forth in this Estimate/Order Form and the Agreement, and (ii) the terms of this provision, for up to two (2) twelve (12) month renewal term(s) immediately following the initial Term set forth on this Estimate/Order Form (for purposes of this paragraph, each such annual renewal term being a "Renewal Term"), Customer's renewal pricing for the Services that are set forth on this initial Estimate/Order Form ("Initial Services") along with any applicable orders for which Customer pays for additional application suites, modules, users, and other services ("Qualifying Expansion Orders") shall not be increased by more than 3.0% per annum (the "Renewal Cap"). The Renewal Cap shall be applied to the discounted fees set forth on the renewal order. For the purposes of this section, Qualifying Expansion Orders includes Cloud Services and Support Services (as defined in the Agreement) and Training Services (in accordance with the "Training Service Descriptions", found at <https://www.oracle.com/corporate/contracts/cloud-services/netsuite/>, or a SOW) procured subsequent to the Initial Services and prior to the last day of the Renewal Term.

The Renewal Cap applies only if the annual net Services fees on the renewal order ("Renewal Fees") are at least one hundred percent (100%) or greater than the total annual net fees set forth on this initial Estimate/Order Form and any Qualifying Expansion Orders. Please note, however, that the calculation of the Renewal Fees to which the Renewal Cap applies shall include fees for renewal of (i) this Initial Services order, (ii) any Initial Services expansion orders that are placed during the Renewal Term, and (iii) any Qualifying Expansion Orders that are placed during the Renewal Term and remain in effect on the effective date of the renewal order. The Qualifying Expansion Orders to which the Renewal Cap applies must be included on the Renewal Term renewal order. The aforementioned Renewal Cap shall not apply if (a) Oracle is no longer making the type of Services generally available to commercial customers; or (b) the Renewal Order is not executed prior to the end of the initial term of this Estimate/Order Form or of the Term of the previous Renewal Order. In addition, if the number of Customer's employees or Users increases during the initial term or any Renewal Term and such increase would require access to a different edition of the Cloud Service (as set forth on Oracle's then-current price list), then Customer's current discount for the existing edition of the Cloud Service (taking into account any applicable Renewal Cap increases) will be applied to the standard list price for such new edition of the Cloud Service, which may affect the Renewal Fees. The Renewal Cap is voided by the acquisition of Customer by another entity.

C. Provisioning Net New Instances of the Cloud Service.

Note: The following information is applicable only when the Estimate/Order Form calls for a new instance of the Cloud Service, as the values referenced below ("Language" and "Country Edition") are used to provision Customer's Cloud Service instance and cannot be changed post provisioning. Please review these values and work with your Oracle NetSuite contact to make any necessary changes before signing this Estimate/Order Form. This section is not applicable if Customer already has an existing Cloud Service instance.

1. Primary Administrator's email address: mflores@santamariaairport.com

Please note: Self-service options are available for changing the administrator upon Customer's successful access to the instance. To preserve the security of Customer's instance, Oracle may only change the Customer's primary administrator post-provisioning via Administrator Reassignment. This may delay access to Customer's instance if the reassignment process is required.

2. Language: English (US)

The language selected will be the language that Customer's Cloud Service instance is provisioned in.

3. Ship-to Address: Santa Maria Public Airport
3249 Terminal Dr.
Santa Maria CA 93455
United States

4. Country Edition. Customer's Cloud Service(s) are provisioned based on the ship-to address shown above. Before signing this Estimate/Order Form, please ensure the ship-to address is correct; any change after provisioning will require re-provisioning of the Cloud Service(s).



NetSuite Social Impact Standard SuiteSuccess Implementation
Master Service Agreement

AppWrap, LLC
4.15.2026





MASTER SERVICE AGREEMENT

This Master Service Agreement (“*Agreement*”) is entered into as of the executed date (the “*Effective Date*”), between Santa Maria Public Airport, having its principal place of business at 3217 Terminal Dr Santa Maria, CA 93455 (“*Company*”), and AppWrap, LLC, a Delaware corporation having its principal place of business at 1925 Century Park E, Suite 1700, Los Angeles, CA 90067 (“*AppWrap*”). The “*Company*” and “*AppWrap*” are each a “*Party*” hereto and collectively referred as the “*Parties*.”

Company and AppWrap desire to have AppWrap perform services for Company, subject to and in accordance with the terms and conditions of this Agreement.

THEREFORE, the Parties agree as follows:

1. SERVICES.

1.1 Statements of Work. From time to time, Company and AppWrap may execute one or more statements of work, such as the form attached hereto as Exhibit A, that describe the specific services to be performed by AppWrap and any fees to be paid to AppWrap (as executed, a “*Statement of Work*” or “*SOW*”). Each Statement of Work will expressly refer to this Agreement, will form a part of this Agreement, will be subject to the terms and conditions contained herein and will be effective only when the SOW is signed by both Parties. A Statement of Work may be amended only by written agreement of the Parties.

1.2 Performance of Services. AppWrap will perform the services described in each Statement of Work (the “*Services*”) in accordance with the terms and conditions set forth in each such Statement of Work and this Agreement.

1.3 AppWrap Personnel. AppWrap will perform all Services only through its regular, full-time employees and through subcontractors approved in advance in writing by Company (AppWrap’s employees and approved subcontractors, if any, are referred to collectively as the “*AppWrap Personnel*”). AppWrap acknowledges and agrees that all AppWrap Personnel are subject to Company’s continuing acceptance and that Company expressly reserves the



right at any time to reject any AppWrap Personnel for any reason by giving AppWrap advanced written notice. To the extent that any AppWrap Personnel are required to perform Services at a Company facility, AppWrap will first ensure that such AppWrap Personnel have been informed of Company's workplace, computer and security policies and procedures, and will comply with such policies and procedures at all times, and all of AppWrap's confidentiality obligations to Company, as set forth in further detail in Section 5 below.

1.4 Delivery. AppWrap will deliver to Company the deliverables, designs, modules, software, products, documentation and other materials specified in the Statement of Work (individually or collectively, "*Deliverables*") in accordance with the delivery schedule and other terms and conditions set forth in the Statement of Work.

2. PAYMENT

2.1 Fees. As AppWrap's sole compensation for the performance of Services, Company will pay AppWrap the fees specified in each Statement of Work in accordance with the terms set forth therein. Without limiting the generality of the foregoing AppWrap acknowledges and agrees that, if specified in the Statement of Work, Company's payment obligation will be expressly subject to AppWrap's completion or achievement of certain milestones to Company's reasonable satisfaction.

2.2 Expenses. Unless otherwise specified in the Statement of Work, Company will not reimburse AppWrap for any expenses incurred by AppWrap in connection with performing Services.

2.3 Payment Terms. All fees and other amounts set forth in the Statement of Work, if any, are payable in U.S. dollars. Unless otherwise provided in a Statement of Work, AppWrap will invoice Company on a monthly basis for all fees and expenses payable to AppWrap. Company will pay the full amount of each such invoice within thirty (30) days following receipt thereof. The Parties will use their respective commercially reasonable efforts to promptly resolve any such payment disputes.



3. RELATIONSHIP OF THE PARTIES

3.1 Independent Contractor. AppWrap is an independent contractor and nothing in this Agreement will be construed as establishing an employment, partnership, joint venture or agency relationship between Company and AppWrap or any AppWrap Personnel. AppWrap has no authority to bind Company by contract or otherwise. AppWrap will perform the Services under the general direction of Company, but AppWrap will determine, in AppWrap's sole discretion, the manner and means by which Services are accomplished, subject to the requirement that AppWrap will at all times comply with applicable law.

3.2 Taxes and Employee Benefits. AppWrap will report to all applicable government agencies as income all compensation received by AppWrap pursuant to this Agreement. AppWrap will be solely responsible for the payment of all compensation to all AppWrap Personnel, as well as for payment of all withholding taxes, social security, workers' compensation, unemployment and disability insurance or similar items required by any government agency. AppWrap Personnel will not be entitled to any benefits paid or made available by Company to its employees, including, without limitation, any vacation or illness payments, or to participate in any plans, arrangements or distributions made by Company pertaining to any bonus, stock option, profit sharing, insurance or similar benefits. AppWrap will indemnify and hold Company harmless from and against all damages, liabilities, losses, penalties, fines, expenses and costs arising out of or relating to any obligation imposed by law on Company to pay any withholding taxes, social security, unemployment or disability insurance or similar items in connection with compensation received by AppWrap pursuant to this Agreement.

3.3 Liability Insurance. AppWrap acknowledges that Company will not carry any liability insurance on behalf of AppWrap. AppWrap will maintain in force adequate liability insurance to protect AppWrap from: (i) claims under workers' compensation and state disability acts; and (ii) claims of personal injury (or death) or tangible or intangible property damage (including loss of use) that arise out of any act or omission of AppWrap or any AppWrap Personnel.

4. OWNERSHIP



4.1 Disclosure of Work Product. Upon request, AppWrap will disclose in writing to Company all inventions, products, designs, drawings, notes, documents, information, documentation, improvements, works of authorship, processes, techniques, know-how, algorithms, specifications, biological or chemical specimens or samples, hardware, circuits, computer programs, databases, user interfaces, encoding techniques, and other materials of any kind (“Intellectual Property”) that AppWrap may make, conceive, develop or reduce to practice, in connection with AppWrap’s performing Services, or that result from or that are related solely to such AppWrap Services, whether or not they are eligible for patent, copyright, mask work, trade secret, trademark or other legal protection (collectively, “*AppWrap Work Product*”). AppWrap Work Product includes without limitation any Deliverables that AppWrap delivers to Company pursuant to Section 1.4. AppWrap Work Product excludes, without limitation, all Intellectual Property existing in the public domain and/or created by third parties.

4.2 Ownership of AppWrap Work Product. AppWrap and Company agree that, to the fullest extent permitted by applicable law, each item of AppWrap Work Product will be a work made for hire owned exclusively by Company. AppWrap agrees that regardless of whether an item of AppWrap Work Product is a work made for hire, all AppWrap Work Product will be the sole and exclusive property of Company. AppWrap hereby irrevocably transfers and assigns to Company, and agrees to irrevocably transfer and assign to Company, all right, title and interest in and to the AppWrap Work Product, including all worldwide patent rights (including patent applications and disclosures), copyright rights, mask work rights, trade secret rights, know-how, and any and all other intellectual property or proprietary rights (collectively, “*Intellectual Property Rights*”) therein. At Company’s request and expense, during and after the term of this Agreement, AppWrap will assist and cooperate with Company in all respects and will cause all AppWrap Personnel to assist and cooperate with Company in all respects, and will execute documents and will cause all AppWrap Personnel to execute documents, and will take such further acts reasonably requested by Company to enable Company to acquire, transfer, maintain, perfect and enforce its Intellectual Property Rights and other legal protections for the AppWrap Work Product. AppWrap hereby appoints the



officers of Company as AppWrap's attorney-in-fact to execute documents on behalf of AppWrap for this limited purpose.

4.3 Moral Rights. To the fullest extent permitted by applicable law, AppWrap also hereby irrevocably transfers and assigns to Company, and agrees to irrevocably transfer and assign to Company, and waives and agrees never to assert, any and all Moral Rights (as defined below) that AppWrap or any AppWrap Personnel may have in or with respect to any AppWrap Work Product, during and after the term of this Agreement. "*Moral Rights*" mean any rights to claim authorship of a work, to object to or prevent the modification or destruction of a work, to withdraw from circulation or control the publication or distribution of a work, and any similar right, existing under judicial or statutory law of any country in the world, or under any treaty, regardless of whether or not such right is called or generally referred to as a "moral right." Notwithstanding the foregoing, the Parties recognize that the AppWrap will acquire additional skills, knowledge and insights during the performance of the contract, therefore, AppWrap shall retain the right to use, without fee and for any purpose, such "know-how", ideas, techniques and concepts used or developed by AppWrap in the course of performance of the Services of this Agreement.

4.4 Related Rights. To the extent that AppWrap owns or controls (presently or in the future) any patent rights, copyright rights, mask work rights, trade secret rights, or any other Intellectual Property or proprietary rights that may block or interfere with, or may otherwise be required for, the exercise by Company of the rights assigned to Company under this Agreement (collectively, "*Related Rights*"), AppWrap hereby grants or will cause to be granted to Company a non-exclusive, royalty-free, irrevocable, perpetual, transferable, worldwide license (with the right to sublicense) to make, have made, use, offer to sell, sell, import, copy, modify, create derivative works based upon, distribute, sublicense, display, perform and transmit any products, software, hardware, methods or materials of any kind that are covered by such Related Rights, to the extent necessary to enable Company to exercise all of the rights assigned to Company under this Agreement.



5. CONFIDENTIAL INFORMATION

For purposes of this Agreement, “*Confidential Information*” means and will include: (i) any information, materials or knowledge regarding Company and its business, financial condition, products, programming techniques, customers, suppliers, technology or research and development that is disclosed to AppWrap (or AppWrap Personnel) or to which AppWrap (or AppWrap Personnel) has access in connection with performing Services; (ii) the AppWrap Work Product; and (iii) the terms and conditions of this Agreement. Confidential Information will not include any information that: (a) is or becomes part of the public domain through no fault of AppWrap; (b) was rightfully in AppWrap’s possession at the time of disclosure, without restriction as to use or disclosure; or (c) AppWrap rightfully receives from a third Party who has the right to disclose it and who provides it without restriction as to use or disclosure. AppWrap agrees to hold all Confidential Information in strict confidence, not to use it in any way, commercially or otherwise, except in performing Services, and not to disclose it to others. AppWrap further agrees to take all actions reasonably necessary to protect the confidentiality of all Confidential Information including, without limitation, implementing and enforcing procedures to minimize the possibility of unauthorized use or disclosure of Confidential Information.

6. WARRANTIES

6.1 No Pre-existing Obligations. AppWrap represents and warrants that AppWrap has no pre-existing obligations or commitments (and will not assume or otherwise undertake any obligations or commitments) that would be in conflict or inconsistent with or that would hinder AppWrap’s performance of its obligations under this Agreement.

6.2 Performance Standard. AppWrap represents and warrants that Services will be performed in a professional manner, consistent with professional and industry standards by individuals with the requisite training, background, experience, technical knowledge and skills to perform the Services.

6.3 Non-infringement. AppWrap represents and warrants that the AppWrap Work Product will not infringe, misappropriate or violate the rights of any third



party, including, without limitation, any Intellectual Property Rights or any rights of privacy or rights of publicity, except to the extent any portion of the AppWrap Work Product is created, developed or supplied by Company or by a third party on behalf of Company.

6.4 Non-Solicitation of Personnel. During the term of this Agreement and for a period of one (1) year thereafter, neither Party will directly or indirectly solicit the services of each other's personnel/employees for their own benefit or for the benefit of any other person or entity.

6.5 Agreements with AppWrap Personnel. AppWrap represents and warrants that all AppWrap Personnel who perform Services are and will be bound by written agreements with AppWrap under which: (i) AppWrap owns or is assigned exclusive ownership of all AppWrap Work Product, including all Intellectual Property Rights therein; and (ii) AppWrap Personnel agree to limitations on the use and disclosure of Confidential Information no less restrictive than those provided in Section 5.

7. INDEMNITY

AppWrap will defend, indemnify and hold Company harmless from and against all claims, damages, liabilities, losses, expenses and costs (including reasonable fees and expenses of attorneys and other professionals) arising out of or resulting from:

- (a) any action by a third party against Company that is based on a claim that any Services performed under this Agreement, or the results of such Services (including any AppWrap Work Product), or Company's use thereof, infringe, misappropriate or violate such third party's Intellectual Property Rights; and
- (b) any action by a third party against Company that is based on any act or omission of AppWrap or any AppWrap Personnel and that results in:
 - (i) personal injury (or death) or tangible property damage; or
 - (ii) the violation of any statute, regulation or ordinance.



8. TERM AND TERMINATION

8.1 Term. This Agreement will commence on the Effective Date and, unless terminated earlier in accordance with the terms of this Agreement, will remain in force and effect for as long as AppWrap is performing Services pursuant to a Statement of Work.

8.2 Termination for Breach. Either Party may terminate this Agreement (including all Statements of Work) if the other Party breaches any material term of this Agreement and fails to cure such breach within ten (10) days following written notice thereof from the non-breaching Party.

8.3 Termination for Convenience. Company may terminate this Agreement (including all Statements of Work) at any time, for any reason or no reason, upon at least fourteen (14) days written notice to AppWrap. Company may also terminate an individual Statement of Work at any time, for any reason or no reason, upon at least fourteen (14) days written notice to AppWrap.

8.4 Effect of Termination. Upon the expiration or termination of this Agreement for any reason: (i) AppWrap will promptly deliver to Company all AppWrap Work Product, including all work in progress on any AppWrap Work Product not previously delivered to Company, if any; (ii) AppWrap will promptly deliver to Company all Confidential Information in AppWrap's possession or control; (iii) Company will pay AppWrap any accrued but unpaid fees due and payable for Services properly performed prior to the date of termination to AppWrap pursuant to Section 2.

8.5 Survival. The rights and obligations of the Parties under Sections 2, 3.2, 3.3, 4, 5, 6.3, 6.5, 7, 8.4, 8.5, 9, and 10 will survive the expiration or termination of this Agreement.

9. LIMITATION OF LIABILITY

Except for instances of negligence, willful misconduct or a breach of any provision in Section 5, the AppWrap will not be liable to the Company for any special, incidental, punitive, exemplary or consequential damages of any kind in connection with this Agreement.



10. GENERAL

10.1 Assignment. AppWrap may not assign or transfer this Agreement, in whole or in part, without Company's prior written consent. Any attempt to assign this Agreement, without such consent, will be void. Subject to the foregoing, this Agreement will bind and benefit the Parties and their respective successors and assigns.

10.2 No Election of Remedies. Except as expressly set forth in this Agreement, the exercise by Company of any of its remedies under this Agreement will not be deemed an election of remedies and will be without prejudice to its other remedies under this Agreement or available at law or in equity or otherwise.

10.3 Dispute Resolution. The Parties agree to utilize binding arbitration as the sole and exclusive means to resolve all disputes that may arise out of, or be related in any way to this Agreement, any SOW and any NDA. The Parties each specifically waive and relinquish their respective rights to a jury trial and to bring a claim against the other in a court of law. The Parties each agree that any claim, dispute, and/or controversy between them shall be submitted to, and determined exclusively by, binding arbitration under the Federal Arbitration Act ("FAA"), in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. Section 1280 et seq., including Section 1283.05 and all of the Act's other mandatory and permissive rights to discovery). By this binding arbitration provision, the Parties acknowledge and agree that they give up their respective rights to trial by jury of any claim each may have against the other. The arbitration shall be conducted in Los Angeles County, California.

This is the entire agreement between you and the Company regarding dispute resolution, and this agreement supersedes any and all prior agreements regarding this issue.

10.4 Attorneys' Fees. If any action is necessary to enforce the terms of this Agreement, the substantially prevailing Party will be entitled to reasonable attorneys' fees, costs and expenses in addition to any other relief to which such prevailing Party may be entitled.



- 10.5 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California, excluding its body of law controlling conflict of laws.
- 10.6 Severability. If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will remain in full force and effect, and the provision affected will be construed so as to be enforceable to the maximum extent permissible by law.
- 10.7 Waiver. The failure by either Party to enforce any provision of this Agreement will not constitute a waiver of future enforcement of that or any other provision.
- 10.8 Notices. All notices required or permitted under this Agreement will be in writing, will reference this Agreement, and will be deemed given: (i) when delivered personally; (ii) one (1) business day after deposit with a nationally-recognized express courier, with written confirmation of receipt; or (iii) three (3) business days after having been sent by registered or certified mail, postage prepaid. All such notices will be sent to the addresses set forth above or to such other address as may be specified by either Party to the other Party in accordance with this Section.
- 10.9 Entire Agreement. This Agreement, together with all Statements of Work constitutes the complete and exclusive understanding and agreement of the Parties with respect to its subject matter and supersedes all prior understandings and agreements, whether written or oral, with respect to its subject matter. In the event of a conflict, the terms and conditions of each Statement of Work will take precedence over the terms and conditions of this Agreement. Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by the Parties hereto.
- 10.10 Counterparts. This Agreement may be executed and transmitted electronically and in counterparts, each of which will be deemed an



original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

COMPANY

APPWRAP

By: _____

By: _____

Name:

Name: John W Rochefort

Title:

Title: Co-CEO

Date:

Date:



STATEMENT OF WORK (EXHIBIT A)

This Statement of Work (“SOW”) Number 1 is issued under and subject to all the terms and conditions of the Master Service Agreement dated as of the executed date, between Santa Maria Public Airport (“Company” or “Client”) and AppWrap, LLC (“AppWrap” or “Consultant”).

Description of Services

AppWrap will provide services through our employees and consultants to the Company for NetSuite Suite Success implementation of the Social Impact Standard NetSuite SKU. AppWrap will charge a fixed cost of \$25,000 for the project and will be billed per the payment schedule. AppWrap will charge \$160 per hour for any additional efforts due to significant changes to the business requirements or out-of-scope work. All out-of-scope work will require pre-approval from the Company.

Payment schedule:

Four (4) Monthly payments of 25% (\$6,250)
Due Net 30

Project Scope:

Overview

This project aims to implement NetSuite Social Impact Standard, a cloud-based business management suite, to enhance and streamline organizational processes. It will replace Santa Maria Airport’s legacy Acumatica system. The implementation will focus on deploying NetSuite's standard features to achieve a more efficient and integrated business environment.

Objectives



- Implement core NetSuite Social Impact Standard modules, including but not limited to Core Financials, Order to Cash, Grant Management, and Procure to Pay.
- Configure NetSuite Fixed Assets Module
- Configure NetSuite to align with the organization's specific business requirements.
- Migrate relevant data from existing systems to NetSuite, ensuring data integrity and accuracy.
- Support system adoption by training client key users (“train the trainer”) on the effective use of NetSuite functionalities.
- Support with Columbia Bank’s integration for bank reconciliation*
- Support with Paychex Integration*
- Implement basic reporting and analytics features to facilitate visibility and informed decision-making.
- Ensure compliance with industry standards and best practices throughout the implementation process.

The scope of this Implementation SOW is for the project as detailed below:

1. Detailed Description of Services

1.1. Implementation Process

The Consultant will provide services through our employees and consultants to the Customer for the NetSuite Suite Success implementation of NetSuite SuiteSuccess Social Impact Standard Cloud Service SKU. This implementation methodology is composed of activities logically grouped into distinct phases (“Phases”), which the Consultant believes make it easier to provide management and control during the lifecycle of a project. Some activities extend through several or all phases as needed. This by-phase approach has



been designed to be flexible enough to allow specific requirements to be properly addressed and for methods and techniques to be selected and implemented as needed. The Phases and deliverables for this SOW are identified below.



1.1.1. Engage Phase

Following are key deliverables for the Engage Stage of this Project:

Project Engagement & Preparation

Consultant will contact Customer any time after the Effective Date of this SOW to schedule the start of the Project. During the initial Project engagement, Consultant will work with Customer in the coordination activities associated with the start of the Project, which will include:

- Conducting Project Kickoff for project participants and sponsors.
- Providing a sample Chart of Accounts for customer review should they not want to use their legacy Chart of Accounts referred as (“CoA”).
- Coordinating with Customer Project Team in getting NetSuite Access
- Prepare the activity-specific project plan to be aligned with the agreed schedule.

Design Session

CONSULTANT and Client shall attend a Design session for SOW In-Scope review as well as high-level process design as described herein.

Data Migration Plan

CONSULTANT will lead, and Client shall attend a Data Migration Planning session to determine the scope, strategy, and schedule for data migration. Here is where data migration requirements are reviewed and finalized,



templates are provided and their use reviewed, required data that will be imported into the system is identified, and possible blockers are identified upfront during the meeting.

During this stage, the consultant will assist the customer in using the data templates to map their data to NetSuite. The Customer is responsible for extracting, consolidating, cleansing, and mapping data into provided templates. AppWrap will provide the templates and assist in the import of data into NetSuite. Clients take the primary role in validating historical data to be entered into the system. Additionally, the Consultant will provide a high-level overview of NetSuite's CSV Import tool. Once the plan has been developed, the team will begin Data Migration activities in this phase.

AppWrap will perform up to two (2) import iterations for the following list and transactional data records into the NetSuite instance:

- Chart of accounts ("COA") – up to two hundred fifty (250).
- Employee records – up to one hundred (100).
- Vendor records – up to five hundred (500).
- Item records – up to two hundred fifty (250).
- Customer/Contact records – up to five hundred (500).
- Opening account balances –one (1) opening balance per entity, including consolidation subsidiary.
- Historical trial balances – up to two (1) years consolidated by month.
- Open transactions (accounts receivable and/or accounts payable) – up to one thousand (300).
- *These are not NetSuite system limits but rather parameters related to this specific implementation

Personalization Session

CONSULTANT will lead, and Client shall attend one (1) Personalization Session per-process area. It is a more agile and layered approach session for any



additional details that can be captured through best practices, and standard process flows, reviewed with various departmental leaders for information capture to analyze the Client's related business requirements. This is where CONSULTANT recommends out-of-the-box solutions that minimize custom configuration and optimize system use where possible. There are instances that the CONSULTANT will provide initial configuration work for a given process area together with the Client in a teaching environment such that Client is enabled to complete such configuration with limited assistance from the CONSULTANT.

1.1.2. **Drive Phase**

The following are key deliverables for the Drive Phase of this Project:

Process Walkthrough-1

The Process Walkthrough will act as the first review of full processes, with personalization inputs. The CONSULTANT will lead end-to-end process walkthrough activities on all key business processes in scope.

Data Migration

Activity continued in this phase, including assisting with mapping, testing data migration files, and importing lists and trial balances.

Configuration

This activity is to configure the NetSuite ERP after the Process Walkthrough.

User Acceptance Testing (UAT) Planning

CONSULTANT will lead efforts to plan for UAT and prepare the tools and documents to be used by the Client.

Training Plan Development

The CONSULTANT will guide the client in developing a Learning Action and



Training Plan. Training will leverage a “train the trainer” approach. The phased implementation approach promotes multiple opportunities for hands-on NetSuite exposure, specifically during Process Walkthrough and UAT. Client must prepare for and be engaged in these activities to ensure a full understanding of configured NetSuite processes. In addition, Client is encouraged to enroll in and utilize the NetSuite LCS training pass.

1.1.3. **Enable Phase**

The following are key deliverables for the Enable Phase of this Project:

Data Migration

Activity continued in this phase.

Final Process Walkthrough (if applicable)

The Client will lead, and the Consultant will participate in a session to complete the Process Walkthrough. This session aims to discuss any scenarios and/or processes that were not covered in the first Process Walkthrough.

Configuration

Completion of NetSuite ERP configuration based on the leading and standard processes native to NetSuite, the outcomes of the Personalization and Process Walkthrough Sessions, and the Client’s requirements and business processes.

User Acceptance Testing (UAT)

The CONSULTANT will prepare the UAT tools for use by the Client. CONSULTANT will work with Client in the coordination activities associated with Client performing UAT, including:

- Best practice recommendations on conducting UAT.
- Assistance in resolving issues encountered by Client during UAT.



- Review and assessment of final UAT results.
- CONSULTANT will not directly participate in UAT sessions conducted by Client and is also not responsible for the completeness of all UAT test scenarios.
- Assist the Client with confirmation of data quality.

Training Plan Execution

AppWrap utilizes a “train the trainer” approach. The SuiteSuccess phased implementation approach combined with AppWrap’s use of Client stories promotes multiple opportunities for hands-on NetSuite exposure. AppWrap strongly encourages the Client to enroll in and utilize the NetSuite LCS training pass. During project planning and throughout the engagement careful consideration is given to the overall change management strategy for the Client.

1.1.4. Convert Phase

The following are key deliverables for the Convert Phase of this Project:

Go-Live, Final Data Migration, & Cutover Planning

CONSULTANT and Client shall attend a Cut-over Planning session to discuss the loading of the remainder of all static/dynamic data into NetSuite ERP and to provide assistance for deployment-related activities, such as:

- Planning and guidance for production cutover strategy.
- Final data migration assistance.
- Criteria and timing for a go/no-go decision with proper signoff authority.

Go-Live

CONSULTANT conducts Cutover and delivers a finalized configured production instance.

CONSULTANT will oversee the final activities required to complete Data Migration into the production environment.



Implementation to Support Transition

For Clients utilizing AppWrap's ongoing Managed NetSuite Support (support starting after project completion), an internal knowledge transfer from CONSULTANT's implementation team to CONSULTANT's support team will be conducted. This is only needed if there are changes between the implementation and support teams; it is expected to have the same team of consultants for implementation and support.

1.1.5. **Project Management Deliverables & Activities**

Project Status Meetings & General Project Management

The consultant will schedule a weekly recurring meeting to provide project status updates to the Project Team. Consultant tasks and responsibilities stated below should be observed and provided:

- Develop and maintain the project schedule and plan.
- Coordinate team deliverables and action items.
- Lead in project status meetings.
- Prepare updated project status documentation.
- Conduct and participate in steering committee meetings for any critical key issues.
- Prepare meeting minutes/notes.
- Record every session.
- Monitor risks, issues, scope, and budget.

The customer will be responsible for any organizational change and communication management activities associated with the Project.

1.2. **Scope Summary**

A summary of the Project scope is identified below. A portion of functionality is generally excluded from the list below either because the functionality is not needed or because the Customer has opted to delay use of some functionality. See additional proposal slides attached at end of section with a comprehensive list of inclusions.



1.2.1. Process Areas

The NetSuite ERP supports the below standard process areas. Customer wishes to have the below process areas designated as “In Scope” after having determined a set of desired NetSuite ERP functionalities.

The functional scope of this engagement will be based on the following:

- Requirements supported by the configuration of standard functionality within **NetSuite SuiteSuccess Social Impact Standard Cloud Service**.

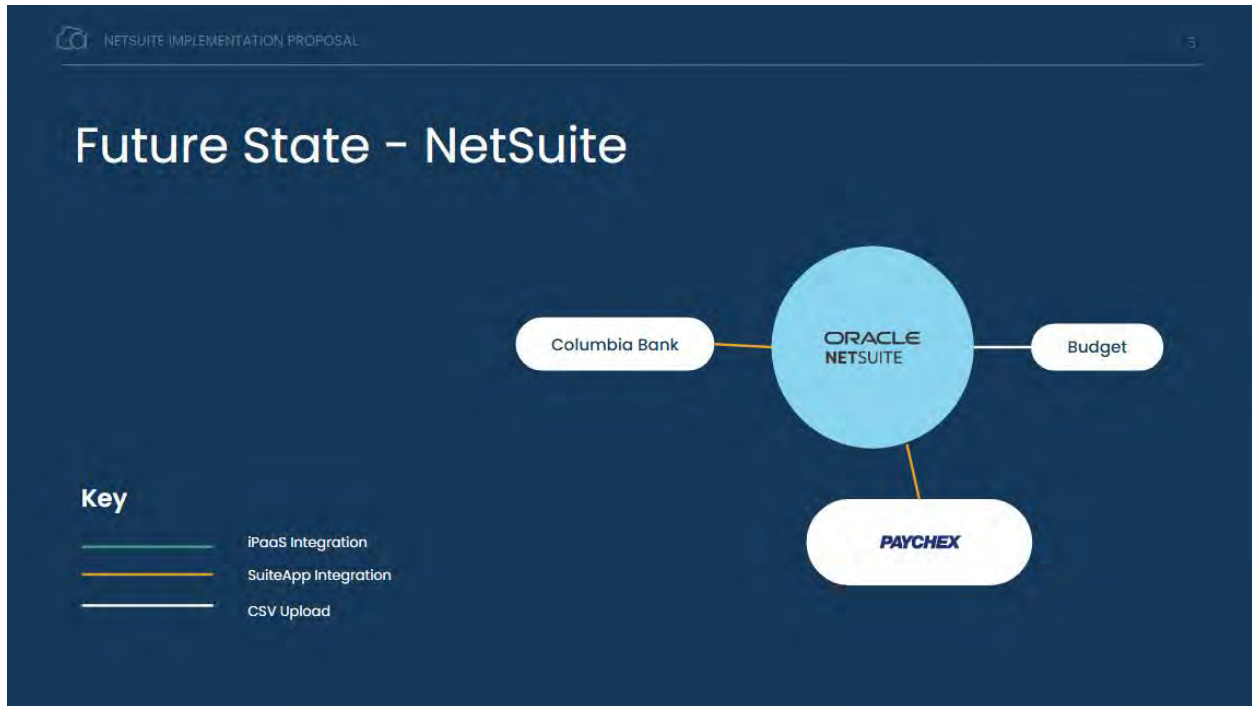
Consultant will work with the Customer on the configuration and implementation of the following process areas:

Process Area	In/Out Scope
Record to Report	In Scope
Order to Cash	In Scope
Procure to Pay	In Scope
Summary Data Migration	In Scope

The specific functional areas of scope within this product are summarized below.



Future State



Organizational Structure

NETSUITE IMPLEMENTATION PROPOSAL 6

Organizational Structure

Target Go-Live - August 2026
Kick-off - April TBD

Geography	Fiscal Year	Local Currency	Functional/Reporting currency	Localization
Santa Maria Airport	July - Jun	USD	USD	N/A



Record to Report

NETSUITE IMPLEMENTATION PROPOSAL 7

Record to Report (R2R)

In Scope

- Segment / Classifications (Departments, Class, Location, and Grant)
- Chart of Accounts
- Journal Entries (Standard, Recurring, Reversing Imported, Automated)
- Allocations & Statistical Accounts
- Budget vs Actual Reporting
- Bank Account Reconciliation, Transfers & Deposits
 - Support with **Columbia Bank** integration for Bank reconciliation (via Bank Feeds)
- Standard & NetSuite Leading Practice Financial Reports
- Non-Profit Financial Management (for Grant Management)

Out of Scope/ Phase II

- Multi Entity Management
- GASB Chart of Accounts Design Support (will be owned by Santa Maria Airport Team)

*3rd party prebuilt integrations are the responsibility of each specific 3rd party application.

Order to Cash

NETSUITE IMPLEMENTATION PROPOSAL 8

Order To Cash (O2C)

Business Requirements Summary:
AppWrap will support the set up of the core Grant Management for the two current Grants & CSV import for offline sales

In Scope

- Customer / Contact Master
- Cash Sales
- CSV import of online sales
- Grants
 - Grant Opportunities
 - Grant Milestone
- Grant Statement of Activity
- Grant Payments
 - Overdue Grant Payments
 - Unbilled Grant Reports

Out of Scope/ Phase II





Grant Management Life Cycle



Pre-award phase

- Research
- Proposal development
- Application submission



Award phase

- Application review
- Negotiation
- Acceptance



Post-award phase

- Implementation and management
- Monitoring and reporting
- Evaluation
- Closeout

Procure to Pay

Procure to Pay (P2P)

Business Requirements Summary:

This process area covers all aspects of purchasing and vendor management. AppWrap will implement the core NetSuite AP module and will work closely with Santa Maria Airport as 3rd party applications with pre-built integrations with NetSuite are evaluated.

In Scope

- Vendor Master/Record
- Employee Master/Record
- Vendor Bills
- Vendor Payments (Application to Vendor Bill)
- Vendor Credits
- Amortization Templates & Schedules
- NetSuite Fixed Assets

ORACLE
NETSUITE

*3rd party prebuilt integrations are the responsibility of each specific 3rd party application.



Data Migration

CONSULTANT will be responsible for the following tasks:

- Support Client in Data Migration planning for item master setup and data cleansing plan. Will also assist in testing iterations of scrubbed data for integrity and train Client how to load data into NetSuite.
- Assist Client in understanding NetSuite data elements, validations, and mapping to legacy data elements.
- Assist Client in understanding the record layouts and file formats.
- Perform up to two (2) iterations for the import of data into NetSuite using Excel-based files.

Santa Maria Airport will be responsible for the following tasks:

- Mapping of legacy data elements to NetSuite data elements.
- Cleansing and deduplication of data.
- Provide data for conversion into NetSuite in the format specified by CONSULTANT for each conversion object.
- Validate, reconcile, and sign off on converted data in NetSuite.

NETSUITE IMPLEMENTATION PROPOSAL

Data Migration

- Client to take the primary role in validating historical data or GL balances entered into the system.
- Go-Live Date is an estimate. Most SuiteSuccess implementations take roughly 3 months to complete

Kickoff: April 2026

SuiteSuccess Implementation:
Social Impact Std SKU

Data Preparation (Before Go-Live)

Opening Balance + (1) year of historical trial balance summarized by month

Target Go-Live: July/August 2026 - TBD

Cutover – open balances as of Go-Live Date

- Open GL, Grants, AR, AP, Fixed Assets and Amortization

Entity Data: Customers, Vendors, Items



Data Conversion and Migration Exclusions: The following processes are considered 'Out of Scope' for Data Conversion and Migrations: Historical Dynamic (transactional) data.

Documents, Forms, and Reports

NetSuite Standard documents, forms, and reports will be used to satisfy all of Client's requirements.

Integrations

This lists the in-scope integrations:

- Paychex*
 - *Third-party prebuilt SuiteApp integrations. The application provider will be the primary party that sets up the integration. AppWrap will provide NetSuite access to allow the third-party tools to connect and will provide NetSuite design/configuration, UAT testing, and data migration support for these tools as they relate to the in-scope business processes. We recommend that our clients contact their account managers at the third-party application providers to initiate the integration process.

Any additional integration identified during the project will be estimated separately and will require a change order.

Customizations and Extensions

The following customizations and extensions will be developed and implemented:

- None

Responsibilities

CONSULTANT Responsibilities

CONSULTANT will provide subject matter specialists to provide the following services:



- Facilitate a kick-off session.
- Lead the creation of the initial project schedule. This project schedule must be reviewed and updated as necessary by CONSULTANT and the Client Project Manager for this initiative.
- Configure the NetSuite application to meet the designed processes and key requirements mentioned above.
- Plan and manage the testing of newly designed system configurations.
- Plan, manage, and assist Client IT analysts, core team members, SMEs, “super-users”, and/or supervisors in training the user community on newly designed NetSuite applications and the Client’s business processes and procedures.
- Organize, plan, and manage the implementation of the NetSuite application modules identified above and actively participate in detailed implementation activities.
- Provide a written report for status meetings, including an activity listing and issues for discussion.
- Assist the Client in keeping the project within the pre-defined scope to ensure timely and on-budget engagement completion.

CONSULTANT will work jointly and cooperatively with the Client project team, management, end-users, and technology personnel (internal or outsourced) to ensure that the Client successfully completes this initiative and obtains the knowledge transfer necessary to support the implemented tasks and processes.

Client Responsibilities

In connection with CONSULTANT’s provision of the Services, Client will perform the tasks, furnish the personnel, provide the resources, or undertake the following responsibilities:

- Identify a project sponsor. The project sponsor is an individual (often a manager or senior executive) with overall accountability for the project. He or she is primarily concerned with ensuring that the project delivers the agreed-upon business benefits and acts as the representative of the organization, playing a vital leadership role through a series of areas:
 - Provides business context, expertise, and guidance to the project manager and the team.



- Champions the project, including “selling” and marketing it throughout the organization to ensure capacity, funding, and priority for the project.
- Acts as an escalation point for decisions and issues that are beyond the authority of the project manager.
- Acts as an additional line of communication and observation with team members, Clients, and other stakeholders
- Acts as the link between the project, the business community, and strategic decision-making groups.
- Provide a project manager who will assist the CONSULTANT team in managing the project, updating the project schedule, leading weekly status meetings, and scheduling employees.
- Provides a project team empowered to make critical business decisions.
- Provides timely assistance in resolving any personnel and/or business process issues that would negatively impact the timing and effectiveness of the proposed solution.
- Actively seeks to manage non-standard modifications by engaging with Business Users to utilize standard functionality. All non-standard modifications will be identified via formal documents and must be approved by the Client.
- Assists CONSULTANT in keeping the initiative within the pre-defined scope to ensure timely and on-budget completion of this project.
- Develop and test any interfaces to the Client’s existing systems that are outside the scope of this implementation.
- Extracts and cleanses data to be converted into NetSuite and formats it into pre-specified formats.
- Validates converted data.

To the extent that CONSULTANT’s deliverables, out of this initiative, include surveys, analyses, reports, evaluations, recommendations, or other management consulting services, Client shall be responsible for any implementation decisions and for any future action for such matters addressed in the deliverables.



Project Timeline

The project will commence in or around April 2026 with an estimated Go-Live in July/August 2026. Any material changes in these dates will require the Parties' mutual agreement.

CONSULTANT will lead the creation of the initial project schedule. This project schedule must be reviewed and updated as necessary by CONSULTANT and the Client Project Manager.

Project Assumptions

The Scope, Deliverables, Pricing, and Timeline are based upon the following assumptions, representations, or information supplied by Client and/or CONSULTANT ("Assumptions").

- Client project leadership and personnel representing the functional areas named in this Statement of Work commit to being available during regular business hours if scheduled in advance, to assist with the successful execution of this project.
- Client project team is empowered with decision-making responsibilities, and all levels of management from the operations and accounting areas must be committed to and involved in all stages of this project.
- To keep the project on task, Client's management will make decisions affecting system design and configuration within two business days, unless otherwise specified.
- For the planned timing of the implementation to be accomplished, freezing the requirements before UAT and freezing the system configuration before UAT is mandatory. Any significant changes to the configuration will result in a Change Order to adjust the project's timing, cost, and possibly staffing.
- CONSULTANT assumes no modifications or enhancements other than those expressly noted in this document; any enhancements or modifications will be added to the project scope via the change request process.
- All Services will be performed remotely unless mutually agreed upon by both Parties.



- A sandbox environment will be provided by Client to the CONSULTANT with at least three (3) named users with administrator access.
- Hardware, technology infrastructure (e.g., telecommunications, personal computer connectivity, etc.), and software, including ancillary systems to the NetSuite systems will be selected, procured, and implemented promptly by Client personnel or by a third party with whom Client contracts separately. Any unreasonable delay in the implementation of these technologies could result in implementation overruns.
- CONSULTANTS will be available to work during the reasonable business hours in the US time zone, and all project documentation, presentations and project communications are in English, or such other available languages the parties may agree upon in writing.

CONSULTANT responsibilities do not include the following items, but are essential to a successful project:

- Ensuring the availability of Client's internal resources. CONSULTANT will notify the Client Project Manager if Client resources are not committing the necessary time to the project.
- Ensuring the skills and abilities of Client technical staff.
- Extracting and "cleaning" Client's legacy systems data that will be used in conversion activities.
- Validating data accuracy during and after go-live.
- Decommissioning legacy processes and systems.
- Any requirements that cannot be met directly in the core NetSuite application and require additional hardware and/or software investments will be the responsibility of Client management to purchase.



AGREED AS OF THE DATE EXECUTED.

COMPANY:

By: _____

Name:

Title:

Date:

APPWRAP:

By: _____

Name: John W Rochefort

Title: Co-CEO

Date: