



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

**Thursday
June 25, 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, Guy, Clayton, Rodriguez

- 1. MINUTES OF THE SPECIAL MEETING HELD MAY 28, 2026**
- 2. 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
- 3. GENERAL MANAGER'S REPORT**
- 4. MANAGER OF FINANCE & ADMINISTRATION REPORT**
 - a) Demand Register
 - b) Financial Statements

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 will establish a time limit for receipt of testimony. The board reserves the right to establish further time limits for receipt of testimony.
6. **PRESENTATION BY ANNIE TEIXEIRA, VECTOR AIRPORT SYSTEMS, REGARDING PLANEPASS FOR LANDING FEE AND BILLING SERVICES.**
7. **RESOLUTION 966. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH VECTOR AIRPORT SYSTEMS, LLC FOR PLANEPASS AIRCRAFT LANDING FEE BILLING AND COLLECTION SERVICES AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AGREEMENT IN A FORM SATISFACTORY TO DISTRICT COUNSEL.**
8. **RESOLUTION 967. PUBLIC HEARING REGARDING THE ANNUAL POSITION VACANCY, RECRUITMENT, AND RETENTION EFFORTS REPORT IN COMPLIANCE WITH GOVERNMENT CODE SECTION 3502.3 (AB 2561).**
9. **RESOLUTION 968. PUBLIC HEARING AND ADOPTION OF THE FISCAL YEAR 2026-27 OPERATING AND CAPITAL BUDGET AND ESTABLISHING THE FISCAL YEAR 2026-27 APPROPRIATIONS (GANN) LIMIT.**
10. **RESOLUTION 969. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT ADOPTING A RESOLUTION CALLING AND GIVING NOTICE OF A GENERAL DISTRICT ELECTION TO BE HELD NOVEMBER 3, 2026, REQUESTING CONSOLIDATION WITH THE STATEWIDE GENERAL ELECTION, AND REQUESTING ELECTION SERVICES OF THE COUNTY OF SANTA BARBARA (ELECTIONS CODE § 10403).**
11. **Consent Items are considered routine and may be approved by one motion. Any member of the Board or staff may request to have an item removed from the Consent Calendar. If an item is pulled, the President of the Board may consider hearing the item separately from the rest of the consent items. Members of the public wishing to speak on consent items may do so when recognized by the Presiding Officer.**
 - a) **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE AN ASSIGNMENT OF LEASE BETWEEN MILT GUGGIA ENTERPRISES, INC., AND DE LEON RUBALCAVA CORPORATION.**
 - b) **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE A BUILDING SPACE LEASE BETWEEN THE DISTRICT AND ENGLISH AIR SERVICE, LLC.**
 - c) **RESOLUTION 970. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVING REVOCABLE LICENSE AGREEMENTS WITH VALLEY ART GALLERY, CASA OF SANTA BARBARA COUNTY, AND THE NINETY-NINES, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE REVOCABLE LICENSE AGREEMENTS IN SUBSTANTIALLY THE SAME FORM.**
 - d) **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE SECOND AMENDMENT OF GROUND LEASE FOR THE VEHICLE PARKING LOT BETWEEN THE DISTRICT AND ROTORCRAFT LEASING COMPANY, LLC.**
 - e) **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE SECOND AMENDMENT OF AGREEMENT TO USE RECYCLED WATER BETWEEN THE DISTRICT AND LAGUNA COUNTY SANITATION DISTRICT.**
 - f) **AUTHORIZATION FOR THE PRESIDENT AND SECRETARY TO EXECUTE THE SECOND LEASE AMENDMENT BETWEEN THE DISTRICT AND THE UNITED STATES OF AMERICA FOR THE OFFICE SPACE LEASED FOR THE TRANSPORTATION SECURITY ADMINISTRATION LOCATED AT 3249 TERMINAL DRIVE, SANTA MARIA, CA 93455 AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE AGREEMENT IN FORM SATISFACTORY TO DISTRICT COUNSEL.**

- g) RESOLUTION 971. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVING AN AGREEMENT FOR AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) SERVICES WITH THE CITY OF SANTA MARIA AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AGREEMENT IN A FORM SATISFACTORY TO DISTRICT COUNSEL.
 - h) RESOLUTION 972. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT APPROVING AN AGREEMENT FOR SUPPLEMENTAL LAW ENFORCEMENT SERVICES WITH THE CITY OF SANTA MARIA AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AGREEMENT IN A FORM SATISFACTORY TO DISTRICT COUNSEL.
12. 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).
13. DIRECTORS' COMMENTS.
14. ADJOURNMENT.

MINUTES OF THE SPECIAL BOARD
MEETING OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT
DISTRICT HELD MAY 28, 2026

The Board of Directors of the Santa Maria Public Airport District held a Special Meeting at the regular meeting place at 11:30 a.m. Present were Directors Brown, Guy, Clayton, and Rodriguez. General Manager, Pehl, Manager of Finance & Administration, Flores, and District Counsel Steele. Director Adams was absent.

President Brown announced that Director Adams has resigned from the Board of Directors, effective immediately.

1. MINUTES OF THE REGULAR MEETING HELD May 14, 2026. Director Clayton made a Motion to approve the minutes of the regular meeting held May 14, 2026. Director Rodriguez Seconded, and it was carried by a 4-0 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 – No meeting scheduled.
 - 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 had nothing to report.
4. The Manager of Finance & Administration presented the Demand Register to the Board for review and approval.

Mr. Flores answered questions from the Board regarding the new Business Development Manager position.

 - a) Demand Register. The Demand Register, covering warrants 074703 through 074733 in the amount of \$1,176,590.77, was recommended for approval as presented. Director Guy made a Motion to accept the Demand Register as presented. Director Clayton Seconded, and it was carried by a 4-0 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.

There were two requests to speak during public comment.

Justin Martin, a District tenant, addressed the Board and expressed his desire to become more involved in District matters. He raised questions regarding certain District policies and commented on hangar availability, stating that he believes the District should maintain a hangar waiting list and minimize vacant hangars before implementing rent increases. Mr. Martin also shared his interest in radio-controlled aircraft and stated he would support related activities at the airport provided safety remains the top priority and such activities do not interfere with aviation operations. He encouraged the District to focus on attracting new businesses and revenue opportunities rather than increasing fees for existing tenants and expressed a desire for greater collaboration between the District and its tenants.

Rich Jensen, FAA Safety Team Representative for SMX, informed the Board of an upcoming Pilot Safety Meeting scheduled for June 13, which coincides with a scheduled Display Day at the Airport. He explained that the meeting will focus on flight operations in and around Santa Maria and Central Coast airspace and will provide an opportunity for pilots and aviation stakeholders to share information and promote aviation safety. Mr. Jensen invited Board Members and staff to attend the event.

6. Presentation by the Wing Busters Club, regarding airport use for recreational flying.

Two members of the public requested to speak on this topic.

Mike Brown, a District tenant, addressed the Board and spoke in support of radio-controlled aircraft activities, noting that it is a great family-oriented hobby that he continues to enjoy himself. He emphasized the importance of bringing families to the Airport and fostering community engagement. Mr. Brown also commented on the District's Business Development Manager recruitment process, stating that he believes the position should be prominently advertised on the District's website and that the recruitment period should be extended to attract the most qualified candidates.

Justin Martin, a District tenant, expressed sympathy for the radio-controlled aircraft community regarding current FAA restrictions and commented that it can be difficult for young people to become involved in RC flying. He emphasized the importance of providing opportunities for youth to participate in community activities. Mr. Martin stated that he supports RC aircraft operations but stressed that such activities should be conducted safely and with consideration for the aviation community when determining appropriate operating locations. He also commented on the District's Business Development Manager recruitment process, echoing the remarks made by Mr. Brown. Mr. Martin expressed the opinion that a two-week recruitment period is insufficient to attract the most qualified candidates and suggested that the position should be filled by an individual with experience building a successful business from the ground up.

7. Authorization for District Counsel to terminate the retainer agreement with Groveman & Hiete, LLP and enter into a retained agreement with Stone & Dean, LLP for professional services. Director Clayton made a Motion to approve. Director Guy Seconded, and it was carried by a 4-0 vote.

8. Authorization for the President and Secretary to execute a Revocable Permit Agreement between the District and Skydive Santa Barbara, LLC. Director Clayton made a Motion to approve. Director Rodriguez Seconded, and it was carried by a 4-0 vote.

9. Closed Session. At 12:12 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: Property: 3339 Terminal Drive Agency negotiators: General Manager and District Counsel. Negotiating parties: City of Santa Maria. Under Negotiation: Lease, price, and terms of payment – agreement for ARFF Services (Government Code Section 54956.8)

At 12:28 p.m., the Board and staff reconvened to Open Public Session.

There were no reportable actions. Director Guy recused himself for item 9a due to a conflict of interest.

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

Director Guy expressed his sadness regarding Director Adams' decision to resign from the Board and thanked him for his service to the District.

Director Clayton echoed Director Guy's remarks concerning Director Adams' resignation and noted that he appreciates the efforts of the current Board in guiding the District in a positive direction. He stated that he is looking forward to filling the Business Development Manager position and thanked the Board for moving the meeting to the morning, as he had a commitment related to local rodeo events later that day.

Director Brown stated that he agrees the Airport is moving in the right direction and expressed his sadness regarding Director Adams' resignation. He noted that Director Adams was a long-serving Board member who will be missed and wished him well.

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

ORDER OF ADJOURNMENT

This Special Meeting of the Board of Directors of the Santa Maria Public Airport District is hereby adjourned at 12:31 p.m. on May 28, 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 074734 to 074799 and electronic payments on Columbia Bank and in the total amount of \$ 518,382.91.

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 074734 to 074799 and electronic payments on Columbia Bank in the total amount of \$518,382.91 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 JUNE 25, 2026.

TONY GUY
SECRETARY

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 74734	5/28/2026	ADB SAFEGATE Americas LLC	\$5,991.30	Lighting Maintenance/Signs
* 74735	5/28/2026	AT&T	\$50.56	Telephone Service
* 74736	5/28/2026	Bomar Security & Investigation	\$5,536.00	Security Service
* 74737	5/28/2026	California Airports Council	\$1,000.00	Membership Dues - FY 2026-27
* 74738	5/28/2026	City of Santa Maria-Util Div	\$16,280.92	Utilities - Water
* 74739	5/28/2026	David K. Wolff Environmental, LLC	\$7,052.26	WHMP/Conservation Settlement
* 74740	5/28/2026	Fenton, Kerry	\$1,008.46	Reimbursement -Travel Expenses
* 74741	5/28/2026	Grainger	\$336.74	Building/Vehicle Maintenance
* 74742	5/28/2026	Gsolutionz, Inc.	\$407.57	Voice Services - May 2026
* 74743	5/28/2026	J B Dewar, Inc	\$533.83	Unleaded/Diesel Fuel
* 74744	5/28/2026	McMaster-Carr	\$310.04	Terminal Maintenance
* 74745	5/28/2026	Mission Linen Service	\$361.83	Uniform Service
* 74746	5/28/2026	Oracle America, Inc.	\$11,923.17	Netsuite -Annual License & Support
* 74747	5/28/2026	O'Reilly Automotive, Inc.	\$486.19	Vehicle Maintenance
* 74748	5/28/2026	Paychex of New York LLC	\$134.00	Paychex Flex - Time&Attendance
* 74749	5/28/2026	RRM Design Group	\$1,176.00	SMX Specific Plan Amendment
* 74750	5/28/2026	S Lombardi & Assoc., Inc.	\$1,600.00	Airport Advertising
* 74751	5/28/2026	Santa Maria Valley Crop Service	\$4,107.22	Weed/Wildlife Abatement
* 74752	5/28/2026	SCS Engineers	\$955.00	PFAS Workplan Assessment - April 2026
* 74753	5/28/2026	Smith's Alarms & Electronics Inc.	\$630.00	Electronic Security System
* 74754	5/28/2026	State Water Resources Control Board	\$436.78	Site Cleanup Program - 1/1/26 - 3/31/26
* 74755	6/4/2026	AT&T	\$228.49	Telephone Service
* 74756	6/4/2026	Bomar Security & Investigation	\$7,849.37	Security Service
* 74757	6/4/2026	Brown, Steve	\$500.00	Director's Fees
* 74758	6/4/2026	CNH Industrial Capital	\$8.74	Shop Supplies
* 74759	6/4/2026	Coast Networx	\$210.00	Network Support Services
* 74760	6/4/2026	Comcast Business	\$543.51	Internet - Customs
* 74761	6/4/2026	Fence Factory	\$530.70	Maintenance - Fencing & Gates
* 74762	6/4/2026	Guy, Anthony Ted	\$300.00	Director's Fees
* 74763	6/4/2026	J B Dewar, Inc	\$466.55	Unleaded/Diesel Fuel
* 74764	6/4/2026	Mead & Hunt, Inc.	\$8,000.00	Airport Consulting Service
* 74765	6/4/2026	Mission Linen Service	\$370.99	Uniform Service
* 74766	6/4/2026	Oberon3, Inc	\$50.00	Terminal Maintenance
* 74767	6/4/2026	Ramsey Asphalt Construction	\$8,638.00	Hangar Pavement
* 74768	6/4/2026	RB Clean & Sweep	\$950.00	Street Sweeping/Concrete Cleaning
* 74769	6/4/2026	Rodriguez, Marvin	\$200.00	Director's Fees
* 74770	6/4/2026	Safety-Kleen	\$595.00	Hangar Maintenance
* 74771	6/4/2026	Santa Maria Valley Crop Service	\$5,392.56	Weed/Wildlife Maintenance
* 74772	6/4/2026	Service Star	\$12,395.81	Janitorial Service
* 74773	6/4/2026	Sherwin-Williams	\$126.37	Terminal Maintenance
* 74774	6/4/2026	Tower Patrol	\$3,257.07	D3 Trailer 1 - Monthly Subscription

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
* 74775	6/4/2026	Verizon Wireless	\$2,591.52	Mobile Devices/Equipment Charges
* 74776	6/11/2026	AppWrap, LLC	\$12,500.00	Netsuite Suite Implementation
* 74777	6/11/2026	Astound	\$950.65	Network Services - Terminal
* 74778	6/11/2026	C.J. Brown & Company, CPAs	\$443.00	Annual Audit
* 74779	6/11/2026	Comcast Business	\$3,047.48	Internet Service
* 74780	6/11/2026	Granite Construction	\$135,975.56	Rehabilitate Runway 12-30
* 74781	6/11/2026	Gsolutionz, Inc.	\$95.60	GPS Cloud Svcs - Phones
* 74782	6/11/2026	Heath, Ray	\$3,575.20	Consulting Services - Contingencies
* 74783	6/11/2026	JD Humann Landscaping, Inc	\$4,955.00	Landscaping - Terminal
* 74784	6/11/2026	Limotta Internet Technologies	\$12,696.00	Network Subscriptions 7/1/26-12/31/26
* 74785	6/11/2026	Local Copies, Etc.	\$37.07	Airport Advertising
* 74786	6/11/2026	MarTeeny Designs	\$550.00	Website Maintenance
* 74787	6/11/2026	McMaster-Carr	\$377.12	Vehicle/Terminal Maintenance
* 74788	6/11/2026	Mission Linen Service	\$189.12	Uniform Service
* 74789	6/11/2026	Moran Development Company	\$19,730.00	Cost of Fence - 50% Claim
* 74790	6/11/2026	O'Reilly Automotive, Inc.	\$43.48	Vehicle Maintenance
* 74791	6/11/2026	Pacific Telemanagement Services	\$463.00	Pay Phone Svs - Terminal
* 74792	6/11/2026	Richards, Watson & Gershon	\$14,511.90	Legal Counsel Services
* 74793	6/11/2026	Sheppard Welding Services	\$250.00	Lighting Maintenance - Terminal
* 74794	6/11/2026	Sherwin-Williams	\$20.98	Terminal Maintenance
* 74795	6/11/2026	Sousa Tire Service, LLC	\$1,000.44	Vehicle Maintenance
* 74796	6/11/2026	Tartaglia Engineering	\$8,468.00	Rehabilitate Runway 12-30
* 74797	6/11/2026	The Meridian Valuation Group	\$2,000.00	Appraisal Report Fees
* 74798	6/11/2026	Tri-Counties Plant Service	\$275.00	Interior Plant Service- Terminal
* 74799	6/11/2026	VTC Enterprises	\$84.00	Trash - Paper Recycling
		Subtotal	<u>\$335,761.15</u>	
ACH	5/27/2026	Clark Pest Control	\$3,240.75	Weed/Wildlife Abatement
ACH	5/29/2026	Flex TG	\$13.17	Equipment Lease - Usage Charge
ACH	6/1/2026	Home Depot	\$137.05	Building Maintenance - FBO
ACH	6/1/2026	Aflac	\$204.24	Employee Voluntary Insurance
ACH	6/1/2026	Primo Brands	\$212.36	Water Delivery
ACH	6/1/2026	Frontier	\$397.91	Telephone Service
ACH	6/2/2026	Principal	\$2,901.34	Employee Dental/Life/Disability Insurance
ACH	6/2/2026	CA Franchise Tax Board	\$539.27	Garnishment - Employee Taxes
ACH	6/2/2026	CalPERS	\$7,482.94	Employee Retirement
ACH	6/2/2026	Amazon Capital Services	\$1,680.64	Office Equipment, Admin Maintenance, Advertising
ACH	6/4/2026	Paychex	\$31,260.52	Payroll
ACH	6/4/2026	Paychex	\$8,615.11	Payroll Taxes

Santa Maria Public Airport District

Demand Register

Check Number	Check Date	Vendor Name	Check Amount	Description
ACH	6/5/2026	Paychex	\$207.47	Paychex Invoice
ACH	6/8/2026	Empower	\$5,710.14	Employee Paid Retirement
ACH	6/8/2026	CalPERS	\$19,264.95	Unfunded Liability
ACH	6/9/2026	PG&E	\$7,971.16	Terminal/Admin/Hangar Electricity
ACH	6/10/2026	Advantage Plus	\$393.26	Answering Service
ACH	6/10/2026	Clark Pest Control	\$3,240.75	Weed/Wildlife Abatement
ACH	6/11/2026	De Lage Landen	\$83.74	Copier
ACH	6/11/2026	Frontier	\$1,267.06	Telephone Service
ACH	6/11/2026	CalPERS	\$19,208.55	Employee Health Insurance
ACH	6/16/2026	Frontier	\$1,506.91	Telephone Service
ACH	6/16/2026	PG&E	\$12,655.48	Terminal/Admin/Hangar Electricity
ACH	6/16/2026	U.S. Bank Equipment & Finance	\$605.25	RICOH Printer Lease
ACH	6/16/2026	CalPERS	\$7,482.94	Employee Retirement
ACH	6/16/2026	The Gas Company	\$372.25	Utilities - Gas
ACH	6/16/2026	Quadient	\$200.00	Postage
ACH	6/17/2026	Paychex	\$8,567.56	Payroll Taxes
ACH	6/17/2026	Paychex	\$31,194.66	Payroll
ACH	6/18/2026	Paychex	\$207.47	Paychex Invoice
ACH	6/18/2026	Empower	\$5,710.14	Employee Paid Retirement
ACH	6/18/2026	Primo Brands	\$86.72	Water Delivery
		Subtotal	<u>\$182,621.76</u>	
		Total	<u><u>\$518,382.91</u></u>	

Santa Maria Public Airport District
Statement of Net Position (Balance Sheet)

As of June 30, 2026

6/30/2026	
ASSETS	
<i>Current assets:</i>	
Cash & cash equivalents	2,758,201
Restricted cash & cash equivalents	416,661
Certificate of deposit	8,000
Accounts receivable, net of allowance	60,086
Prepaid expenses	0
Leases receivable (GASB 87)	9,381,606
Total current assets	12,624,555
<i>Capital assets:</i>	
Capital assets, not being depreciated	6,508,405
Depreciable capital assets, net of depreciation	34,082,081
Total capital assets, net	40,590,486
TOTAL ASSETS	53,215,040
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows	756,697
Deferred OPEB outflows	9,450
Total deferred outflows of resources	766,147
LIABILITIES	
<i>Current liabilities:</i>	
Accounts payable	45,466
Accrued payroll & withholdings	3,376
Unearned revenue	218,081
Customer & hangar deposits	121,847
Settlement payable	2,000,000
Total current liabilities	2,388,769
<i>Long-term liabilities:</i>	
Compensated absences	173,743
Net pension liability	2,555,369
Total OPEB liability	324,853
Total long-term liabilities	3,053,965
TOTAL LIABILITIES	5,442,734

DEFERRED INFLOWS OF RESOURCES

Deferred pension inflows	43,887	
Deferred OPEB inflows	55,136	
Deferred inflows — leases (GASB 87)	8,249,570	
Total deferred inflows of resources		8,348,593

NET POSITION

Aviation land sale fund	5,076,213	
Construction fund	2,029,171	
Fixed assets fund	14,705,072	
General fund	3,982,293	
Prior period adjustments	411,036	
Retained earnings	7,903,932	
Change in net position (current year)	6,082,143	
TOTAL NET POSITION		40,189,860

BALANCE CHECK

Total assets + deferred outflows	53,981,187
Total liabilities + deferred inflows + net position	53,981,187

Santa Maria Public Airport District

Statement of Cash Flows

For the fiscal year ended June 30, 2026

	FY2025-26
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers & tenants (operating revenues)	5,354,240
Cash paid to suppliers & employees (operating expenses)	(6,351,089)
Decrease in accounts receivable	2,865
Decrease in prepaid insurance	10,783
Decrease in accounts payable	(1,364,947)
Decrease in accrued payroll & withholdings	(47,681)
Increase in security deposits	8,284
Decrease in compensated leave	(38,558)
Net cash used in operating activities	(2,426,103)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property tax revenues received	2,349,021
Airline service revenue guarantee paid	(1,500,000)
Conservation easement	(123,406)
SEMCO settlement paid	(75,000)
Airfest sponsorship paid	(75,000)
Conservation Settlement Payment	(1,000,000)
Net cash used in noncapital financing activities	(424,385)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
AIP capital grant reimbursements received	6,307,310
Passenger facility charge (PFC) revenue	100,263
Acquisition & construction of capital assets	(6,472,929)
Net cash used in capital & related financing activities	(65,355)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest & investment earnings received	95,804
Decrease in interest receivable	18,873
Net cash provided by investing activities	114,677
NET DECREASE IN CASH & CASH EQUIVALENTS	
	(2,801,167)
Cash & cash equivalents — beginning of year (7/1/25)	5,984,029
Cash & cash equivalents — end of year (6/30/26)	3,182,862

Santa Maria Public Airport District

Statement of Revenues, Expenses & Changes in Net Position

For the fiscal year ended June 30, 2026

	FY2025-26
OPERATING REVENUES	
Landing area (landing fees, tiedowns, fuel flowage)	166,927
Hangar area (T-hangars, corporate, owner-build, storage)	1,134,917
FBO area (main hangar, commercial aviation, land lease)	710,395
Terminal area (car rental, terminal space lease)	345,975
Revenue-generating land (ag, non-aviation, cell, MHP)	2,972,109
Administrative income	23,917
Total operating revenues	5,354,240
OPERATING EXPENSES	
Salaries & employee benefits	1,822,855
ARFF / public safety services	747,638
Utilities	609,364
Professional & contract services	1,268,379
Insurance	502,472
Repairs & maintenance	381,639
Communications	114,573
Supplies & fuel	106,705
Mobile home park operations	78,596
Other operating (janitorial, landscaping, advertising, dues, travel)	718,868
Total operating expenses	6,351,089
OPERATING INCOME (LOSS)	(996,849)
NON-OPERATING REVENUES (EXPENSES)	
Property tax revenues	2,349,021
AIP capital grant reimbursements	6,307,310
PFC revenue	100,263
Interest & investment earnings	95,804
Airline Service Revenue Guarantee	(1,500,000)
Conservation easement	(123,406)
SEMCO settlement	(75,000)
Airfest sponsorship	(75,000)
Total non-operating revenues (expenses)	7,078,992
CHANGE IN NET POSITION	6,082,143



TO: President and Members of the Board of Directors
FROM: Mike Flores, Manager of Finance and Administration
MEETING: June 25, 2026

ITEM

Approval of a Professional Services Agreement with Vector Airport Systems, LLC for PLANEPASS® Automated Aircraft Landing Fee Billing and Collection Services

RECOMMENDATION

It is recommended that the Board of Directors adopt the attached Resolution approving a Professional Services Agreement with Vector Airport Systems, LLC for PLANEPASS® automated aircraft landing fee billing and collection services, and authorizing the General Manager to execute the Agreement and the related Authorization to Bill and Authorization to Collect letters.

BACKGROUND

The District assesses landing fees on transient (non-based, non-signatory) aircraft operating at the Santa Maria Public Airport. Identifying billable operations, establishing certified aircraft weights, generating invoices, and collecting payment is labor-intensive and difficult to perform comprehensively with existing staff. Vector Airport Systems, LLC provides PLANEPASS®, a turnkey service that uses fused flight-tracking data (ADS-B, flight plans, radar, and, where applicable, camera technology) to capture aircraft operations, calculate fees in accordance with the District’s adopted fee schedule, invoice operators, and collect payment through a secure lockbox and online portal.

DISCUSSION

Under the proposed Agreement, Vector identifies billable operations and bills the transient operators designated by the District, while District-designated exempt aircraft, based aircraft, and signatory airlines with operating agreements are excluded and continue to be managed by the District. Vector remits collected landing fees to the District monthly, retaining its service fee from proceeds. Key business terms are summarized below.

Term	Provision
Initial Term	Three (3) years from the Commencement Date
Renewal	Two successive one (1)-year terms unless either party gives 60 days’ notice
Service fee	18% of amounts collected, retained by Vector from collection proceeds
District cost	No up-front cost and no equipment purchase required; fee is netted from collections
Remittance	Monthly, by the 10th business day, net of the service fee
Termination for convenience	Permitted by either party after the first year on 60 days’ notice
Estimated annual landing fees billed	≈ \$101,145 (based on Vector’s analysis of transient operators)
Estimated net annual remittance to District	≈ \$82,938 after the 18% service fee

Vector reports an average collection rate of approximately 99.6% after twelve months and indicates that it has previously billed approximately 97% of the District’s transient operators, meaning most already have accounts on the platform. Within thirty (30) days of execution the District must provide an Authorization to Bill and an Authorization to Collect letter on District letterhead and post current fee information and a payment-portal link on the District website. The District retains full authority over fee policy, rates, and which operations are billable.



FINANCIAL IMPACT

The Agreement is expected to be net revenue-positive with no up-front cost. Based on Vector's analysis of transient operator activity, the service is projected to bill approximately \$101,145 annually and remit approximately \$82,938 net to the District after the 18% service fee. Actual amounts will vary with operations and collection rates. The arrangement is expected to increase landing-fee revenue and collections relative to current in-house efforts while reducing staff workload.

ANALYSIS

PLANEPASS® allows the District to capture and collect landing fees more completely and efficiently than is practical with current staffing, at no up-front cost and on a self-funding basis. The Agreement preserves the District's control over fee policy and exemptions and can be terminated for convenience after the first year. Staff recommends approval.

ATTACHMENTS

- Resolution Approving the PLANEPASS® Professional Services Agreement with Vector Airport Systems, LLC
- Agreement for Professional Services — PLANEPASS® Automated Aircraft Fee Billing & Collection Solution

RESOLUTION NO. 966
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH VECTOR AIRPORT
SYSTEMS, LLC
FOR PLANEPASS® AIRCRAFT LANDING FEE BILLING AND COLLECTION SERVICES
AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AGREEMENT

WHEREAS, the Santa Maria Public Airport District (“District”) assesses landing fees on transient aircraft operating at the Santa Maria Public Airport pursuant to its adopted schedule of rates and charges; and

WHEREAS, the District desires to improve the completeness and efficiency of landing fee billing and collection while reducing staff workload; and

WHEREAS, Vector Airport Systems, LLC offers PLANEPASS®, an automated aircraft fee billing and collection service that identifies billable operations, invoices operators, and collects and remits fees to the District; and

WHEREAS, the District and Vector Airport Systems, LLC have negotiated a Professional Services Agreement with an initial term of three (3) years and two successive one (1)-year renewal terms, under which Vector retains a service fee of eighteen percent (18%) of amounts collected and remits the balance to the District monthly, with no up-front cost to the District; and

WHEREAS, the Board has reviewed the proposed Agreement, attached hereto and incorporated herein by reference, and finds that approval 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:

1. Approval of Agreement. The Professional Services Agreement between the District and Vector Airport Systems, LLC for PLANEPASS® aircraft landing fee billing and collection services, attached hereto and incorporated herein by reference, is hereby approved.

2. Authority to Execute. The General Manager, or designee, is hereby authorized and directed to execute the Agreement on behalf of the District, together with the Authorization to Bill and Authorization to Collect letters and any other documents necessary to implement the Agreement.

3. Fee Policy Retained. The District retains full authority over its landing fee rates, billable operations, and exemptions, and shall provide such information to Vector for billing in accordance with the Agreement.

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

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Santa Maria Public Airport District held this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

APPROVED AS TO FORM:

District Counsel

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN

VECTOR AIRPORT SYSTEMS, LLC &

{OWNING AUTHORITY}

Agreement Name: *PLANEPASS® Automated Aircraft Fee Billing & Collections Solution*

This agreement ("AGREEMENT"), dated as of _____, _____ ("Execution Date"), is by and between the {Owning Authority}, (hereinafter "CLIENT"), and Vector Airport Systems, LLC (hereinafter "CONTRACTOR"). The CLIENT shall be defined as the client airport(s) and their governing municipality.

RECITALS

- I. WHEREAS, CONTRACTOR represents that it is a duly qualified provider of various products and services including PLANEPASS® aircraft operating fee billing & collection services, and
- II. WHEREAS, in the judgment of the CLIENT, it is necessary and desirable to employ the services of CONTRACTOR for the performance of aircraft operating fee billing & collection services.
- III. NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

1. Term of Agreement:

- 1.1.** The term of this Agreement shall commence as of the COMMENCEMENT DATE set forth below and shall continue thereafter for a period of (3) three years (the "Initial Term"). Upon expiration of the Initial Term, the Client, in its sole discretion, may extend the Agreement for up to two (2) successive one (1) year terms (each a "Successive Term"), by providing written notice of such extension to CONTRACTOR at least thirty (30) days prior to the expiration of the then-current term. All terms, conditions, and fees of this AGREEMENT continue unchanged during the Successive Term(s).
- 1.2.** The COMMENCEMENT DATE is _____.

2. Termination

- 2.1. Termination for Convenience:** Neither party may terminate this AGREEMENT for convenience without the consent of the other party for a period of one (1) year following the COMMENCEMENT DATE. After one (1) year from the COMMENCEMENT DATE has elapsed, either party may terminate this AGREEMENT for convenience by providing written notice to the contacts listed in Section 6 no less than sixty (60) calendar days prior to the requested termination date.

- 2.2. Termination for Cause:** Notwithstanding any other provision of this AGREEMENT -- Should CONTRACTOR fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this AGREEMENT, CLIENT must:
 - First, notify CONTRACTOR of violation of obligations and give CONTRACTOR 30 calendar days to cure this violation.
 - Second, if CONTRACTOR fails to cure the violation within 30 calendar days of receiving notification from CLIENT, CLIENT may immediately terminate this AGREEMENT by giving CONTRACTOR written notice of such termination, stating the reason for termination.

Should CLIENT fail to perform its obligations under this AGREEMENT, including failing to pay CONTRACTOR in accordance with this AGREEMENT, or otherwise violates any of the terms of this AGREEMENT, CONTRACTOR must:

- First, notify CLIENT of violation of obligations and give CLIENT 30 calendar days to cure this violation.
- Second, if CLIENT fails to cure the violation within 30 calendar days of receiving notification from CONTRACTOR, CONTRACTOR may immediately terminate this AGREEMENT by giving CLIENT written notice of such termination, stating the reason for termination.

2.3. Termination for Non-Appropriation. Following the end of the Initial Term, and notwithstanding Section 2.2, CLIENT may terminate this Agreement for non-availability of funds to appropriate for this Agreement upon thirty (30) days written notice to CONTRACTOR.

2.4. Delivery of Work Product and Final Payment Upon Termination: In the event of termination or expiration, CONTRACTOR, within 30 days following the date of termination, shall deliver to CLIENT:

- **For PLANEPASS®:** All standard reports pertaining to unpaid balances and to any amounts paid into CONTRACTOR and unpaid yet to CLIENT.

2.5. Payment Upon Termination: Upon termination of this AGREEMENT by CLIENT, CONTRACTOR shall be entitled to payment for all contracted services performed and unpaid prior to the effective date of termination. Payment shall be made by CLIENT within 30 days of a written invoice from CONTRACTOR.

3. Scope of Work

3.1. CONTRACTOR's Specified Work: CONTRACTOR shall perform the services described in EXHIBIT A, attached hereto and incorporated herein by this reference (hereinafter "Scope of Work"), and within the times or by the dates provided for in EXHIBIT A.

3.2. Modification of Services: Any product or service contracted herein may be modified from time to time at CONTRACTOR's sole discretion; provided, however, that any such modification shall not (a) have a material adverse effect on CONTRACTOR's provision of the Product and Service or CLIENT's use and enjoyment of the CONTRACTOR's Products and Services or (b) result in any additional fees payable by CLIENT under the AGREEMENT during the applicable TERM during which such modifications are implemented.

3.3. Cooperation with CLIENT: CONTRACTOR shall cooperate with CLIENT and CLIENT staff in the performance of the Scope of Work hereunder.

3.4. Cooperation by CLIENT: CLIENT shall cooperate with CONTRACTOR and CONTRACTOR's staff in performance of the Scope of Work hereunder.

3.5. Performance Standard: CONTRACTOR shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in CONTRACTOR's profession. CLIENT has relied upon the professional ability and training of CONTRACTOR as a material inducement to enter into this AGREEMENT. CONTRACTOR hereby agrees to provide all services under this AGREEMENT in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws.

4. Compensable Products and Services: CONTRACTOR shall be compensated for all goods sold and services performed pursuant to this AGREEMENT and as defined in EXHIBIT A.

5. Insurance: With respect to performance of work under this AGREEMENT, CONTRACTOR shall maintain insurance with the minimum policy limits as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*.

Type of Coverage	Policy Limits
Worker's Compensation	\$1,000,000
Commercial General Liability	\$1M per occurrence, \$2M aggregate
Business Auto Liability	\$1,000,000
Professional Liability	\$2,000,000

CONTRACTOR shall provide immediate written notice to CLIENT if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased. CONTRACTOR shall provide certified copies of required insurance policies to CLIENT before starting work under this Agreement, and within thirty (30) days of any change in insurance. All policies of insurance shall be issued by insurers admitted to do business in the State of California, with a current A.M. Best's rating of A:VII or better. CLIENT and its officers, agents, and employees shall be listed as additional named insured on each policy, as applicable, and CONTRACTOR shall issue to CLIENT a waiver of subrogation on CLIENT's behalf. CONTRACTOR's insurance shall be primary as applicable to the CLIENT and nothing in this Section 5 shall limit CONTRACTOR's liability to the insurance policy limits.

6. Notice: All notices, demands, requests or approvals to be given under this AGREEMENT, shall be given in writing and conclusively shall be deemed served when delivered personally or on the third business day after deposit in the United States mail, postage prepaid, registered or certified, addressed as follows:

6.1. All notices, demands, requests or approvals from CONTRACTOR to CLIENT shall be addressed to:

SANTA MARIA PUBLIC AIRPORT DISTRICT
ATTN: GENERAL MANAGER
3217 TERMINAL DRIVE
SANTA MARIA, CA 93455

6.2. All notices, demands, requests or approvals from CLIENT to CONTRACTOR shall be addressed to:

Peter Coleton, CEO
Vector Airport Systems
280 Sunset Park Drive
Herndon, VA 20170

7. Independent Parties: The parties to this AGREEMENT will act in their independent capacities and not as agents, employees, or partners of one another. CLIENT, its officers, and employees shall have no control or direction over CONTRACTOR or any of CONTRACTOR's agents, employees, or subcontractors, except as otherwise provided herein.

8. Integrated Contract: This AGREEMENT represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modifications of this AGREEMENT will be effective only by written execution signed by both CLIENT and CONTRACTOR and approved as to form by CLIENT's Attorney.

9. Authority of Executor: The person executing AGREEMENT on behalf of each party certifies and represents that he/she has authority and power to bind that party to the obligations set forth herein and to sign on its behalf.

10. Waiver: A waiver by either party to this AGREEMENT of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein.

11. Successors in Interest: All terms and conditions of this AGREEMENT shall be binding upon and inure to the benefit of any successors in interest to the parties hereto. This clause shall not be deemed as a waiver of any prohibitions or conditions against assignment.

12. Indemnification: CONTRACTOR to CLIENT: To the extent allowed by the Laws of the State of California, the CONTRACTOR shall indemnify, defend, save, and hold harmless the CLIENT, its officers, employees, agents and contractors from all claims, demands, liabilities, damages, losses, suits, and costs, including but not limited to, reasonable attorneys' fees, to the extent caused by the negligence, recklessness or intentional wrongful conduct of CONTRACTOR and persons employed or utilized by CONTRACTOR in the performance of this AGREEMENT.

CLIENT to CONTRACTOR: To the extent allowed by the Laws of the State of California, the CLIENT hereby agrees to indemnify, defend, save, and hold harmless the CONTRACTOR from all claims, demands, liabilities, and suits arising out of, because of or due to intentional or negligent acts or omissions of the CLIENT, its agents, or employees; CLIENT shall be responsible for any and all liabilities arising out of or related to any acts committed by CONTRACTOR at CLIENT's direction, except to the extent such liability arises out of the intentional or negligent acts or omissions of the CONTRACTOR. It is specifically understood and agreed that this indemnification clause does not cover or indemnify the CONTRACTOR for its own negligence. These terms shall not be construed to waive any statutory rights provided to the CLIENT.

13. No Personal Liability: No member, director, or officer or employee of either party shall be personally liable for the performance of either party's obligations under this AGREEMENT or on account of any breach thereof or because of its execution or attempted execution.

14. Limitation of Liability: CONTRACTOR's total liability for any and all injuries, claims, losses, expenses, or damages whatsoever, including attorney's fees, arising out of or in any way related to the CONTRACTOR's work or this AGREEMENT from any cause or causes, including but not limited to CONTRACTOR's errors, omissions, negligence, strict liability, and breach of contract, shall not exceed two million dollars (\$2,000,000.00).

15. Work for Hire: CONTRACTOR retains ownership and all intellectual property, trademark and patent rights associated with any and all processes or materials, tangible or intangible, used in the provision of services under this AGREEMENT. Such materials include but are not limited to: concepts, ideas, techniques, data, databases, software, customer lists, materials, and specifications.

16. Severability: If any provision of this AGREEMENT, or the application thereof, to any person or circumstances shall to any extent be held invalid or unenforceable, the remainder of this AGREEMENT, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid and unenforceable, shall not be affected thereby, and each term and provision of this AGREEMENT shall be valid and be enforced to the fullest extent permitted by law unless one or both parties would be substantially and materially prejudiced.

17. Governing Law and Venue: This AGREEMENT shall be governed by, and construed in accordance with, the laws of the State of California. The San Luis Obispo County Superior Courts of California shall have exclusive jurisdiction to hear any claim between the CONTRACTOR and the CLIENT in connection with the AGREEMENT. Prior to filing any claim or action related to this AGREEMENT, the parties may, but shall not be obligated to, submit such claim or action to non-binding mediation before a mediator mutually agreeable to the parties. The parties shall share equally in the costs of mediation.

18. Force Majeure: In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of insurrection, war, fire or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the party delayed in performing work or doing acts required under the terms of this AGREEMENT, then performance of such act shall be excused for the period of the actual delay attributable to such causes, and the period from the performance of any such act shall be extended for a period equivalent to the period of such delay (any such delay is herein referred to as an "Unavoidable Delay"). This Section shall not be applicable to the CONTRACTOR's obligations to procure insurance or to pay any Payments or any other sums, moneys, costs, charges or expenses required to be paid by the CONTRACTOR hereunder. If any provision of this AGREEMENT negates or limits the period of any force majeure extension, such provision shall override this Section. The CONTRACTOR shall not be entitled to an extension for any Unavoidable Delay unless the CONTRACTOR has given the CLIENT notice of the delay within a reasonable time following the occurrence of the delaying event.

19. Nondiscrimination: Without limiting any other provision hereunder, CONTRACTOR shall comply with all applicable federal, state, and local laws, rules, and regulations regarding nondiscrimination in employment, including without limitation, the CLIENT's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this AGREEMENT are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the Effective Date.

[signature page to follow]

VECTOR: Vector Airport Systems, LLC

By: _____

Title: _____

Name: _____

Date: _____

CLIENT: Santa Maria Public Airport District

By: _____

Title: President

Name: Steve Brown

Date: _____

By: _____

Title: Secretary

Name: Tony Guy

Date: _____

EXHIBIT A – Scope of Work (“WORK”)

1. CONTRACTOR shall:

- 1.1. Provide *PLANEPASS*® billing & collection service as defined in this EXHIBIT A, to the airports and for the fee types designated by the CLIENT.
- 1.2. Provide project management for each of the *PLANEPASS*® service components listed below, through and including procurement, training and service execution.
 - 1.2.1. Utilize *PLANEPASS*® service and billing engine to identify billable aircraft operations as defined by the CLIENT, and track exempt aircraft, billable weights, and operations types (e.g., arrivals and departures).
 - 1.2.2. Provide exemptions for CLIENT-designated aircraft via batch upload from Excel spreadsheet(s). During the billing process, aircraft listed as exempt, and those under a specified weight (if applicable), will be removed from the billable aircraft activities to be invoiced.
 - 1.2.3. Coordinate with CLIENT staff to ensure that invoices generated on behalf of the CLIENT are consistent with the CLIENT’s existing billing rates and policies.
 - 1.2.4. Provide secure online payment portal where aircraft operators can login to their account(s) to check billing status, review invoices, and submit payments online.
 - 1.2.5. Provide aircraft operators the option to receive electronic invoices. All other invoices will be printed and mailed to aircraft operators by CONTRACTOR.
 - 1.2.6. Maintain *PLANEPASS*® automated billing services including: billing, customer support, collection of fees, and reporting.
 - 1.2.7. Provide collection system that automatically credits accounts for certain payments received, calculates account balances, and tracks accounts receivable balances.
 - 1.2.8. Process payments through a secure bank lockbox service with proper and auditable cash controls.
 - 1.2.9. At the close of the month, provide a Collection Report and electronically transfer the “balance of collections” to CLIENT.
 - 1.2.9.1. The “balance of collections” is defined as total net collections on behalf of CLIENT in a monthly collection cycle less the *PLANEPASS*® Billing & Collection Service fee, stated below.
 - 1.2.9.2. The transfer of the “balance of collections” and CONTRACTOR’s fee will occur monthly by the 10th business day.
 - 1.2.10. Provide ongoing client and user support.
 - 1.2.11. As of Execution Date, the contracted solution does not require CLIENT to purchase equipment. CONTRACTOR may have a transponder receiver installed at the CLIENT’s location at CONTRACTOR’s discretion. If future changes in scope require equipment purchase, the purchase and payment terms will be governed by an amendment to this AGREEMENT, or a separate agreement or purchase order.
- 1.3. **Service Wind-Down Period:** Should the AGREEMENT be terminated for any reason, the following Service Wind-Down Period and provisions shall apply:
 - 1.3.1. CONTRACTOR will remit to CLIENT all aircraft operating fees collected through the effective of termination, on at least a monthly basis less CONTRACTOR’s Billing and Collection Fees specified herein.

Prior to remittance as required in this Section 1.3.1, CONTRACTOR shall hold such fees collected in a deposit account designated in CONTRACTOR's records as containing funds held in trust for the benefit of CLIENT, and shall not commingle CLIENT's funds held in trust with CONTRACTOR's funds with any other funds. CONTRACTOR shall maintain accurate and auditable records identifying the amount attributable as CLIENT funds.

- 1.3.2. CONTRACTOR will produce aircraft operating fee invoices for any time period through the termination date as-yet not invoiced. The period shall ideally be a full calendar month per the normal process. This final invoice period will be the last period of aircraft operating fee invoices generated by CONTRACTOR. No further regular cycle invoices will be produced. Out of Cycle invoices for this or prior periods may still be produced as necessary to correct billing issues discovered through the customer service process.
- 1.3.3. CONTRACTOR will continue customer service, payment processing, active collections, reporting, and remittance for four calendar month periods (the "Service Wind-Down Period") after the AGREEMENT termination effective date. The Service Wind-Down Period maximizes collections for previously invoiced periods. CONTRACTOR's ongoing fee for PLANEPASS® Billing & Collection service stated herein will apply to amounts collected during the Service Wind-Down Period.
- 1.3.4. After the Service Wind-Down Period has ended, CONTRACTOR will discontinue all customer service and collection efforts and will refer all customer service calls to the CLIENT. As some aircraft operators may not comply with CONTRACTOR's instructions to pay CLIENT directly after Service Wind-Down Period has ended, CONTRACTOR will continue to passively allow payments to be made to its bank lockbox account and will continue to report and remit these payments to the CLIENT on a monthly basis. CONTRACTOR's service fee shall not apply to amounts collected after the Service Wind-Down Period.

2. CONTRACTOR's Compensation:

2.1. PLANEPASS® Billing and Collection Service: CONTRACTOR's ongoing service fee for managing the billing and collection process is a percentage of all amounts collected under terms of this AGREEMENT, as specified in the table below.

<u>Airport</u>	<u>Fee Type</u>	<u>CONTRACTOR'S Fee as a % of amounts collected</u>
Name (CODE)KSMX	Federal Aviation Regulations ("FAR") Part X Landing Fees	X%
KSMXName (CODE)	Federal Aviation Regulations ("FAR") Part X Landing Fees	X%
KSMXName (CODE)	Federal Aviation Regulations ("FAR") Part X Landing Fees	X%

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- 2.1.1. CONTRACTOR'S service fee is retained by CONTRACTOR from collection proceeds on behalf of CLIENT and paid to CONTRACTOR at the time of transfer of the "balance of collections" to CLIENT.
- 2.1.2. To modify the fee types billed under this AGREEMENT, CLIENT must complete and submit a Change Order, provided in EXHIBIT D, to CONTRACTOR. This request must be made by an authorized representative of the CLIENT.
 - 2.1.2.1. CONTRACTOR must agree that other fees implemented do not materially change the Scope of Work required to provide PLANEPASS® service. Any proposed adjustments detailed in a Change Order are not considered accepted or effective until an authorized representative of the CONTRACTOR has signed and executed the Change Order.
 - 2.1.2.2. Any fee adjustments that represent a material changes to Scope of Work may require renegotiation and an amendment to the CONTRACTOR'S fee as outlined above in this EXHIBIT A of this AGREEMENT.

3. CLIENT shall:

3.1. CLIENT Obligations – General: CLIENT shall be obligated to use its best efforts to perform or provide the following:

3.1.1. Point of Contact: CLIENT shall designate a representative authorized to act on behalf of CLIENT for the duration of this AGREEMENT.

3.1.2. Provide Information: CLIENT shall make available to CONTRACTOR any documents, data, or information necessary for CONTRACTOR to plan and provide the services described in this AGREEMENT, and that are within CLIENT's possession or control and are not privileged or subject to privacy protections. Examples of this data might be aircraft fee rates, collections records, and based aircraft lists.

CONTRACTOR relies on information provided by CLIENT, including but not limited to information pertaining to official airport policy, in performing its services under this AGREEMENT. CLIENT is responsible for maintaining a clear and verifiable chain of custody for all such information provided to CONTRACTOR. CONTRACTOR shall bear no liability for any performance errors or omissions resulting from inaccurate, incomplete, unlawful, unauthorized or noncompliant information provided by CLIENT, nor from CLIENT's failure to comply with the notification requirements stated herein.

3.1.3. Timely Response: CLIENT shall examine documentation, correspondence, invoices, and statements submitted to CLIENT for review and respond as necessary within a reasonable time.

3.2. CLIENT Obligations – PLANEPASS®

3.2.1. Exemption List: CLIENT will provide CONTRACTOR with a list of aircraft designated as exempt (the "exemption list") from the fee types managed by CONTRACTOR. CLIENT will provide updates to the exemption list monthly via email to datainput@vector-us.com. CLIENT shall not bill "exempt" aircraft included on the exemption list for fee types managed by CONTRACTOR. "Exempt" is understood to mean not billed by any party.

3.2.2. Payments Received by CLIENT: CLIENT shall not accept payments for fees for aircraft operations eligible to be invoiced by CONTRACTOR or fees previously invoiced by CONTRACTOR. To ensure proper accounting, if CLIENT receives a payment on-site or electronically for an aircraft operation eligible to be invoiced by CONTRACTOR or an invoice generated by CONTRACTOR, CLIENT will inform CONTRACTOR via email to billing@vector-us.com. CLIENT will either refund payment directly to the payor, remit the funds to CONTRACTOR, or retain the funds with the implied understanding that the payment will be listed on the relevant monthly Collection Report and is subject to CONTRACTOR's service fee.

3.2.3. Fee Types Managed by CONTRACTOR: The specific aircraft operating fee types placed under CONTRACTOR's management via this AGREEMENT served as an inducement for CONTRACTOR to enter into this AGREEMENT and were integral in determining CONTRACTOR's fee for professional services. If during the Initial Term or Successive Term CLIENT wishes to remove a fee type from CONTRACTOR's management, CLIENT shall request CONTRACTOR provide an opinion as to whether the removal materially alters the Scope of Work of this AGREEMENT. If in the judgement of CONTRACTOR, the requested change does constitute a material alteration in Scope, the parties shall engage in good-faith negotiations regarding an amendment to CONTRACTOR's service fee. If the parties are unable to produce a mutually acceptable amendment, CONTRACTOR reserves the right to terminate this AGREEMENT for convenience by providing 90 days' notice.

- 3.2.4. Airport Policy:** CLIENT shall be responsible for setting CLIENT policy as it pertains to aircraft fee billing, including but not limited to fee structures, types of aircraft activities deemed billable, and other matters that may involve CONTRACTOR's Work in the performance of this AGREEMENT. CONTRACTOR accepts no responsibility and expresses no opinion as to the legality of aircraft fee billing policies instituted by the CLIENT. The CLIENT is responsible for communicating these policies to the appropriate CLIENT stakeholders including the flying community.
- 3.2.5. Fee Changes:** CLIENT shall notify CONTRACTOR in writing of all aircraft operating fee changes, including but not limited to rates and billing rules, via email to clientservices@vector-us.com at least forty-five (45) calendar days prior to implementation. If CLIENT fails to provide timely and accurate notification CONTRACTOR shall have no obligation to implement such changes retroactively or upon a future date less than forty-five (45) days from notification and shall not be liable for any consequences, financial or otherwise, resulting from the continued application of preexisting fee rate or structures.
- 3.2.6. Public Disclosure of Fee Information:** CLIENT shall maintain a publicly accessible listing of aircraft operating fees on its website. This listing shall include a current list of fees and rates or provide a direct link to a document containing the current fees and rates. CONTRACTOR shall not be liable for any consequences, financial or otherwise, resulting from CLIENT's failure to post accurate and/or current fee information on its website as required herein.
- 3.2.7. Authorization to Bill & Authorization to Collect Documentation:** CLIENT shall provide to CONTRACTOR within thirty (30) calendar days of AGREEMENT execution an "Authorization to Bill & Collect" letter with materially similar form and content to the example provided in EXHIBIT B. The letter must be provided on the official letterhead of the CLIENT and signed by an authorized representative of the CLIENT.

CLIENT shall provide to CONTRACTOR within thirty (30) calendar days of AGREEMENT execution an "Authorization to Collect" letter with materially similar form and content to the example provided in EXHIBIT C. The letter must be provided on the official letterhead of the CLIENT and signed by an authorized representative of the CLIENT.

- 3.2.7.1.** No later than thirty (30) days following the COMMENCEMENT DATE, CLIENT will provide the "Authorization to Bill & Collect" letter on the webpage where fee information is displayed for public view. CLIENT may either provide a link to the letter in PDF form or post the content of the Letter itself on the fee page.
- 3.2.7.2.** No later than thirty (30) days following the COMMENCEMENT DATE, CLIENT will provide a link to CONTRACTOR's secure payment portal on the webpage where fee information is displayed for public view. The link shall include the following information in materially similar form and content:

Vector offers a self-service web portal for convenient online payments and account management at <https://payment.PLANEPASS.com>. The portal* allows aircraft operators to:

- 1) Update contact information, including email or postal mail addresses
 - 2) Process credit card payments
 - 3) Enroll in electronic invoicing
 - 4) View account history
 - 5) Request copies of invoices via email or download Excel-formatted invoices
- *The portal login is based on Vector invoice number and Vector operator ID

- 3.2.8. Additional Documentation:** CLIENT shall execute and deliver any other agreements, amendments, change orders, letters or other applicable documentation that CONTRACTOR deems necessary in order for CONTRACTOR to provide the Products and Services requested by CLIENT from time to time.

EXHIBIT B – Authorization to Bill Letter

DATE

Dear {AIRPORT NAME} Community,

Effective DATE, Vector Airport Systems (“Vector”) assumed the billing and collection of landing fees on behalf of {AIRPORT NAME} ({AIRPORT CODE}). {If applicable: For all operations occurring until midnight on DATE, {AIRPORT NAME} will bill and continue to collect landing fees for commercial and/or general aviation flight activity.)

“Landing fees” is a commonly used term that refers to aircraft operating fees. Landing fees for {AIRPORT CODE} are currently charged using the time of departure/arrival (choose one). Please be aware that touch-and-go operations are considered departures/arrivals and thus are billed.

Vector will assess and bill fees in accordance with the Airport’s established Landing Fee schedule located at: _____ [The Airport should insert a web hyperlink to the City/County website stating the established fee] Please note that landing fees are calculated using the aircraft’s FAA-certified MTOW/MLW (Choose one).

Vector transmits a monthly invoice to an aircraft’s registered owner or managing entity after the conclusion of each monthly billing cycle. Vector offers a self-service web portal for convenient online payments and account management at <https://payment.planePASS.com>.

• **Vector’s self-service web portal* allows aircraft operators to:**

- 1) Update contact information, including email or postal mail addresses
- 2) Process credit card payments
- 3) Enroll in electronic invoicing
- 4) View account history
- 5) Request copies of invoices via email or download Excel-formatted invoices

*The portal login is based on Vector invoice number and Vector operator ID

For billing questions or concerns, please contact Vector’s PLANEPASS® billing service team at billing@vector-us.com or (888) 588-0028 Option 01 or x700.

The Airport’s Administration Office staff may also be reached [insert email].

Sincerely,


JOHN MARK
CEO

[insert signature - preferably a cursive version of your wet signature]

EXHIBIT C – Authorization to Collect Letter

DATE

Dear {AIRPORT NAME} Aircraft Operator,

Since DATE, Vector Airport Systems (“Vector”) has managed the billing and collection of landing fees on behalf of {AIRPORT NAME} ({AIRPORT CODE}). Vector is authorized to collect balances due on the Airport’s behalf.

{AIRPORT NAME} ({AIRPORT CODE}) is aware of the outstanding balance owed on your account. Please remit payment to Vector immediately. The Airport does not accept payments directly. Further action may be taken if payment is not made in the next 10 business days.

I. How To Pay: Vector offers multiple payment methods:

For check or EFT payments, please use the following information:

Account Name:	PLANEPASS® - US Airports
Lockbox Address:	
Account Number:	
Bank Name:	
Bank ABA Routing Number:	
International Wire Number*:	
SWIFT Code:	

- For credit card payments, please visit Vector’s PLANEPASS® Payment Portal: <https://payment.planepass.com>

II. Billing Concerns & Account Management with Activity Details:

Vector’s PLANEPASS® Payment Portal (<https://payment.planepass.com>)* allows aircraft operators to:

- 1) Make credit card payments
- 2) Update account information including email and postal mail addresses
- 3) View airport fee structures, Authorization to Bill letters, and W9s
- 4) Enroll in electronic invoicing
- 5) View account history
- 6) View and download invoices as .csv files for use in MS Excel

*The portal login is based on your Vector invoice number and Vector operator ID.

III. Landing fees: Landing fees for Airport {AIRPORT CODE} are based upon arrival/DEPARTURE and are not an arrival/DEPARTURE fee. Vector assesses and bills these fees in accordance with the established landing fee structure located at: [insert link to proper Airport webpage]

If you have questions unrelated to billing, you may contact the Airport’s Administration Office staff at [insert email] and [phone number]. You may contact Vector’s PLANEPASS® billing service team at billing@vector-us.com or (888) 588-0028 Option 01 or x700.

Sincerely,



JOHN MARK
CEO

[insert personalized signature – this should be your unique personalized signature like this one:]

EXHIBIT D – CHANGE ORDER

REQUESTED BY (CLIENT):

CONTRACTOR:

Client Name: _____
 Address: _____

 Requestor Name: _____
 Requestor Phone: _____
 Requestor Email: _____
 Change Order No. _____
 Date of Request: _____

Contractor Name: Vector Airport Systems, LLC. _____
 Address: 280 Sunset Park Dr _____
 Herndon, VA 20170 _____
 Contractor Phone: (703) 817-7777 _____
 Contractor Email: officemanager@vector-us.com _____

Description of Change	Reason For Change	Requested Effective Date

APPROVED BY:

THIS CHANGE ORDER IS NOT CONSIDERED ACCEPTED OR EFFECTIVE UNTIL EXECUTED BY AUTHORIZED REPRESENTATIVES OF BOTH THE REQUESTOR AND CONTRACTOR BELOW.

Change Orders must be submitted to officemanager@vector-us.com at least forty-five (45) calendar days prior to requested effective date.

AUTHORIZED REQUESTOR NAME	AUTHORIZED CONTRACTOR NAME
AUTHORIZED REQUESTOR SIGNATURE	AUTHORIZED CONTRACTOR SIGNATURE
DATE OF ACCEPTANCE	DATE OF ACCEPTANCE



TO: President Brown and Members of the Board of Directors
FROM: Mike Flores, Manager of Finance and Administration
MEETING: June 25, 2026

ITEM

Public Hearing — Annual Report on Job Vacancies, Recruitment, and Retention Efforts (Assembly Bill 2561 / Government Code Section 3502.3)

RECOMMENDATION

It is recommended that the Board of Directors: (1) conduct a public hearing on the status of District job vacancies and recruitment and retention efforts, as required by Government Code Section 3502.3 (Assembly Bill 2561); and (2) adopt the attached Resolution receiving and accepting the report and finding that the District has satisfied the public-hearing requirement for Fiscal Year 2025–26.

BACKGROUND

Assembly Bill 2561, effective January 1, 2025, added Government Code Section 3502.3, which requires every public agency to present the status of vacancies and its recruitment and retention efforts at a public hearing before its governing board at least once per fiscal year. If the agency will adopt an annual or multiyear budget during the fiscal year, the presentation must be made before adoption of the final budget. The recognized employee organization for a bargaining unit, if any, is entitled to make a presentation at the hearing. Where vacancies in a single bargaining unit meet or exceed 20% of authorized full-time positions, additional information must be provided upon the organization’s request.

This public hearing is being held in conjunction with the District’s adoption of the Fiscal Year 2026–27 Budget, consistent with the timing required by the statute.

DISCUSSION

The District is a small special district with a limited workforce and does not have a recognized bargaining unit. The status of District positions and vacancies is summarized below.

Item	Status
Authorized full-time positions (FY 2025–26)	12 FTE
Authorized full-time positions (FY 2026–27)	13 FTE (adds the new Business Development Manager position)
Filled positions	12
Vacancies	1
Vacancy rate	Approximately 8% — well below the 20% bargaining-unit threshold in Section 3502.3
Recognized employee organization	None

Recruitment and retention efforts. The District advertises openings broadly and recent recruitments have been highly competitive. In Fiscal Year 2025–26 the District’s recruitment for the Manager of Finance and Administration position, which became vacant due to a retirement, drew more than 150 applicants. For Fiscal Year 2026–27, the District established a new Business Development Manager position; that recruitment recently closed and candidate interviews were conducted, with appointment anticipated early in the new fiscal year. The District supports retention through its adopted FY 2026–27 salary schedule, competitive classification and compensation, professional development, and onboarding. Staff has not identified significant obstacles in the hiring process and recommends no changes to current recruitment policies and procedures at this time.



FINANCIAL IMPACT

There is no direct fiscal impact associated with conducting the public hearing and receiving the report. Authorized positions and related salary and benefit costs are provided for in the adopted Fiscal Year 2026–27 Budget.

ANALYSIS

Conducting this public hearing during Fiscal Year 2025–26 and before adoption of the Fiscal Year 2026–27 Budget satisfies the District’s annual obligation under Government Code Section 3502.3. The District’s vacancy rate is well below the 20% threshold that would trigger enhanced reporting, and the District has no recognized bargaining unit. Staff recommends that the Board conduct the hearing, receive the report, and adopt the Resolution.

ATTACHMENTS

- Resolution Receiving the Annual Report on Job Vacancies, Recruitment, and Retention Efforts (Government Code Section 3502.3)

RESOLUTION NO. 967
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
RECEIVING THE ANNUAL REPORT ON JOB VACANCIES, RECRUITMENT, AND
RETENTION
EFFORTS FOR FISCAL YEAR 2025–26 AND FINDING COMPLIANCE WITH
GOVERNMENT CODE SECTION 3502.3 (AB 2561)

WHEREAS, Assembly Bill 2561, effective January 1, 2025, added Government Code Section 3502.3, requiring a public agency to present the status of vacancies and its recruitment and retention efforts at a public hearing before its governing board at least once per fiscal year, and before adoption of the final budget if a budget is to be adopted during the fiscal year; and

WHEREAS, the Santa Maria Public Airport District (“District”) is a public agency subject to Government Code Section 3502.3; and

WHEREAS, for Fiscal Year 2025–26 the District has twelve (12) authorized full-time-equivalent positions, all of which are filled, and the District’s adopted Fiscal Year 2026–27 Budget adds one (1) new Business Development Manager position, increasing authorized positions to thirteen (13), of which twelve (12) are filled and one (1) is vacant, a vacancy rate of approximately eight percent (8%), which is below the twenty percent (20%) threshold identified in Section 3502.3, and the District has no recognized employee organization; and

WHEREAS, the District’s recruitment and retention efforts during Fiscal Year 2025–26 included advertising openings broadly, including through Indeed, with the recruitment for the Manager of Finance and Administration position (vacated by retirement) drawing more than 150 applicants, and the recently completed recruitment for the new Business Development Manager position; and

WHEREAS, staff presented to the Board, at a duly noticed public hearing held this date and prior to adoption of the Fiscal Year 2026–27 Budget, the status of District vacancies and the District’s recruitment and retention efforts, and the public was provided an opportunity to comment; and

WHEREAS, the Board has considered the report and public testimony.

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

1. Receipt of Report. The Board hereby receives and accepts the annual report on the status of District job vacancies and the District's recruitment and retention efforts for Fiscal Year 2025–26.

2. Finding of Compliance. The Board finds that the public hearing and presentation conducted this date satisfy the requirements of Government Code Section 3502.3 for Fiscal Year 2025–26.

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

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Santa Maria Public Airport District held this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

APPROVED AS TO FORM:

District Counsel



TO: President and Members of the Board of Directors
FROM: Mike Flores, Manager of Finance and Administration
MEETING: June 25, 2026

ITEM

Public Hearing and Adoption of the Fiscal Year 2026–27 Operating and Capital Budget and Establishment of the Appropriations (GANN) Limit

BACKGROUND

The Santa Maria Public Airport District (“District”) prepares and adopts an annual budget before the beginning of each fiscal year. The annual budget serves as the District’s financial plan, operating guide, policy document, and communication tool for the Board of Directors, airport tenants and users, residents, funding partners, and the public.

The FY 2026–27 Proposed Budget and Budget-in-Brief were presented to the Board for review and direction at a prior meeting. The budget has been prepared in accordance with the District’s adopted financial policies and represents the District’s first formal budget document prepared for submission to the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program. Documentation used in the determination of the Appropriations (GANN) Limit has been made available to the public at least 15 days prior to this meeting, consistent with Government Code Section 7910.

DISCUSSION

The FY 2026–27 Budget projects total operating revenues of \$6,702,339 and total operating expenditures of \$8,175,808, resulting in a projected operating loss of \$1,473,469. While operating expenditures continue to exceed operating revenues — a structural characteristic of the District as a tax-supported special district — the operating gap improves substantially from the FY 2025–26 estimated operating loss of approximately \$4.28 million (budgetary basis, excluding depreciation).

The budget includes \$2,708,999 in non-operating revenues, primarily property tax allocations, investment earnings, and Passenger Facility Charge (PFC) revenue. These recurring non-operating revenues fully offset the operating loss, producing a net surplus before capital of approximately \$1,235,530. The budget further provides \$3,099,190 in capital expenditures aligned with the Airport Capital Improvement Plan (ACIP). Projected ending reserves are \$2,142,050, equal to 26% of operating expenditures — within the District’s adopted reserve policy range of 20% to 35%. The budget adds one new authorized position — a Business Development Manager — increasing total authorized positions from 12 to 13 FTE.

KEY FY 2026–27 BUDGET FIGURES

FY 2026–27 Budget — Key Figures	Amount
Operating Revenue	\$6,702,339
Operating Expenditures	\$8,175,808
Operating Income / (Loss)	(\$1,473,469)
Non-Operating Revenue (taxes, interest, PFC)	\$2,708,999
Net Surplus Before Capital	\$1,235,530
Capital Expenditures	\$3,099,190
Projected Ending Reserve / Cash	\$2,142,050
Reserves as % of Operating Expenditures	26%
Authorized Positions (FTE)	13
FY 2026–27 Appropriations (GANN) Limit	\$9,910,315



MAJOR BUDGET PRIORITIES

The FY 2026–27 Budget is organized around five major strategic priorities:

- Air Service Development — maintaining airline-ready facilities, supporting commercial service partnerships, and pursuing passenger and market opportunities.
- Economic Development — strengthening tenant retention, aviation-compatible land use, business attraction, and lease revenue development, including the new Business Development Manager position.
- Safety and Security — funding emergency response and firefighting, security services, airfield maintenance, regulatory compliance, and pavement preservation.
- Infrastructure Stewardship — advancing runway, taxiway, hangar taxilane, and facility capital improvement projects.
- Stronger Financial Foundations — monitoring structural balance, reserve policy compliance, and long-range financial sustainability.

LONG-RANGE FINANCIAL OUTLOOK

The six-year forecast shows operating revenues growing steadily and reserves remaining within the adopted policy range through FY 2030–31. Reserves are projected at 19% in FY 2031–32 — slightly below the 20% minimum — presented as a planning signal for future budget cycles rather than an immediate fiscal concern.

Fiscal Year	Operating Revenue	Ending Reserve	Reserve %
FY 2026–27	\$6,702,339	\$2,142,050	26%
FY 2027–28	\$6,903,409	\$2,084,576	25%
FY 2028–29	\$7,110,511	\$2,025,377	23%
FY 2029–30	\$7,323,827	\$1,964,403	22%
FY 2030–31	\$7,543,541	\$1,901,600	21%
FY 2031–32	\$7,769,848	\$1,836,912	19%

APPROPRIATIONS (GANN) LIMIT — APPENDIX B OVERVIEW

Article XIII B of the California Constitution (as amended by Proposition 111) requires the District to establish an annual appropriations limit. The FY 2026–27 limit is \$9,910,315, summarized below. The District’s estimated proceeds of taxes are well under the limit, confirming no GANN limit concern. The detailed calculation (Appendix B) has been available for public inspection for at least 15 days.

Appropriations (GANN) Limit — FY 2026–27	Amount / Factor
Price factor — CA per capita personal income change (4.95%)	1.0495
Population factor — City of Santa Maria (+1.51%)	1.0151
Combined adjustment factor	1.0653
FY 2025–26 Appropriations Limit (Resolution 926)	\$9,281,909
Add: SB 2557 property tax administration fee	\$20,931
Subtotal	\$9,302,840
FY 2026–27 Appropriations Limit (subtotal × 1.0653)	\$9,910,315
Estimated proceeds of taxes (FY 2026–27)	\$2,522,849
Proceeds as % of limit / margin under limit	25.46% / \$7,387,466

BASIS OF BUDGETING AND GASB PRESENTATION

The budget is prepared on an accrual-oriented enterprise basis. Consistent with the District’s adopted basis of budgeting, depreciation and amortization are excluded from budgeted expenditures; in the FY 2025 ACFR, depreciation of \$3,333,877 is reported as an operating expense, so budgeted operating expenditures will not tie directly to total expenses in the audited financial statements. For appropriation and cash-planning purposes, the budget includes the conservation easement settlement payment of \$1,250,000; in the audited statements this is reported as a non-operating expense (ACFR Note 15). Federal capital grant reimbursements



(AIP) and Passenger Facility Charges are budgeted as non-operating and grant resources but reported as capital contributions in the audited statements. These presentation differences affect classification only.

FINANCIAL IMPACT

Adoption of the FY 2026–27 Budget authorizes the appropriations and expenditures set forth in the budget document. The budget is balanced on a total-resources basis: recurring non-operating revenues offset the operating loss, and capital investment is funded from available reserves and grant resources while maintaining reserves within adopted policy. The Resolution also establishes the District's FY 2026–27 appropriations (GANN) limit of \$9,910,315; budgeted appropriations subject to the limit are below this amount.

ANALYSIS

The FY 2026–27 Budget reflects continued progress toward transparent, long-range financial planning. The operating loss improves from approximately \$4.28 million in FY 2025–26 to approximately \$1.47 million in FY 2026–27 (both on a budgetary basis), reflecting stronger operating revenue and the normalization of expenditures. The budget maintains reserves within policy, sustains investment in critical airport infrastructure, and provides the Board and the public with a clear financial roadmap for the coming fiscal year.

RECOMMENDATION

It is recommended that the Board of Directors: (1) conduct a public hearing on the Fiscal Year 2026–27 Operating and Capital Budget and the establishment of the District's Appropriations (GANN) Limit, and receive public testimony; and (2) adopt the attached Resolution adopting the Fiscal Year 2026–27 Operating and Capital Budget and establishing the District's FY 2026–27 Appropriations (GANN) Limit of \$9,910,315 pursuant to Article XIII B of the California Constitution, as presented.

ATTACHMENTS

- Resolution Adopting the FY 2026–27 Operating and Capital Budget and Establishing the Appropriations (GANN) Limit
- FY 2026–27 Budget Book and Budget-in-Brief
- Appendix B — FY 2026–27 Appropriations (GANN) Limit Calculation

RESOLUTION NO. 968
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
ADOPTING THE OPERATING AND CAPITAL BUDGET AND ESTABLISHING THE
APPROPRIATIONS (GANN) LIMIT FOR FISCAL YEAR 2026–2027

WHEREAS, the Santa Maria Public Airport District (“District”) is a public agency and special district organized and existing under the laws of the State of California, governed by a Board of Directors with authority to adopt an annual budget and to establish its annual appropriations limit; and

WHEREAS, the Board prepares and adopts an annual budget before the beginning of each fiscal year to serve as the District’s financial plan, operating guide, policy document, and communication tool; and

WHEREAS, staff has prepared the Fiscal Year 2026–27 Budget and a companion Budget-in-Brief in accordance with the District’s adopted financial policies, and has presented the proposed budget to the Board for review and direction at a duly noticed public meeting; and

WHEREAS, the Fiscal Year 2026–27 Budget projects total operating revenues of \$6,702,339, total operating expenditures of \$8,175,808, total non-operating revenues of \$2,708,999, and total capital expenditures of \$3,099,190, with recurring non-operating revenues fully offsetting the budgeted operating loss, resulting in a net surplus before capital of \$1,235,530, and maintains projected ending reserves of \$2,142,050, equal to 26% of operating expenditures, within the District’s adopted reserve policy range of 20% to 35%; and

WHEREAS, the Fiscal Year 2026–27 Budget provides for thirteen (13) authorized full-time-equivalent positions, including one new Business Development Manager position; and

WHEREAS, Article XIII B of the California Constitution, as amended by Proposition 111, requires each local government to establish an annual appropriations limit, and Government Code Section 7910 requires the governing body to establish that limit by resolution and to make the supporting documentation available to the public at least fifteen (15) days prior to the meeting at which the limit is adopted; and

WHEREAS, the documentation used in the determination of the Fiscal Year 2026–27 Appropriations (GANN) Limit has been made available to the public at least fifteen (15) days prior to this meeting, consistent with Government Code Section 7910; and

WHEREAS, the Board has reviewed the Fiscal Year 2026–27 Budget and the appropriations limit calculation, attached hereto and incorporated herein by reference, and finds that adoption is in the best interests of the District and its constituents.

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

1. Adoption of Budget. The Fiscal Year 2026–27 Operating and Capital Budget for the Santa Maria Public Airport District, attached to this Resolution and incorporated herein by reference, is hereby adopted and approved, effective July 1, 2026.

2. Appropriations. The amounts set forth in the Fiscal Year 2026–27 Budget are hereby appropriated for the purposes described therein for the fiscal year beginning July 1, 2026 and ending June 30, 2027, as summarized below:

FY 2026–27 Adopted Budget	Amount
Total Operating Revenue	\$6,702,339
Total Operating Expenditures	\$8,175,808
Operating Income / (Loss)	(\$1,473,469)
Total Non-Operating Revenue	\$2,708,999
Net Surplus Before Capital	\$1,235,530
Total Capital Expenditures	\$3,099,190
Projected Ending Reserve / Cash	\$2,142,050
Reserves as % of Operating Expenditures	26%
Total Authorized Positions (FTE)	13

3. Authorized Positions. The position classifications and authorized full-time-equivalent count of thirteen (13) positions reflected in the Fiscal Year 2026–27 Budget are hereby approved.

4. Authority to Administer the Budget. The General Manager, or designee, is authorized and directed to administer and implement the Fiscal Year 2026–27 Budget, to make expenditures within the appropriations adopted herein, and to transfer appropriations between line items and categories within the total adopted budget as necessary, consistent with the District’s adopted purchasing policy and approval thresholds.

5. Budget Amendments. Increases to the total adopted appropriations, and any appropriation of additional reserves, shall require approval of the Board of Directors by resolution or as otherwise provided by the District’s adopted financial policies.

6. Reserve Policy Compliance. The Board finds that the Fiscal Year 2026–27 Budget maintains reserves within the District’s adopted reserve policy range of 20% to 35% of operating expenditures.

7. Appropriations (GANN) Limit. Pursuant to Article XIII B of the California Constitution (as amended by Proposition 111) and Government Code Section 7910, the District’s Appropriations Limit for Fiscal Year 2026–27 is hereby established at \$9,910,315, determined as set forth below. The Board finds that the District’s estimated proceeds of taxes for Fiscal Year 2026–27 are \$2,522,849, which is approximately 25.46% of the limit and well under the limit.

Appropriations (GANN) Limit Calculation	Amount / Factor
Price factor — change in California per capita personal income (4.95%)	1.0495
Population factor — City of Santa Maria (+1.51%), selected per Gov. Code §7901 as higher than the county figure	1.0151
Combined adjustment factor (1.0495 × 1.0151)	1.0653
FY 2025–26 Appropriations Limit (established by Resolution No. 926)	\$9,281,909
Add: SB 2557 property tax administration fee	\$20,931
Subtotal	\$9,302,840
FY 2026–27 Appropriations Limit (subtotal × 1.0653)	\$9,910,315
Estimated proceeds of taxes (FY 2026–27 property tax revenue)	\$2,522,849
Margin under the limit	\$7,387,466
Proceeds of taxes as a percentage of the limit	25.46%

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

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Santa Maria Public Airport District held this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary



SANTA MARIA AIRPORT

SMX

Santa Maria Public Airport District FY 2026–27 Budget



Santa Maria Public Airport District | SMX | 3217 Terminal Drive, Santa Maria, CA 93455

Ph: 805.922.1726 | SantaMariaAirport.com

Adopted by the Board of Directors | Fiscal Year July 1, 2026 – June 30, 2027

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SANTA MARIA PUBLIC AIRPORT DISTRICT | 3217 TERMINAL DRIVE | SANTA MARIA, CA 93455 | 805.922.1726

June 25, 2026

President Brown and Members of the Board of Directors
Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, California 93455

Subject: Transmittal of the Fiscal Year 2026–27 Budget

Dear President Brown and Members of the Board:

We are pleased to present the Fiscal Year 2026–27 Budget for the Santa Maria Public Airport District. This budget serves as the District’s annual financial plan, policy document, operating guide, and communication tool for the fiscal year beginning July 1, 2026, and ending June 30, 2027.

The FY 2026–27 Budget reflects the District’s continued commitment to providing a safe, friendly, attractive, and economically sound airport through integrity and efficiency. It also reflects the District’s responsibility to manage public resources prudently while maintaining airport facilities, supporting aviation activity, investing in infrastructure, and advancing long-term financial sustainability.

Santa Maria Public Airport is an important international transportation and economic asset. The airport serves the Santa Maria region, Santa Barbara County, the Five Cities area, and the broader Central Coast. Through commercial passenger service, general aviation, business aviation, emergency response readiness, tourism, agricultural commerce, goods movement, tenant activity, and airport-compatible land use, the airport supports residents, businesses, visitors, and aviation users throughout the region.

The District also recognizes the importance of regional connectivity and international travel. Through its facilities, aviation services, tenants, customs-related activity, and business aviation operations, the airport helps connect the Central Coast to domestic and international markets. These services support business travel, agricultural producers, tourism, commercial activity, and the broader economic vitality of the region.

The FY 2026–27 Adopted Budget is organized around five core priorities:

1. Maintaining safe, reliable, and compliant airport operations;
2. Supporting commercial aviation, general aviation, business aviation, and regional economic development;
3. Investing in airport infrastructure through the capital improvement program;
4. Strengthening long-term revenue opportunities through tenant retention, lease development, and airport-compatible land use; and
5. Protecting the District's financial position through prudent reserve management, ongoing budget monitoring, and long-range financial planning.

The adopted budget includes total operating revenues of approximately \$6.70 million and total operating expenditures of approximately \$8.18 million. Operating revenues alone do not fully cover operating expenditures. However, the District's financial plan includes recurring non-operating revenues, including property tax allocations, investment earnings, and passenger facility charge revenues, which help support the continued operation of the airport.

The operating gap remains an important financial issue for the District. While the adopted budget shows significant improvement from the prior-year estimated operating loss, the District will continue to monitor revenue performance, operating cost trends, contractual obligations, staffing levels, and opportunities to improve recurring revenues. This approach is intended to preserve service levels while maintaining transparency about the financial structure of the airport.

The adopted budget also includes approximately \$3.10 million in capital expenditures for airport infrastructure projects. These investments support runway, taxiway, hangar taxiway, pavement, and facility-related improvements that preserve the long-term safety, utility, and reliability of the airport. The capital program is aligned with the District's Airport Capital Improvement Plan and positions the District to pursue eligible federal and state funding opportunities, including FAA Airport Improvement Program funding where available.

Infrastructure stewardship remains one of the District's most important responsibilities. Airport assets require ongoing maintenance, rehabilitation, and renewal to support safe operations and avoid larger future costs. The FY 2026–27 capital program reflects a continued focus on preserving existing assets, maintaining regulatory readiness, supporting aviation users, and protecting the long-term value of District facilities.

Economic development is also a major focus of the FY 2026–27 Adopted Budget. The addition of a Business Development Manager position is intended to strengthen tenant retention, lease revenue development, aviation-compatible land use, business outreach, and long-term revenue opportunities. This position supports the District's role as an economic engine for the Santa Maria Valley, Santa Barbara County, the Five Cities area, and the broader Central Coast.

The District continues to prioritize financial sustainability. The FY 2026–27 Adopted Budget projects ending reserves of approximately \$2.14 million, or 26% of operating expenditures. This level is within the District's adopted reserve policy range of 20% to 35% of operating expenditures. Maintaining reserves within policy is important to support operating stability, manage cash flow, respond to unforeseen events, and preserve flexibility for future capital and operating needs.

Long-range financial planning remains essential. Current forecasts indicate that reserve levels remain within policy in the near term, but future years will require continued attention to operating revenues, capital project spending, grant reimbursement eligibility, revenue diversification, and expenditure control. The District will continue to evaluate these factors throughout the year and will recommend adjustments as needed to maintain financial stability.

The FY 2026–27 budget process included management review of operating assumptions, revenue projections, staffing needs, capital priorities, reserve levels, and long-range financial trends. The adopted budget reflects Board direction and any approved modifications following public review and consideration.

We appreciate the Board’s leadership and continued commitment to the District’s mission. We also acknowledge the work of District staff, airport partners, tenants, aviation users, and community stakeholders whose efforts support the airport’s operations and long-term success. The Adopted FY 2026–27 Budget provides a responsible financial plan for the coming year while continuing to invest in the airport’s role as an international transportation gateway, economic development asset, and connection point to domestic and international markets.

Respectfully submitted,

Martin Pehl
General Manager

Mike Flores
Manager of Finance and Administration

SECTION 1 BUDGET MESSAGE

FY 2026–27 Budget Message

The FY 2026–27 Budget for the Santa Maria Public Airport District is presented as a policy document, financial plan, operations guide, and communication tool. The budget supports the District's mission to provide a safe, friendly, attractive, and economically sound airport through integrity and efficiency.

The budget continues the District's focus on airport infrastructure, air service and business development, safety and security, prudent reserve management, and transparent long-range financial planning. The District operates as an enterprise fund and relies on operating revenues, recurring non-operating revenues, passenger facility charges, grant reimbursements when available, and reserves, to support airport operations and infrastructure improvements.



Santa Maria Public Airport Terminal — Gateway to the Central Coast

Budget at a Glance

Measure	FY 2025–26 Estimated Actual	FY 2026–27 Budget
Beginning Cash Balance	\$5,713,320.00	\$4,005,710.51
Operating Revenue	\$5,346,445.31	\$6,702,338.85
Operating Expenditures	\$9,626,661.69	\$8,175,808.32
Operating Income (Loss)	(\$4,280,216.39)	(\$1,473,469.47)
Non-Operating Revenue	\$8,590,451.65	\$2,708,998.61
Cash Available Before Capital	\$10,023,555.27	\$5,241,239.65
Less: Capital Expenditures	\$6,017,844.76	\$3,099,190.05
Projected Ending Reserve / Cash	\$4,005,710.51	\$2,142,049.60
Reserves as % of Operating Expenditures	42%	26%

Major Budget Issues and Responses

Issue	FY 2026–27 Budget Response
Operating revenues remain below operating expenditures	The budget discloses the operating gap and uses recurring non-operating revenues to support airport operations while monitoring the structural balance.
Current-year non-operating revenue normalizes after one-time activity	FY 2025–26 included significant one-time and project-based resources. FY 2026–27 returns to a more recurring non-operating revenue base.
Capital infrastructure needs remain significant	The budget includes \$3,099,190.05 in total capital spending aligned with the Airport Capital Improvement Plan and Airport Master Plan.
Reserve levels normalize into the policy range	FY 2025–26 estimated reserves are above the policy maximum at 42%. FY 2026–27 reserves are 26%, within the 20%–35% policy range.
Business and air service development require focused capacity	The budget adds one Business Development Manager position to strengthen revenue development, tenant relationships, and air service support.

What Changed from FY 2025–26

Change	Explanation
Operating loss improves	The operating loss improves from an estimated \$(4.28) million to \$(1.47) million.
Non-operating revenue decreases	FY 2025–26 included significant AIP grant reimbursement and project-related activity. FY 2026–27 non-operating revenue is primarily tax revenues, interest earnings, and PFC revenue.
Capital spending continues at a lower level	Total capital spending decreases from an estimated \$6.02 million to \$3.10 million, while continuing infrastructure investment.
Reserves move into policy range	Estimated FY 2025–26 reserves were 42%, above the 35% maximum, related to one-time AIP grant funds. FY 2026–27 reserves are projected at 26%, within policy.
Staffing increases by one position	The budget adds one Business Development Manager, increasing authorized positions from 12 to 13.

Proposed-to-Adopted Changes

The FY 2026–27 Adopted Budget was approved without material changes from the Proposed Budget. The following table confirms that the major budget totals remained unchanged between the proposed and adopted versions.

Item	Proposed	Adopted	Change	Explanation
Operating Revenue	\$6,702,338.85	\$6,702,338.85	\$0	No material changes occurred
Operating Expenditures	\$8,175,808.32	\$8,175,808.32	\$0	No material changes occurred
Capital Expenditures	\$3,099,190.05	\$3,099,190.05	\$0	No material changes occurred
Projected Ending Reserve	\$2,142,049.60	\$2,142,049.60	\$0	No material changes occurred

SECTION 2 DISTRICT OVERVIEW & GOVERNANCE

District Overview and Governance

The Santa Maria Public Airport District (SMPAD) is a California special district established in 1964, dedicated to providing public airport facilities and services that support the Santa Maria region, the Five Cities area, and northern Santa Barbara County. The District’s jurisdiction encompasses approximately 400 square miles, managing a vital regional asset that includes terminal facilities, hangars, a mobile home park, Business park, and Agricultural land. As the federally designated commercial service airport (SMX) for the Santa Maria Valley, the District serves as a critical transportation and economic link for the entire Central Coast.



Ramp operations at Santa Maria Public Airport — Commercial service in action

Airport and District Facts

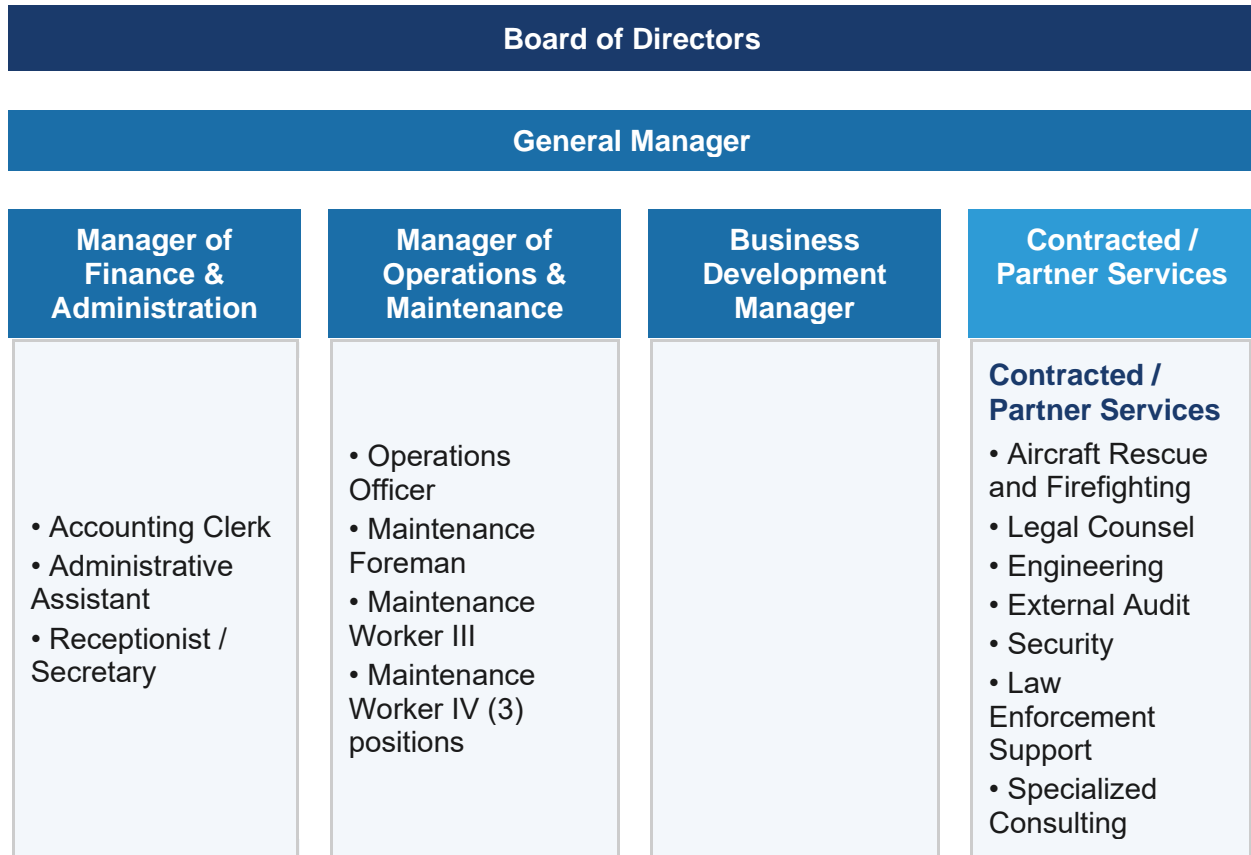
Airport / District Fact	Detail
Mission	To provide a safe, friendly, attractive and economically sound airport through integrity and efficiency.
Airport Code (IATA)	SMX
Location	Approximately three miles south of downtown Santa Maria, California
Land Area	Approximately 2,516 acres
Elevation	261 feet above mean sea level
Primary Runway (12/30)	8,004 × 150 feet, paved and lighted
Secondary Runway (2/20)	5,199 × 75 feet, paved
Governance	Five-member elected Board of Directors; meetings are publicly noticed and open
Airport Role	Primary NPIAS airport supporting commercial air service, general aviation, business aviation, tenant activity, and regional economic development
District Established	1964 — California special district under the California Airport District Act, Public Utilities Code §22001 et seq
Service Area	Santa Maria Valley and surrounding Central Coast communities
General Aviation Aircraft	Over 222 based general aviation aircraft

Governance and Organization

The District is governed by a five-member Board of Directors elected by voters within the District boundaries. The Board provides policy direction, adopts the annual budget, and ensures public accountability. The General Manager is responsible for executive leadership and day-to-day implementation of Board policy.

Governing Body / Division	Function / Responsibility
Board of Directors	Policy direction, budget adoption, and public accountability. Five elected members serving staggered four-year terms.
General Manager	Executive leadership, strategic direction, and implementation of Board policy.
Finance & Administration	Budget, accounting, procurement, contracts, records, public information, and customer service.
Operations & Maintenance	Airfield operations, facility maintenance, safety support, tenant service, and regulatory compliance.
Business Development	Air service development, economic development, tenant outreach, and revenue development. (New in FY 2026–27)
Contracted / Partner Services	ARFF, legal counsel, engineering, external audit, security, law enforcement, and specialized support services.

Organization Chart



**SECTION 3
STRATEGIC PRIORITIES**

Strategic Priorities

Strategic priorities are informed by the District's mission, Board direction, airport operational requirements, audited financial results, FAA grant assurance obligations, the Airport Master Plan, tenant and community needs, and long-range capital infrastructure planning.

Strategic Priority	FY 2026–27 Strategies	Action Measures / Time Frame
Air Service Development	Maintain airline-ready facilities, support commercial service partnerships, and monitor passenger and market opportunities.	Quarterly airline/market outreach and terminal readiness review.
Economic Development	Strengthen tenant retention, aviation-compatible land use, and lease revenue development.	Annual tenant outreach plan; lease opportunity pipeline maintained.
Safety and Security	Provide ARFF services, airfield maintenance, security, compliance, and pavement rehabilitation.	Track and plan for ARFF continuity, airfield inspection findings, and security-related work items.
Infrastructure Stewardship	Advance runway, taxiway, hangar taxilane, and facility capital improvements aligned with the Airport Master Plan and ACIP.	Track CIP milestones, grant status, and budget-to-actual spending.
Stronger Financial Foundations	Maintain reserves, monitor recurring revenues and expenses, and separate one-time resources from recurring resources.	Monthly and Quarterly financial review; Annual long-range forecast update; reserve policy monitoring; Implement new enterprise resource planning (ERP) software

Connection to Budget

Each strategic priority is supported by specific budget allocations. The table below summarizes the primary budget resources aligned with each priority.

Strategic Priority	Primary Budget Alignment	FY 2026–27 Amount
Air Service Development	Terminal operations, airline marketing, and business development capacity	See Operating Budget
Economic Development	New Business Development Manager position; Business, land, and tenant management	See Operating Budget
Safety and Security	ARFF services, Law Enforcement, security services, airfield maintenance, and compliance activities	\$1,564,452
Infrastructure Stewardship	Capital Improvement Program — taxiway, hangar taxilane, and runway projects	\$3,099,190 (capital improvement projects)
Stronger Financial Foundations	Reserve management, financial reporting, auditing, and long-range planning	Reflected in reserve level: 26%

**SECTION 4
FUND STRUCTURE & BASIS OF BUDGETING**

Fund Structure and Basis of Budgeting

The District reports and budgets its activities as an enterprise fund. Enterprise fund accounting is appropriate because the District operates airport facilities and services in a manner similar to a business activity, with costs supported by user charges, leases, grants, taxes, and other resources.

The budget is prepared for planning, control, and evaluation purposes on an accrual-oriented enterprise basis. Depreciation is excluded from the annual operating budget for budgetary control because depreciation is a non-cash expense; capital outlay is budgeted separately as a use of resources.

Functional Unit / Program	Enterprise Operating Budget	Capital Program	Notes
Board / Executive	Yes	Oversight	Policy, governance, and executive direction
Finance & Administration	Yes	Support	Budget, accounting, procurement, and financial reporting
Operations & Maintenance	Yes	Implementation	Airfield, facilities, safety, and tenant support
Business Development	Yes	Support	Air service, tenant, and economic development (new FY 2026–27)
Capital Improvements	No	Yes	Runway, taxiway, hangar taxilane, and infrastructure renewal projects

Budget Basis vs. ACFR Basis

The annual budget is prepared on an enterprise/cash-flow basis for planning and control purposes. The Annual Comprehensive Financial Report (ACFR) is prepared on a full accrual basis of accounting in conformance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). Differences between the budgetary basis and ACFR basis are primarily attributable to depreciation, accrual-basis adjustments, and timing differences in recording grant appropriations.

**SECTION 5
FINANCIAL POLICIES**

Financial Policies

The District maintains stringent financial policies to support transparency, accountability, internal control, and long-term sustainability. The budget complies with these policies by identifying recurring and one-time resources, presenting reserve levels, summarizing procurement controls, and disclosing debt status.

Policy	Summary and Budget Compliance
Structurally Balanced Budget Policy	Ongoing expenses should be supported by ongoing revenues. One-time or short-term revenues should fund one-time or short-term expenses. The policy recognizes the District's FAA self-sustainability obligation. The FY 2026–27 budget discloses the recurring operating gap and uses recurring non-operating revenues to support airport enterprise operations.
Reserve Policy	Reserve target is 20% to 35% of operating expenses. FY 2026–27 reserves are 26%, within policy. The FY 2031–32 forecast shows reserves at 19%, below the minimum — a planning signal requiring monitoring.
Investment Policy	Investment objectives are safety, liquidity, and yield, in that order. The District uses prudent investment controls, diversification, liquidity management, and periodic reporting to the Board.
Purchasing Policy	Purchases ≤\$5,000: no bidding required. \$5,001–\$50,000: informal quotes generally required. \$50,001–\$100,000: formal RFB/RFP process with General Manager approval. >\$100,000: Board approval required.
Debt Management Policy	Debt may be used for appropriate long-lived capital assets when affordable and legally permissible. Debt should not be used for ongoing operations. The District has no bonded debt or budgeted debt service in FY 2026–27.

Policy Compliance Statement

The FY 2026–27 budget is balanced on a cash-flow basis through the use of beginning cash, recurring non-operating revenues, and planned capital spending. **Operating revenues alone do not cover operating expenditures**; however, recurring non-operating revenues help support airport enterprise operations. Capital expenditures are funded from available cash reserves and grant reimbursements. The budget remains within the District's reserve policy for FY 2026–27, with projected reserves equal to 26% of operating expenditures.

FY 2025–26 estimated reserves are projected at 42% of operating expenditures — above the 35% maximum reserve target. This above-policy position reflects timing of grant reimbursements from capital expenditures in FY 2025-26. In FY 2026–27, planned capital expenditures reduce reserves to 26%, within the adopted policy range. Consistent with the Reserve Policy, excess reserves are treated as one-time resources and prioritized for one-time capital and infrastructure needs.

**SECTION 6
FINANCIAL OVERVIEW**

Financial Overview

The financial overview summarizes current-year estimated actual results, the budget, and the long-range forecast through FY 2031–32. Operating revenues have improved over time, but operating expenditures continue to exceed operating revenues. The District uses recurring non-operating revenues and long-range planning to maintain service levels and infrastructure improvements.

Fiscal Year	Op. Revenue	Op. Expenditures	Op. Income/(Loss)	Non-Op. Revenue	Cash Avail. Before Capital	Capital Expend.	Ending Reserve	Reserve %
FY25-26 Est.	\$5,346,445	\$9,626,662	(\$4,280,216)	\$8,590,452	\$10,023,555	\$6,017,845	\$4,005,711	42%
FY26-27 Adopted	\$6,702,339	\$8,175,808	(\$1,473,469)	\$2,708,999	\$5,241,240	\$3,099,190	\$2,142,050	26%
FY27-28	\$6,903,409	\$8,421,083	(\$1,517,674)	\$2,790,269	\$3,414,645	\$1,330,069	\$2,084,576	25%
FY28-29	\$7,110,511	\$8,673,715	(\$1,563,204)	\$2,873,977	\$3,395,348	\$1,369,971	\$2,025,377	23%
FY29-30	\$7,323,827	\$8,933,927	(\$1,610,100)	\$2,960,196	\$3,375,473	\$1,411,070	\$1,964,403	22%
FY30-31	\$7,543,541	\$9,201,944	(\$1,658,403)	\$3,049,002	\$3,355,002	\$1,453,402	\$1,901,600	21%
FY31-32	\$7,769,848	\$9,478,003	(\$1,708,155)	\$3,140,472	\$3,333,917	\$1,497,004	\$1,836,912	19%

10-Year Operating Revenue vs. Expenditures

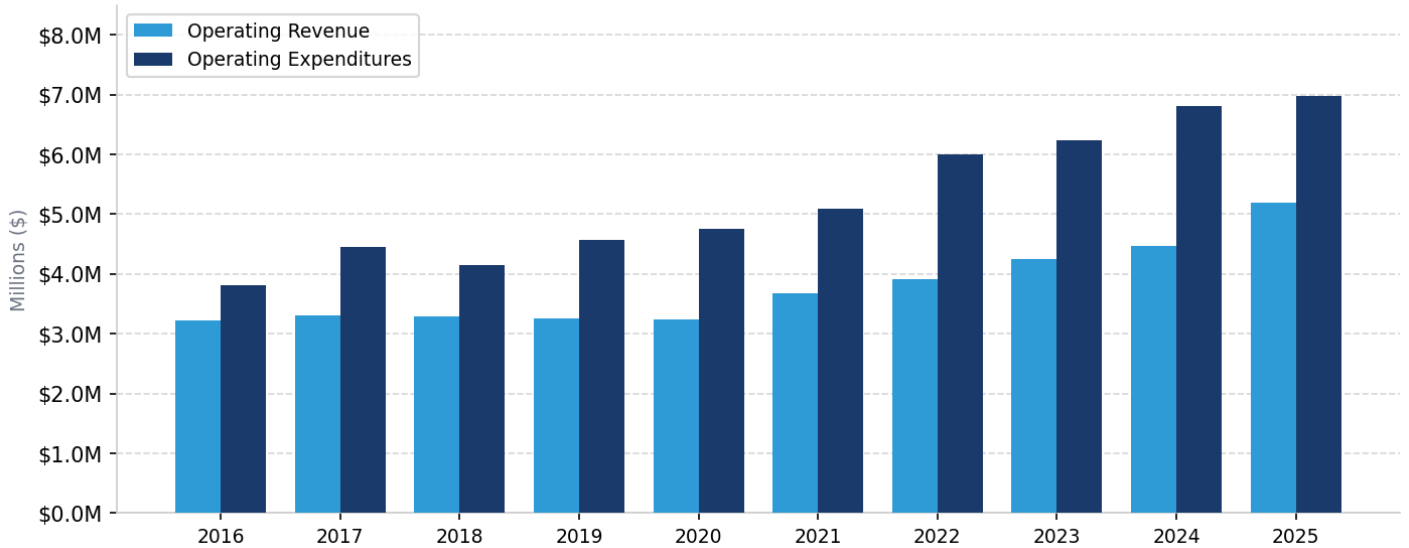


Figure 1: 10-Year Operating Revenue vs. Expenditures (FY 2016–FY 2025)

Reserve Level Forecast vs. Policy Range (20%–35%)

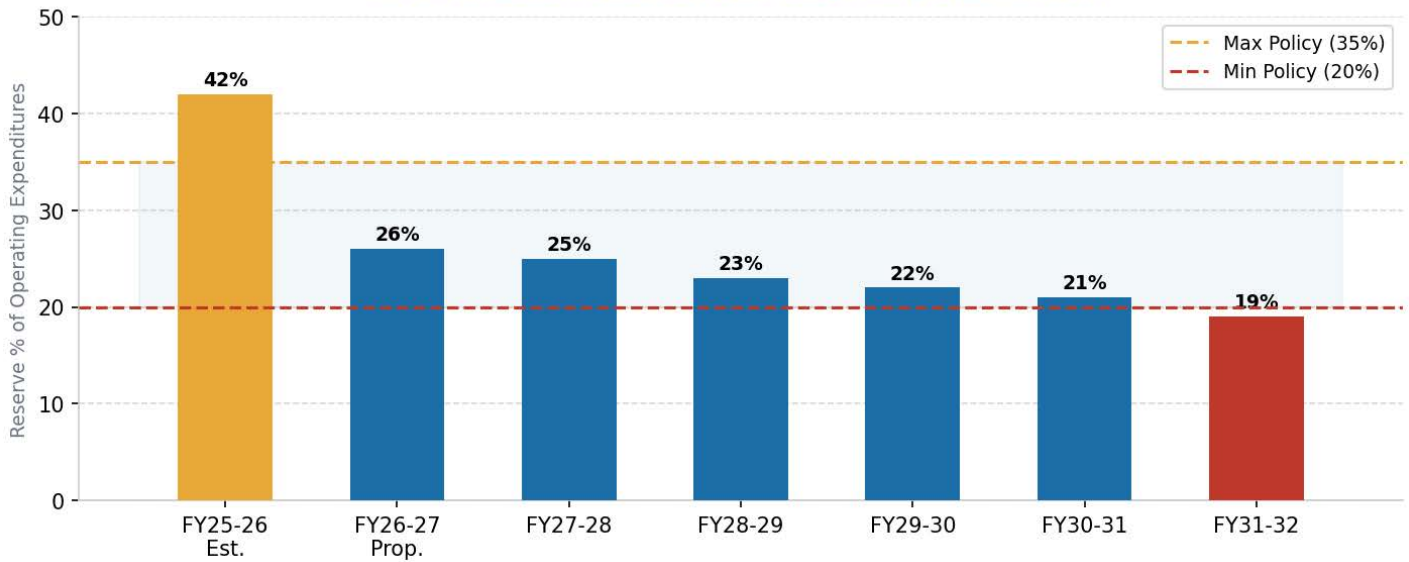


Figure 2: Reserve Level Forecast vs. Policy Range (FY 2025–26 through FY 2031–32)

**SECTION 7
REVENUE BUDGET**

Revenue Budget

FY 2026–27 total revenues include \$6,702,338.85 in operating revenues and \$2,708,998.61 in non-operating revenues. Revenue-generating land is the largest operating revenue category, reflecting the airport's substantial agricultural and mobile home park lease portfolio. Non-operating revenues are primarily property tax allocations, investment earnings, and Passenger Facility Charge (PFC) revenue.

FY 2026–27 Operating Revenue by Source

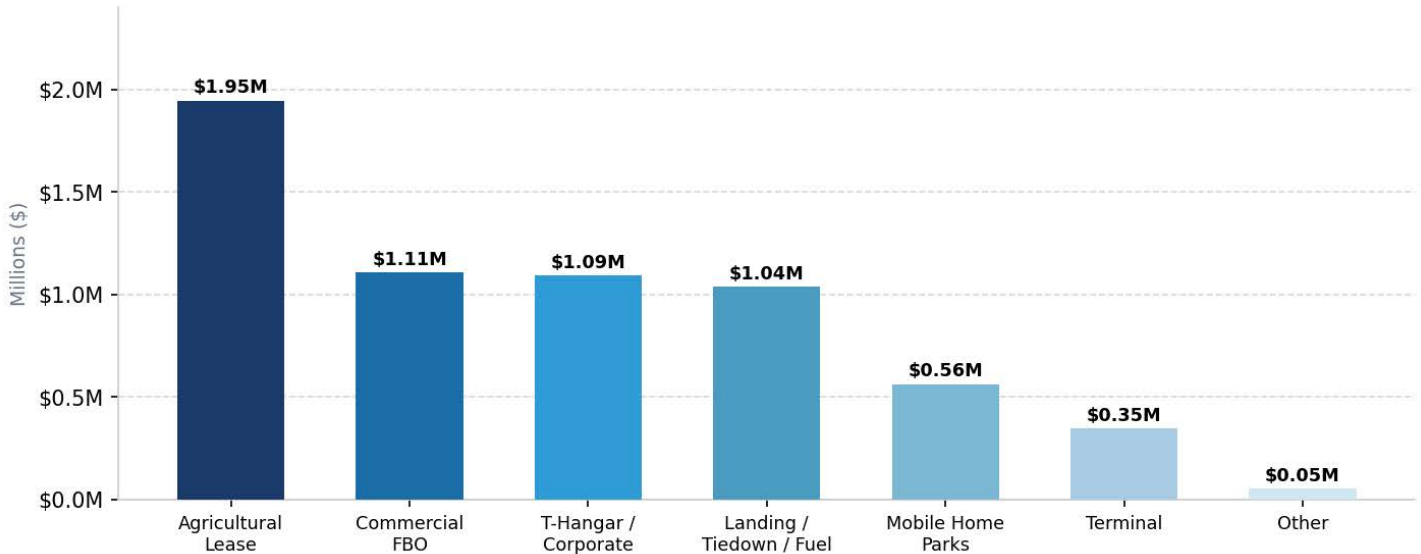


Figure 3: FY 2026–27 Operating Revenue by Source

Revenue Summary by Classification

Revenue Type / Classification	Operating Revenue	Non-Operating Revenue	Total Revenue
Revenue Generating Land	\$3,016,068.30	\$0.00	\$3,016,068.30
Misc / Non-Operating	\$0.00	\$2,708,998.61	\$2,708,998.61
Hangar	\$1,146,700.71	\$0.00	\$1,146,700.71
FBO / Commercial Aviation	\$1,106,104.37	\$0.00	\$1,106,104.37
Landing / Tiedown / Fuel Flowage	\$1,036,534.00	\$0.00	\$1,036,534.00
Terminal	\$345,895.83	\$0.00	\$345,895.83

Revenue Type / Classification	Operating Revenue	Non-Operating Revenue	Total Revenue
Administrative / Districtwide	\$26,352.74	\$0.00	\$26,352.74
Owner Build	\$24,682.92	\$0.00	\$24,682.92
TOTAL	\$6,702,338.85	\$2,708,998.61	\$9,411,337.46

Recurring and Non-operating Revenue Classification

Revenue Source	Recurring / One-Time	FY 2026–27 Amount	Notes
Tax Revenues	Recurring	\$2,522,849.04	Property tax allocation per adopted budget.
Interest & Investment Earnings	Recurring / market-sensitive	\$131,000.00	Depends on cash balances and interest rates.
PFC Revenue	Restricted / activity-driven	\$55,149.57	Passenger facility charge revenue for eligible uses.
AIP Reimbursement	Project-based	\$0.00	No FY 2026–27 amount in the recurring budget.
Administrative Income	Operating / recurring	\$26,352.74	Classified as operating revenue per final budget treatment.

Major Revenue Assumptions

Revenue Source	FY 2026–27 Amount	Primary Assumption / Method
Agricultural Lease	\$1,944,995.39	Existing lease terms, acreage, and known lease rates.
Mobile Home Parks	\$562,162.82	Existing lease and activity levels; budgeted MHP revenue.
T-Hangar and Corporate Hangar	\$1,093,129.72	Hangar occupancy, adopted rates, and tenant agreements.
Commercial Aviation / FBO	\$1,106,104.37	Agreement terms, activity assumptions, and aviation business activity.
Landing, Tiedowns, Fuel Flowage	\$1,036,534.00	Aviation activity, adopted rates and charges, and historical trends.
Terminal Revenue	\$345,895.83	Car rental agreements and terminal space lease assumptions.

**SECTION 8
EXPENDITURE BUDGET**

Expenditure Budget

FY 2026–27 operating expenditures total \$8,175,808.32. Administrative/Districtwide support is the largest expenditure category because it includes centralized personnel, ARFF, insurance, CalPERS retirement, security, law enforcement, legal, software, consulting, conservation/easement – settlement costs, and other shared operating costs. The expenditure budget reflects the District's commitment to safety, infrastructure preservation, and prudent resource management.

FY 2026–27 Major Expenditure Categories

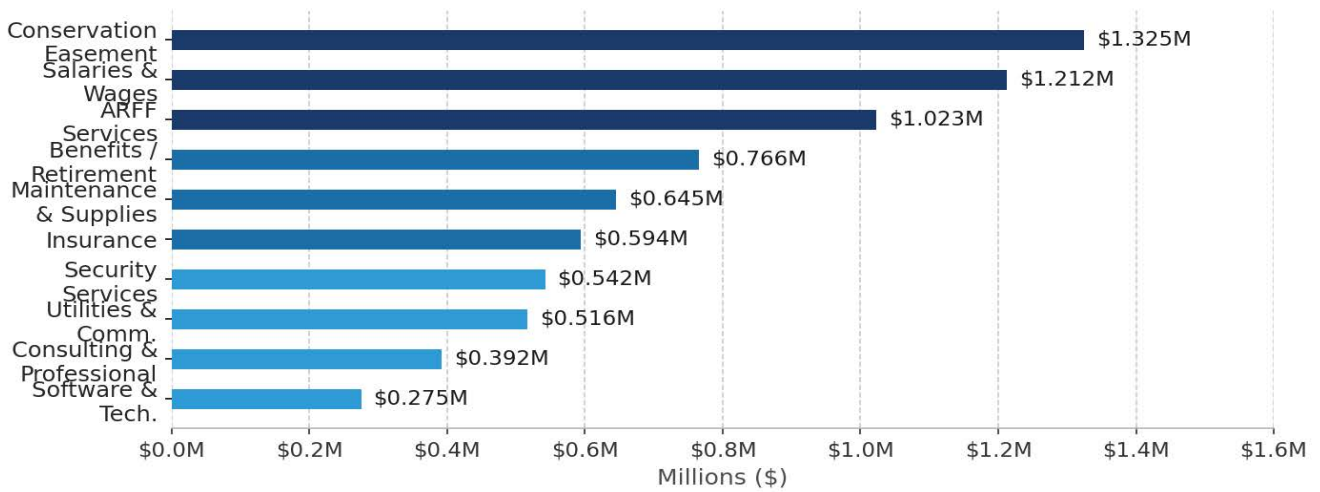


Figure 4: FY 2026–27 Major Expenditure Categories

Expenditures by Classification

Department / Classification	FY 2026–27 Operating Expenditures	FY2026-27 Operating Revenues	Net Income / (Loss)
Administrative / Districtwide	\$6,729,821.96	\$26,352.74	(\$6,703,469.22)
Terminal	\$525,290.35	\$345,895.83	(\$179,394.52)
Mobile Home Park Operating costs (revenues reported in Revenue Generating Land)	\$359,174.08	\$0.00	(\$359,174.08)

Department / Classification	FY 2026–27 Operating Expenditures	FY2026-27 Operating Revenues	Net Income / (Loss)
Landing	\$349,617.87	\$1,036,534.00	\$686,916.13
FBO / Commercial Aviation	\$100,213.16	\$1,106,104.37	\$1,005,891.21
Hangar	\$86,992.79	\$1,146,700.71	\$1,059,707.92
Revenue Generating Land (including mobile home park revenues)	\$17,761.82	\$3,016,068.30	\$2,998,306.48
Owner Build	\$6,936.31	\$24,682.92	\$17,746.61
TOTAL	\$8,175,808.32	\$6,702,338.85	(\$1,473,469.47)

Administrative / Districtwide expenditures include centralized costs that support all airport departments, including public safety, personnel, insurance, security, legal, software, settlement obligations, and other shared costs.

Object-Level Expenditure Summary

Object Category	FY 2026–27 Amount	% of Total
Public Safety	\$1,564,452.03	19.1%
Conservation Easement - Settlement	\$1,325,000.00	16.2%
Salaries and Wages	\$1,212,339.00	14.8%
Employee Insurance / Retirement / Payroll Taxes	\$765,968.70	9.4%
Maintenance, Supplies and Equipment	\$645,192.98	7.9%
Airport Insurance	\$594,364.51	7.3%
Utilities and Communications	\$515,726.65	6.3%
Consulting, Legal and Professional Services	\$391,826.00	4.8%
Administrative / Operations Support	\$318,639.34	3.9%
Software and Technology	\$274,876.68	3.4%
Customs Facility	\$250,000.00	3.0%
Mobile Home Park / Land Use Operations	\$242,422.45	3.0%
Airfest Sponsorship	\$75,000.00	0.9%
TOTAL	\$8,175,808.32	100%

PERSONNEL & STAFFING

Personnel and Staffing

Authorized positions increase from 12 in FY 2025–26 to 13 in FY 2026–27 with the addition of one Business Development Manager. The new position supports air service development, economic development, tenant relations, and revenue opportunity development. Total personnel costs, including salaries, wages, benefits, and retirement contributions, represent approximately 24% of FY 2026–27 operating expenditures.

Multi-Year Position Summary

Position	FY 23–24	FY 24–25	FY 25–26	FY 26–27
General Manager	1	1	1	1
Manager of Finance & Administration	1	1	1	1
Accounting Clerk	1	1	1	1
Administrative Assistant	1	1	1	1
Receptionist / Secretary	1	1	1	1
Manager of Maintenance & Operations	1	1	1	1
Operations Officer	1	1	1	1
Maintenance Foreman	1	1	1	1
Maintenance Worker I	2	—	—	—
Maintenance Worker II	1	—	—	—
Maintenance Worker III	1	1	1	—
Maintenance Worker IV	—	3	3	4
Business Development Manager (NEW)	—	—	—	1
TOTAL AUTHORIZED POSITIONS	12	12	12	13

Personnel Cost Summary

Cost Category	FY 2026–27 Amount	Notes
Salaries and Wages	\$1,212,339.00	Includes all 13 authorized FTE, reflecting the new Business Development Manager.
Employee Benefits (Health, Dental, Vision)	Included in benefits total	District-provided health and welfare benefits.
CalPERS Retirement	Included in benefits total	Public employee pension contributions at District and employee rates per PERS actuarial valuation.
Total Benefits / Retirement / Payroll Taxes	\$765,968.70	Combined employer-side payroll taxes, CalPERS normal cost, and benefit premiums.
Total Personnel Costs	\$1,978,307.70	Salaries, wages, and all associated benefits and employer contributions.

**SECTION 10
DEPARTMENT & PROGRAM SUMMARIES**

Department and Program Summaries

The District organizes its activities into four primary department and program areas: Finance & Administration, Operations & Maintenance, Business Development, and the Capital Improvement Projects Program. Each summary below includes a description of responsibilities, FY 2026–27 objectives, and key performance measures.

Finance & Administration

The Finance & Administration department provides budgeting, accounting, procurement, contract management, financial reporting, records management, public information, and customer service. The Manager of Finance and Administration oversees these functions and serves as the primary point of contact for financial policy compliance, audit coordination, budget monitoring, and financial reporting.

Element	Detail
FY 2026–27 Objectives	Maintain timely budget monitoring; implement financial policy controls; complete GFOA budget award submission; coordinate annual audit; support Board financial reporting.
FY 2026–27 Operating Expenditures	See Administrative / Districtwide total: \$6,729,821.96 (centralized, includes all shared costs)
Key Performance Measures	Budget adoption by June; monthly budget-to-actual review; quarterly financial review; reserve policy compliance at 26%; unmodified audit opinion.

Operations & Maintenance

The Operations & Maintenance Department encompasses airfield operations, facility maintenance, safety support, regulatory compliance, and tenant service. Staff respond to maintenance requests, conduct required airfield inspections, coordinate with FAA and Cal/OSHA, and ensure facilities meet operational standards.



Element	Detail
FY 2026–27 Objectives	Maintain safe, functional facilities; support regulatory readiness; complete ACIP-aligned capital projects on schedule; maintain TSA and FAA compliance.
Key Performance Measures	Airfield inspection findings resolved within target timeframes; work order tracking; pavement and project milestones; Public Safety contractual compliance.
Public Safety Services	Contracted Public Safety services supporting 24/7 emergency response capability.

Business Development (New in FY 2026–27)

The Business Development Department is newly established in FY 2026–27 with the addition of one Business Development Manager. This department focuses on air service development, tenant retention and outreach, aviation-compatible land use, economic development, and revenue opportunity identification. The position will work closely with the General Manager and the Manager of Finance & Administration.

Element	Detail
FY 2026–27 Objectives	Launch business development function; establish tenant outreach pipeline; develop air service and economic development contacts; identify lease revenue opportunities.
Key Performance Measures	Number of tenant and business contacts; lease opportunities advanced; air service and economic development contacts tracked; baseline established for future-year comparison.

Capital Improvement Project Program

Element	Detail
FY 2026–27 Objectives	Advance FY 2026–27 capital spending within budget and grant constraints; maintain ACIP alignment; track project milestones and grant reimbursement status.
Key Performance Measures	Capital project milestones achieved; budget-to-actual capital spending; grant reimbursement status; project cost control.
FY 2026–27 Capital Budget	\$3,099,190.05 in total capital expenditures for airport infrastructure improvements.

SECTION 11
CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program

Capital expenditures are one-time costs for acquiring, constructing, rehabilitating, or improving assets with useful lives extending beyond one fiscal year. FY 2026–27 capital expenditures total \$3,099,190.05. The District's capital improvement projects are informed by the Airport Master Plan and the Airport Capital Improvement Plan (ACIP), which identifies projects eligible for FAA Airport Improvement Program (AIP) grant funding.

Capital Expenditure Forecast by Fiscal Year

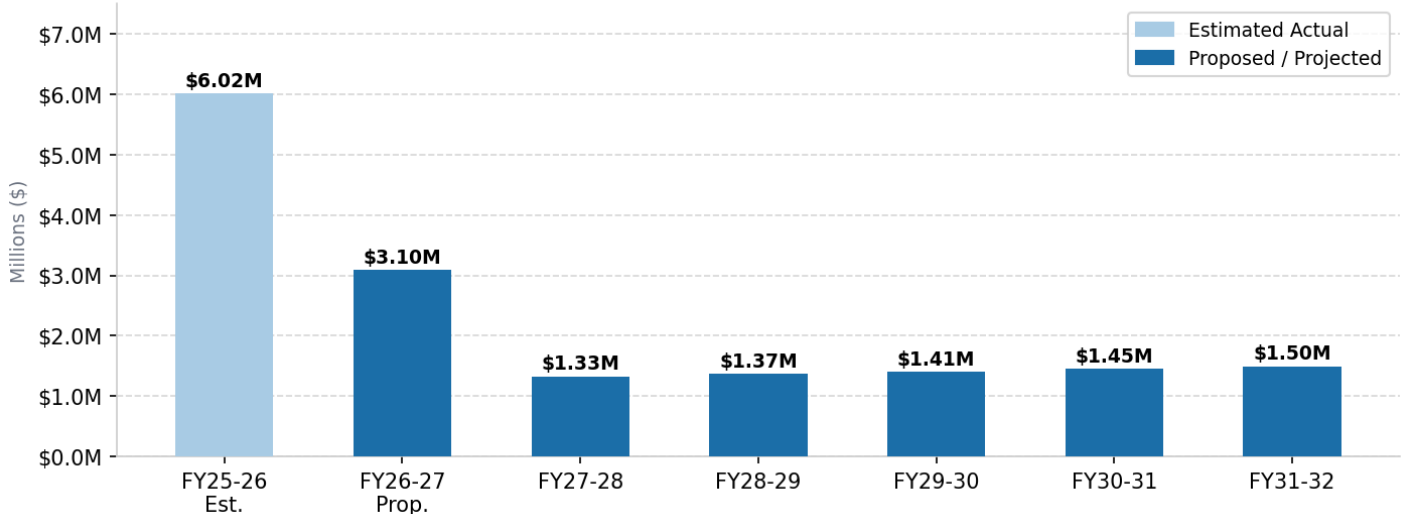


Figure 5: Capital Expenditure Forecast by Fiscal Year

FY 2026–27 Five Year Airport Capital Improvement Projects (ACIP)

Project	Total ACIP Project Cost	Funding Split	Timing / Status	Operational Impact	FY Start - End
Rehabilitate Hangar Taxilanes – Construct & Reimburse Design	\$1,907,100	\$1,811,728 AIP / \$95,372 sponsor	Start 3/2026; completion 3/2028	Preserves taxilane pavement and hangar access.	FY25/26 – 27/28
Rehabilitate Taxiways A, S, T, U – Construct	\$15,700,000	\$14,915,000 federal / \$785,000 sponsor	Start 3/2026; completion 4/2028	Improves airfield pavement condition; may reduce emergency repair risk.	FY25/26 – 27/28
Rehabilitate Taxiway A (A2 to A6) – Design	\$1,100,000	\$997,260 federal / \$102,740 sponsor	CATEX required; future sponsor fiscal year	Supports future construction project readiness.	FY27/28 – 29/30
Rehabilitate Taxiway A (A2 to A6) – Construct	\$14,000,000	\$12,692,400 federal / \$1,307,600 sponsor	Start 3/2030; completion 4/2032	Major pavement rehabilitation; reduces future maintenance risk.	FY29/30 – 31/32

Capital Expenditure by Fiscal Year

Fiscal Year	Budgeted Capital Expenditures	Primary Budget Emphasis
FY 2025–26 Est.	\$6,017,844.76	Airport infrastructure improvement and ACIP-aligned capital activity
FY 2026–27 Adopted	\$3,099,190.05	Hangar taxilane and taxiway rehabilitation (sponsor portion) Operations and Maintenance equipment replacement
FY 2027–28	\$1,330,069.06	Sponsor portion of Taxiway A ACIP and remainder of funding for FY26-27 ACIP projects in progress
FY 2028–29	\$1,369,971.14	Sponsor portion of FY27-28 projects and remainder of construction in progress
FY 2029–30	\$1,411,070.27	Rehabilitation of Taxiway A
FY 2030–31	\$1,453,402.38	Rehabilitation of Taxiway A (construction in progress)

Fiscal Year	Budgeted Capital Expenditures	Primary Budget Emphasis
FY 2031–32	\$1,497,004.45	Sponsor portion of open FAA AIP projects

Capital Project Selection Process

Projects are identified and prioritized based on safety, regulatory compliance, pavement and facility condition, grant eligibility, operational need, tenant and user impacts, local funding capacity, and alignment with the Airport Master Plan and ACIP. The General Manager and management team review project priorities annually in conjunction with the budget process, with final capital budget approval by the Board of Directors.

Budget and ACIP Reconciliation: The District budget presents total capital spending by fiscal year. The ACIP presents FAA-eligible project funding, including federal shares, sponsor portions, and reimbursement timing. Because grant reimbursements may occur in a different fiscal year than project spending, budgeted capital expenditures may not equal ACIP funding totals in a given year.

SECTION 12
DEBT & LONG-TERM OBLIGATIONS

Debt and Long-Term Obligations

The District has no outstanding bonded debt, bank loans, or budgeted debt service payments for FY 2026–27. Bond ratings, debt service coverage ratios, and bond maturity schedules are therefore not applicable. The District does report other long-term obligations in its Annual Comprehensive Financial Report (ACFR), including land improvements payable and conservation/easement- settlement obligations, which are disclosed separately from bonded debt.

Debt / Obligation Topic	FY 2026–27 Disclosure
Bonded debt / bank loans	No outstanding bonded debt, bank loans, or budgeted debt service for FY 2026–27.
Land improvements payable	Disclosed in the ACFR as a long-term obligation; not presented as bonded debt service in the operating budget.
Conservation/easement - settlement obligations	Disclosed in the ACFR and reflected in budget planning (conservation easement line: \$1,325,000). Not a bond or loan obligation.
Debt policy — affordability threshold	Annual debt service should not exceed 15% of general expenditures; overlapping debt divided by market value should not exceed 10%.
Future debt use	Debt may be considered for appropriate long-lived capital assets when consistent with the Debt Management Policy.

Debt Management Policy Summary

The District maintains an adopted Debt Management Policy to guide any future use of debt. Key policy provisions include: (1) debt may only be used for long-lived capital assets, not ongoing services; (2) debt affordability is evaluated prior to issuance; (3) annual debt service should not exceed 15% of general expenditures; and (4) the Board must approve any debt issuance.

**SECTION 13
LONG-RANGE FINANCIAL PLAN**

Long-Range Financial Plan

The long-range financial plan extends through FY 2031–32 and is used to evaluate operating gaps, non-operating revenue support, capital spending, cash balances, and reserve policy compliance. The plan assumes moderate operating revenue growth of approximately 3% annually, inflationary expenditure growth of approximately 3% annually, recurring non-operating revenue support, and continued capital investment.

Fiscal Year	Reserve Amount	Reserve %	Policy Status	Management Response
FY 2025–26 Est.	\$4,005,710	42%	Above 35% maximum	Continue monitoring; align capital projects with available resources.
FY 2026–27 Adopted	\$2,142,050	26%	Within policy range	Continue monitoring; align capital projects with available resources.
FY 2027–28	\$2,084,576	25%	Within policy range	Continue monitoring; align capital projects with available resources.
FY 2028–29	\$2,025,377	23%	Within policy range	Continue monitoring; align capital projects with available resources.
FY 2029–30	\$1,964,403	22%	Within policy range	Continue monitoring; align capital projects with available resources.
FY 2030–31	\$1,901,600	21%	Within policy range	Continue monitoring; align capital projects with available resources.
FY 2031–32	\$1,836,912	19%	BELOW 20% minimum	Monitor and update long-range plan; develop replenishment strategy.

Key Forecast Assumptions

Assumption Category	Basis / Method
Operating Revenue Growth	Approximately 3% per year, reflecting lease escalations, aviation activity growth, and known contractual adjustments.
Operating Expenditure Growth	Approximately 3% per year, reflecting inflationary cost increases, CalPERS cost trends, utility escalations, and known contract obligations.
Non-Operating Revenue	Tax revenues grow modestly with assessed valuation growth; investment earnings are market-sensitive; PFC revenue is activity-driven.

Assumption Category	Basis / Method
Capital Expenditures	Based on ACIP project schedule, sponsor share requirements, and annual capital needs.
Reserve Projection	Ending reserve equals prior year cash balance plus net operating income (loss) plus non-operating revenue less capital expenditures.

Long-Range Planning Signal — FY 2031–32

The FY 2031–32 forecast shows reserves at 19%, below the 20% reserve policy minimum. This is a forward-looking planning signal, not an immediate fiscal crisis. The Reserve Policy requires the District to develop a replenishment or corrective strategy when the long-range forecast shows reserves projected below the minimum. Strategies available include revenue development, expenditure management, capital timing adjustments, and reserve replenishment plans to be incorporated into future budget cycles.

SECTION 14
BUDGET PROCESS & PUBLIC INVOLVEMENT

Budget Process and Public Involvement

The District prepares and adopts an annual budget before the start of the fiscal year. The process includes forecast development, review of major assumptions, management analysis, Board review, public consideration, adoption, and mid-year monitoring. Board meetings are publicly noticed and open to the public in compliance with the California Ralph M. Brown Act.

Budget Calendar

Milestone	Typical Timing	Description
Develop forecasts and budget assumptions	January – March	Long-range forecast updated; major revenue and expenditure assumptions developed by Finance & Administration and management.
Review rates, fees, and major assumptions	March – April	Management review of major operating assumptions, lease revenue projections, utility costs, and service contract renewals.
Management review and draft budget preparation	April – May	Draft budget prepared and reviewed internally; General Manager review and approval of proposed budget document.
Board budget review / workshops	May – June	Board reviews proposed budget; public workshop or budget discussion held at publicly noticed meeting.
Budget adoption at public meeting	June	Budget formally adopted by the Board of Directors at a publicly noticed meeting with opportunity for public comment.
Mid-year budget review and amendments	January – February	Management reviews budget-to-actual results; Board receives mid-year financial report; amendments processed as needed.

Public Involvement

All Board meetings at which the budget is presented or discussed are publicly noticed and open to the public. The District welcomes public comment during the budget process. Budget documents are available for public review at the District office and on the District's website. Community members may attend any Board meeting or contact the Finance & Administration office with questions about the budget.

Budget Amendments

After adoption, the District may amend the budget through Board action when changes in revenues, expenditures, capital timing, grants, emergencies, or operating needs require revision. Management monitors budget-to-actual activity and presents amendments to the Board when policy-level changes are required. Minor administrative reallocations within program totals that do not change overall budget totals may be made administratively as authorized by Board policy.

**SECTION 15
PERFORMANCE MEASURES**

Performance Measures

Performance measures connect budget resources to results and provide the Board and public with indicators of operational effectiveness, financial health, and program progress. FY 2026–27 measures use available historical data from the ACFR where possible and identify new management measures to be tracked and baselined during the year. Measures will be expanded in future budget cycles as data collection systems mature.

Program	Measure	FY 2024–25 Actual	FY 2025–26	FY 2026–27 Target
Operations	Total flight operations	30,358	~32,000 (est.)	34,231 (10-yr avg.)
Operations	Commercial flight landings	1,724	~1,800 (est.)	1,884 (10-yr avg.)
Finance	Reserve % of operating expenditures	N/A (pre-policy)	42% (pre-policy)	26% (within policy)
Finance	Budget adoption by June	Yes	Yes	Yes
Finance	Unmodified audit opinion	Yes	Yes	Yes
Capital Program	Capital budget-to-actual ratio	Per ACFR	\$6,017,845 est.	\$3,099,190 budgeted
Business Development	Tenant / business contacts	Not tracked	Establish baseline	Track contacts and pipeline
Business Development	Lease opportunities advanced	Not tracked	Establish baseline	Track pipeline and closings
Operations & Maint.	Work orders completed	Not tracked in budget	Establish baseline	Track volume and response time
Operations & Maint.	Airfield inspection findings resolved	Not tracked in budget	Establish baseline	Track findings and closure rate

Performance Measure Development

As this is the District's first formal budget book submission, several performance measures are being established for the first time. The Finance & Administration and Operations & Maintenance departments will work during FY 2026–27 to develop consistent data collection processes for work order tracking, inspection findings, and business development activity metrics. These baseline measures will be incorporated into the FY 2027–28 budget with prior-year actuals for comparison.

SECTION 16
STATISTICAL & SUPPLEMENTAL INFORMATION

Statistical and Supplemental Information

The statistical section provides context for understanding the District's financial condition and service environment. Information is drawn from the most recent Annual Comprehensive Financial Report (ACFR) and publicly available demographic sources. Ten-year trend data allows readers to evaluate long-term financial and operational patterns.

Community and Regional Profile

Statistic	Most Recent Data
City of Santa Maria Population	112,208 (2025)
Santa Barbara County Population	~450,000 (est. 2025)
Santa Barbara County Unemployment Rate	7.7% (2025)
County Personal Income per Capita	\$82,133 (2025)
Regional Economic Base	Agriculture, oil and gas, retail trade, healthcare, education, and military
Key Regional Employers	Vandenberg Space Force Base, Marian Regional Medical Center, Santa Maria Joint Union High School District, Allan Hancock College

Airport Operations Profile

Statistic	Data
Airport Land Area	Approximately 2,516 acres
Flight Operations (FY 2025)	30,358 operations
Flight Operations (10-Year Average)	34,231 annual operations
Commercial Landings (FY 2025)	1,724 landings
Commercial Landings (10-Year Average)	1,884 annual landings

Statistic	Data
Based General Aviation Aircraft	Over 222 aircraft
Runways	Two active runways (8,004 ft primary; 5,199 ft secondary)
Terminal Facilities	Modern terminal with hold room, baggage claim, car rental concessions
Hangars	T-hangars and corporate hangars supporting based aircraft and business aviation
Revenue-Generating Land	Agricultural leases, mobile home parks, and aviation-compatible commercial uses

10-Year Financial Trend

Fiscal Year	Operating Revenue	Operating Expenses	Flight Operations	Commercial Landings
FY 2016	\$3,226,304	\$3,813,171	37,413	2,436
FY 2017	\$3,310,143	\$4,458,946	37,067	3,164
FY 2018	\$3,294,618	\$4,156,325	37,448	2,376
FY 2019	\$3,255,743	\$4,560,690	34,958	1,679
FY 2020	\$3,236,291	\$4,749,934	35,682	1,762
FY 2021	\$3,675,210	\$5,091,464	33,716	1,375
FY 2022	\$3,912,062	\$6,006,995	33,594	1,686
FY 2023	\$4,254,722	\$6,231,925	32,906	1,299
FY 2024	\$4,464,565	\$6,810,808	29,165	1,341
FY 2025	\$5,200,346	\$6,970,028	30,358	1,724
10-Year Average	\$3,783,000	\$5,285,029	34,231	1,884

**SECTION 17
GLOSSARY**

Glossary of Terms and Acronyms

Term / Acronym	Definition
ACFR	Annual Comprehensive Financial Report; the District's audited annual financial report prepared in conformance with GAAP.
ACIP	Airport Capital Improvement Plan; airport capital planning and FAA grant programming document.
AIP	Airport Improvement Program; federal aviation capital grant program administered by the FAA.
ARFF	Aircraft Rescue and Firefighting; required emergency response capability for commercial service airports.
BIL / AIG	Bipartisan Infrastructure Law / Airport Infrastructure Grant funding program.
CalPERS	California Public Employees' Retirement System; the District's pension provider.
CATEX	Categorical Exclusion; an environmental review category used for certain federally funded airport projects.
CIP	Capital Improvement Program; multi-year plan for capital projects and infrastructure investments.
Enterprise Fund	A proprietary fund used for operations financed and operated similarly to private business enterprises, with costs recovered through user fees and charges.
FAA Grant Assurance	Federal grant conditions that apply to airport sponsors receiving FAA AIP grant funding.
FBO	Fixed Base Operator; aviation service provider offering fuel, aircraft maintenance, charter, and related services.
GASB	Governmental Accounting Standards Board; establishes financial accounting and reporting standards for state and local governments.
GFOA	Government Finance Officers Association; professional organization that administers the Distinguished Budget Presentation Award program.
MHP	Mobile Home Park; a revenue-generating land use operated on District property.
Net Position	Assets and deferred outflows minus liabilities and deferred inflows; the government-wide measure of financial position.
NPIAS	National Plan of Integrated Airport Systems; the FAA's plan identifying airports important to national air transportation.

Term / Acronym	Definition
PCI	Pavement Condition Index; a numerical rating of pavement condition used for maintenance and capital planning.
PFC	Passenger Facility Charge; a per-enplanement fee collected from airline passengers for eligible airport capital projects.
Reserve Policy	The District's adopted policy establishing a target reserve range of 20% to 35% of operating expenditures.
Sponsor Share	The local or sponsor funding share of an airport capital project not covered by federal AIP grant funds.
UAL	Unfunded Accrued Liability; the portion of pension obligations not yet funded, often associated with CalPERS obligations.
Unrestricted Net Position	Net position not restricted by external parties or legally constrained; available for general use by the entity.

Appendix A
GFOA CRITERIA CROSSWALK

GFOA Distinguished Budget Presentation Award — Criteria Crosswalk

The table below maps each GFOA Distinguished Budget Presentation Award criterion to the corresponding section(s) of this budget document. This crosswalk is provided to assist reviewers in locating required content.

Policy Document Criteria

GFOA Criterion	Criterion Description	Budget Book Location
P1	Strategic Goals and Strategies	Section 3: Strategic Priorities
P2	Priorities and Issues	Section 1: Budget Message (Major Issues and Responses)
P3	Financial Policies	Section 5: Financial Policies
P4	Budget Process	Section 14: Budget Process and Public Involvement

Financial Plan Criteria

GFOA Criterion	Criterion Description	Budget Book Location
F1	Fund Structure	Section 4: Fund Structure and Basis of Budgeting
F2	Basis of Budgeting	Section 4: Fund Structure and Basis of Budgeting
F3	Consolidated Financial Schedules	Section 6: Financial Overview
F4	Reserve / Fund Balance	Sections 6 and 13: Financial Overview and Long-Range Financial Plan
F5	Revenue and Expenditure Schedules	Sections 7 and 8: Revenue Budget and Expenditure Budget
F6	Revenue Assumptions	Section 7: Revenue Budget (Major Revenue Assumptions)
F7	Long-Range Operating Plan	Section 13: Long-Range Financial Plan
F8	Capital Program	Section 11: Capital Improvement Program
F9	Debt	Section 12: Debt and Long-Term Obligations

Operations Guide Criteria

GFOA Criterion	Criterion Description	Budget Book Location
O1	Organization Chart	Section 2: District Overview and Governance
O2	Staffing Levels	Section 9: Personnel and Staffing
O3	Position Summary	Section 9: Personnel and Staffing (Multi-Year Position Summary)
O4	Program / Department Descriptions	Section 10: Department and Program Summaries
O5	Program Goals and Objectives	Sections 3 and 10: Strategic Priorities and Department Summaries
O6	Performance Measures	Section 15: Performance Measures

Communications Device Criteria

GFOA Criterion	Criterion Description	Budget Book Location
C1	Table of Contents	Table of Contents (preceding Section 1)
C2	Budget Overview / Summary	Section 1: Budget Message; Budget-in-Brief (Attachment)
C3	Statistical / Supplemental Information	Section 16: Statistical and Supplemental Information
C4	Glossary	Section 17: Glossary of Terms and Acronyms
C5	Charts and Graphs	Figures 1–5 distributed throughout the document
C6	Usability (Navigation, Design, Accessibility)	Table of Contents with hyperlinks; consistent section structure; glossary; GFOA crosswalk

Appendix B
FY 2026–27 APPROPRIATIONS LIMIT (GANN LIMIT)

Appendix B: FY 2026–27 Appropriations Limit (GANN Limit)

Authority: Article XIII B of the California Constitution (as amended by Proposition 111)

The following schedule documents the District’s compliance with California’s constitutional appropriations limit (“GANN Limit”) for FY 2026–27. The limit restricts the growth of appropriations financed from the proceeds of taxes. The District’s property tax proceeds are well under the limit, confirming no GANN Limit concern.

Section 1 — State Department of Finance Factors (FY 2026–27)

Description	Factor / Value	Source
A. Price Factor: % Change in CA Per Capita Personal Income	4.95%	DOF May 1, 2026 (A)
Converted to ratio: $(4.95 + 100) / 100$	1.0495	
B. Population Factor: City of Santa Maria % Change in Population	1.51%	DOF May 1, 2026 (B)
Converted to ratio: $(1.51 + 100) / 100$	1.0151	
C. Combined Adjustment Factor: 1.0495 × 1.0151	1.0653	Price Factor (A) × Population Factor (B) = (C)

Section 2 — Calculation of FY 2026–27 Appropriations Limit

Description	Amount	Notes
FY 2025–26 Appropriations Limit (established by Resolution 926)	\$9,281,909	Prior year adopted limit
Add: SB 2557 Property Tax Administration Fee	\$20,931	
Subtotal (prior limit + SB 2557 fee)	\$9,302,840	
Multiply by Combined Adjustment Factor	× 1.0653	1.0495 × 1.0151
FY 2026–27 APPROPRIATIONS LIMIT	\$9,910,315	Subject to board adoption by resolution

Section 3 — Compliance Test: Proceeds of Taxes vs. Limit

Description	Amount	Notes
FY 2026–27 Appropriations Limit (from Section 2)	\$9,910,315	
Estimated Proceeds of Taxes (Property Tax Revenue)	(\$2,522,849)	From FY 2026-27 Budget
Margin Under Limit	\$7,387,466	
Tax Proceeds as % of Limit	25.46%	

Notes

1. The Board must adopt the appropriations limit by resolution on or before June 30, 2026 (Government Code §7910).
2. This schedule must be included in the annual audit per Article XIII B, Section 1.5.



SANTA MARIA AIRPORT

SMX

FY 2026–27 Budget-in-Brief



\$6.70M
Operating Revenue

\$8.18M
Operating Expenditures

26%
Reserve Level

\$3.10M
Capital Investment

Airport Code: SMX | Santa Maria, California | SantaMariaAirport.com

The full FY 2026–27 Budget Book is available at SantaMariaAirport.com and at the District office.

About Santa Maria Public Airport District

The Santa Maria Public Airport District (SMPAD) is a California special district established in 1964. Located approximately three miles south of downtown Santa Maria, the airport serves as the primary commercial and general aviation gateway for the Five Cities, Santa Maria Valley, and Santa Barbara County region.

The District encompasses approximately 2,516 acres including the airfield, terminal, hangars, commercial tenants, and revenue-generating land. Two runways serve commercial, business, and general aviation users.

Mission: *To provide a safe, friendly, attractive and economically sound airport through integrity and efficiency.*



SkyWest Airlines commercial service at SMX

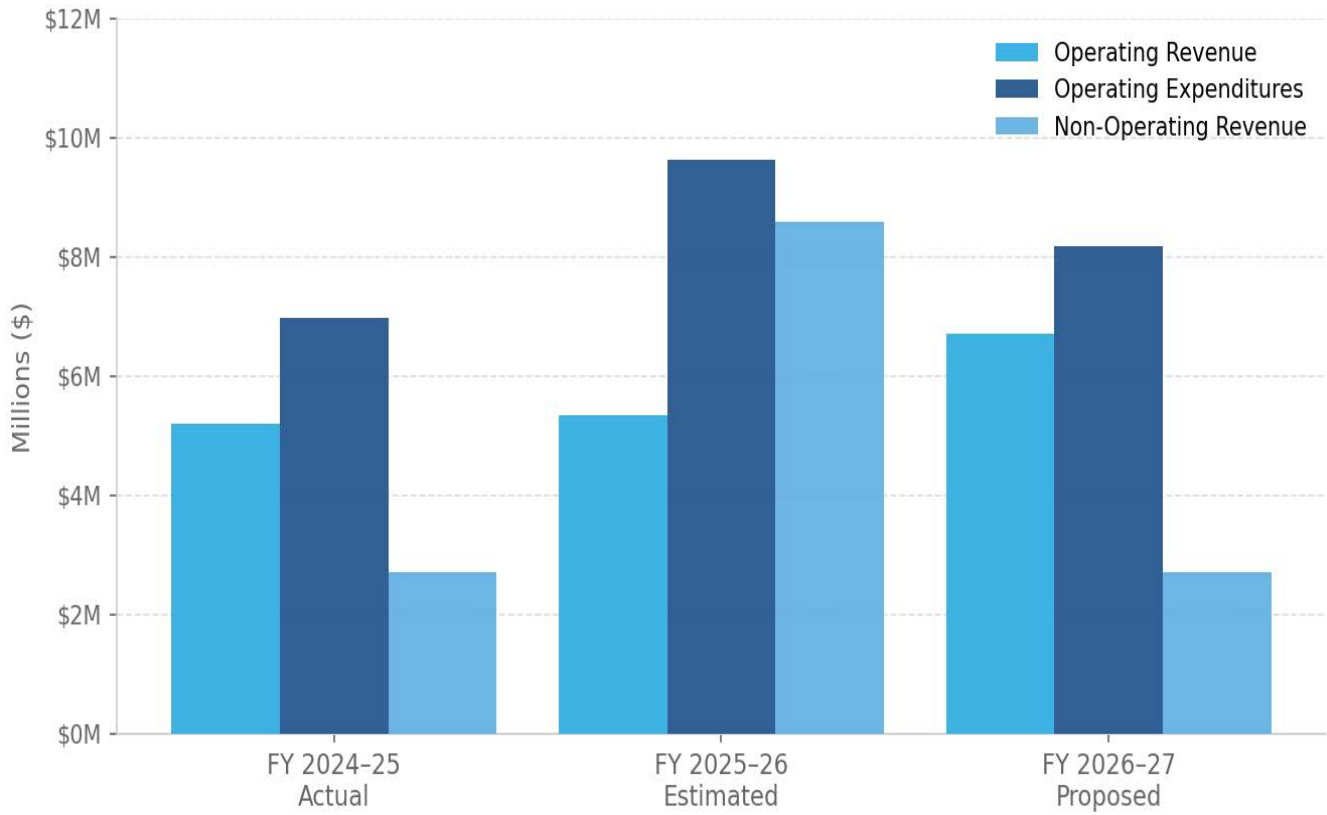
Airport Code	SMX
Elevation	261 ft MSL
Primary Runway	8,004 x 150 ft
Land Area	~2,516 acres
Based Aircraft	222+ GA aircraft
Annual Operations	30,358 (FY25)

FY 2026–27 Budget at a Glance

\$6,702,339 Total Operating Revenue	\$8,175,808 Total Expenditures	(\$1,473,469) Operating Loss	\$2,708,999 Non-Operating Revenue
\$3,099,190 Capital Expenditures	\$2,142,050 Projected Ending Reserve	26% Reserve % of Operations	13 Authorized Positions

The FY 2026–27 budget maintains reserves within the District's adopted 20% to 35% policy range while continuing major airport infrastructure investment and business development initiatives. The operating loss narrows significantly from the FY 2025–26 estimated actual, and non-operating revenues including tax revenues and investment earnings continue to support the airport enterprise.

Three-Year Financial Summary



Three-Year Financial Summary: Operating Revenue, Expenditures, and Non-Operating Revenue

What Changed from the Prior Year

Change	Budget Impact
Operating revenue grows to \$6.70M	Revenue increases supported by land, hangar, FBO/commercial aviation, landing/tiedown, and terminal activity.
Operating gap narrows significantly	Operating loss improves from an estimated (\$4.28M) in FY 2025–26 to (\$1.47M) in FY 2026–27.
Non-operating revenue normalizes	FY 2025–26 included large one-time AIP reimbursements. FY 2026–27 returns to recurring tax, investment, and PFC revenue.
Capital spending continues at \$3.10M	Capital program advances runway, taxiway, and hangar taxilane rehabilitation aligned with the Airport Capital Improvement Plan.
Reserves move into policy range	FY 2025–26 estimated reserves were 42% (above maximum); FY 2026–27 reserves are 26% (within the 20%-35% range).
One new position added	A Business Development Manager is added, bringing total authorized positions from 12 to 13.

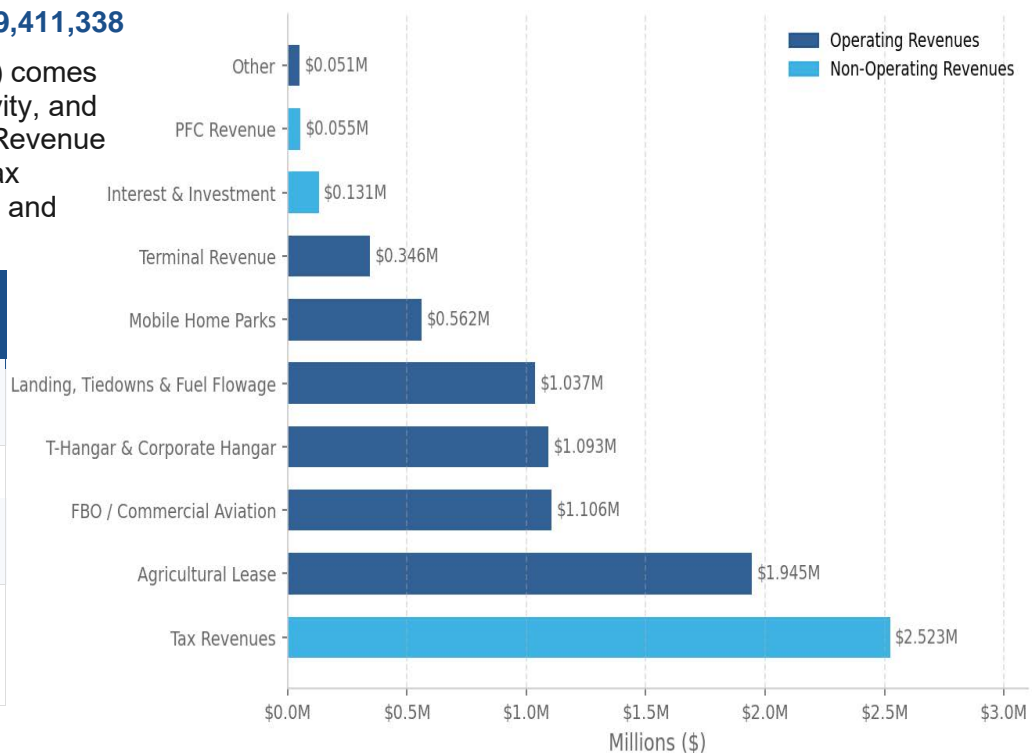
Where the Money Comes From

FY 2026-27 Revenue by Category

Total FY 2026–27 Revenues: \$9,411,338

Operating Revenue (\$6,702,339) comes from airport leases, aviation activity, and tenant services. Non-Operating Revenue (\$2,708,999) includes property tax allocations, investment earnings, and passenger facility charges.

Revenue Source	FY 2026–27
Agricultural Lease	\$1,944,995
Tax Revenues	\$2,522,849
T-Hangar & Corp. Hangar	\$1,093,130
FBO / Commercial Aviation	\$1,106,104



Landing, Tiedowns & Fuel	\$1,036,534
Mobile Home Parks	\$562,163
Terminal Revenue	\$345,896
Investment Earnings	\$131,000
PFC Revenue	\$55,150
Administrative / Other	\$51,036
TOTAL	\$9,411,338

Where the Money Goes

Operating expenditures total \$8,175,808. The Administrative/Districtwide category is the largest because it includes all centralized personnel costs, Public Safety, insurance, pension, legal, security, software, consulting, conservation/easement settlement obligations, and other shared airport operating costs.

Program / Type	FY 2026–27 Operating Expenditures
Administrative / Districtwide	\$6,729,821.96
Terminal	\$525,290.35
Mobile Home Park	\$359,174.08
Landing	\$349,617.87
FBO / Commercial Aviation	\$100,213.16
Hangar	\$86,992.79
Revenue Generating Land	\$17,761.82
Owner Build	\$6,936.31
TOTAL	\$8,175,808.32

Object Category	FY 2026–27 Amount	% of Total
Public Safety	\$1,564,452.03	19.1%
Conservation Easement - Settlement	\$1,325,000.00	16.2%
Salaries and Wages	\$1,212,339.00	14.8%
Employee Insurance / Retirement / Payroll Taxes	\$765,968.70	9.4%
Maintenance, Supplies and Equipment	\$645,192.98	7.9%
Airport Insurance	\$594,364.51	7.3%
Utilities and Communications	\$515,726.65	6.3%
Consulting, Legal and Professional Services	\$391,826.00	4.8%
Administrative / Operations Support	\$318,639.34	3.9%
Software and Technology	\$274,876.68	3.4%
Customs Facility	\$250,000.00	3.0%
Mobile Home Park / Land Use Operations	\$242,422.45	3.0%
Airfest Sponsorship	\$75,000.00	0.9%
TOTAL	\$8,175,808.32	100%

FY 2026–27 Major Initiatives

<p>Air Service Development</p>	<p>Maintain airline-ready facilities, support commercial service partnerships, and monitor passenger and market opportunities.</p>
<p>Economic Development</p>	<p>Strengthen tenant retention, aviation-compatible land use, and lease revenue development. A new Business Development Manager position is added in FY 2026–27.</p>
<p>Safety and Security</p>	<p>Fund Aircraft Rescue and Firefighting (ARFF), airfield maintenance, security services, regulatory compliance, and pavement preservation activities.</p>
<p>Infrastructure Stewardship</p>	<p>Advance runway, taxiway, hangar taxilane, and airport facility capital improvement projects. \$3.10M in capital spending is budgeted, aligned with the FAA Airport Capital Improvement Plan.</p>
<p>Stronger Financial Foundations</p>	<p>Monitor structural balance, reserve policy compliance (20%-35%), and long-range sustainability. Reserves are projected at 26% in FY 2026–27 — within policy.</p>

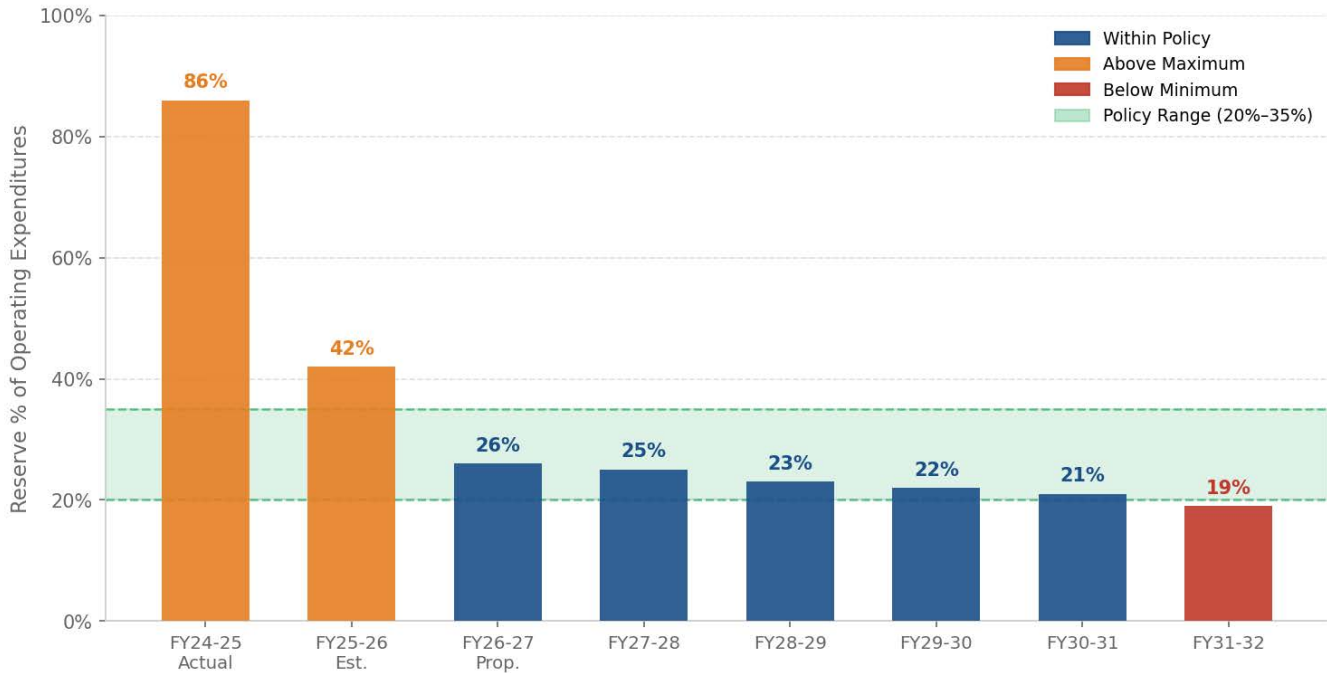
Aircraft ramp services at SMX



Long-Range Financial Outlook

The long-range financial plan extends through FY 2031–32. Reserves are projected within the District's 20%-35% policy range from FY 2026–27 through FY 2030–31. The FY 2031–32 forecast shows reserves at 19% — below the minimum — which is a forward-looking planning signal. The District will monitor operating results, capital timing, and reserve levels through each annual budget cycle.

Reserve Levels vs. Policy Range (20%-35%)



Reserve Levels vs. Policy Range (20% - 35%)

Fiscal Year	Reserve Amount	Reserve %	Policy Status
FY 2025–26 Estimated	\$4,005,711	42%	Above maximum (>35%)
FY 2026–27 Proposed	\$2,142,050	26%	✓ Within policy range
FY 2027–28	\$2,084,576	25%	✓ Within policy range
FY 2028–29	\$2,025,377	23%	✓ Within policy range
FY 2029–30	\$1,964,403	22%	✓ Within policy range
FY 2030–31	\$1,901,600	21%	✓ Within policy range
FY 2031–32	\$1,836,912	19%	⚠ Below minimum (<20%) — planning signal

Budget Process and Public Involvement

The District prepares and adopts an annual budget before the start of each fiscal year. Board meetings are publicly noticed and open to the public. The proposed and adopted budget documents are made available at the District office and on the District’s website.

Milestone	Typical Timing
Develop forecasts and budget assumptions	January–March
Review rates, fees, and major operating assumptions	March–April
Management review and draft budget preparation	April–May
Board budget review / workshop	May–June
Budget adoption at public meeting	June
Mid-year budget review and amendments as needed	January–February

Key Budget Facts

Capital Program	The FY 2026–27 budget includes \$3,099,190 in total capital expenditures for airport infrastructure and ACIP-aligned activity.
Debt Status	The District has no outstanding bonds, loans, or budgeted debt service in FY 2026–27.
Reserve Policy	The FY 2026–27 proposed reserve equals 26% of operating expenditures, within the adopted 20% to 35% policy range.
Structural Balance	Operating revenues alone do not fully cover operating expenditures. Recurring non-operating revenues — including property tax allocations and investment earnings — support the airport.

For more information, contact the Santa Maria Public Airport District

3217 Terminal Drive | Santa Maria, CA 93455 | (805) 922-1726 | SantaMariaAirport.com
The full FY 2026–27 Budget Book, is available at the District office and at SantaMariaAirport.com.



TO: President and Members of the Board of Directors
FROM: Mike Flores, Manager of Finance and Administration
MEETING: June 25, 2026

ITEM

Resolution Calling the District General Election and Requesting Consolidation with the November 3, 2026 Statewide General Election (Elections Code Section 10403)

RECOMMENDATION

It is recommended that the Board of Directors adopt the attached Resolution calling and giving notice of the District's General District Election to be held November 3, 2026, requesting that the Santa Barbara County Board of Supervisors consolidate the District's election with the statewide General Election, and requesting that the County Registrar of Voters conduct the election on the District's behalf.

BACKGROUND

Members of the District's Board of Directors are elected to four-year terms at the statewide general election. The terms of two (2) director seats expire in 2026, and those offices are to be filled at the November 3, 2026 General Election. Under Elections Code Section 10403, when a district election is to be consolidated with a statewide election conducted by the county, the district must, by resolution, request consolidation and request that the county elections official conduct the election, and must deliver the resolution to the County Board of Supervisors and elections official.

The Santa Barbara County Elections Division has advised that it has not yet received the District's resolution calling and consolidating the election and has requested that the resolution be submitted by July 1, 2026; the County has indicated it can accept the resolution up to August 7, 2026. The County further advised that the District's prior Resolution No. 583 does not satisfy this requirement, as it was adopted for a different purpose.

DISCUSSION

The Resolution requests that the County conduct the District's election as part of the November 3, 2026 statewide General Election, consolidate the District's election with other elections held that date, and canvass the returns. The District will reimburse the County for its proportionate share of election costs. Adopting the Resolution by the County's deadline ensures the District's offices appear on the November ballot and that the election is properly called and noticed.

FINANCIAL IMPACT

The District will be billed by Santa Barbara County for its pro-rata share of the cost of conducting the consolidated election, including printing of candidate statements where applicable. The cost varies with the number of contests and candidates and will be paid from the General Fund. Consolidation with the statewide election is the most cost-effective method of conducting the District's election.

ANALYSIS

Adopting the Resolution satisfies the District's obligation under Elections Code Section 10403 to call its election and request consolidation, ensures the District's two director offices are placed on the November 3, 2026 ballot, and meets the County's submission deadline. Staff recommends approval.

ATTACHMENTS

- Resolution Calling the District General Election and Requesting Consolidation with the November 3, 2026 Statewide General Election

RESOLUTION NO. 969

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT**

**CALLING AND GIVING NOTICE OF A GENERAL DISTRICT ELECTION TO BE HELD
NOVEMBER 3, 2026,**

**REQUESTING CONSOLIDATION WITH THE STATEWIDE GENERAL ELECTION, AND
REQUESTING**

**ELECTION SERVICES OF THE COUNTY OF SANTA BARBARA (ELECTIONS CODE §
10403)**

WHEREAS, a General District Election is required to be held within the Santa Maria Public Airport District ("District") on November 3, 2026 for the purpose of electing members of the Board of Directors whose terms expire in 2026; and

WHEREAS, two (2) seats on the Board of Directors are to be filled at the election, each for a full term of four (4) years; and

WHEREAS, the District desires that its General District Election be consolidated with the statewide General Election to be held on the same date, and that the election be conducted by the Santa Barbara County Registrar of Voters, pursuant to Elections Code Sections 10400 et seq. and 10403; and

WHEREAS, the Board desires to call the election, request consolidation, and request that the County conduct the election on the District's behalf.

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

1. Call of Election. A General District Election is hereby called and ordered to be held in the District on Tuesday, November 3, 2026, for the purpose of electing two (2) members of the Board of Directors, each to a four-year term.

2. Request for Consolidation. Pursuant to Elections Code Section 10403, the Board of Supervisors of the County of Santa Barbara is requested to consolidate the District's General District Election with the statewide General Election to be held on November 3, 2026, and to permit the County Registrar of Voters to conduct the District's election, including canvassing the returns.

3. Election Procedures. The election shall be held and conducted, and the votes canvassed and the returns made, in the manner provided by law for statewide elections. The District agrees

to reimburse the County for its proportionate share of the actual costs of conducting the election.

4. Delivery. The Secretary of the Board is directed to deliver certified copies of this Resolution to the Santa Barbara County Board of Supervisors and the County Registrar of Voters.

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

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Santa Maria Public Airport District held this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

APPROVED AS TO FORM:

District Counsel

BUILDING SPACE LEASE

THIS BUILDING SPACE LEASE, dated July 1, 2026, by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "Landlord" or "District"), a Public Airport District of the State of California, and ENGLISH AIR SERVICE, LLC, a Texas limited liability company (herein called "Tenant").

WITNESSETH:

For and in consideration of the conditions, covenants and agreements herein contained, the parties agree as follows:

1. Definitions. Unless the context otherwise requires, the following terms shall for all purposes of this lease have the meanings specified as follows:

- (a) "Airport" means the Santa Maria Public Airport at Santa Maria, California.
- (b) "FAA" means the Federal Aviation Administration or its successor organization or department.
- (c) "Improvements" include buildings, structures, fixtures, partitions, counters, and other property affixed to the realty in any manner.
- (d) "Leased Premises" or "Premises" mean and include the building, consisting of approximately 18,828 square feet of hangar and office space, together with approximately 50,064 square feet of aircraft ramp, vehicle parking, and landscaping areas, all located at 3940 Mitchell Road on the property of the Santa Maria Public Airport, all as depicted on Exhibit "A" attached hereto and made a part hereof.
- (e) "Party" or "Parties" mean the District and/or Tenant.

2. Leased Premises. District hereby leases to Tenant and Tenant leases from District the Leased Premises for the term and rent and on the terms and conditions hereinafter set forth.

3. Lease Term and Option.

(a) The Term of this Lease shall be for a thirty (30) year period commencing July 1, 2026 (the "Effective Date") and expiring, unless sooner terminated, on June 30, 2056 (the "Termination Date").

(b). Tenant shall, if not in default under this Lease, have the option, exercisable upon the terms and conditions and in the manner hereinafter provided, to extend the Term of this Lease from the Termination Date for two (2) additional five (5) year periods (each an "Extended Term") on the same terms, covenants and conditions herein contained, except that the rent for the Extended Term shall be as provided below and except as otherwise specifically provided in this Lease. The option to extend the Initial Term shall be

exercised only by Tenant delivering to District not later than six (6) months prior to the Termination Date, written notice of Tenant's election to extend the Initial Term or Extended Term, as applicable. Tenant's right to exercise the option is contingent upon the Lease being in effect, and Tenant not being in default under the Lease at the time of giving notice, and at the time the Extended Term is to begin. At commencement of the Extended Term, "Term" or "Term of this Lease" shall mean and include the Extended Term. Should Tenant fail to provide notice to District of Tenant's election to extend the Term, District shall have no obligation to provide notice to Tenant, and the Lease will terminate at the end of the Initial Term.

4. Rent. Beginning January 1, 2027 ("Rent Commencement Date") Tenant agrees to pay to District, in advance and without being billed or invoiced by the District, the monthly rent as follows:

(a) Monthly Rent During Initial Term. Beginning on the Rent Commencement Date, Tenant shall pay as monthly rent to District for and during the term of this lease the sum of \$8,000 per month, subject to annual and decade adjustments, as set forth below (the "Monthly Rent").

(b) Free Rent Period. In consideration of Tenant's investment of at least \$1,700,000 to make the improvements to the Leased Premises listed on Exhibit B (the "Improvements"), the period between the Effective Date and the Rent Commencement Date shall be rent free for Tenant.

(c) Annual CPI Adjustment of Monthly Rent. On each anniversary of the Rent Commencement Date the then-current Monthly Rent amount shall be automatically increased upward, but not downward, in the percentage proportion that the Consumer Price Index, Los Angeles-Long Beach-Anaheim, All Items, 1982-84=100 base, All Urban Consumers (CPI-U) (the "**CPI Index**") published by the United States Department of Labor, Bureau of Labor Statistics, or its successor in function, increases for the month of April the immediately preceding calendar year to April of the current calendar year. District shall use best efforts to provide notice of the adjusted monthly rent to Tenant in advance of the date the adjustment is due, but failure to provide notice shall not excuse Tenant's obligation to pay the adjusted Monthly Rent.

(d) Monthly Rent For Each Subsequent Decade of the Lease to be Set by Appraisal. The term "decade" means each period of ten (10) years during the term of this Lease or any Extended Term. The "first decade" is the ten-year period beginning on the Commencement Date of the lease term; the "second decade" is the ten-year period beginning on the first day following the first decade, and so on. Commencing with the second decade, a new Monthly Rent for the Leased Premises shall be determined every decade by appraisal as hereinafter provided, including during any Extended Term. District shall select the appraiser, and shall pay the cost and expense of the appraisal. The Monthly Rent shall be re-established at the start of the second and subsequent decades at an amount obtained by multiplying (x) a decimal factor of .006667 by (y) the Fair Market Rent of the Leased Premises determined by appraisal as of the one hundred twentieth (120th) day prior to the commencement date of the particular decade for which the new Monthly Rent is to be determined (the "Valuation Date"); provided, however, in no event shall the new Monthly Rent determined by appraisal exceed the Monthly Rent for the prior year by more than eight percent (8%). The foregoing decimal factor of .006667 is a monthly capitalization rate applied to the Fair Market Rent of the Leased Premises so as to yield an imputed annual return of

8% per annum on the Fair Market Rent of the Leased Premises as appraised. and is computed by the following formula:

$$\begin{aligned} A / B &= .00666 \\ A &= .08 \text{ (annual return of 8\%)} \\ B &= 12.0 \text{ (12 calendar months)} \end{aligned}$$

For the purposes of this Lease, the new Monthly Rent amount shall be determined by District based on an appraisal, in its reasonable, good faith discretion based upon: (A) the annual base rental rates then being charged in comparable Airport property for unimproved land only, as encumbered with easements and reservations, without taking into account the value of any improvements thereon, which comparison land is utilized in a manner comparable to the then-applicable utilization of the Leased Premises; (B) for a lease term commencing on or about the commencement date of the applicable Extension Term and equal in duration to the applicable Extension Term; and (C) taking into consideration: (i) the geographic location of the Leased Premises; (ii) the extent of services to be provided to the proposed Tenant thereunder; (iii) the creditworthiness and quality of Tenant; (iv) leasing commissions; incentives being provided to Tenant by lessors of comparable land (only) in the geographic area in which the Leased Premises is located; and (v) any other relevant term or condition in making such evaluation, all as reasonably determined by District.

If Tenant does not concur with the new Monthly Rent as set by District's appraisal, and District and Tenant are unable to agree on a Monthly Rent, then Tenant shall, within thirty (30) days after receipt of District's appraisal, have an appraisal conducted by an appraiser selected by and paid for by Tenant. If District does not concur with the Monthly Rent as set by Tenant's appraisal, and District and Tenant are unable to concur on the Fair Market Rent of the Leased Premises, then the new Monthly Rent, for purposes of this section, shall be the average of the two appraisals, subject to the provision that the rent shall not be less than the rent in effect prior to the appraisal.

Each appraiser shall certify that he/she has personally inspected the Leased Premises and all properties used as comparisons, that he/she has no past, present or contemplated future interest in the Leased Premises or any part thereof, that the compensation to be received by him/her from any source for making the appraisal is solely in accordance with this Lease, that he/she has followed the instructions as set forth in this Section 3 for valuing the Leased Premises, that neither his/her employment to make the appraisal nor his/her compensation therefore is contingent upon reporting a predetermined value or a value within a predetermined range of values, that he/she has had at least seven (7) years full-time professional experience as a commercial real estate appraiser in Santa Barbara and/or San Luis Obispo Counties, including experience valuing properties within the aviation industry, that he/she is a member of the American Institute of Real Estate Appraisers or successor thereto or the Society of Real Estate Appraisers or successor thereto (or, if neither such institute nor society nor a successor is in existence, a disinterested real estate appraiser having appropriate qualifications to appraise commercial real estate), and that his/her appraisal was prepared in conformity with the standards of professional practice of the institute or society or successor thereto.

(e) Monthly Rent During Extended Term. The decade and annual adjustments to the Monthly Rent set forth in this Section 4 shall be applicable to the Monthly Rent during any Extended Term.

(f) Payment. All rent is payable in advance commencing on the Rent

Commencement date of the lease term and on the first day of each calendar month thereafter during the term of this lease, without prior notice or demand, or without deduction or offset, except as otherwise expressly permitted in this lease, at the address where notices are to be delivered to District in accordance with Paragraph 28, or at such other address or wiring instruction as District shall direct Tenant in writing.

(g) Late Payment Penalty. Tenant acknowledges that late payment by Tenant to District of rent will cause the District to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any installment of rent due from Tenant is not received by District on or before the date it is due (or on the next business day of the District that is not a Saturday, Sunday or holiday on which the administrative office of the District is closed for a whole day, if the date the rent installment is due falls on a Saturday, Sunday, or holiday on which the administrative office of the District is closed for a whole day), Tenant shall pay to District an additional sum of ten percent (10%) of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that District will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the rights and remedies available to District.

(h) Security Deposit. The security deposit shall be fully funded once construction of the Premises is completed. District and Tenant acknowledge that District currently holds a security deposit for Tenant's facility located at 3409 Corsair Drive, which shall be transferred and applied toward the security deposit required under this Lease. After application of the transferred deposit, Tenant shall pay an additional Four Thousand Eight Hundred Four Dollars (\$4,804.00) to satisfy the required security deposit amount. The security deposit shall be held by District as security for the performance by Tenant of the provisions of this Lease. The District shall transfer on account of Tenant the security deposit currently held by District for Tenant under its prior lease and such deposit shall be held by District as a security deposit for the performance by Tenant of the provisions of this lease. If Tenant is in default, District may use the security deposit, or any portion of it, to cure the default or to compensate District for all damage sustained by District resulting from Tenant's default. Tenant shall immediately upon demand pay to District a sum equal to the portion of the security deposit expended or applied by District as provided in this section so as to maintain the security deposit in the sum required by the District. If Tenant is not in default at the expiration or termination of this lease, District shall return the security deposit to Tenant. District's obligations with respect to the security deposit are those of a debtor and not a trustee. District shall deposit into an account in the name of District, subject to withdrawal and retention by District of all or any part of the amount on deposit to cure the default of Tenant or to compensate District for all damage sustained by District resulting from Tenant's default.

(i) Additional Rent: "Triple Net". The rent shall be absolutely net to District. Tenant shall pay all costs, fees, taxes, liens, interest, insurance, utility costs, charges, expenses, assessments, reimbursements, maintenance and obligations of every kind and nature whatsoever relating to the Leased Premises or the improvements to be constructed thereon that may arise or become due during the Term or any Extended Term of, or arising out of the provisions of, this Lease ("Additional Rent"). Notwithstanding the foregoing, District agrees to pay the following expenses related to the Leased Premises: (a) any expenses expressly agreed to be paid by District in this Lease; (b) debt service and other

payments with respect to any financing obtained by District, as evidenced by any mortgage, deed of trust, assignment of leases and rents, financing statement or other instruments, and secured by the interest of District in the Property; (c) expenses incurred by District to monitor and administer this Lease; (d) expenses incurred by District prior to the Commencement Date; and (e) expenses relating that are personal to the District. Tenant shall indemnify and save District harmless from and against any Additional Rent. Should Tenant fail to pay any Additional Rent when due, District shall have all of the rights, powers and remedies provided for in this Lease in the event of nonpayment of rent or other event of default. District shall at all times have the right (at its sole election and without any obligation to do so) to advance on behalf of Tenant any amount payable under the terms hereof by Tenant, or to otherwise satisfy any of Tenant's obligations hereunder deemed necessary to protect the interests of District under this Lease. No advance by District shall operate, as a waiver of any of District's rights under this Lease and Tenant shall remain fully responsible for the performance of its obligations under this Lease. Any sums so paid by District shall constitute Additional Rent and shall be immediately due and payable from Tenant.

5. Permitted Uses of Leased Premises. Tenant may use the Leased Premises only for:

- (a) Offices for aviation-related businesses.
- (b) Aircraft repair and maintenance.
- (c) Sale of aircraft and aircraft components and parts.
- (d) Aircraft charter operations
- (e) Aircraft flight instructions.
- (f) Storage of aircraft.
- (g) Parking of Automobiles including trucks to support agricultural spraying operations (incidental to the business)
- (h) Air taxi services.

Tenant shall not use the Leased Premises, or any portion thereof, for any other purposes, unless the use is approved in advance in writing by the District's General Manager. Nothing contained herein shall be deemed to give Tenant exclusive rights at the Airport in connection with any of the permitted uses herein.

6. Prohibited Uses. Tenant shall not use or permit use of the Leased Premises or the Airport, or any portion thereof, for any of the following purposes or uses:

- (a) Sale of gasoline or other fuels.
- (b) Use any portion of the Premises contrary to or in violation of the directives, rules or regulations of the District as they exist now or in the future.
- (c) Store on the Premises any property or articles, or conduct any activities or operations which are not directly related or incident to the permitted uses in paragraph 5 of this Lease.

(d) Store any flammable liquids or substances or explosives within the building, except for aviation fuel in parked aircraft, and properly stored supplies incidental to the business.

(e) Use or locate on the Premises any material which would cause sunlight to be reflected toward an aircraft on initial climb or final approach.

(f) Any use, activity or improvement which will generate smoke affecting aircraft visibility or attract large concentrations of birds or which may otherwise affect safe air navigation.

(g) Any use or activity which would direct steady or flashing lights at aircraft during initial climb or final approach or otherwise interfere with or create a hazard to the operation of the Airport.

(h) Locate, erect or construct any structure, which penetrates any FAR part 77 (Objects affecting Navigable Airspace) imaginary surfaces.

(i) Spray painting within the building using flammable paints or liquids without proper, approved suppression and protection equipment, or without required permits, or in a manner which is prohibited by any applicable law, ordinance or governmental order or regulation or in a manner that does not meet the requirements of District's fire and liability insurance carriers.

7. Tenant's Agreements. In addition to the requirements of this Lease and applicable law, Tenant shall do all of the following:

(a) Comply with the rules, regulations and directives of District related to use of the Premises, Airport and its facilities.

(b) Comply with all laws, regulations, ordinances, and orders of federal, state and local governments as they relate to Tenant's use of the Premises, the Airport, and Airport facilities, and the construction of the Improvements. Tenant acknowledges and agrees that the construction of the Improvements and any other construction, alteration, demolition, installation, or repair of the Premises is a "public work" under Labor Code Section 1720, and subject to the payment of prevailing wages under Labor Code Section 1770, *et seq.*

(c) Keep the Premises in good order and condition, free of trash and debris, at Tenant's expense.

(d) Neither be required nor permitted to make any changes or alterations affecting the structural integrity of the building of which the Premises forms a part.

(e) Deliver possession of the Premises to District on termination or expiration of this Lease in at least as good condition as it is at the Commencement of this lease, broom clean, ordinary wear and tear excepted, and free of any personal property.

(f) Store and maintain all of Tenant's equipment and personal property entirely within the footprint of the Premises in a neat and orderly condition, compliant with any requirements of the Santa Maria Municipal Code relating to outdoor storage. None of Tenant's equipment or property shall be deposited or stored on Airport property outside the Premises, and District may remove improperly stored equipment and property following reasonable notice to Tenant, and charge Tenant for any costs of removal or storage.

(g) Cooperate with the District in a calendar quarterly audit of the progress of Tenant's construction of the Improvements, and permit District to inspect the Premises, all upon at least two (2) business days' written notice from District to Tenant.

8. Tenant Obligations to Construct.

(a) Construction of Improvements. Tenant leases the Premises with the obligation of constructing the Improvements in an amount equal to at least \$1,700,000 within the initial term at Tenant's sole cost and expense. Tenant shall have the period of eighteen (18) months from the Effective Date to commence construction and shall complete all construction within twenty-four (24) months from the date of commencement of construction. The Improvements specified in Exhibit B are approved by the District, subject to the Tenant obtaining all building and other permits. Any additional Improvements not included on Exhibit B shall first be submitted for advance approval in writing by the District's General Manager. Tenant shall obtain any governmental approval legally required to improve or alter the Premises. Tenant shall construct the improvements free of claims against District and the Premises, shall obtain the prior written approval of the final design of the improvements by District's General Manager, and upon completion shall provide District with "as-built" drawings in such format as District requests, along with copies of all applicable building and other permits for the Improvements. Tenant shall comply with the provisions of Section 18.

(b) Conditions to Construction of Improvements. Tenant shall have the right to construct the Improvements within the Leased Premises. All of such Improvements shall be constructed in accordance with the requirements of any and all laws, ordinances, regulations and governmental restrictions applicable thereto, including zoning requirements and building code requirements of the City of Santa Maria and any municipal or other governmental agency having jurisdiction over the Leased Premises at the time said Improvements are constructed. The District acknowledges that Tenant's construction of the Improvements set forth in Section 8(a) above satisfy Tenant's obligations during the Term to meet the District's minimum investment level requirements (at least \$10,000 per acre per year). Before Tenant begins construction of any Improvements on the Leased Premises, Tenant shall have obtained (and delivered insurance certificates therefor to District) all insurance coverage required under Section 16 of this Lease, and shall give District fifteen (15) days prior written notice prior to the commencement of any and all construction at the Leased Premises so that appropriate notices of non-responsibility may be posted and recorded by District. If during the term of this Lease the use, or continued use of the Leased Premises by Tenant results in or otherwise requires the upgrade, renovation or improvement (collectively "**upgrades**") of any portion of the Leased Premises or the Improvements constructed thereupon, in order to conform with any new or amended governmental regulation, code or similar requirements, including by way of example and not limitation, potentially upgraded Americans With Disabilities Act (ADA) requirements, Tenant shall always be responsible for costs and expenses of such upgrades.

(c) Completion of Improvements and Other Work: Compliance with Law and Quality. Tenant covenants that the Improvements to be constructed on the Leased Premises, and all other construction thereon, when undertaken, while in progress and as completed, will comply with all laws and ordinances necessary to permit the development, completion and lease of the Leased Premises pursuant to this Lease, and will comply in all material respects with the site plan approved by the District and all provisions of this Lease. All work performed on the Leased Premises pursuant to this Lease, or authorized by this Lease, shall be done in a good workmanlike manner. The interior architectural design and appearance and the interior Improvements and finish of each of the structures on the Leased Premises shall not be subject to the review and approval of District.

(d) Mechanic's, Materialman's, Contractor's, or Subcontractor's Liens.

(i) Subject to Tenant's right to contest as hereinafter provided, at all times during the Term of this Lease, Tenant shall keep the Leased Premises, including all buildings and Improvements now or hereafter located on the Leased Premises, free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Leased Premises. Tenant shall (1) promptly pay and discharge, or cause the Leased Premises to be released from, any such lien or claim of lien, or, (2) if Tenant decides to contest said lien, furnish District such bond as may be required by law to free the Leased Premises from the effect of such a lien and to secure District against payment of such lien, or provide District with other assurances with respect thereto which are satisfactory to District, in its good faith discretion.

(ii) Should Tenant fail to (a) pay and discharge; or (b) cause the Leased Premises to be released from any such lien or claim of lien or to provide a bond or other assurance as permitted hereunder within thirty (30) days after service on Tenant by District of a written request to do so, District may pay, adjust, compromise and discharge any such lien or claim of lien on such terms and in such manner as District may deem appropriate. In such event, Tenant shall, following any such payment by District, and after receiving not less than thirty (30) days' written notice and reasonable evidence of payment from District reimburse District for the full amount so paid by District, including any reasonable attorneys' fees or other costs expended by District, together with interest thereon at the legal rate from the date of payment by District to the date of Tenant's reimbursement of District, and such amount shall constitute additional Rent and become a part of Tenant's obligation to pay Rent hereunder.

(e) Notice of Non-Responsibility. At least ten (10) days prior to initiation of any improvement, or delivery of any materials to the Leased Premises, Tenant shall notify District of same. District shall have the right to post, and/or publish, and record a Notice of Non-responsibility.

(f) Permits. Tenant shall procure and comply with all then applicable codes, ordinances, regulations and requirements for permits and approvals, including but not restricted to a grading permit, building permits, zoning, environmental and planning requirements, subdivision and parcel maps, and approvals from various governmental

agencies and bodies having jurisdiction.

(g) Builder's Risk Insurance. Prior to commencing construction, Tenant shall deliver to District certificate of insurance evidencing coverage for "builder's risk" and "course of construction" insurance on the Improvements then in place or under way, including coverage against collapse, vandalism and malicious mischief.

(h) Soil & Environmental Conditions. District is not aware of any hazardous materials or contamination therefrom existing on the Leased Premises as of the Effective Date and District has not received notice of any violations of any relevant environmental laws relating to the Leased Premises. Tenant may enter onto the land before the commencement date of the lease term to make surveys and soil and structural engineering tests that Tenant considers necessary. All such surveys and tests made by or on behalf of Tenant shall be at Tenant's sole expense, without liability or expense to District. Copies shall be furnished to District upon request.

(i) With respect to any and all Pre-existing Environmental Conditions (as hereinafter defined) discovered before or after the Effective Date, District, at its sole expense, shall conduct and complete all investigations, studies, samplings, and testing, and all remedial, removal, and other response actions necessary to clean up, remove and/or abate all hazardous materials on, from, or affecting the Leased Premises or the property (i) in accordance with all then applicable federal, state and local laws, ordinances, rules, regulations, and policies, and (ii) in accordance with the orders and directives of all federal, state, and local governmental authorities. Alternatively, District may elect to request Tenant, at District's sole expense, to directly oversee the response contractor's work, provided that Tenant shall have no obligation to oversee such work unless Tenant agrees to do so. The District shall indemnify, defend, and hold Tenant, its managers, officers, members, employees, agents and representatives harmless from and against any and all liability, suits, proceedings, liens, actions, penalties, damages, losses, expenses, claims or demands of any nature, including costs and expenses for legal services and causes of action of whatever character Tenant may incur, sustain, or be subject to arising out of or in any way connected with Pre-existing Environmental Conditions. "Pre-existing Environmental Conditions" means the presence of any hazardous materials existing as of the Effective Date in the air, soil, surface water or groundwater, and in, on and under any structure on the Leased Premises or property (regardless of when such conditions are discovered), or the migration of hazardous materials on or under the Leased Premises from adjacent properties, so long as not caused, or contributed to, by Tenant.

In the event that estimated expenses related to Pre-existing Environmental Conditions are extraordinarily expensive, as to create a hardship for the District, the District may decide not to conduct remedial actions to the extent in which it is legally allowed. The Tenant may elect to pursue response actions related to Pre-existing Environmental Conditions at the Tenant's sole expense and shall have the right to modify Preliminary Plans and/or Final Plans in response and deduct any and all such costs and expenses from the Rent or any other fees or charges due to the District under this Lease. Tenant may, in the alternative and at its sole election, terminate this Lease without penalty should the District fail to conduct remedial actions related to Pre-Existing Conditions. The District and Tenant shall pursue solutions related to Pre-existing Environmental Conditions in good faith and do all things reasonably within their power that are

necessary or desirable to give effect to the spirit and intent of this Agreement.

(j) Diligence. Tenant shall with reasonable diligence prosecute to completion all construction of Improvements, additions or alterations. All work shall be performed in a good and workmanlike manner, shall substantially comply with plans and specifications submitted to District as required by this Lease, and shall comply with all applicable governmental permits, laws, ordinances and regulations.

9. Landlord Improvements. District shall not be responsible for making any improvements to the Premises.

10. Security. District shall have no obligation to provide additional security that is greater than the normal operations of the Airport or lighting for the Leased Property.

11. Utilities. Tenant shall timely pay all costs, charges and deposits for all utilities and services furnished to or used by Tenant, including without limitation, gas, water, electricity, telephone service, trash collection and for all connection charges. District shall have no obligation to extend utility services to the Premises.

12. Taxes, Licenses. Tenant shall pay before delinquency any and all taxes, assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interests of Tenant, and personal property, improvements or fixtures owned, controlled or installed by Tenant and used or located on the Airport or Tenant's business. By entering into this Lease, a possessory interest subject to property taxation may be created, and Tenant may be subject to payment of property taxes levied on such interest. Tenant shall pay before delinquency all such taxes. Tenant shall also secure and maintain in force during the term of this lease all licenses and permits necessary or required by law for the conduct of Tenant's business or operations, and the construction of any improvements.

13. Assumption of Risks; No Warranty. Tenant represents that Tenant has inspected the portion of the Airport property wherein the Leased Premises are located, and the Leased Premises, accepts the Leased Premises in an "as is, where is" condition, and fully assumes all risks incidental to use of the Airport and Leased Premises. District shall not be liable to Tenant for any damages or injury to persons or property of any of Tenant's agents, employees, visitors, guests or invitees from any cause or condition whatsoever. District has made no, and expressly disclaims any, warranty as to the fitness of the Leased Premises for any particular use or business.

14. Indemnity. Tenant shall defend (with counsel acceptable to District), indemnify and hold harmless District, its directors, officers, employees, agents and representatives and the Premises (collectively herein "District") at all times from and against any and all liability, suits, proceedings, liens, actions, penalties, damages, losses, expenses, claims or demands of any nature, including costs and expenses for legal services and causes of action of whatever character which District may incur, sustain or be subject to (collectively "Liability") sustained by anyone in, on or about the Premises or arising out of or in any way connected with: the acts or omissions of Tenant or its officers, agents, employees, guests, customers, visitors or invitees; or Tenant's operations on, or use or occupancy of the Premises, except to the extent caused by the sole active negligence of District or its willful misconduct. Tenant shall also defend (with counsel acceptable to

District), indemnify and hold District harmless from and against, all Liability, including third party claims, environmental requirements and environmental damages (as defined in Exhibit "C", Hazardous Material Definitions), costs of investigation and cleanup, penalties, fines, and losses (including, without limitation, diminution in property value of the Premises or the Airport or the improvements thereon or District's property or improvements in the vicinity of the Premises) of whatever kind or nature, which result from or are in any way connected with the release, receipt, handling, use, storage, accumulation, transportation, generation, discharge, or disposal (collectively "Release") of any toxic or hazardous materials (defined in Exhibit "C") which occurs in, on or about the Premises or the Airport as the result of any activities of Tenant or Tenant's agents, employees, invitees, licensees, guests, successors or assigns, or subtenants. Tenant shall notify District and responsible legal authorities immediately of any Release of any toxic or hazardous material on the Premises.

15. Indemnity Against Claims. Tenant shall keep the Premises and improvements thereon free and clear of all mechanic's liens and other liens. Tenant shall defend, indemnify and save harmless District and the Premises from and harmless against any and all liability, loss, damage, claims, costs, attorneys' fees and other expenses of any type arising out of work performed on the Premises or in easements and rights-of-way for or by Tenant, or on account of claims for liens of contractors, subcontractors, materialmen, laborers, architects, engineers or other design professionals, for work performed or materials or supplies furnished by Tenant or persons claiming under it. District shall have the right, but not the duty, to pay or otherwise discharge, stay, or prevent the execution of any judgment or lien, or both. Tenant shall reimburse District for all sums paid by District under this paragraph, together with all of District's reasonable attorneys' fees and costs, plus interest on all sums expended at the rate of ten percent (10%) per annum from the date paid by District to the date paid by Tenant.

16. Default. The occurrence of any of the following shall constitute a default and breach of this Lease by Tenant:

(a) Any failure by Tenant to pay the rent or to make any other payment required to be made by Tenant under this Lease (when that failure continues for ten (10) days after written notice of the failure is given by District to Tenant);

(b) The abandonment or vacation of the Premises by Tenant (the absence of Tenant from or the failure by Tenant to conduct business on the Premises for a period in excess of thirty (30) consecutive days shall constitute an abandonment or vacation for purposes of this Lease).

(c) A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, when that failure continues for thirty (30) days after written notice of Tenant's failure is given by District to Tenant; provided, however, that if the nature of that default is such that it cannot reasonably be cured within a 30-day period, Tenant shall not be deemed to be in default if Tenant commences that cure within the 30-day period and thereafter diligently prosecutes it to completion.

(d) The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, it is dismissed within 60 days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the

Premises or of Tenant's interest in this Lease, when possession is not restored to Tenant within 30 days; or the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, when that seizure is not discharged within 30 days.

(e) Dissolution or liquidation of Tenant of all or substantially all of its assets.

The notices provided for in subsections (a) through (c) of this Section 15 are not intended to replace, but rather are in addition to, any required statutory notices for unlawful detainer proceedings under Code of Civil Procedure Section 1161 et seq.

17. Insurance. Tenant shall secure and maintain, without cost to District, in full force and effect at all times during the term of this lease the following types and amounts of insurance:

(a) Commercial general liability insurance, including bodily injury and death liability, property damage liability, completed operations and products liability coverage, contractual liability, public liability, and owners and contractors protective coverage with a combined single limit of liability of at least \$3,000,000 for each accident or occurrence; and

(b) Hangar keeper's liability insurance coverage with limits of not less than \$500,000 for any one accident or occurrence with \$3,000 maximum deductible for each accident or occurrence;

(c) Aircraft and airport operations insurance, including passengers, products and completed operations, with a combined single limit for bodily injury and property damage of \$3,000,000 for each occurrence.

(d) For and during the time Tenant has vehicles or mobile equipment which are used in Tenant's business or used in, on or about the Premises or anywhere on District property, automobile and mobile equipment liability insurance covering all vehicles and mobile equipment used by Tenant on the Airport providing bodily injury, personal injury and death liability limits of not less than \$1,000,000 per person per occurrence and property damage of not less than \$500,000 for each accident or occurrence.

(e) Prior to commencing, and during the construction of, the Improvements, "builder's risk" and "course of construction" insurance on the Improvements then in place or under construction, including (without limitation) coverage against collapse, vandalism, and malicious mischief.

(f) District shall be named as an additional insured in each policy required herein without offset to any insurance policies of the District.

(g) Tenant shall provide District with copies of all insurance policies, endorsements, and certificates issued by the insurer(s), including in each instance an endorsement or certificate providing that such insurance shall not be cancelled or coverage reduced except after thirty (30) days' written notice to District.

(h) All required policies of insurance shall be obtained from insurers admitted to do business in the State of California, with current A.M. Best ratings of A:VII or better.

18. Insurance Premium Increase. Except as to the construction of the Improvements, Tenant shall not do or permit to be done any act or thing upon the Premises which will invalidate or be in conflict with the fire insurance or liability policies covering the Premises or which shall or might subject District to any unreasonable risks or exposure to liability or responsibility for injury to any person or persons or to any property by reason of any business activity or operation being carried on by Tenant upon the Premises. Except as to the construction of the Improvements, Tenant shall pay for any additional premiums of District's fire and liability insurance policies charged by reason of Tenant's use or operations on the Premises.

19. Alterations; Removal of Tenant-Installed Property. Other than the Improvements, Tenant shall make no alterations, additions or improvements to the Leased Premises or otherwise at the Airport without District's prior written consent. Such alterations, additions or improvements shall be Tenant's property during the Lease, but shall become District's property at the expiration or termination of the Lease unless District elects (upon written notice to Tenant of such election) that all or a designated portion of the alterations, additions, or improvements made by Tenant shall be removed by and at the expense of Tenant. If District so elects, then Tenant shall at Tenant's expense remove (within 30 days after termination or expiration of this lease or such other time specified in the notice) such alterations, additions or improvements, or such portion thereof designated by District, restore District's property to at least its former condition, normal wear and tear excepted, and repair any damage resulting from such removal. Machinery, equipment and trade fixtures installed by Tenant in the Leased premises shall not be considered "alterations, additions or improvements" subject to the foregoing provisions and may be removed from the Airport by Tenant on or before expiration or termination of this lease, providing any damage to District's property resulting from such removal shall be repaired or restored at Tenant's expense. All alterations, additions and improvements made by Tenant shall be done in a workmanlike manner, with good materials, and in full compliance with all applicable building codes, laws, ordinances, regulations and directions or public agencies having jurisdiction.

20. Airport Facilities. All equipment used by Tenant on the Airport Property shall be parked only in locations on the Leased Premises designated by District. Tenant agrees to observe, obey and abide by all directives, rules and regulations for the common and joint use of Airport facilities and for maintenance and conduct of Tenant's business at the Airport, which may hereafter be imposed by District's Board of Directors, FAA, City of Santa Maria, or any other governmental agency having jurisdiction over the subject matter. District has no obligation to provide security guards, lighting or fencing or to provide any services and utilities not expressly set forth in this Lease. In conducting its operations, Tenant shall avoid any conflict on the tarmac, runway, or apron with Airport operations.

21. FAA Restrictions and Reservations. The Rider marked Exhibit "D" attached hereto, consisting of four pages of provisions required by the Federal Aviation Administration, is incorporated herein and made a part hereof. Tenant agrees to comply with all of the terms and conditions of said Rider. If there should be a substantial interference with access to Tenant's business for a period more than 15 days, a just and proportionate part of the rent shall be abated from the fifteenth day following the access restriction.

22. Compliance with Laws/Payment of Costs of Compliance. Tenant shall at all times comply with, and shall pay all costs and expenses which may be incurred or required to be paid in order to comply with, all applicable laws, statutes, ordinances, rules, regulations and orders of federal, state and local governments, and other public agencies ("laws") which apply to Tenant's operation and/or use of the Premises. These laws include, but are not limited to, all laws concerning air and/or water quality, fire and/or occupational safety or handicapped accessibility, as well as those requiring alterations or additions to be made to, or safety devices or appliances to be maintained or installed in, on, or about the premises under any laws now or hereafter adopted, enacted or made applicable to the Premises. Tenant shall pay any fees, charges or assessments arising out of or in any way related to the Premises as a source of adverse environmental impacts or effects. It is expressly understood that this section shall apply to laws that may be enacted and/or changed in the future in addition to laws existing at the time of the execution of the Lease.

23. Repairs and Maintenance. Except as otherwise provided herein, Tenant shall, at Tenant's sole cost, keep and maintain the Leased Premises and every part thereof in good and sanitary order, condition and repair. Tenant shall not make any repairs which are the responsibility of District without District's prior written consent. Tenant waives all rights to make repairs at District's expense. District will, at District's expense, repair and maintain the roof and exterior walls, if needed, as need is determined by District's Board of Directors, except for damage caused by Tenant or Tenant's employees, contractors or invitees. District will, at District's expense, replace fixtures owned by District and that are a part of the Leased Premises as of the Effective Date once such fixtures reach the end of their natural life and are no longer repairable, provided that: (i) Tenant has fulfilled its obligations set forth in this section regarding repair and maintenance; and (ii) subject to the provisions of Section 24 below. Provided, however, that Landlord's duty to replace fixtures pursuant to this shall not apply to improvements made pursuant to Section 8 above. The parties also acknowledge and agree that District has no liability for failure to replace fixtures that do not work due to any act or neglect of Tenant or Tenant's employees, agents, customers, invitees or licensees. Tenant agrees to keep the Leased Premises, at Tenant's expense, clean and free from litter and dust at all times.

24. Acceptance; Surrender. Tenant accepts the Leased Premises in its current as-is condition and agrees on the last day of the Term hereof, or sooner termination, to surrender to District forthwith the Leased Premises in broom clean condition, reasonable use and wear excepted and subject to the provisions of Paragraph 19.

25. Damage or Destruction.

(a) Partial Destruction - Insured Loss. If (i) the Premises or any portion thereof are damaged or destroyed by fire or other cause, (ii) the Premises are not thereby rendered totally untenable, (iii) the loss is covered by insurance, and (iv) the destruction can be repaired within sixty (60) days from the date of destruction, this lease shall not terminate, but District shall repair or rebuild the same from and to the extent of the insurance proceeds payable for the loss and Rent for the portion of the Leased Premises rendered untenable shall be abated until Tenant is able to reasonably re-occupy the damaged portion of the Premises.

(b) Total Destruction - Uninsured Loss. If (i) the Premises or any portion thereof are damaged or destroyed by fire or other cause and are thereby rendered wholly untenable or are more than fifty percent (50%) damaged or destroyed, or (ii) the damage or

destruction of the Premises is not covered by insurance, then, in either event, District, if District so elects, may repair or rebuild the building within a reasonable time after such destruction or damage, or District may give notice terminating this lease as of a date not later than thirty (30) days after such damage or destruction. If District elects to repair or rebuild the Premises, District shall, within thirty (30) days after such damage or destruction, give Tenant notice of District's intention to repair or rebuild and shall proceed with reasonable speed to make the repairs or to rebuild. Unless District elects to terminate this lease, this lease shall remain in full force and effect, and the parties waive the provision of any law to the contrary. If there should be a substantial interference with Tenant's business, a just and proportionate part of the rent shall be abated from the fifteenth day following the damage or destruction until the Premises are repaired or rebuilt. In the event of termination under this subparagraph, rent will be prorated to the date of termination and surrender of possession of the Premises to District.

(c) **Extent of Rebuilding.** If District should elect or be obligated to repair or rebuild the building because of any damage or destruction, District's obligation shall be limited to the basic building. Tenant shall at Tenant's expense fully repair or replace all fixtures, equipment, and other installations installed by or for Tenant at its expense.

26. **Termination By District.** District, in addition to any right of termination as a matter of law or any other right herein given to District, may at its option cancel and terminate this lease and agreement, by written notice thereof given to Tenant, upon or after the occurrence of any of the following events:

(a) Filing by or against Tenant of a voluntary or involuntary petition in bankruptcy or for reorganization, or taking of Tenant's assets pursuant to a proceeding under the Federal Reorganization Act, or the adjudication of Tenant as a bankrupt, or the appointment of a receiver of Tenant's assets, or divestiture of Tenant's assets or estate herein by operation of law or otherwise or assignment by Tenant of its assets for the benefit of creditors.

(b) The uncured breach by Tenant or failure of Tenant to keep, observe or perform any of the covenants, conditions or provisions herein contained on the part of Tenant to be observed, kept or performed, subject to the notice and cure provisions set forth in Section 16 herein.

(c) Dissolution or liquidation of Tenant of all or substantially all of its assets, except as set forth in Section 37.

(d) The transfer, in whole or in part, of Tenant's interest in this lease or in the Leased Premises, or any rights hereunder, by operation of law, whether by judgment, attachment, execution, process or proceeding of any court or any other means, except as set forth in Section 37.

27. **Termination By Tenant.** Tenant may at its option cancel and terminate this lease and agreement, by written notice thereof given to District at any time prior to the Delivery Date. Any alterations made by Tenant prior to the written notice shall become property of the District at no cost.

28. **Additional Remedies of District.** In addition to any other remedy

District may have under this agreement or by operation of law, District shall have the right, in the event of Tenant's nonpayment of rent required under this lease, or in the event of default of any of the terms or conditions of this lease, or if Tenant shall abandon or vacate the Leased Premises, to terminate this lease upon written notice to Tenant and reenter the Leased Premises and eject all persons, or eject some but not all, and remove all property, other than District's property, from the Leased Premises or any part of the Leased Premises. Any property removed from the Leased Premises upon reentry by District under this paragraph may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, and District shall have no liability therefor. No waiver by District of a default by Tenant of any of the terms, covenants, conditions or provisions hereof to be kept, observed or performed shall be construed to be a waiver by District of any subsequent default. On such termination, District may recover from Tenant:

(a) The worth at the time of award of the unpaid rent, which had been earned at the time of termination;

(b) The worth at the time of the award of the amount by which the unpaid rent which would have been earned after termination until the time of the award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided.

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for such period that Tenant proves could be reasonably avoided; and

(d) Any other amount necessary to compensate District for all the detriment proximately caused by Tenant's failure to perform its obligations under this lease, or which in the ordinary course of things would be likely to result therefrom; and

(e) At District's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of California.

(f)

The "worth at the time of award" of the amounts referred to in subparagraphs (a) and (b) above is computed by allowing interest at the maximum legal interest rate. The worth at the time of award of the amount referred to in subparagraph (c) above is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

29. Notices. All notices required herein shall be in writing and may be given by personal delivery or by registered or certified mail, postage prepaid, and addressed to District at 3217 Terminal Drive, Santa Maria, California 93455, and to Tenant at 3409 Corsair Circle, Santa Maria, CA 93455. Either party may at any time change its address for such notice by giving written notice of such change to the other party. Any notice provided for herein shall be deemed delivered upon being deposited as aforesaid at any United States Post Office or branch or substation or in any United States mailbox, or at time of personal delivery.

30. Contact Personnel. Tenant shall designate and furnish District with the names, telephone numbers and addresses of two employees of Tenant who have authority to provide access to the Premises by District's personnel for emergency purposes.

31. Attorneys' Fees. If either party brings any action or proceeding to interpret,

enforce, protect, or establish any right or remedy under this lease, the prevailing party shall be entitled to recover reasonable attorney's fees, costs and expenses. In the event that, following the Tenant's breach of the Lease, the District commences an unlawful detainer action that is dismissed before entry of judgment, the cost incurred by the District, including but not limited to attorney's fees and service fees, shall be paid by Tenant on the next date rent is due.

32. Advances. In the event of Tenant's breach of any covenant or condition of this lease, District may, but shall not be obligated to at any time, with prior notice, cure such breach for the account and at the expense of Tenant, and in such event the amount thereof shall be immediately due and payable by Tenant to District upon demand in writing and shall bear interest at the maximum rate an individual is permitted by law to charge from the date such expenses were incurred until repaid in full. Notwithstanding the forgoing prior notice shall not be required in cases of emergency.

33. Signs. No sign, advertisement, notice or other lettering shall be inscribed, painted or affixed by Tenant on any part of the Leased Premises or on any portion of the Airport without the prior written consent of the District's General Manager or their designee. Any such sign, advertisement, notice or other lettering must be removed by Tenant at Tenant's expense before the end of the term of this lease, including repair of any damage in such removal. Any sign not removed at the end of the term shall be deemed abandoned and may be retained as property of the District or may be removed by District, in which case Tenant shall pay District the cost of removal thereof. All signs shall be kept in good repair and condition by Tenant. All signs must conform to the ordinances and regulations of the City of Santa Maria and approval of the District.

34. Parking. Tenant and its invitees shall have non-exclusive use of existing public parking areas, subject to any then-current parking rates or charges.

35. Vehicles. Any motor vehicles of Tenant permitted to operate on any aircraft movement area at the Airport shall be equipped with two-way radios capable of two-way communication with the control tower at the Airport.

36. Nuisance. Tenant shall not commit, or suffer or permit waste, excessive noise, excessive accelerations of air, obnoxious odors, excessive dust or any other nuisance on or adjacent to the Leased Premises or on the Airport constituting an unreasonable interference with other District tenants or persons using the Airport.

37. Assignment, Subletting and Encumbering. Tenant shall not assign, mortgage, encumber or grant control of this lease or any interest, right or privilege herein or sublet the whole or any portion of the Leased Premises or license or grant concessions for use of the Leased Premises or any part thereof, or transfer a controlling interest in Tenant, without prior written consent of the District, such consent shall not be unreasonably withheld, conditioned, or delayed. Any such action taken without the District's prior written consent shall be voidable and, at the option of District, shall terminate this lease.

38. Fire Safety. Tenant shall furnish and keep adequate fire extinguishers in sufficient numbers and in convenient and accessible places upon the Premises; said fire extinguishers shall be charged and ready for immediate use as required by fire regulations and applicable laws or ordinances. If Tenant receives an inspection notice or a deficiency or correction notice following an inspection by the City of Santa Maria Fire Department,

Tenant agrees to make any and all corrections immediately in the manner required by the fire department, but in no event later than five (5) days after receipt of the notice.

39. General.

(a) Each term and each provision of this lease agreement, including, without limitation, the obligation to pay rent, performable by Tenant shall be construed to be both a covenant and a condition. Time is of the essence of each term, condition and provision of this lease agreement.

(b) One or more waivers by District of any covenant or condition shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition. District's consent to or approval of any act by Tenant requiring District's consent or approval shall not be deemed to waive or render unnecessary District's consent to or approval of any subsequent similar act by Tenant. No act or thing done by District or District's employees or agents shall be deemed an acceptance or a surrender of the Leased Premises, and no agreement to accept such surrender shall be valid unless in writing signed by District. Delivery of keys to any agent or employee of District shall not operate as a termination of this lease or a surrender of the Leased Premises.

(c) This lease and Tenant's rights hereunder are subject and subordinate to all conditions, reservations, restrictions, easements, rights, rights of way, and encumbrances affecting the Leased Premises now of record or hereafter granted, caused or suffered by District.

(d) Captions appearing herein are for convenience of reference only and shall not govern the construction of this lease. All Exhibits attached hereto are incorporated herein and made a part hereof.

(e) This lease contains all of the agreements and conditions made between the parties and may not be modified orally or in any other manner than by an agreement in writing signed by the parties to this lease.

(f) No provision of this lease shall be deemed to have been waived by District unless such waiver be in writing signed by District.

(g) This lease is made subject to any approval or consent of the Federal Aviation Administration which may be required.

40. Entry By District. District reserves the right to enter the Premises at any reasonable time, with notice, to make inspections or repairs, and at any time without notice in case of an emergency.

41. Interpretation and Venue. This lease is entered into and is to be performed in the County of Santa Barbara. This lease is to be interpreted in accordance with the laws of the State of California. Any legal action relating to this lease shall be brought in the California Superior Court of appropriate jurisdiction in the County of Santa Barbara, State of California.

42. Severability. If any term or provision of this lease, other than the obligation of

Tenant to pay rent, shall be held by a court of competent jurisdiction to be invalid, the remainder of this lease shall continue in full force and effect and shall in no way be affected or invalidated thereby.

43. Integration. This lease, together with the exhibits and documents incorporated herein by reference, constitutes the entire agreement between the parties. Any modification or amendment hereto shall be in writing, signed by the parties.

44. Holding Over. If Tenant shall hold over the Premises after the expiration of the term hereof with the consent of District, either expressed or implied, such holding over shall be construed to be only a tenancy from month-to-month, subject to all the covenants, conditions and obligations contained in this lease, including the obligation to pay rent monthly in advance, in an amount equal to the current rent or the rent as determined by the District's most recent approved rates and charges for commercial hangar and office space whichever is higher.

45. Quitclaim. At the expiration or earlier termination of this lease, Tenant shall execute, acknowledge and deliver to District within thirty (30) days after written demand from District to Tenant any quitclaim deed or other document required by any reputable title company to remove the cloud of this lease from the real property subject to this lease.

46. Tenant's Authority. Tenant shall furnish to District a copy of its filed Certificate of Formation as a Texas limited liability company filed with the Texas Secretary of State, filed registration with the California Secretary of State as a foreign limited liability company, and a current Statement of Information filed with the California Secretary of State. At all terms during the Term of this Lease, Tenant shall remain in good standing with the California Secretary of State.

IN WITNESS WHEREOF, the Parties have duly executed this Lease.

DATED: _____, 2026

Approved as to content
for District:

General Manager

SANTA MARIA PUBLIC AIRPORT DISTRICT

By _____
Steve Brown, President

Approved as to form
for District:

District Counsel

By _____
Tony Guy, Secretary

ENGLISH AIR SERVICE, LLC

By _____
Tracy English, CEO

EXHIBIT "B" - IMPROVEMENTS TO BE MADE BY TENANT



Per the terms and discussions surrounding the lease agreement for the English Air Service, LLC hangar facility located at 3940 Mitchell Road, Santa Maria, CA 93455, we would like to formally outline the requested renovations and facility improvements necessary to support ongoing operations and bring the property to the required operational and safety standards.

The requested renovations include the following:

- Asphalt and restriping of the parking lot
- Installation of a new 40-year TPO roofing system
- Replacement and installation of new gutters and downspouts
- Building insulation upgrades
- Replacement of all doors
- Replacement of all windows
- New flooring and carpet throughout applicable areas
- Interior and exterior painting
- Drywall repair and replacement as needed
- New countertops and tile work
- Bathroom renovations and upgrades
- Repair and replacement of exterior wood trim and siding
- Installation and/or replacement of heating, HVAC, and air conditioning systems
- Complete rewiring and electrical upgrades as needed
- Demolition of approximately 120 feet of existing door concrete
- Concrete repair with installation of new door guides
- Straightening and repair of existing bent hangar doors
- Installation of new TSA-required security fencing

These improvements are important to ensure the facility meets operational, safety, security, and maintenance requirements necessary for aviation use and continued tenancy.

Please review the above items and advise on the anticipated schedule, coordination process, and any additional information required from our team to move forward.

We appreciate your attention to these matters and look forward to working together toward the successful improvement of the facility.

3409 Corsair Circle
Santa Maria, CA 93455

Office: (805) 937 - 9652
Fax: (805) 287 - 9942

EXHIBIT "C"

Hazardous Materials Definitions

A. HAZARDOUS MATERIAL

Hazardous Material means any substance:

(I) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

(ii) which is or becomes defined as a "**hazardous waste**", "**hazardous substance**", pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

(iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or

(iv) the presence of which on the Premises or the Airport causes or threatens to cause a nuisance upon the Premises or the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises or Airport; or

(v) the presence of which on adjacent properties could constitute a trespass by; or

(vi) without limitation which contains gasoline, diesel fuel or other petroleum hydrocarbons;
or

(vii) without limitation which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or

(viii) without limitation radon gas.

B. ENVIRONMENTAL REQUIREMENTS

Environmental Requirements means all applicable present and future statutes, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, and similar items, of all governmental agencies, departments, commissions, boards, bureaus, or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative, and regulatory decrees, judgments, and orders relating to the protection of human health or the environment, including, without limitation:

1. All requirements, including but not limited to those pertaining to reporting, licensing, permitting, investigation, and remediation of emissions, discharges, releases, or threatened releases of "**Hazardous Materials**", chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials or wastes whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or

land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of chemical substances, pollutants, contaminants, or hazardous or toxic substances, materials, or wastes, whether solid, liquid, or gaseous in nature; and

2. All requirements pertaining to the protection of the health and safety of employees or the public.

C. ENVIRONMENTAL DAMAGES

Environmental Damages means all claims, judgments, damages, losses, penalties, fines, liabilities, encumbrances, liens, costs, and expenses of investigation and defense of any claims, whether or not such claim is ultimately defeated, and of any good faith settlement of judgment, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time caused by "**Hazardous Materials**" upon, about, beneath the Premises or Airport or migrating or threatening to migrate from the Premises or the Airport, or the existence of a violation of "**Environmental Requirements**" pertaining to the Premises or the Airport as the result of "**Tenant's**" use or occupancy of the Premises or the Airport or as the result of any of "**Tenant's**" (or "**Tenant's**" agents, employees, invitees or officers') actions or omissions, regardless of whether the existence of such "**Hazardous Materials**" or the violation of "**Environmental Requirements**" arose prior to the present ownership or operation of the Premises, and including without limitation:

(vi) Damages for personal injury, or injury to property or natural resources occurring upon or off of the Premises or the Airport, (foreseeable or unforeseeable), including, without limitation, lost profits, consequential damages, the cost of demolition and rebuilding of any improvements on real property, interest and penalties;

(vii) Fees incurred for the services of attorneys, consultants, "**Tenant's**", experts, laboratories and all other costs incurred in connection with the investigation or remediation of such "**Hazardous Materials**" or violation of "**Environmental Requirements**" including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, and including without limitation any attorney's fees, costs and expenses incurred in enforcing this agreement or collecting any sums due hereunder; and

(viii) Liability to any third person or governmental agency to indemnify such person or agency for costs expended in connection with the items referenced in subparagraph 2 herein;

(ix) Diminution in the value of the Premises or the Airport, and damages for the loss of business and restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Premises or the Airport.

EXHIBIT "D" - FAA RIDER

Rider to Lease Agreement dated June 1, 2026 (herein called "this lease") between SANTA MARIA PUBLIC AIRPORT DISTRICT (herein called "District") and joint tenants ENGLISH AIR SERVICE, INC., a California corporation (herein called "Tenant") covering use of 3940 Mitchell Road, (herein called the "leased premises") at Santa Maria Public Airport (herein called the "Airport").

LEASE PROVISIONS REQUIRED BY FEDERAL AVIATION ADMINISTRATION

1. Lessee, for themselves, their heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the leased property described in this lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally- Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. Lessee for themselves, their personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the leased property and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that Lessee shall use the leased property in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation- Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, District shall have the right to terminate this lease and to reenter and repossess the leased property and the facilities thereon and hold the same as if this lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED THAT Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance District shall have the right to terminate this lease and the estate hereby created without liability therefor or at the election of the District or the United

States either or both said governments shall have the right to judicially enforce Provision 4 above.

6. Lessee agrees that it shall insert the above five provisions in any lease agreement, contract, license, permit or other instrument by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the leased property.

7. Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participation in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered sub organizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

8. District reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Lessee and without interference or hindrance.

9. District reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between District and the United States relative to the development, operation or maintenance of the Airport.

11. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased property, or in the event of any planned modification or alterations of any present or future building or structure situated on the leased property.

12. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

13. There is hereby reserved to District, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the leased property. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Airport.

(Continued on Next Page)

14. Lessee by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the leased property above the mean sea level elevation of 300 feet. In the event the aforesaid covenants are breached, District reserves the right to enter upon the leased property and to remove the offending structure of object and cut the offending tree, all of which shall be at the expense of Lessee.

15. Lessee by accepting this lease agrees for itself, its successors and assigns that it will not make use of the leased property in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, District reserves the right to enter upon the leased property and cause the abatement of such interference at the expense of Lessee.

16. This lease and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.



TO: President and Members of the Board of Directors
FROM: Mike Flores, Manager of Finance and Administration
MEETING: June 25, 2026

ITEM

Approval of Revocable License Agreements with Valley Art Gallery, CASA of Santa Barbara County, and The Ninety-Nines, and Authorization for the General Manager to Execute Revocable License Agreements

RECOMMENDATION

It is recommended that the Board of Directors adopt the attached Resolution: (1) approving revocable license agreements between the Santa Maria Public Airport District (“District”) and Valley Art Gallery, CASA of Santa Barbara County, and The Ninety-Nines, in substantially the form of the attached templates; and (2) authorizing the General Manager to execute those agreements and future revocable license agreements in substantially the same form.

BACKGROUND

From time to time the District permits community and aviation-related organizations to display materials and advertise within the airport terminal. To standardize these arrangements and protect the District’s interests, staff, with District Counsel, developed a standard revocable license agreement. A revocable license grants a non-exclusive, revocable privilege to use a specified area for a defined purpose; it does not convey a leasehold or possessory interest, and the District may revoke it consistent with its terms.

The three organizations covered by this item maintain advertising or display presence in the terminal lobby: Valley Art Gallery (display of local artwork), CASA of Santa Barbara County — Court Appointed Special Advocates (a nonprofit advocacy organization that advertises in the terminal lobby), and The Ninety-Nines (the international organization of women pilots, Santa Maria Valley Chapter, which advertises in the terminal lobby). The Valley Art Gallery revocable license agreement has been prepared as the standard template and reviewed by District Counsel; staff proposes to use this template for these agreements and as the form for additional revocable license agreements going forward.

DISCUSSION

Each license agreement is revocable, non-exclusive, and subject to the District’s standard insurance, indemnification, and use provisions. Authorizing the General Manager to execute these agreements, and substantially similar future revocable license agreements, allows the District to administer routine, low-risk uses of airport space efficiently while reserving material or non-standard arrangements for Board consideration. Each executed agreement will be retained in District records.

FINANCIAL IMPACT

The revocable license agreements are administrative in nature and are not anticipated to have a material fiscal impact. The CASA and The Ninety-Nines agreements are community informational displays and are not charged a license fee; the Valley Art Gallery agreement provides for a ten percent (10%) concession on artwork sales, recorded as non-operating revenue. Standardizing the agreements reduces legal review time and administrative cost.

ANALYSIS

Adopting a standard revocable license agreement and delegating execution authority to the General Manager provides consistency, protects the District through uniform insurance and indemnification terms, and streamlines administration of routine community and aviation uses of airport space. Staff recommends approval.



ATTACHMENTS

- Resolution Approving Revocable License Agreements and Authorizing the General Manager to Execute
- Revocable License Agreement — Valley Art Gallery
- Revocable License Agreement — CASA of Santa Barbara County
- Revocable License Agreement — The Ninety-Nines (Santa Maria Valley Chapter)

RESOLUTION NO. 970

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT

**APPROVING REVOCABLE LICENSE AGREEMENTS WITH VALLEY ART GALLERY, CASA
OF SANTA BARBARA COUNTY,**

AND THE NINETY-NINES, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE

REVOCABLE LICENSE AGREEMENTS IN SUBSTANTIALLY THE SAME FORM

WHEREAS, the Santa Maria Public Airport District ("District") owns and operates the Santa Maria Public Airport and may grant revocable licenses for the limited use of District property and terminal space, including for advertising and display purposes; and

WHEREAS, the District, with the assistance of District Counsel, has prepared a standard revocable license agreement that grants a non-exclusive, revocable privilege to use designated areas and that includes the District's standard insurance, indemnification, and use provisions; and

WHEREAS, the District desires to enter into revocable license agreements, in substantially the form of the standard agreement, with Valley Art Gallery, CASA of Santa Barbara County (Court Appointed Special Advocates), and The Ninety-Nines, each of which maintains a display or advertising presence in the airport terminal; and

WHEREAS, the Board finds that approving these revocable license agreements and authorizing the General Manager to execute revocable license agreements in substantially the same form is in the best interests of the District and promotes the efficient administration of airport property.

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

1. Approval of Agreements. The revocable license agreements with Valley Art Gallery, CASA of Santa Barbara County, and The Ninety-Nines, in substantially the form attached hereto and incorporated herein by reference, are hereby approved.

2. Authority to Execute. The General Manager, or designee, is hereby authorized and directed to execute the foregoing revocable license agreements, and to execute future revocable license agreements in substantially the same form, on behalf of the District, and to take such further actions as may be necessary to administer them.

3. Reservation. Any proposed license or use that materially deviates from the standard form, or that the General Manager determines warrants Board review, shall be presented to the Board for consideration.

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

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Santa Maria Public Airport District held this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

APPROVED AS TO FORM:

District Counsel

REVOCABLE LICENSE AGREEMENT
(Display in Airline Terminal)

This Revocable License Agreement ("License") is made and entered into this 25th day of June 2026, by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport district of the State of California (hereinafter "District") and VALLEY ART GALLERY, a California Non-Profit Corporation (hereinafter referred to as "Licensee"). District and Licensee are jointly referred to hereinafter as the "Parties".

RECITALS

District owns and operates the Santa Maria Public Airport (hereinafter "Airport") located at 3249 Terminal Drive, Santa Maria, CA 93455 in the City of Santa Maria, County of Santa Barbara, State of California. The Airline Terminal Building at the Airport has space available for the display of works of art. Said space consists of display cases and/or wall space, owned by the District, located as described below ("Display Space").

Licensee desires to secure from District a non-exclusive, non-transferable, and revocable license to use Display Space in the Airline Terminal Building at the Airport to display artwork during term of this agreement.

AGREEMENT

NOW, THEREFORE, in consideration of each Party's performance of the terms, conditions, covenants set forth herein, the Parties agree as follows:

1. License. District hereby gives Licensee, under the conditions set forth herein, a non-exclusive, non-transferable, and revocable license for Licensee to place artwork chosen and controlled by Licensee in Display Spaces in the Airline Terminal Building, in the Display Space at the location shown on the diagram marked Exhibit "A", attached and incorporated by this reference (the "Premises"). District reserves the right to change the location of the Display Space and to require Licensee to move the artwork upon at least 10, days written notice to Licensee. As this License is non-exclusive, District shall have the right to install, maintain, or license other displays including, without limitation artwork displays, at any location at the Airport without further notice to Licensee. The License granted herein shall not apply to any location other than the Display Space.
2. Term/Termination of License. The term of this License shall be for one year commencing July 1, 2026, and expiring on June 30, 2027. Notwithstanding the foregoing, either party may terminate this License at any time, with or without cause, by giving the other party at least thirty (30) days' prior written notice. Upon the effective date of termination specified in such notice, Licensee shall immediately remove any display from the Display Space and vacate the Premises. Should Licensee fail to timely remove all property from the Display

Space by the date specified in the notice of termination, District shall have the right (but not the obligation) to remove any artwork or other property from the Display Space and treat the removed property as having been abandoned by the owner.

3. License Fees. Should any artwork displayed by Licensee in the Display Space be sold during the term of this License or within ninety (90) calendar days following the expiration of this License, Licensee shall pay to District a license fee equal to ten percent (10%) of the gross sale price of any artwork sold. It is understood and agreed that License this fee represents a concession on sales made by individual participating artists, which Licensee shall collect from the artist at the time of sale and remit to the District. This fee applies to all sales resulting directly from the display of artwork within the Airline Terminal Building during the term, regardless of whether the transaction is processed by the Licensee or directly between the buyer and the artist.
4. Permitted Use of Display. Subject to the terms and conditions set forth, Licensee may use the Display Space only as described in Paragraph 1. The Licensee shall ensure that the Display Space does not contain any items or materials which advertise, promote or comment on any person, business, service, entity, cause, belief or action.
5. Utilities. District provides light, heat, water, janitorial service and air conditioning for the public spaces in the Terminal Building at no cost to Licensee. District is not responsible for providing security or maintenance services to the Display Space. Licensee provides artwork in the Display Space at its sole and exclusive risk, and District shall have no responsibility whatsoever to the Artist or to Licensee for any theft, destruction, or damage to materials that are displayed in the Display Space.
6. Taxes, Rents. Licensee shall pay, before delinquency, any and all taxes, assessments, fees or charges, including possessory interest taxes which may be imposed, levied or assessed upon any leasehold or possessory interests of Licensee, and personal property, improvements or fixtures owned, controlled or installed by Licensee and used or located in the Display Space. at Licensee's expense, Licensee shall also secure and maintain in force during the term of this License all licenses and permits necessary or required by law for the conduct of Licensee's business or operations.
7. Use and Condition of Premises. Licensee may use the Display Space only for the permitted uses herein. Licensee represents that it has inspected the Display Space and accepts the condition and location of the Display and assumes all risks incidental to the use thereof. Licensee shall require any artist or owner of anything displayed in the Display Space to execute an acceptance of such risks in favor of the District.

8. Parking. While setting up or changing the contents of the Display, vehicles of Licensee and Licensee's employees and invitees shall be parked only in areas designated by District, or public parking lots.
9. Licensee's Agreements. Licensee agrees to do all of the following:
 - a. Comply with the rules, regulations and directives of District related to use of the Display, the Airport and its facilities.
 - b. Comply with all laws, regulations, ordinances, and orders of federal, state and local governments as they relate to Licensee's use of the Display, the Airport and Airport facilities.
 - c. Licensee shall, at its sole expense, maintain the walls and Display Space in a clean, professional, and well-maintained condition consistent with the spirit and intent of this License Agreement and at the direction of the District's representative. Each time artwork or display materials are removed, replaced, or updated, any holes, anchors, fasteners, or other wall damage shall be properly repaired and patched. The immediate surrounding area shall be repainted if necessary using a color and finish approved by the District, so as to maintain a consistent and professional appearance throughout the Display Space.
 - d. Deliver possession of the Display Space to District on termination of this License in at least as good condition as it is at the inception of this License, and free of any personal property.
 - e. Licensee shall maintain the Display Space in a clean, orderly, professional, and safe condition at all times. All artwork and related displays shall be presented in a consistent gallery-style manner, including the use of uniform informational placards or cards identifying the artwork, artist, and current contact information. Any artwork mounted or displayed on walls must be securely installed using anti-theft and/or earthquake-resistant mounting hardware or systems approved by District. Licensee shall ensure that all displayed items are safely secured and do not create a hazard or hindrance to the public, airport operations, or surrounding property.
 - f. Licensee may collaborate with local organizations, community groups, nonprofit entities, educational institutions, and schools, including but not limited to Allan Hancock College, for the purpose of showcasing additional local artists and expanding community participation in the art program, with the advance written consent of the District. Any collaborative exhibits, installations, or related activities shall remain subject to the terms of this Agreement, Airport rules, and any coordination requirements established by the District.

- g. Licensee shall make reasonable efforts to include at least one display of art by an artist whose displayed works feature aviation-themed subject matter or concepts that reflect or promote the aviation, aerospace, or airport-related character of the Airport. Such efforts shall be ongoing throughout the term of this Agreement, subject to artist availability and exhibit scheduling.
- h. Licensee shall encourage each featured artist to actively promote their exhibit through social media and collaborative marketing efforts with the District to help attract visitors to the terminal and increase public engagement with the art program. Licensee may organize pop-up shows, artist receptions, or similar promotional events to showcase current artwork and featured artists that do not interfere with Airport activities. All such events, including proposed dates, times, setup requirements, and activities, shall be coordinated in advance with and approved by the District's designated representative. Licensee shall ensure that all approved events are posted and maintained on Valley Art Gallery's website and applicable social media channels to promote public awareness and attendance.
- i. Licensee shall require all participating artists to sign an exhibition agreement acknowledging and agreeing to the ten percent (10%) District concessions fee on any sales, and agreeing to hold the District harmless for any damage, theft, or destruction of the artwork, prior to displaying their artwork on the Premises.

10. Prohibitions. Licensee shall not do any of the following:

- a. Install or place any material or items in locations other than the Display Space without the prior written approval of District's designee.
- b. Store any property anywhere on the Airport property in addition to the artwork on display.
- c. Alter, change, or improve the Display Space without District's prior written consent.
- d. Fasten, post, erect, or display any handwritten signs or any other signage within the Display Space or elsewhere on Airport property without the prior written consent of District. All approved signage, placards, promotional materials, and displays shall be professional in appearance, consistent in style, and maintained in a manner that reflects the quality and presentation standards of a professional art gallery. Any advertising or signage related to Licensee's displays in the Display Space, and to any event related to the same, shall acknowledge the support of the Santa Maria Public Airport District.

- e. Assign this License or any portion thereof.
- f. Use the Display Space in any manner not consistent with the International Conference of Building Officials Uniform Building Code and Western Fire Chiefs Association Uniform Fire Code editions currently in use.
- g. Place any toxic, hazardous, explosive, or pornographic materials or items in the Display Space. District shall have the absolute right to remove any such items on Display without notice to Licensee.

11. Notices. Notices required under this License shall be by United States Mail, postage prepaid, addressed as follows:

District: Santa Maria Public Airport District
3217 Terminal Drive
Santa Maria, CA 93455
Attention: General Manager

Licensee: Valley Art Gallery
PO Box 2285
Santa Maria, CA 93455
Attention: Rob Paulus

Either party may change its address for notices by written notice to the other party.

- 12. Indemnification and Release. Licensee shall indemnify, hold harmless and defend (with counsel acceptable to District) District, its officers, directors, employees and representatives from and against any and all claims, demands, liability, loss, damages, costs, attorneys' fees and other expenses resulting or allegedly resulting from Licensee's acts or omissions under this License or Licensee's use, misuse or neglect of the Display Space, or the Airline Terminal Building. Licensee releases District, its officers, directors, employees and representatives from any and all loss or damage to the Display Space and its contents, regardless of cause.
- 13. Attorneys' Fees. In the event any action or proceeding is brought by either party against the other under this License, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.
- 14. Assignment. Licensee shall not assign or transfer this License, in whole or in part, in any manner, directly or indirectly, by operation of law or otherwise. Any attempt to assign or transfer this Agreement in violation of the provisions of this paragraph shall immediately terminate the License.
- 15. Interpretation and Venue. This License shall be governed by and construed in accordance with the laws of the State of California. This License has been

entered into and is to be performed in the City of Santa Maria, County of Santa Barbara, State of California. Any legal action relating to this License shall be brought in the Superior Court in the County of Santa Barbara, State of California.

16. FAA Rider. The provisions of the Federal Aviation rider attached hereto as Exhibit "B" are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this License the day and year first above written.

Dated: **June 25, 2026**

Approved as to content for District

General Manager

Approved as to form for District:

District Counsel

DISTRICT:

SANTA MARIA PUBLIC AIRPORT
DISTRICT

By: _____
Steve Brown, President

By: _____
Tony Guy, Secretary

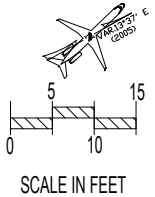
PERMITTEE:

Valley Art Gallery

Rob Paulus, President



ART
DISPLAY AREAS



SANTA MARIA PUBLIC AIRPORT DIST. 3217 TERMINAL DR. SANTA MARIA, CA. 93454 (805) 922-1726	
DRAWN BY: RAY HEATH DATE: 5/21/2026	EXHIBIT "A"
3249 TERMINAL DR. VALLEY ART GALLERY	
1 OF 1	

EXHIBIT “B”

Non-AIP Project Federal Requirements

1. General Civil Rights Provisions

A. In all its activities within the scope of its airport program, Artist (referred to as “Contractor” in this Exhibit B) agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

B. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

C. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

2. Civil Rights – Title VI Assurance

A. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

2. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

4. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

5. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

6. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

7. The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

9. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq.).

B. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such

provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

REVOCABLE LICENSE AGREEMENT

(Display in Airline Terminal)

This Revocable License Agreement ("License") is made and entered into this 25th day of June, 2026, by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport district of the State of California (hereinafter "District") and Court Appointed Special Advocates (CASA) of Santa Barbara County, a California nonprofit corporation (hereinafter referred to as "Licensee"); jointly referred to hereinafter as the "Parties".

RECITALS

District owns and operates the Santa Maria Public Airport (hereinafter "Airport") located in the City of Santa Maria, County of Santa Barbara, State of California. The Airline Terminal Building at the Airport has Display Space available.

Licensee, a California nonprofit corporation that provides Court Appointed Special Advocate services to abused and neglected children, desires to secure from District a non-exclusive, non-transferable and revocable license to use Display Space in the Airline Terminal Building at the Airport to display informational and promotional materials regarding its mission, programs and services during the term of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, conditions, and covenants hereinafter contained to be kept and performed by the Parties hereto, the Parties agree as follows:

1. **License.** District hereby gives Licensee, under the conditions set forth herein, a non-exclusive, non-transferable and revocable license to place informational and promotional materials in Display Space in the Airline Terminal Building at 3249 Terminal Drive, Santa Maria, CA 93455, at the location shown on the diagram marked Exhibit "A", attached and incorporated by this reference (the "Premises"). District reserves the right to amend or relocate the space available upon thirty (30) days' written notice to Licensee. District reserves the right to install, maintain or license other displays in the Terminal Building.
2. **Term/Termination of License.** The term of this License shall be one year commencing July 1, 2026, and expiring on June 30, 2027. Notwithstanding the foregoing, either party may terminate this License at any time, with or without

cause, by giving the other party at least thirty (30) days' prior written notice. Upon the effective date of termination specified in such notice, Licensee shall immediately remove its materials and return the Display Space to District in accordance with the provisions of this Agreement.

3. **License Fee.** No monetary license fee shall be charged for the informational and promotional display authorized by this Agreement.
4. **Permitted Use of Display.** Subject to the terms and conditions set forth herein, Licensee may use the Display Space only as described in Paragraph 1. All materials are subject to review and approval of District's General Manager or their designee and shall be tasteful and sensitive to the primary nature of the space as a passenger terminal. Licensee shall not display any materials that promote any political campaign, candidate, or ballot measure, or any commercial product or service unrelated to Licensee's nonprofit purpose.
5. **Utilities and Building Services.** District will provide adequate light, heat, water, janitorial service and air conditioning for the public spaces in the Terminal Building.
6. **Taxes.** Licensee shall pay, before delinquency, any and all taxes, assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interests of Licensee, and personal property, improvements or fixtures owned, controlled or installed by Licensee and used or located on the Airport.
7. **Use and Condition of Premises.** Licensee may use the Display Space only for the permitted uses herein. Licensee represents that it has inspected the Display Space and accepts the condition and location of the Display and assumes all risks incidental to use thereof.
8. **Parking.** While setting up or changing the contents of the Display, vehicles of Licensee and Licensee's employees and invitees shall be parked only in areas designated by District.
9. **Licensee's Agreements.** Licensee agrees to: (a) comply with the rules, regulations and directives of District related to use of the Display, the Airport and its facilities; (b) comply with all applicable federal, state and local laws, regulations, ordinances and orders as they relate to Licensee's use of the Display and the Airport; (c) deliver possession of the Display Space to District on termination of this License in at least as good condition as at the inception of this License, ordinary wear and tear excepted, and free of any personal property; (d) maintain the Display Space in a clean, orderly, professional and safe condition at all times, with all materials securely installed using mounting hardware approved by District so as not

to create a hazard to the public, airport operations, or surrounding property; and (e) maintain the walls and Display Space in a clean, professional, and well-maintained condition. Each time materials are removed, replaced, or updated, any holes, anchors, fasteners, or other wall damage shall be properly repaired and patched, and the immediate surrounding area shall be repainted if necessary using a color and finish approved by District, so as to maintain a consistent and professional appearance throughout the Display Space.

10. **Prohibitions.** Licensee agrees not to: (a) install or place any material or item in the Display without the prior written approval of District's General Manager or their designee; (b) store any property on the Airport other than the materials on display; (c) alter, change, or improve the Display without District's prior written consent; (d) fasten, post, erect or display any handwritten signs or other signage without the prior written consent of District; (e) assign this License or any portion thereof; (f) use the Display in any manner inconsistent with the applicable Uniform Building Code and Uniform Fire Code editions currently in use; or (g) place any toxic, hazardous or explosive materials in the Display Space.

11. **Notices.** Notices required under this License shall be by United States Mail, postage prepaid, addressed as follows:

District: Santa Maria Public Airport District, 3217 Terminal Drive, Santa Maria, CA 93455, Attention: General Manager

Licensee: CASA of Santa Barbara County, 2125 S. Broadway, Suite 106, Santa Maria, CA 93454, Attention: Executive Director

Either party may change its address for notices by written notice to the other party.

12. **Indemnification and Release.** Licensee shall indemnify, hold harmless and defend (with counsel acceptable to District) District, its officers, directors, employees and representatives from and against any and all claims, demands, liability, loss, damages, costs, attorneys' fees and other expenses resulting or allegedly resulting from Licensee's performance under this License or Licensee's use, misuse or neglect of the Display, the Airport or the Airport facilities. Licensee releases District, its officers, directors, employees and representatives from any and all loss or damage to the Display and its contents, regardless of cause.

13. **Security.** District shall have no obligation to provide security for the Display.

14. **Attorneys' Fees.** In the event any action or proceeding is brought by either party against the other under this License, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

15. **Assignment.** Licensee shall not assign or transfer this License, in whole or in part, in any manner, directly or indirectly, by operation of law or otherwise. Any attempt to assign or transfer this Agreement in violation of this paragraph shall immediately terminate the License.
16. **Interpretation and Venue.** This License shall be governed by and construed in accordance with the laws of the State of California. This License has been entered into and is to be performed in the City of Santa Maria, County of Santa Barbara, State of California. Any legal action relating to this License shall be brought in the court of appropriate jurisdiction in the County of Santa Barbara, State of California.
17. **FAA Rider.** The provisions of the Federal Aviation rider attached hereto as Exhibit "B" are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this License the day and year first above written.

DISTRICT:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: _____

Martin Pehl, General Manager

Approved as to form for District:

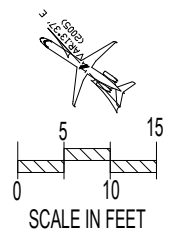
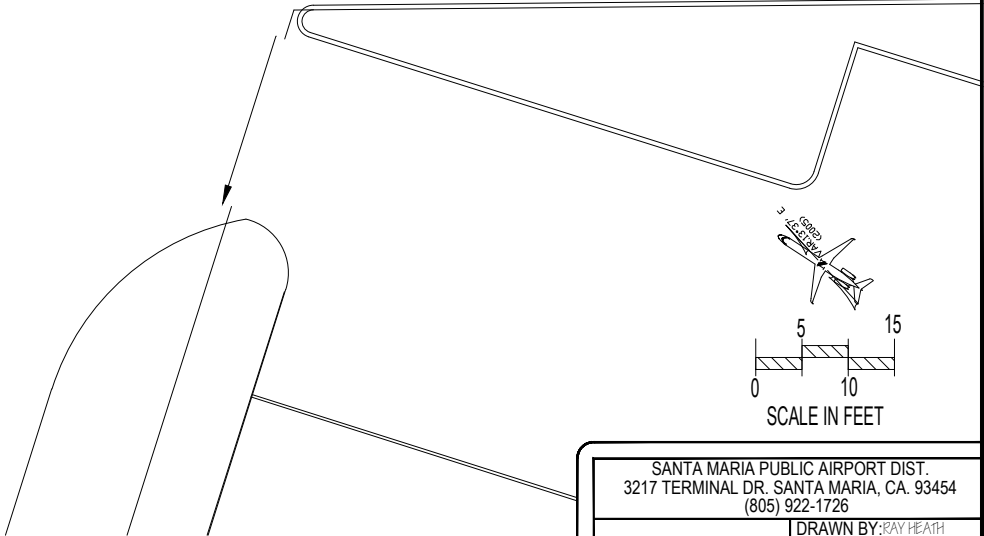
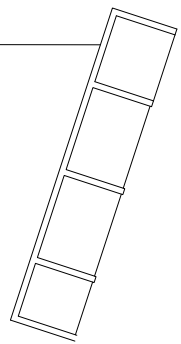
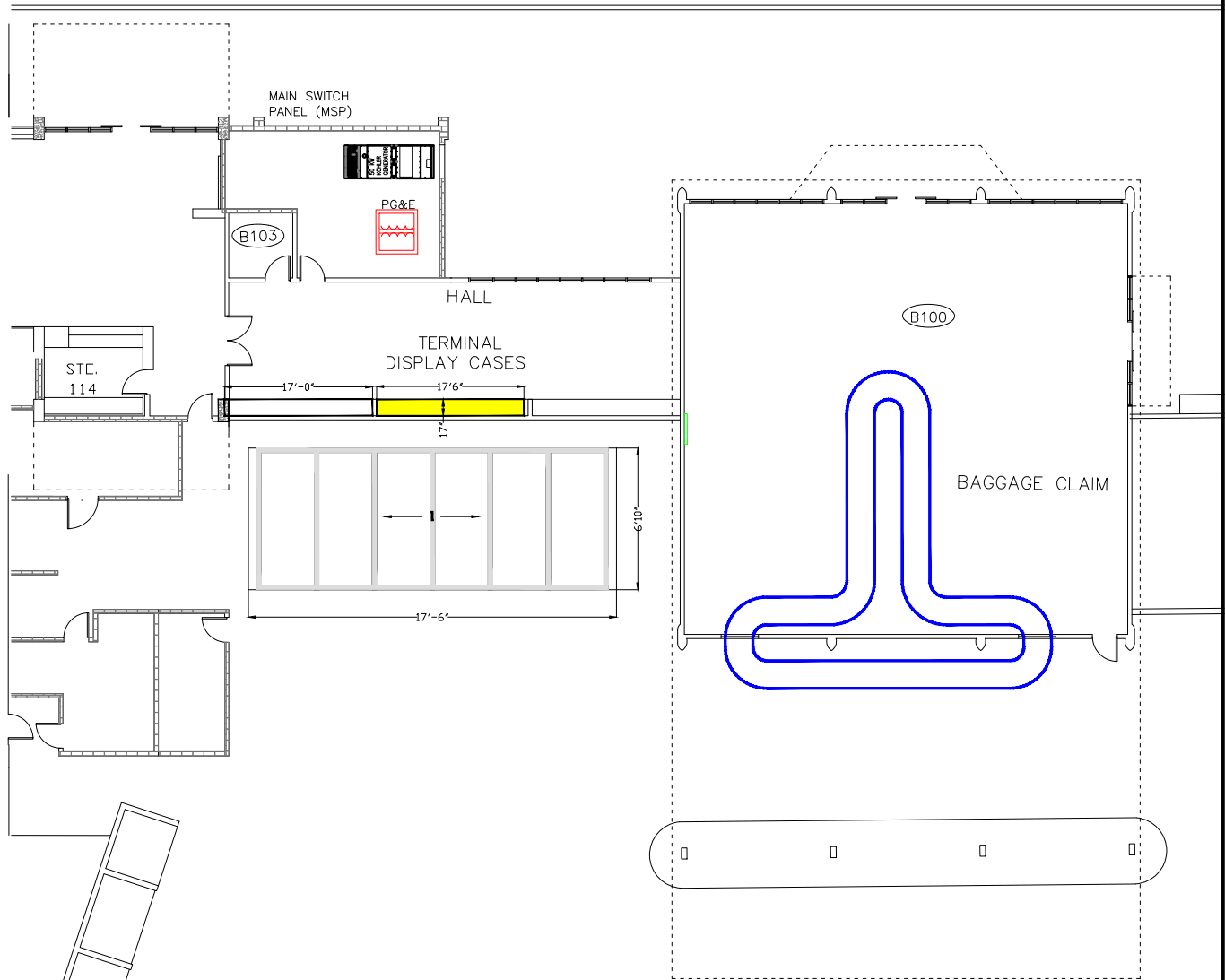
District Counsel

LICENSEE:

Court Appointed Special Advocates (CASA) of Santa Barbara County, a California nonprofit corporation:

By: _____

Kim Colby Davis, Executive Director



SANTA MARIA PUBLIC AIRPORT DIST. 3217 TERMINAL DR. SANTA MARIA, CA. 93454 (805) 922-1726	
DRAWN BY: RAY HEATH DATE: 6/22/2026	
3249 TERMINAL DR. CASA DISPLAY CASE	EXHIBIT "A"
1 OF 1	

EXHIBIT "B"

Non-AIP Project Federal Requirements

1. General Civil Rights Provisions

A. In all its activities within the scope of its airport program, Artist (referred to as "Contractor" in this Exhibit B) agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

B. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

C. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

2. Civil Rights – Title VI Assurance

A. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

2. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

4. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

5. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

6. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

7. The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

9. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq.).

B. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the

Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

REVOCABLE LICENSE AGREEMENT

(Display in Airline Terminal)

This Revocable License Agreement ("License") is made and entered into this 25th day of June, 2026, by and between the SANTA MARIA PUBLIC AIRPORT DISTRICT, a public airport district of the State of California (hereinafter "District") and The Ninety-Nines, Inc., Santa Maria Valley Chapter, a nonprofit organization (hereinafter referred to as "Licensee"); jointly referred to hereinafter as the "Parties".

RECITALS

District owns and operates the Santa Maria Public Airport (hereinafter "Airport") located in the City of Santa Maria, County of Santa Barbara, State of California. The Airline Terminal Building at the Airport has Display Space available.

Licensee, the Santa Maria Valley Chapter of The Ninety-Nines, Inc., a nonprofit international organization of women pilots, desires to secure from District a non-exclusive, non-transferable and revocable license to use Display Space in the Airline Terminal Building at the Airport to display informational and promotional materials regarding its mission, programs and activities during the term of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the terms, conditions, and covenants hereinafter contained to be kept and performed by the Parties hereto, the Parties agree as follows:

- 1. License.** District hereby gives Licensee, under the conditions set forth herein, a non-exclusive, non-transferable and revocable license to place informational and promotional materials in Display Space in the Airline Terminal Building at 3249 Terminal Drive, Santa Maria, CA 93455, at the location shown on the diagram marked Exhibit "A", attached and incorporated by this reference (the "Premises"). District reserves the right to amend or relocate the space available upon thirty (30) days' written notice to Licensee. District reserves the right to install, maintain or license other displays in the Terminal Building.
- 2. Term/Termination of License.** The term of this License shall be one year commencing July 1, 2026, and expiring on June 30, 2027. Notwithstanding the foregoing, either party may terminate this License at any time, with or without cause, by giving the other party at least thirty (30) days' prior written notice. Upon the effective date of termination specified in such notice, Licensee shall immediately

remove its materials and return the Display Space to District in accordance with the provisions of this Agreement.

3. **License Fee.** No monetary license fee shall be charged for the informational and promotional display authorized by this Agreement.
4. **Permitted Use of Display.** Subject to the terms and conditions set forth herein, Licensee may use the Display Space only as described in Paragraph 1. All materials are subject to review and approval of District's General Manager or their designee and shall be tasteful and sensitive to the primary nature of the space as a passenger terminal. Licensee shall not display any materials that promote any political campaign, candidate, or ballot measure, or any commercial product or service unrelated to Licensee's nonprofit purpose.
5. **Utilities and Building Services.** District will provide adequate light, heat, water, janitorial service and air conditioning for the public spaces in the Terminal Building.
6. **Taxes.** Licensee shall pay, before delinquency, any and all taxes, assessments, fees or charges, including possessory interest taxes, which may be imposed, levied or assessed upon any leasehold or possessory interests of Licensee, and personal property, improvements or fixtures owned, controlled or installed by Licensee and used or located on the Airport.
7. **Use and Condition of Premises.** Licensee may use the Display Space only for the permitted uses herein. Licensee represents that it has inspected the Display Space and accepts the condition and location of the Display and assumes all risks incidental to use thereof.
8. **Parking.** While setting up or changing the contents of the Display, vehicles of Licensee and Licensee's employees and invitees shall be parked only in areas designated by District.
9. **Licensee's Agreements.** Licensee agrees to: (a) comply with the rules, regulations and directives of District related to use of the Display, the Airport and its facilities; (b) comply with all applicable federal, state and local laws, regulations, ordinances and orders as they relate to Licensee's use of the Display and the Airport; (c) deliver possession of the Display Space to District on termination of this License in at least as good condition as at the inception of this License, ordinary wear and tear excepted, and free of any personal property; (d) maintain the Display Space in a clean, orderly, professional and safe condition at all times, with all materials securely installed using mounting hardware approved by District so as not to create a hazard to the public, airport operations, or surrounding property; and (e) maintain the walls and Display Space in a clean, professional, and well-maintained

condition. Each time materials are removed, replaced, or updated, any holes, anchors, fasteners, or other wall damage shall be properly repaired and patched, and the immediate surrounding area shall be repainted if necessary using a color and finish approved by District, so as to maintain a consistent and professional appearance throughout the Display Space.

10. **Prohibitions.** Licensee agrees not to: (a) install or place any material or item in the Display without the prior written approval of District's General Manager or their designee; (b) store any property on the Airport other than the materials on display; (c) alter, change, or improve the Display without District's prior written consent; (d) fasten, post, erect or display any handwritten signs or other signage without the prior written consent of District; (e) assign this License or any portion thereof; (f) use the Display in any manner inconsistent with the applicable Uniform Building Code and Uniform Fire Code editions currently in use; or (g) place any toxic, hazardous or explosive materials in the Display Space.

11. **Notices.** Notices required under this License shall be by United States Mail, postage prepaid, addressed as follows:

District: Santa Maria Public Airport District, 3217 Terminal Drive, Santa Maria, CA 93455, Attention: General Manager

Licensee: The Ninety-Nines, Inc. — Santa Maria Valley Chapter, c/o Patricia Lynn, 1523 So Barbara Street, Santa Maria, CA 93455.

Either party may change its address for notices by written notice to the other party.

12. **Indemnification and Release.** Licensee shall indemnify, hold harmless and defend (with counsel acceptable to District) District, its officers, directors, employees and representatives from and against any and all claims, demands, liability, loss, damages, costs, attorneys' fees and other expenses resulting or allegedly resulting from Licensee's performance under this License or Licensee's use, misuse or neglect of the Display, the Airport or the Airport facilities. Licensee releases District, its officers, directors, employees and representatives from any and all loss or damage to the Display and its contents, regardless of cause.

13. **Security.** District shall have no obligation to provide security for the Display.

14. **Attorneys' Fees.** In the event any action or proceeding is brought by either party against the other under this License, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

15. **Assignment.** Licensee shall not assign or transfer this License, in whole or in part, in any manner, directly or indirectly, by operation of law or otherwise. Any attempt to

assign or transfer this Agreement in violation of this paragraph shall immediately terminate the License.

16. **Interpretation and Venue.** This License shall be governed by and construed in accordance with the laws of the State of California. This License has been entered into and is to be performed in the City of Santa Maria, County of Santa Barbara, State of California. Any legal action relating to this License shall be brought in the court of appropriate jurisdiction in the County of Santa Barbara, State of California.

17. **FAA Rider.** The provisions of the Federal Aviation rider attached hereto as Exhibit "B" are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this License the day and year first above written.

DISTRICT:

SANTA MARIA PUBLIC AIRPORT DISTRICT

By: _____
Martin Pehl, General Manager

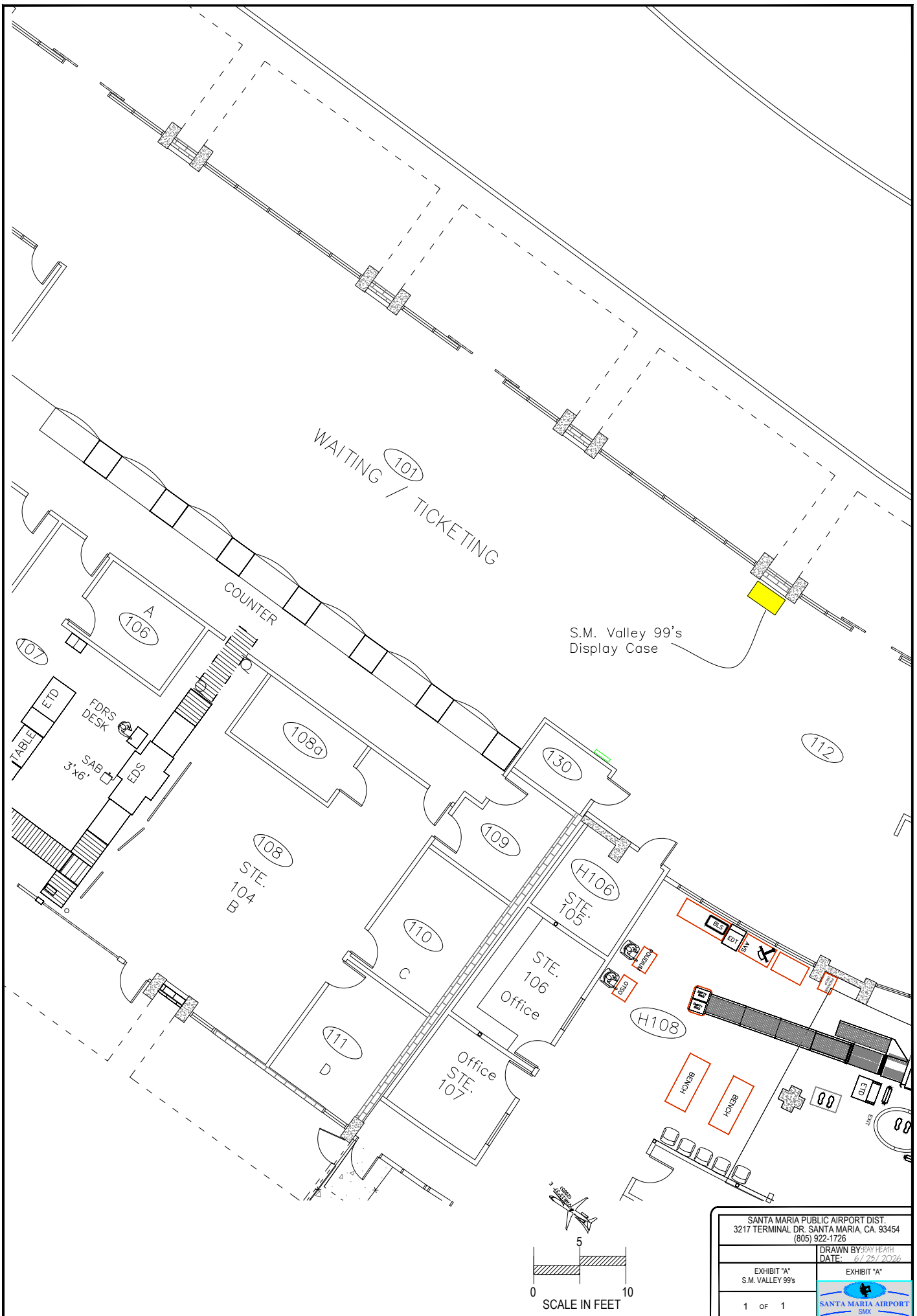
Approved as to form for District:

District Counsel

LICENSEE:

The Ninety-Nines, Inc., Santa Maria Valley Chapter, a nonprofit organization:

By: _____
Patricia Lynn, Chapter Chairman



SANTA MARIA PUBLIC AIRPORT DIST. 3217 TERMINAL DR. SANTA MARIA, CA. 93454 (805) 922-1726	
EXHIBIT *A* S.M. VALLEY 99's	DRAWN BY: RAY HEATH DATE: 8/28/2026
1 OF 1	

EXHIBIT “B”

Non-AIP Project Federal Requirements

1. General Civil Rights Provisions

A. In all its activities within the scope of its airport program, Artist (referred to as “Contractor” in this Exhibit B) agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

B. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

C. The above provision binds the Contractor and subcontractors from the bid solicitation period through the completion of the contract.

2. Civil Rights – Title VI Assurance

A. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

2. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

4. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

5. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

6. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

7. The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq.) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

9. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq.).

B. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or

b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such

provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

SECOND AMENDMENT OF LEASE

RE: Ground Lease dated September 1, 2009 between SANTA MARIA PUBLIC AIRPORT DISTRICT (hereinafter called "Landlord" or "District") and Rotorcraft Leasing Co., LLC, a Delaware Limited Liability Company (herein called the "Tenant").

The undersigned SANTA MARIA PUBLIC AIRPORT DISTRICT ("District") and Rotorcraft Leasing Co., LLC, a Delaware Limited Liability Company ("Tenant") do hereby agree to amend the Ground Lease effective June 25, 2026, as follows:

Paragraphs 1 and 3(a) are deleted in their entirety from the original lease and replaced with the following:

1. **Leased Premises.** District hereby agrees to lease to Lessee, and Lessee agrees to lease from District, for the term and rents, and upon the terms, conditions and covenants contained herein, the unimproved real property at the Santa Maria Public Airport (the "Airport") in Santa Maria, California, consisting of approximately 32,518 square feet (Area "A"). This District is reducing the option for additional parking in areas previously marked as Area's "B", "C", and "D" as listed in the First Amendment. The premises are generally located on the ramp immediately west of Blosser Road and between Citation Court to the north and the perimeter road to the south, as shown cross-hatched on the plot plan marked Exhibit "A" attached hereto and made a part hereof (herein referred to as the "Premises" or "Leased Premises") subject to all existing and future easements, rights, encumbrances, rights-of-way, and matters of record.

Lessee is aware that the Premises are not a legal parcel. If the City of Santa Maria requires a parcel map for development of the Premises, Lessee shall pay all costs.

3. **Rent.**
 - a. **Monthly Rent.** During the term of this Lease, Lessee shall pay rent to District in the amount of \$1,475.00 per month (\$0.05 per square foot) for area "A".

All other terms, covenants, conditions, provisions and agreements of said Lease, as amended herein, shall remain in full force and effect.

Dated: June 25, 2026

Approved as to content for District

General Manager

Approved as to form for District:

District Counsel

DISTRICT:

SANTA MARIA PUBLIC AIRPORT
DISTRICT

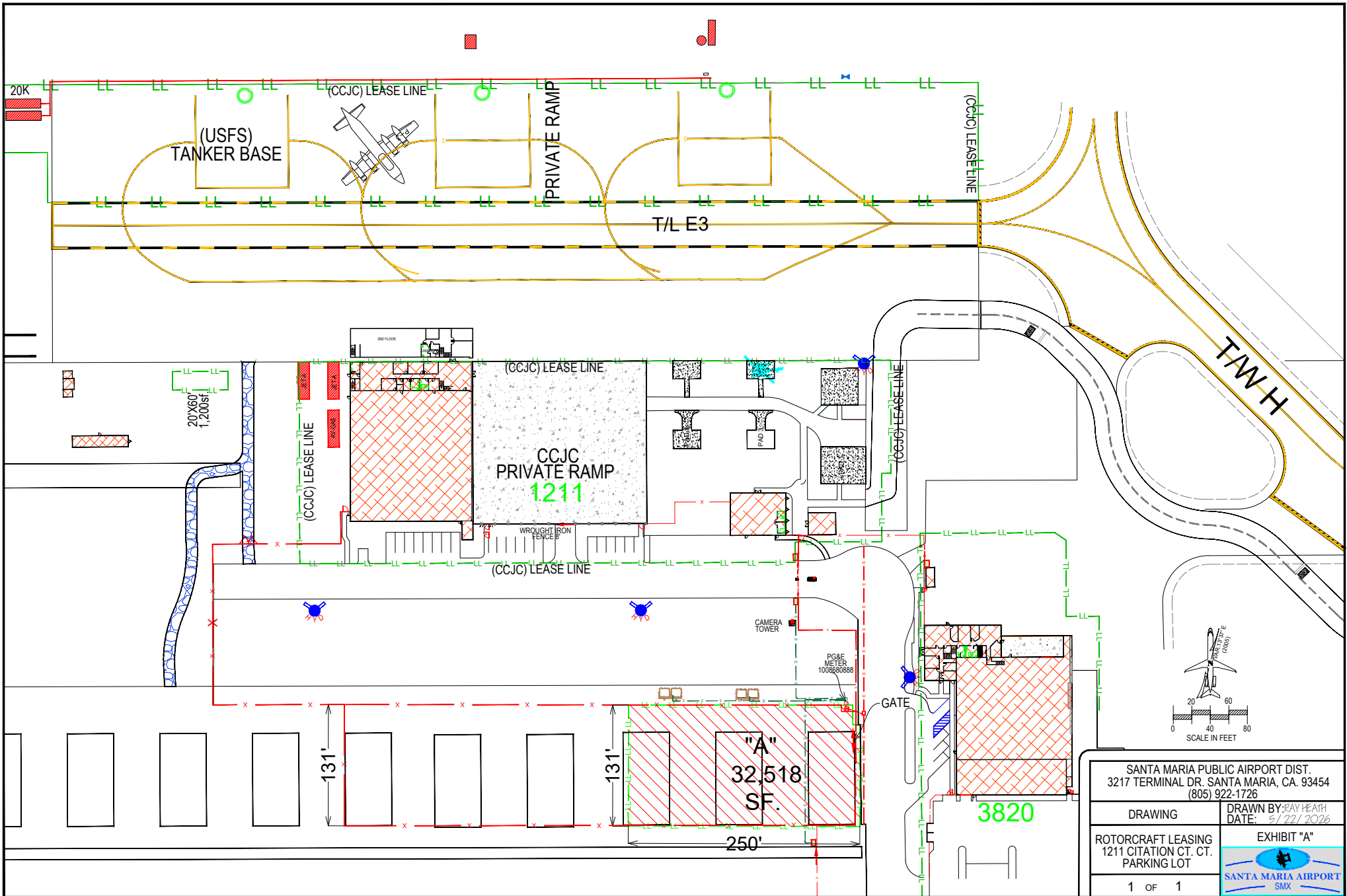
By: _____
Steve Brown, President

By: _____
Tony Guy, Secretary

TENANT:

Rotorcraft Leasing Company, LLC a
Delaware Limited Liability Company

David Nezat, Director Facilities



SANTA MARIA PUBLIC AIRPORT DIST. 3217 TERMINAL DR. SANTA MARIA, CA. 93454 (805) 922-1726	
DRAWING	DRAWN BY: RAY HEATH DATE: 5/22/2026
ROTORCRAFT LEASING 1211 CITATION CT. CT. PARKING LOT	EXHIBIT "A"
1 OF 1	 SANTA MARIA AIRPORT SMX

SECOND AMENDMENT TO AGREEMENT TO USE RECYCLED WATER

Re: Agreement to Use Recycled Water (“Agreement”) dated January 21, 2003, between LAGUNA COUNTY SANITATION DISTRICT, a county sanitation district (“DISTRICT”) and SANTA MARIA PUBLIC AIRPORT DISTRICT, a California public airport district (“USER”) covering land at the Santa Maria Public Airport

The undersigned, LAGUNA COUNTY SANITATION DISTRICT and the SANTA MARIA PUBLIC AIRPORT DISTRICT do hereby agree to amend the above-referenced Agreement to Used Recycled Water, effective as of the last date written below.

1. Paragraph 1, TERM, is amended to extend the expiration date of the Agreement from December 31, 2025 to December 31, 2027. As of January 1, 2026, the price of recycled water is \$206.44 per million gallons (\$633.54 per acre foot). The DISTRICT will receive retroactive payment which will occur from January 1, 2026 to the date of this amendment.
2. Paragraph 4, QUALITY OF RECYCLED WATER, is amended to read as follows:
 - “A. DISTRICT shall deliver to USER Recycled Water of at least the quality required to be classified as disinfected tertiary Recycled Water as defined by 22 CCR § 60301.230 or an applicable successor regulation.
 - B. The quality of the Recycled Water supplied by DISTRICT shall be sufficient for USER’s uses, including, but not limited to, those contemplated in Section 4 of this Agreement.”

All the terms, covenants, conditions, provisions and agreements of said Agreement, as amended, shall remain in full force and effect.

DISTRICT:

COUNTY OF SANTA BARBARA
LAGUNA COUNTY SANITATION DISTRICT

USER:

SANTA MARIA PUBLIC
AIRPORT DISTRICT

By: _____
Bob Nelson, Chair, Board of Directors

By: _____
President

Date: _____

By: _____
Secretary

Date: _____

ATTEST:
Mona Miyasato
County Executive Officer
Ex-Officio Clerk of the Board

APPROVED AS TO CONTENT:

By: _____
Deputy

General Manager

APPROVED AS TO FORM:
Rachel Van Mullem, County Counsel

APPROVED AS TO FORM:

By: _____
Tyler Sprague, Deputy County Counsel

Airport District Counsel

APPROVED AS TO ACCOUNTING FORM:
Betsy M. Schaffer, CPA, Auditor/Controller

By: _____
Deputy

APPROVED AS TO FORM:
Marisa Kahn, Risk Manager

By: _____

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	Lease Amendment No. DFC26
	TO LEASE NO. LCA01777
ADDRESS OF PREMISES 3249 TERMINAL DRIVE 3249 Terminal Dr Santa Maria, CA 93455	PDN Number: N/A

THIS AMENDMENT is made and entered into between
SANTA MARIA AIRPORT DISTRICT

whose address is: **3217 Terminal Dr**
Santa Maria, CA 93455

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to include the DEI Discrimination by Federal Contractors clause.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution, as follows:

The following FAR clause is hereby incorporated into this Lease:

This Lease Amendment contains 2 pages.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Name: _____

Title: _____

Entity: _____

Date: _____

FOR THE GOVERNMENT:

Name: Michael Stump

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: _____

FAR 52.222-90 Addressing DEI Discrimination by Federal Contractors (APR 2026)

(a) *Definitions.* As used in this clause—

Program participation means membership or participation in, or access or admission to: training, mentoring, or leadership development programs; educational opportunities; clubs; associations; or similar opportunities that are sponsored or established by the contractor or subcontractor.

Racially discriminatory diversity, equity, and inclusion (DEI) activities means disparate treatment based on race or ethnicity in the recruitment, employment (e.g., hiring, promotions), contracting (e.g., vendor agreements), program participation, or allocation or deployment of an entity's resources.

(b) In connection with the performance of work under this contract, the Contractor agrees as follows:

- (1) The Contractor will not engage in any racially discriminatory DEI activities;
 - (2) The Contractor will furnish all information and reports, including providing access to books, records, and accounts, as required by the Contracting Officer, for purposes of ascertaining compliance with this clause;
 - (3) In the event of the Contractor's or a subcontractor's noncompliance with this clause, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor or subcontractor may be declared ineligible for further Government contracts;
 - (4) The Contractor will report any subcontractor's known or reasonably knowable conduct that may violate this clause to the Contracting Officer and take any appropriate remedial actions directed by the Contracting Officer; and
 - (5) The Contractor will inform the Contracting Officer if a subcontractor sues the Contractor and the suit puts at issue, in any way, the validity of this clause.
 - (6) The Contractor recognizes that compliance with the requirements of this clause are material to the Government's payment decisions for purposes of 31 U.S.C. 3729(b)(4).
- (c) The Contractor must include the substance of this clause, including this paragraph (c), in subcontracts at any tier, including those for commercial products and commercial services, except those where the place of delivery or performance is outside the United States.

INITIALS: _____ & _____
LESSOR GOV'T

Certificate Of Completion

Envelope Id: 9AC64E25-1F83-85E0-8168-B6B1F718F765

Status: Sent

Subject: Please DocuSign: GSA Lease LCA01777

Source Envelope:

Document Pages: 2

Signatures: 0

Envelope Originator:

Certificate Pages: 5

Initials: 0

GSA Leasing

AutoNav: Enabled

1800 F St. NW

Envelopeld Stamping: Enabled

Washington, DC 20006

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

leasing@gsa.gov

IP Address: 173.69.139.51

Record Tracking

Status: Original

Holder: GSA Leasing

Location: DocuSign

6/12/2026 2:24:57 PM

leasing@gsa.gov

Security Appliance Status: Connected

Pool: FedRamp

Signer Events

Signature

Timestamp

SANTA MARIA AIRPORT DISTRICT

Sent: 6/12/2026 2:24:59 PM

mpehl@santamariaairport.com

Viewed: 6/13/2026 12:49:27 AM

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Accepted: 6/13/2026 12:49:27 AM

ID: a24ec6a3-bb70-4bed-b7e7-cc1b820cef4a

Michael Stump

michael.stump@gsa.gov

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Accepted: 2/13/2024 8:34:41 PM

ID: 3065bd73-5e2b-414c-a44d-937415754652

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

G-REX

g-rax.file@gsa.gov

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

PBSLESSORCOMMS

pbslessorcomms@gsa.gov

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Process

Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/12/2026 2:24:59 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

In Process

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, PBS Leasing (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact PBS Leasing:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: craig.saunders@gsa.gov

To advise PBS Leasing of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at craig.saunders@gsa.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from PBS Leasing

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to craig.saunders@gsa.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with PBS Leasing

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to craig.saunders@gsa.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify PBS Leasing as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by PBS Leasing during the course of your relationship with PBS Leasing.



TO: President and Members of the Board of Directors
FROM: Mike Flores, Manager of Finance and Administration
MEETING: June 25, 2026

ITEM

Approval of the Agreement for Aircraft Rescue and Firefighting (ARFF) Services with the City of Santa Maria for Fiscal Years 2026–27 through 2028–29

RECOMMENDATION

It is recommended that the Board of Directors adopt the attached Resolution approving the Agreement for Aircraft Rescue and Firefighting (ARFF) Services between the Santa Maria Public Airport District (“District”) and the City of Santa Maria (“City”) for an initial three (3)-year term commencing July 1, 2026, and authorizing the General Manager to execute the Agreement and any documents necessary to implement it.

BACKGROUND

The City has provided Aircraft Rescue and Firefighting (ARFF) services at the Santa Maria Public Airport since August 1, 2008. ARFF coverage is a Federal Aviation Administration (FAA) requirement under FAR Part 139 for the District’s commercial air carrier operations, and the District has historically met this requirement through a service agreement with the City of Santa Maria Fire Department.

The current agreement is expiring, and staff and the City have negotiated a successor agreement that continues uninterrupted ARFF coverage. The Santa Maria City Council approved the successor agreement and authorized the Mayor to execute it on June 16, 2026, contingent upon approval by the District’s Board of Directors. Board approval completes the parties’ mutual authorization to execute the Agreement.

DISCUSSION

The proposed Agreement provides one (1) FAR Part 139 / NFPA 1003 qualified ARFF firefighter on Airport property 24 hours per day, 7 days per week, together with daily airfield and perimeter inspections, fire and life-safety inspections, ARFF vehicle maintenance, EMT-Basic medical response, and support of the Airport Emergency Plan. Key business terms are summarized below.

Term	Provision
Initial Term	Three (3) years: July 1, 2026 – June 30, 2029
Renewal	Automatic two (2)-year renewal unless amended by mutual agreement or terminated
Annual Cost – FY 2026–27	\$758,223
Annual Cost – FY 2027–28	\$773,351
Annual Cost – FY 2028–29	\$788,822
Administrative fee	15% administrative expense waived for the initial three-year term; reinstated only if the two-year renewal is exercised (FY 2029–30 \$925,282; FY 2030–31 \$943,813)
Payment	One-quarter of the annual cost, billed quarterly in arrears
Termination	Either party may terminate on six (6) months’ written notice, or for uncured cause

The cost formula is Personnel Expense (including benefits) + Operating Expense + Administrative Expense, with the administrative component waived for the initial term. Costs associated with airshow staffing and live-burn training are not included and are handled separately. The District remains responsible for ARFF-specific training, equipment, extinguishing agents, and operation and maintenance of District-owned ARFF apparatus.



During negotiations, the parties revised Section 8.2 to clarify building responsibilities: as property owner, the District is responsible for structural maintenance and capital repairs (roof, foundation, exterior walls, and major building systems) and exterior painting; as occupant, the City is responsible for interior spaces, finishes, fixtures, and operational components. This revised language is incorporated in the agreement approved by the City Council and avoids ambiguity regarding facility modifications, which now require the District's prior written approval.

FINANCIAL IMPACT

The FY 2026–27 cost of \$758,223 is included in the adopted FY 2026–27 Budget under Safety and Security. Payments are made quarterly in arrears. The three-year commitment totals \$2,320,396. If the optional two-year renewal is exercised, the reinstated 15% administrative fee increases annual cost by approximately \$120,000–\$123,000 per year.

ANALYSIS

ARFF coverage is mandatory for continued FAR Part 139 commercial air carrier operations at the Airport. The proposed Agreement maintains continuous, compliant ARFF service through a long-standing and effective partnership with the City, holds the administrative fee at zero for the initial term, and clearly delineates landlord and occupant responsibilities. Staff recommends approval.

ATTACHMENTS

- Resolution Approving the Agreement for ARFF Services with the City of Santa Maria
- Agreement for Aircraft Rescue and Firefighting (ARFF) Services (FY 2026–27 – FY 2028–29), as approved by the Santa Maria City Council on June 16, 2026

RESOLUTION NO. 971
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT
APPROVING AN AGREEMENT FOR AIRCRAFT RESCUE AND FIREFIGHTING (ARFF)
SERVICES
WITH THE CITY OF SANTA MARIA AND AUTHORIZING THE GENERAL MANAGER TO
EXECUTE THE AGREEMENT

WHEREAS, the Santa Maria Public Airport District (“District”) is a public agency and special district organized and existing under the laws of the State of California, governed by a Board of Directors with authority to contract for services necessary to the operation of the Santa Maria Public Airport; and

WHEREAS, the District is required to provide Aircraft Rescue and Firefighting (ARFF) services in accordance with Federal Aviation Regulations (FAR) Part 139 in support of commercial air carrier operations at the Airport; and

WHEREAS, the City of Santa Maria (“City”) has provided ARFF services at the Airport since August 1, 2008, and the District and the City desire to continue this partnership; and

WHEREAS, the District and the City have negotiated an Agreement for ARFF Services for an initial term of three (3) years commencing July 1, 2026 and expiring June 30, 2029, with an automatic two (2)-year renewal, at annual costs of \$758,223 (FY 2026–27), \$773,351 (FY 2027–28), and \$788,822 (FY 2028–29), with the administrative expense waived for the initial three-year term; and

WHEREAS, the Santa Maria City Council approved the Agreement and authorized the Mayor to execute it on June 16, 2026, contingent upon approval by the District’s Board of Directors; and

WHEREAS, funding for the Fiscal Year 2026–27 cost is included in the District’s adopted Fiscal Year 2026–27 Budget; and

WHEREAS, the Board has reviewed the proposed Agreement, attached hereto and incorporated herein by reference, and finds that approval of the Agreement is in the best interests of the District and the traveling public.

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

1. Approval of Agreement. The Agreement for Aircraft Rescue and Firefighting (ARFF) Services between the District and the City of Santa Maria, attached hereto and incorporated herein by reference, is hereby approved.

2. Authority to Execute. The General Manager, or designee, is hereby authorized and directed to execute the Agreement on behalf of the District, together with any documents and certificates of insurance necessary to implement the Agreement, and to take such further actions as may be necessary to carry out its purposes.

3. Appropriation. The Fiscal Year 2026–27 cost of the Agreement is authorized and appropriated within the District’s adopted Fiscal Year 2026–27 Budget; costs for subsequent fiscal years shall be included in the budget for those years.

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

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Santa Maria Public Airport District held this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

APPROVED AS TO FORM:

District Counsel

AGREEMENT FOR AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) SERVICES

This Agreement for Aircraft Rescue and Firefighting Services (hereinafter "Agreement") is made on July 1, 2026 between the Santa Maria Public Airport District, a public airport district organized and operating under the laws of the State of California (hereinafter "District") and the City of Santa Maria, California, a California Municipal Corporation in Santa Maria, California, based upon the following recitals:

1. City has been providing Aircraft Rescue and Firefighting (ARFF) Services at the Santa Maria Public Airport (Airport) since August 1, 2008; and
2. Both the City and the District desire to continue this partnership as it relates to ARFF Services, and have agreed in principle as to the cost for services and the scope of work; and
3. Both the City and District desire to enter into this Agreement to establish their rights and duties with respect to provision of ARFF and emergency services at the Airport;

NOW, THEREFORE, IT IS AGREED:

1. **RECITALS TRUE.** The above recitals are true.

2. TERM

The term of this Agreement shall be for three (3) years commencing on July 1, 2026, and shall expire on June 30, 2029. After the initial three (3) year term, this Agreement shall automatically renew for an additional two (2) year period unless amended by mutual agreement of the parties or as provided in Section 5 below.

3. COSTS AND SCOPE OF WORK

The cost to the District for services rendered by the City as set forth in this agreement will be based upon a predetermined formula developed to identify operational program costs. The agreed upon formula is as follows:

Personnel Expense (including Benefits) + Operating Expense + Administrative Expense.

Attachment A outlines the annual charge per fiscal year.

Payments equal to one-quarter of the annual cost shall be payable quarterly in arrears. The cost for service from the City is based on minimum service levels desired by the District, and on the expectation that identified staffing levels are for personnel assigned exclusively to the Airport property.

The City will waive Administrative Expense for the initial three (3) years of the contract. Should the Agreement renew for the additional two-year period, the Administrative Expense will be added into the cost of the contract. The Administrative Expense equates to a 15% administrative rate.

Costs associated with airshow staffing and live burn training are not included in this contract.

4. CITY RESPONSIBILITIES

City shall:

- 4.1 Provide one (1) ARFF trained personnel, meeting FAR Part 139 and National Fire Protection Association (NFPA) 1003 (Airport Firefighter Professional Qualifications) requirement, on Airport property twenty-four (24) hours per day, seven (7) days per week.
- 4.2 Provide initial Aircraft Rescue and Firefighting (ARFF) service response as identified in Federal Aviation Regulations (FAR) Part 139.319. At least one (1) ARFF trained personnel shall be available on Airport during all commercial air carrier operations, ready to respond to any aircraft emergency with the District's ARFF vehicle. An air carrier operation includes the period fifteen (15) minutes before and until fifteen (15) minutes after an air carrier takeoff or landing.
- 4.3 Ensure that the required ARFF equipment and required number of ARFF trained personnel shall respond to each aircraft emergency during periods of air carrier operation, and when requested by a representative of the FAA or District, demonstrate that, within three (3) minutes from the time of an alarm, at least one (1) required ARFF vehicle shall reach the midpoint of the farthest runway serving air carrier aircraft from its assigned post, or reach any other specified point of comparable distance on the Airport which is available to air carriers, and begin application of foam or other chemical agent.
- 4.4 Provide personnel trained and maintained at the Emergency Medical Technician (EMT-Basic) Level.
- 4.5 Perform daily airfield inspections as identified in FAR Part 139 327, including runway inspections at least twice daily. The first runway inspection shall occur before the first scheduled commercial air carrier operation each day. The second runway inspection shall occur at sunset, to verify runway lights are operational and to perform a visual check of the runway.

- 4.6 Inspect, at least once daily, the Airport Operating Area ("AOA") perimeter fence, gates and road for holes, broken wires, damaged signs, and damage to the road itself. Other inspections shall be performed at City discretion, depending on personnel availability.
- 4.7 Perform regular fire and life safety inspections at all Airport related facilities. Perform an annual building inspection of all buildings inside or constituting part of the AOA perimeter fence for fire code compliance, including verification of California State Fire Marshal required servicing of fire extinguishers.
- 4.8 Conduct regular fire extinguisher and other fire suppression system visual inspections at all public Airport facilities.
- 4.9 Perform daily inspection and daily maintenance (checking fluids, air levels, etc.) of Airport firefighting equipment.
- 4.10 Provide initial medical aid for Airport staff or the public on Airport Property until arrival by ambulance transport service.
- 4.11 Provide additional City emergency response resources from existing fire stations, to support emergency ARFF operations at the Airport.
- 4.12 Prepare budget for firefighting supplies and equipment.
- 4.13 Maintain Federal Aviation Administration (FAA) required training records for firefighters, ensuring inspection readiness at all times.
- 4.14 Assist with review and maintenance of the Airport emergency plan.
- 4.15 Assist with planning for, and review of, required Airport emergency drills.
- 4.16 As requested, conduct basic safety training and/or required training such as NIMS/SEMS for identified Airport staff. Conduct annual use of fire extinguisher training. District shall provide the facility and materials for all such training.
- 4.17 Respond to any fire alarm (trouble alarm) on Airport, check and silence if no fire, and report the malfunction to District.
- 4.18 Assist District in preparing building evacuation plans for all buildings within or part of the AOA perimeter fence.
- 4.19 Conduct quarterly pressurization of the dry chemical tank on the ARFF vehicles to circulate the chemical and prevent packing.

- 4.20 Conduct periodic inspections to ensure that each ARFF vehicle carries at least the minimum fire extinguishing agents required by Index B. ARFF Requirements, and that ARFF vehicles carry twice the quantity of the chemical agent required to mix with the maximum water available on the vehicle.
- 4.21 Coordinate annual and periodic operational servicing inspections of ARFF vehicles and their systems so that equipment is operational and capable of performing the ARFF functions required during all air carrier operations.
- 4.22 Not using any ARFF vehicle off the Airport, other than for an aircraft-related emergency or ARFF training, unless, in the exercise of the City's sole discretion, the application of foam or other chemical carried on the ARFF vehicle is necessary for City's proper response to said emergency and is not otherwise reasonably available. In the event of an off-Airport, non-aircraft related emergency or non-ARFF training, using the ARFF vehicle, City shall (1) pay the full cost of any chemical used; and (2) shall defend, indemnify and hold District harmless from and against any damage to any ARFF vehicle and from and against any and all liability, loss, claims, demands, actions and expenses, including attorneys' fees, resulting from City's use of the ARFF vehicle or application of any of its chemicals.
- 4.23 Notify District if the ARFF vehicle is off Airport, inoperative, or otherwise unable to respond to an aircraft emergency on Airport.
- 4.24 Provide daily maintenance and janitorial service of the interior of ARFF facility.
- 4.25 Use of the Airport Fire Station for housing of personnel and equipment for ARFF and other City emergency services, including fire suppression, rescue/life support equipment, and/or personnel.
- 4.26 Participate in public education events, including station and apparatus tours.

5. DISTRICT RESPONSIBILITIES

District shall:

- 5.1 Fund initial training to maintain certification for up to twelve (12) City firefighters as ARFF trained personnel meeting FAR Part 139 and NFPA 1003 (Airport Firefighter Professional Qualifications) requirements, including personnel costs, tuition, travel, meals, lodging and mileage.
- 5.2 Fund annual ARFF live fire drill training as required in FAR Part 139.319(i) for up to twelve (12) ARFF personnel including personnel costs, tuition,

travel, meals, lodging and mileage. City will work with District to find the most economical method of meeting these training requirements. Any such facility utilized by City to comply with the annual live fire training shall be approved in advance by the Federal Aviation Administration (FAA).

- 5.3 Pay the cost (exclusive of District and City personnel time, which shall be borne by each respective public agency for their own staff and personnel) of conducting a full-scale on-site Airport Emergency Plan Exercise, such as meals, materials and security on the day of the event.
- 5.4 Provide and continue to fund the operations and maintenance costs associated with District owned vehicles and City vehicles exclusively assigned to the ARFF facility, except as otherwise provided above.
- 5.5 Fund the cost of required ARFF related equipment such as extinguishing agents and proximity suits, and other equipment pertaining to the operations of the Airport. The proximity suits shall not be removed from the Airport, except for maintenance or off-site ARFF training.
- 5.6 Assume all liabilities pertaining to its interpretation and application of Federal and State laws relating to ARFF services at the Airport.
- 5.7 Be responsible for any changes to laws, regulations or other requirements that affect the cost of providing ARFF service from the City.
- 5.8 Upon receipt of notice from City that the ARFF vehicle is off Airport or unable to respond to an aircraft emergency on Airport, notify any commercial air carrier intending to land or depart from the Airport.

6. DEFAULT, TERMINATION AND NOTICE

- 6.1 Either party may terminate this Agreement upon six (6) months advance written notice to the other party. Either party may terminate this Agreement at any time for cause if the other party is in default of its obligations under this Agreement and fails to cure said default after given notice and a reasonable opportunity to cure the default.
- 6.2 Notices. Any notice to be given under this Agreement shall be in writing and shall be deemed to have been properly given and received:
 - (i) when delivered in person to the authorized representative of the party to whom the notice is addressed, or
 - (ii) on the date received as indicated on the return receipt when sent prepaid certified or registered mail. return receipt requested. to the party to be notified at the address indicated below:

CITY:

DISTRICT:

To City:
Santa Maria Fire Department
Attn.: Fire Chief
314 W. Cook Street #8
Santa Maria, CA 93458

To Contractor:
Santa Maria Public Airport District
Attn.: General Manager
3217 Terminal Drive
Santa Maria, CA 93455

Either party may change its address by giving notice in the manner described above.

7. INSURANCE AND INDEMNIFICATION

7.1 The District shall obtain and maintain for the entire term of this Agreement and any renewal terms, Airport liability insurance. Each policy of insurance shall have at least a combined single limit of ten million dollars (\$10,000,000) for each occurrence for bodily injury and property damage. Each policy of insurance shall include personal injury liability coverage. The District's airport liability policy shall include automobile liability coverage for District owned vehicles while performing services pursuant to this Agreement on Airport property. The District shall supply the City with a copy of said insurance policy or policies.

A. In addition to the above conditions, the District's airport liability insurance policy shall contain language or an endorsement clearly providing:

- (1) The City, its officers, agency and employees, are named as additional insureds under the policy;
- (2) Contractual liability coverage sufficiently broad so as to include the liability assumed by the parties in the indemnity agreement included in this Agreement;
- (3) A provision that coverage will not be cancelled or subject to material reduction until at least thirty (30) days written notice has been given to the City.

B. A certificate of insurance shall be submitted to the City within ten (10) days of execution of this Agreement. If the insurance policy expires or is cancelled, the District shall submit to the City, prior to such expiration or cancellation, a certificate of insurance for the superseding policy.

7.2 The District shall indemnify save, protect, defend, and hold harmless the City, its officers, agents, and employees from and against any and all loss, liability, expense, claims, costs, suits, and damages, including attorney's fees, arising out of or connected with the City's performance of ARFF services under this Agreement; provided that the District shall have no obligation to defend, indemnify or hold harmless the City from and against any and all loss, liability,

expense, claims, costs, suits, and damages, including attorney's fees sustained by City's employees in performance of this Agreement or in connection with the use of the Airport Fire Station. The City waives any and all subrogation and/or lien rights, including but not limited to those arising under California Labor Code section 3850 et seq. or succeeding statutes, to recover any workers compensation, disability, disability retirement or death benefits paid by City to its employees, or to their heirs, representatives, executives or administrators.

8. MISCELLANEOUS PROVISIONS.

- 8.1. The parties hereto agree that any increase in the concentration of flights or increase in index at the Airport could cause a financial and/or operational strain for the City. Such impacts that cause additional financial burden to the City will need to be negotiated by the parties and adequately resolved, and failure to reach agreement after good faith negotiations shall serve as cause for early termination of this Agreement.
- 8.2. The District, as property owner, shall be responsible for structural maintenance and capital repairs of the building, including but not limited to the roof, foundation, exterior walls, and major building systems. The District's responsibility for cosmetic work shall be limited to painting of the building exterior. The City, as tenant, shall be responsible for all interior spaces and improvements, including routine maintenance, repair, and replacement of interior finishes, fixtures, and operational components necessary for its use of the facility.
- 8.3. The District agrees to allow the City to utilize the existing Airport Fire Station for other public safety related services.
- 8.4. The District also agrees to provide the City with a mutually agreed upon operating plan pertaining to maintenance and repairs of District owned apparatus, equipment, and facilities. It is understood that the cost for such maintenance is the responsibility of the District.
- 8.5. This Agreement shall be subordinate to the provisions of any existing future agreement between District and the United States of America from which District obtains federally owned surplus property or federal aid for the improvement, operation and/or maintenance of the Airport. If the FAA or any other federal agency requires modifications or changes to this Agreement as a condition for the granting of funds for the improvements covered by its laws, rules and regulations, or to comply with FAA regulations, City hereby consents to the amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be required; provided, if any such amendment results in any cost to

the City, either party may terminate this Agreement upon thirty (30) days' written notice of termination, unless District agrees to pay said costs.

- 8.6. City acknowledges that the FAA is involved with the operation and administrative aspects of the services to be provided by this Agreement. City shall cooperate with representatives of the FAA in the exercise of their duties. However, District shall administer the Agreement, and City shall look to District for direction regarding satisfactory compliance with the Agreement. City shall at all times provide access for inspection by District or FAA to all parts of the applicable equipment, facilities, and training records.
- 8.7. Full and complete records of City's services and expenses, and records between District and City shall be kept, maintained, and retained by City in accordance with its Document Management Program. District, the FAA, the Comptroller General of the United States, or any other duly authorized representative shall have access to any books of account, documents, papers and records of City for the purpose of making audits, examination, excerpts and transcriptions.
- 8.8. There will be no payment by District for extra services rendered by City unless the services are expressly authorized in writing by District's General Manager before the services are performed; provided any extra services in excess of \$10,000 require the prior written approval of District's Board of Directors.
- 8.9. City's Fire Chief or his designee shall be directly involved in the performance and supervision of the services to be performed and shall be the authorized representative of City for issues relating to performance of the services under this Agreement.
- 8.10. This Agreement may not be assigned by either party without the consent of the other party.

Executed at Santa Maria, California, on the day and year first above mentioned.

SANTA MARIA PUBLIC AIRPORT DISTRICT, a California Special District

CITY OF SANTA MARIA, a Municipal Corporation of the State of California

STEVE BROWN
Board President

David W. Rowlands
City Manager

ATTEST:

Board

Secretary

Donna G. Schwartz, CMC
Chief Deputy City Clerk

APPROVED AS TO FORM:

District Council

City Attorney

Risk Manager

Attachment A

The airport will be billed on a quarterly basis during each fiscal year. The total of four quarterly bills for the fiscal year will not exceed the fiscal year totals below.

FY 2027 COSTS (Year 1)

Personnel Expense	Operational Expense	Administrative Expense	Total Contract Expense
\$753,591	\$4,632	\$0	\$758,223

FY 2028 COSTS (Year 2)

Personnel Expense	Operational Expense	Administrative Expense	Total Contract Expense
\$768,627	\$4,725	\$0	\$773,351

FY 2029 COSTS (Year 3)

Personnel Expense	Operational Expense	Administrative Expense	Total Contract Expense
\$784,024	\$4,798	\$0	\$788,822

Should the contract be extended two years beyond the original three-year agreement, the Administrative Expenses will be added back into the cost of the contract. Below are the amounts per year for the additional two years.

FY 2030 COSTS (Year 4)

Personnel Expense	Operational Expense	Administrative Expense	Total Contract Expense
\$799,696	\$4,896	\$120,690	\$925,282

FY 2031 COSTS (Year 5)

Personnel Expense	Operational Expense	Administrative Expense	Total Contract Expense
\$815,709	\$4,994	\$123,110	\$943,813



TO: President and Members of the Board of Directors
FROM: Mike Flores, Manager of Finance and Administration
MEETING: June 25, 2026

ITEM

Approval of the Agreement for Supplemental Law Enforcement Services with the City of Santa Maria for Fiscal Years 2026–27 through 2028–29

RECOMMENDATION

It is recommended that the Board of Directors adopt the attached Resolution approving the Agreement for Supplemental Law Enforcement Services between the Santa Maria Public Airport District (“District”) and the City of Santa Maria (“City”) for an initial three (3)-year term commencing July 1, 2026, and authorizing the General Manager to execute the Agreement and any documents necessary to implement it.

BACKGROUND

The City, through the Santa Maria Police Department (SMPD), previously provided law enforcement services at the Santa Maria Public Airport from June 2, 2003 until August 31, 2017. The District and the City desire to re-establish this partnership to provide supplemental law enforcement services in support of the Airport’s commercial air carrier operations, including the Transportation Security Administration (TSA) passenger screening checkpoint coverage required under federal law.

DISCUSSION

Under the proposed Agreement, SMPD will provide sworn, armed, trained, and uniformed law enforcement officers at the Airport’s passenger screening checkpoints as required by the TSA at least thirty (30) minutes prior to each scheduled air carrier departure, and will provide general law enforcement services — patrol of the terminal, public parking, secured areas, and outlying property — when not staffing the checkpoint. SMPD serves as the primary law enforcement agency responding to crimes and calls for service within the District’s boundaries. Key business terms are summarized below.

Term	Provision
Initial Term	Three (3) years: July 1, 2026 – June 30, 2029
Renewal	Automatic two (2)-year renewal unless amended by mutual agreement or terminated
Annual Cost – FY 2026–27	\$265,500
Escalation	5% increase each subsequent year (FY 2027–28 ≈ \$278,775; FY 2028–29 ≈ \$292,714)
Payment options	Full annual amount by July 1, or one-half by July 1 and one-half by January 1
Special events	Air shows, mass-casualty exercises, training events, and similar activities are excluded and separately compensated as mutually agreed
Termination	Either party may terminate without cause on thirty (30) days’ written notice, or for uncured cause

All operational and maintenance costs for City-owned vehicles used in providing the services are included in the annual compensation; no additional vehicle reimbursement is required. The District is responsible for FAA/TSA-mandated training for assigned officers and for District-owned marked vehicles exclusively assigned to the Airport. Extra services in excess of \$10,000 require prior written approval of the Board.



FINANCIAL IMPACT

The FY 2026–27 cost of \$265,500 is provided for in the adopted FY 2026–27 Budget under Safety and Security. With 5% annual escalation, the three-year commitment totals approximately \$836,989. The District may elect annual or semi-annual payment.

ANALYSIS

A dedicated law enforcement presence at the passenger screening checkpoint is required to support TSA-screened commercial air service. The proposed Agreement re-establishes a reliable supplemental law enforcement partnership with SMPD at a defined cost with predictable escalation, and includes a thirty-day termination provision that preserves District flexibility. Staff recommends approval.

ATTACHMENTS

- Resolution Approving the Agreement for Supplemental Law Enforcement Services with the City of Santa Maria
- Agreement for Supplemental Law Enforcement Services (FY 2026–27 – FY 2028–29)

RESOLUTION NO. 972

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA MARIA PUBLIC AIRPORT DISTRICT**

**APPROVING AN AGREEMENT FOR SUPPLEMENTAL LAW ENFORCEMENT SERVICES
WITH THE CITY OF SANTA MARIA AND AUTHORIZING THE GENERAL MANAGER TO
EXECUTE THE AGREEMENT**

WHEREAS, the Santa Maria Public Airport District (“District”) is a public agency and special district organized and existing under the laws of the State of California, with authority to contract for services necessary to the operation of the Santa Maria Public Airport; and

WHEREAS, the District requires supplemental law enforcement services, including sworn officer coverage of the Transportation Security Administration (TSA) passenger screening checkpoint, in support of commercial air carrier operations at the Airport; and

WHEREAS, the City of Santa Maria, through the Santa Maria Police Department, previously provided law enforcement services at the Airport from 2003 to 2017, and the District and the City desire to re-establish this partnership; and

WHEREAS, the District and the City have negotiated an Agreement for Supplemental Law Enforcement Services for an initial term of three (3) years commencing July 1, 2026 and expiring June 30, 2029, with an automatic two (2)-year renewal, at a first-year cost of \$265,500 and a five percent (5%) increase each subsequent year; and

WHEREAS, funding for the Fiscal Year 2026–27 cost is included in the District’s adopted Fiscal Year 2026–27 Budget; and

WHEREAS, the Board has reviewed the proposed Agreement, attached hereto and incorporated herein by reference, and finds that approval is in the best interests of the District and the traveling public.

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

1. Approval of Agreement. The Agreement for Supplemental Law Enforcement Services between the District and the City of Santa Maria, attached hereto and incorporated herein by reference, is hereby approved.

2. Authority to Execute. The General Manager, or designee, is hereby authorized and directed to execute the Agreement on behalf of the District and to take such further actions as may be necessary to carry out its purposes.

3. Appropriation. The Fiscal Year 2026–27 cost of the Agreement is authorized and appropriated within the District’s adopted Fiscal Year 2026–27 Budget; costs for subsequent fiscal years shall be included in the budget for those years.

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

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Santa Maria Public Airport District held this 25th day of June, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Brown, President

ATTEST:

Tony Guy, Secretary

APPROVED AS TO FORM:

District Counsel

AGREEMENT FOR SUPPLEMENTAL LAW ENFORCEMENT SERVICES

This Agreement for Supplemental Law Enforcement Services (hereinafter “Agreement”) is made between the City of Santa Maria, California, a municipal corporation in Santa Barbara County (hereinafter “City”), and the Santa Maria Public Airport District, a public airport district organized and operating under the laws of the State of California (hereinafter “District”).

RECITALS

WHEREAS, the City had previously provided Law Enforcement Services at the Santa Maria Public Airport (Airport) from June 2, 2003, until August 31, 2017; and

WHEREAS, both the City and the District desire to re-establish this partnership as it relates to Supplemental Law Enforcement Services, and have agreed in principle as to the cost for services and the scope of work; and

WHEREAS, both the City and the District desire to enter into this Agreement to establish their rights and duties with respect to provision Supplemental Law Enforcement services at the Santa Maria Public Airport;

NOW, THEREFORE, the parties agree as follows:

1. TERM

The term of this Agreement shall be for three (3) years commencing on July 1, 2026, and shall expire on June 30, 2029. After the initial three (3) year term, this Agreement shall automatically renew for an additional two (2) year period unless amended by mutual agreement of the parties or as provided in Section 5 below.

2. COSTS AND SCOPE OF WORK

- 2.1 The cost to the District for services rendered by the City as set forth in this agreement will be \$265,500.00 for the first year and each subsequent year will have a 5% increase to offset increased personnel, administrative and operating expenses. The District can elect to pay the full amount by July 1st of every year or elect to pay half the amount by July 1st and the second half by January 1st annually.
- 2.2 If such payment is not delivered to the City which is described in section within sixty (60) days, the City is entitled to recover interest thereon.
- 2.3 The cost to the District outlined in this agreement does not include police or law enforcement contracted services associated with special events conducted at the Airport that are outside the scope of normal police services and require additional personnel, including but not limited to air shows, mass casualty exercises, training events, or similar activities. Such

services shall be separately requested and compensated as mutually agreed upon by the parties.

3. CITY RESPONSIBILITIES

City shall:

- 3.1 Cooperate with the District and coordinate with each air carrier regarding scheduled air carrier departure operations.
- 3.2 Provide the required number of law enforcement officers, unless it notifies the District and the air carrier at least twenty-four (24) hours prior to the scheduled departure, that it will be unable to do so.
- 3.3 Renegotiate the Costs and Scope of Work paragraph of this Agreement if the air carrier departure schedule changes or increases, so that more officers or expanded hours are required.
- 3.4 Provide the number of sworn, armed, trained and uniformed law enforcement officers at the Airport's passenger screening checkpoints as required by the TSA at least thirty (30) minutes prior to the scheduled departure time of each air carrier operation, except as provided in Section 3.2, above.
- 3.5 Provide general law enforcement services at the Airport when not needed at passenger screening checkpoints. This includes patrolling the property of the District including airport, airport terminal, public parking areas, secured airport areas and outlying properties.
- 3.6 As the primary law enforcement agency, respond to crimes and calls for service within the District's jurisdictional boundaries.
- 3.7 Prepare written reports of crimes and events occurring on District grounds and provide crime statistics and copies of reports related to the Airport grounds upon request within a reasonable amount of time.
- 3.8 Ensure that law enforcement officers assigned to the Airport's passenger screening checkpoints shall not respond off the Airport except in the case of extreme, life-threatening emergency.
- 3.9 Ensure the City's sworn law enforcement officers assigned to passenger screening checkpoints at the District meet the minimum training requirements as established by the TSA.

4. DISTRICT RESPONSIBILITIES

District shall:

- 4.1 Fund any necessary training mandated by FAA and/or TSA, in order to maintain certification for those officers assigned to the Airport for supplemental law enforcement services. This shall include personnel costs, tuition, travel, meals, lodging and mileage. Training shall occur in California.
- 4.2 Fund the operations and maintenance costs associated with District owned marked police vehicles exclusively assigned to the Airport. All operational and maintenance costs associated with City-owned vehicles used in providing law enforcement services under this Agreement are included in the annual compensation set forth in Section 2.1. No additional reimbursement for vehicle related expenses shall be required unless otherwise agreed to in writing by the parties.
- 4.3 Be responsible for any changes to laws, regulations or other requirements that affect the cost of providing supplemental law enforcement services from the City.
- 4.4 Upon receipt of notice from the City that a police officer is unable to respond to conduct passenger screening notify any commercial air carrier intending to depart from the Airport of that fact.
- 4.5 Pay for the services provided under the terms of this Service Agreement.
- 4.6 Acknowledge that the officer on patrol may not be able to cover the first flight out if an emergency occurs in the City near the scheduled departure time. All parties acknowledge that without a law enforcement officer present, flights will need to be rescheduled until such time as a law enforcement officer is available.

5. DEFAULT, TERMINATION, AND NOTICE

- 5.1 Either party may terminate this Agreement, without cause, upon thirty (30) days advance written notice to the other party. Either party may terminate this Agreement at any time for cause if the other party is in default of its obligations under this Agreement and fails to cure said default after given notice and a reasonable opportunity to cure the default.
- 5.2 Notices. Any notice to be given under this Agreement shall be in writing and shall be deemed to have been properly given and received:

- A. When delivered in person to the authorized representative of the party to whom the notice is addressed; or
- B. On the date received as indicated on the return receipt when sent prepaid certified or registered mail, return receipt requested, to the party to be notified at the address indicated below:

CITY	DISTRICT
City of Santa Maria Attn: Chief of Police 1111 W. Betteravia Rd. Santa Maria, CA 93455	Santa Maria Public Airport Attn: General Manager 3217 Terminal Drive Santa Maria, CA 93455

Either party may change its address by giving notice in the manner described above.

6. INSURANCE AND INDEMNIFICATION

6.1 The District shall obtain and maintain for the entire term of this Agreement and any renewal terms, Airport liability insurance. Each policy of insurance shall have at least a combined single limit of ten million dollars (\$10,000,000) for each occurrence for bodily injury and property damage. Each policy of insurance shall include personal injury liability coverage. The District's airport liability policy shall include automobile liability coverage for District owned vehicles while performing services pursuant to this Agreement on Airport property. The District shall supply the City with a copy of said insurance policy or policies.

- A. In addition to the above conditions, the District's airport liability insurance policy shall contain language or an endorsement clearly providing:
 - 1) The City, its officers, agency and employees, are named as additional insureds under the policy;
 - 2) Contractual liability coverage sufficiently broad so as to include the liability assumed by the parties in the indemnity agreement included in this Agreement;
 - 3) A provision that coverage will not be cancelled or subject to material reduction until at least thirty (30) days written notice has been given to the City.

- B. A certificate of insurance shall be submitted to the City within ten (10) days of execution of this Agreement. If the insurance policy expires or is cancelled, the District shall submit to the City, prior to such expiration or cancellation, a certificate of insurance for the superseding policy.
- 6.2 The District shall indemnify save, protect, defend, and hold harmless the City, its officers, agents, and employees from and against any and all loss, liability, expense, claims, costs, suits, and damages, including attorney's fees, arising out of or connected with the City's performance of Supplemental Law Enforcement services under this Agreement, to the extent covered by the airport liability policy; provided that the District shall have no obligation to defend, indemnify or hold harmless the City from and against any and all loss, liability, expense, claims, costs, suits and damages, including attorney fees sustained by the City's employees in performance of this Agreement or in connection with the use of the Airport Fire Station. The City waives any and all subrogation and/or lien rights, including but not limited to those arising under California Labor Code section 3850 et seq. or succeeding statutes, to recover any workers compensation, disability, disability retirement or death benefits paid by the City to its employees, or to their heirs, representatives, executives or administrators.

7. MISCELLANEOUS PROVISIONS

- 7.1 The parties hereto agree that any increase in the concentration of flights or increase in index at the Airport could cause a financial and/or operational strain for the City. Such impacts that cause additional financial burden to the City will need to be negotiated by the parties and adequately resolved, and failure to reach agreement after good faith negotiations shall serve as cause for early termination of this Agreement.
- 7.2 The City acknowledges that the FAA and the TSA are involved with the operation and administrative aspects of the services to be provided by this Agreement. The City shall cooperate with representatives of the FAA and the TSA in the exercise of their duties. However, the District shall administer the Agreement, and the City shall look to the District for direction regarding satisfactory compliance with the Agreement, except as to the actual performance of law enforcement duties. Full and complete records of the City's services and records between District and City shall be kept, maintained and retained by the City in accordance with the City's record retention policies and procedures. The District, FAA, TSA and the Comptroller General of the United States, or any other duly authorized representative shall have access to the City's records upon written request. The City shall provide access to such records within a reasonable time following receipt of a written request.

- 7.3 There will be no payment by the District for extra services rendered by the City unless the services are expressly authorized in writing by the District's General Manager before the services are performed. Any extra services in excess of \$10,000 requires the prior written approval of the District's Board of Directors.
- 7.4 The City's Chief of Police or his designee shall be directly involved in the performance and supervision of the services to be performed and shall be the authorized representative of the City for issues relating to performance of the services under this Agreement.
- 7.5 This Agreement may not be assigned by either party without the consent of the other party.

8. Entire Agreement

- 8.1 This Agreement constitutes the complete and exclusive statement of the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter hereof. All changes or amendments to this Agreement must be in writing and mutually executed by authorized personnel on behalf of the District and the City.

Executed at Santa Maria, California, on the day and year first above mentioned.

Date: June 10, 2026

DISTRICT:

Approved as to content for
District:

SANTA MARIA PUBLIC AIRPORT

General Manager

By _____
Steve Brown, President

Approved as to form for District:

District Counsel

By _____
Tony Guy, Secretary

Dated: June 10, 2026

CITY:

ATTEST:

CITY OF SANTA MARIA

Donna Schwartz, City Clerk
Approved as to form:

By _____
Alice Patino, Mayor

Thomas Watson, City Attorney

Approved as to content:

Christopher Williams, Police Chief