



PALMDALE

a place to call home

**CITY COUNCIL
SUCCESSOR AGENCY
ADJOURNED REGULAR MEETING
CITY COUNCIL CHAMBER
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
TUESDAY, JANUARY 13, 2026
5:00 PM
www.cityofpalmdaleca.gov**

WELCOME

LEGISLATIVE BODY

**ERIC OHLSEN, MAYOR
AUSTIN BISHOP, MAYOR PRO TEM
RICHARD J. LOA, COUNCILMEMBER
LAURA BETTENCOURT, COUNCILMEMBER
ANDREA ALARCÓN, COUNCILMEMBER**

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Translation QR Code.
[Translation QR Code.pdf](#)

Americans with Disabilities Act (ADA) Accommodations

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (661) 267-5151 at least 48 hours prior to the meeting.

Public Comment Information

Members of the public may speak for up to **three (3) minutes** on the Consent Calendar,

Public Hearings, Appointments, New Business, and Closed Session items. To address the Legislative Body on any agenda item, please complete a speaker card for the City Clerk and indicate the item you wish to speak on. Speaker cards are available in the foyer of the Council Chambers.

Please follow these guidelines to ensure the meeting runs smoothly:

- All comments must be respectful and courteous.
- Comments that are personal, threatening, obscene, insulting, or that attack others or berate differing viewpoints will not be allowed.
- Individuals who violate these rules or disrupt the meeting will be ruled out of order by the Chair and must immediately stop speaking.
- Disruptive individuals may be asked to leave the meeting.

1. CALL MEETING TO ORDER

Note: All City Council memberships are reflected in their City Council titles.

2. ROLL CALL

MAYOR OHLSEN, MAYOR PRO TEM BISHOP, COUNCILMEMBERS LOA, BETTENCOURT, ALARCÓN

3. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

4. PRESENTATIONS

- 4.1 Presentation recognizing City staff for their exceptional efforts, reliability, and unwavering commitment to keeping our roads, utilities, and public spaces safe and operational during severe weather events.
- 4.2 Presentation on Formal Procurement Methods.

5. CONSENT CALENDAR - Now is the time for public participation

All matters listed under the Consent Calendar will be enacted by one motion unless an item(s) is pulled by Council, in which case the item(s) will be removed from the Consent Calendar and will be considered separately following this portion of the Agenda.

- 5.1 Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).
- 5.2 Receive and file the Monthly Investment Activity Reports for November 2025.

- 5.3 Adopt Resolution No. CC 2026-001, a Resolution of the City Council of the City of Palmdale restating the City's Investment Policy and repealing Resolution No. CC 2025-004, and adopt Resolution No. CC 2026-002, a Resolution of the City Council of the City of Palmdale restating the Investment Policy for the City contributions to the Retiree Health Reimbursement Arrangement (HRA) plan and the Retiree Health Premium Supplement (HPS) plan and repealing Resolution No. CC 2025-005.

[SR Adopt Reso. Nos. CC 2026-001 and CC 2026-002.docx](#)
[Reso. No. CC 2026-001 City Investment Policy.docx](#)
[Reso. No. CC 2026-002 Retiree Investment Policy.docx](#)

- 5.4 Review and approve the amended Palmdale Aerospace Incentive Program Guidelines and Application in accordance with development milestones for new construction projects.

[SR Amended Palmdale Aerospace Incentive Program Guidelines and Application.docx](#)
[Amended Palmdale Aerospace Incentive Program Guidelines and Application.pdf](#)

- 5.5 Approve Construction Agreement with Azas Engineering, Inc., for PN 916, 3rd Street East ADA Improvements and Sidewalk Gap Closure Project for a total not to exceed amount of \$435,065 for a term of 45 working days from the date of the Notice to Proceed.

[SR PN 916 3rd Street East.docx](#)
[Agrmt No. A-9269 with Azas Engineering Inc.pdf](#)
[Vicinity Map.pdf](#)

- 5.6 Approve the First Amendment to Agreement with RHA Landscape Architects-Planners, Inc., for design services for PN 871, Oasis Park Basin Upgrades Project, increasing the agreement by \$57,607 for a total not to exceed amount of \$364,205 for a term of 12 months from the date of the Notice to Proceed.

[SR Agrmt No. A-9293 First Amendment with RHA Landscape Architects-Planners.docx](#)
[Agrmt No. A-9293 First Amendment with RHA Landscape Architects-Planners.pdf](#)
[Agrmt No. A-9293 with RHA Landscape Architects-Planners.pdf](#)

- 5.7 Approve Second Amendment to Agreement for administrative services with California Choice Energy Authority (CalChoice) in the amount of \$1,823,978 for a term of one year.

[SR Agrmt No. A-6826 Second Amendment with CalChoice.docx](#)
[Agrmt No. A-6826 Second Amendment with CalChoice.docx](#)
[Agrmt No. A-6826 First Amendment with CalChoice.pdf](#)
[Agrmt No. A-6826 with CalChoice.pdf](#)

5.8 Approve the minutes from the previous meeting.

[Mins 12 02 2025.pdf](#)

6. PUBLIC HEARING - Now is the time for public participation. Each public hearing will have its own public testimony.

6.1 Continue item to February 3, 2026 - Adopt Ordinance No. 1665, an Ordinance of the City Council of the City of Palmdale amending Title 8, Health, Safety, and Technical Construction Codes of the Palmdale Municipal Code regarding eligibility requirements for organizations obtaining safe and sane firework permits and finding the ordinance exempt from environmental review.

[Memo Ord. No. 1665 Continuance.docx](#)

7. APPOINTMENTS

Now is the time for public participation.

7.1 Review and provide direction on changes to existing committee appointments.

[SR City Council Committee Appointments.docx](#)

8. CITY MANAGER'S REPORT

9. SHERIFF'S REPORT

10. NON-AGENDA PUBLIC COMMENTS - Now is the time for public participation.

11. COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

11.1 Council Reports

[Monthly Informational Report 011326 Bishop.docx](#)

[Monthly Informational Report 011326 Bettencourt.docx](#)

[Monthly Informational Report 011326 Ohlsen.docx](#)

[Monthly Informational Report 011326 Loa.docx](#)

12. CLOSED SESSION - Now is the time for public participation.

PRESENTATION BY CITY ATTORNEY

12.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Concerning CV Communities, LLC v. Antelope Valley-East Kern Water Agency, et al.

Los Angeles Superior Court 20STCV10953

This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

12.2 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation: (1 potential case – facts and circumstances unknown to potential plaintiffs)

This closed session is being held pursuant to the authority of California Government Code Section 54956.9, paragraph (2) of subdivision (d).

12.3 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

This closed session is being held pursuant to the authority of California Government Code Section 54957.

13. **ANNOUNCEMENT BY CITY ATTORNEY**

14. **ADJOURN** meeting to February 3, 2026, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.



<https://attend.wordly.ai/join/SLOR-7400>



City Council Staff Report

DATE: JANUARY 13, 2026

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OPERATIONS DEPARTMENT
FINANCE DIVISION

DISTRICT: ALL

SUBJECT: RECEIVE AND FILE THE MONTHLY INVESTMENT ACTIVITY
REPORTS FOR NOVEMBER 2025

RECOMMENDATION

Staff recommend that the City Council:

1. Receive and file the November 2025 monthly investment activity reports for the City of Palmdale and Successor Agency.

BACKGROUND

Pursuant to Section 16 of the City and Successor Agency Investment Policy, the City Treasurer shall prepare and present monthly reports on investments to the City Manager/Executive Director and the City Council/Directors. The reports shall detail the type of investment, issuer's name, purchase date, maturity date, amount of deposit, and interest rate. This information shall be provided for all City and Successor Agency pooled investments and for Certificates of Participation, Revenue Bonds, Tax Allocation Bonds, Assessment Districts, and Community Facilities District accounts managed by outside Fiscal Agents.

The monthly investment reports provide a synopsis of the City and Successor Agency's investment activity. They provide information on assets, allocations, average maturities, yields, and book valuations. The interest rates presented are the most current rates available as of the date of this report.

The market values presented for pooled City and Successor Agency investments are based on closing prices for the related investment as of the date of this report. This information was obtained from the Wall Street Journal, Bloomberg Financial Markets, Capital Market Finances, or other reliable sources of market prices.

DISCUSSION

Compliance with Investment Policy

For November, the City's invested portfolio totaled \$294,775,260, a decrease of \$4,878,616 from the previous month and \$16,957,697 less than the prior year. The monthly decrease was due to the investment maturity that occurred during the month. The funds from the maturity were used to cover expenditures related to a legal settlement that became due. It is expected that insurance will reimburse the expense in future months, and at that time, the City will evaluate available funds and reinvest accordingly.

The par value of the Successor Agency's portfolio as of November was \$9,276,443, a decrease of \$941,564 from the prior month due to debt service payments.

All investments meet criteria appropriate to Section 8 of the Investment Policy. The portfolios are based on a combination of various investments, including CDs, Corporate Notes, US Treasury Securities, and Government Agency Paper, each adhering to portfolio percentage limitations.

The Finance Division is the custodian for the City and Successor Agency's investment portfolio and follows the three main principles of both entities' investment policies: 1) Investment in financial instruments that mitigate the risk of monetary losses stemming from market fluctuations; 2) Establish and maintain a portfolio that has sufficient liquidity to allow the City and Successor Agency to meet all anticipated cash requirements; and, 3) Seek out investment instruments that provide a competitive market rate of return.

Liquidity

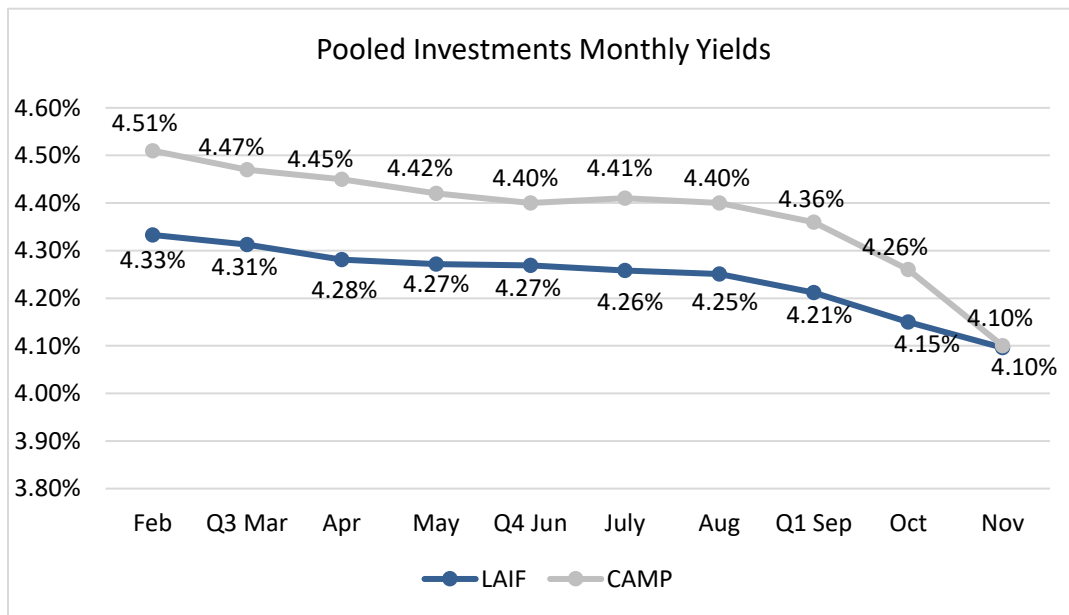
One core approach the Finance Division focuses on is providing liquidity to meet the City and Successor Agency's operational requirements. Thus, the City invests in two pooled funds, the Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP). These are intended for daily operational activities and can be used during economic uncertainties for ongoing operating and maintenance needs. The pooled funds provide a higher liquidity ratio, ensuring the City and Successor Agency meet their cash flow requirements.

The City's LAIF balance at the end of November was \$103,815,128, no changes from the prior month.

The Successor Agency's LAIF balance at the end of November was \$3,985,613, no changes from the prior month.

The City's CAMP balance at the end of November was \$53,910,080 compared to \$53,729,148 in October. The increase is due to interest earned.

The interest rates presented are the most current rates available as of the date of this report. As of November 30, 2025, the interest rates for LAIF and CAMP investments were 4.096 percent and percent, respectively. By comparison, the LAIF and CAMP interest rates at the end of October were 4.150 percent and 4.26 percent. This time last year, LAIF and CAMP rates were at 4.477 percent and 4.87, respectively.



The chart above shows the LAIF and CAMP average monthly yields from February 2025 through November 2025. The difference between the two funds' performance is primarily due to their varying pool characteristics. CAMP's portfolio composition is more prone to market volatility, resulting in performance variations.

Diversity

The Finance Division aims to diversify investment portfolios to avoid incurring unreasonable and avoidable risks associated with specific security types or individual financial institutions.

The City and Successor Agency's investment portfolios remain strongly diversified. The monthly reports include all investments held by both entities and current book values as of November 30, 2025.

The City and Successor Agency are expected to have sufficient funds to meet their expenditure requirements for the next six months. The Finance Division will continue to monitor current economic conditions and the impact on interest rates.

Attached are summaries of the investments in the City and Successor Agency's books as of November 30, 2025.

FISCAL IMPACT

\$0; There is no fiscal impact associated with the recommended actions for this report.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- B. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.
- C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Rpt. Monthly Investment Reports November 2025

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
NOVEMBER 30, 2025

CITY OF PALMDALE INVESTMENTS

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
<u>U.S. TREASURY SECURITIES</u>				Yield			
03-19-21	12-31-25	CITY	9128285T3 U.S. Treasury Note	2.63	3,000,000.00	3,260,634.36	2,976,600.00
05-11-21	02-28-26	CITY	9128286F2 U.S. Treasury Note	0.66	3,000,000.00	3,261,331.50	2,966,940.00
07-12-21	12-31-25	CITY	9128285T3 U.S. Treasury Note	2.63	5,000,000.00	5,451,958.35	4,961,000.00
03-08-23	03-31-26	CITY	9128286L9 U.S. Treasury Note	2.25	3,200,000.00	3,029,330.80	3,156,832.00
01-03-24	12-31-26	CITY	912828YX2 U.S. Treasury Note	0.04	5,000,000.00	4,696,880.23	4,848,850.00
01-03-24	06-30-27	CITY	91282CEW7 U.S. Treasury Note	0.04	5,000,000.00	4,897,630.28	4,954,900.00
01-03-24	09-30-27	CITY	91282CFM8 U.S. Treasury Note	0.04	2,500,000.00	2,523,771.66	2,522,450.00
01-08-24	02-15-26	CITY	91282CGL9 U.S. Treasury Note	0.04	5,000,000.00	4,987,205.23	4,993,400.00
01-08-24	06-15-26	CITY	91282CHH7 U.S. Treasury Note	0.04	5,000,000.00	5,001,760.94	5,006,000.00
12-18-24	09-30-29	CITY	91282CFL0 U.S. Treasury Note	0.39	5,000,000.00	4,977,094.45	5,022,250.00
12-18-24	10-31-29	CITY	91282CFT3 U.S. Treasury Note	0.40	5,000,000.00	4,988,321.47	5,047,050.00
12-18-24	11-30-29	CITY	91282CFY2 U.S. Treasury Note	0.39	5,000,000.00	4,942,086.29	5,021,300.00
01-02-25	12-31-29	CITY	91282CGB1 U.S. Treasury Note	0.39	3,000,000.00	2,949,835.02	3,012,300.00
11-17-25	09-30-30	CITY	91282CPA3 U.S. Treasury Note	3.63	3,000,000.00	3,015,470.91	3,001,130.25
TOTAL U.S. TREASURY SECURITIES					<u>\$ 57,700,000.00</u>	<u>\$ 57,983,311.49</u>	<u>\$ 57,491,002.25</u>
 <u>GOVERNMENT AGENCY PAPER</u>							
06-30-21	12-30-25	CITY	3130AMRQ7 Federal Home Loan Note	0.88	3,000,000.00	3,000,000.00	2,949,049.86
07-29-21	04-29-26	CITY	3130AN5C0 Federal Home Loan Note	1.05	4,000,000.00	4,010,455.13	3,899,120.00
12-21-21	12-22-26	CITY	3133ENJC5 Federal Farm Credit	1.29	5,000,000.00	5,000,000.00	4,814,666.55
06-24-22	02-26-27	CITY	3130AL5A8 Federal Home Loan Note	3.33	5,000,000.00	4,479,000.00	4,758,477.85
08-17-22	10-27-26	CITY	3134GW4C7 Freddie Mac	0.80	5,000,000.00	4,539,500.00	4,800,207.95
01-06-23	02-25-27	CITY	3130AQRH8 Federal Home Loan Note	4.38	5,000,000.00	4,590,638.89	4,843,987.40
01-06-23	04-19-27	CITY	3130ARHJ3 Federal Home Loan Note	4.38	5,000,000.00	4,801,354.86	4,925,508.20
05-03-24	05-01-28	CITY	3133ERCX7 Federal Farm Credit	5.17	5,000,000.00	5,000,000.00	5,022,317.60
08-08-24	08-14-29	CITY	3134HADY6 Freddie Mac Domestic	4.00	4,000,000.00	3,946,000.00	3,971,348.28
12-03-24	12-04-29	CITY	3130B3XP3 Federal Home Loan	4.50	1,000,000.00	1,000,000.00	998,973.31
12-04-24	12-02-27	CITY	3133ERE23 Federal Farm Credit	4.32	1,000,000.00	1,000,000.00	1,003,072.14
01-27-25	07-27-27	CITY	3130B4RC7 Federal Home Loan Bank	4.50	3,000,000.00	3,000,000.00	3,019,381.53
01-28-25	07-21-27	CITY	3130B4QA27 Federal Home Loan Bank	4.55	3,000,000.00	3,000,000.00	3,003,732.24
06-13-25	10-30-28	CITY	3130B62E5 Federal Home Loan Bank	4.25	3,000,000.00	3,000,000.00	3,000,982.74
06-27-25	04-30-29	CITY	3136GAGW3 Fannie Mae	4.75	5,000,000.00	5,000,000.00	4,993,056.90
07-07-25	07-07-28	CITY	3134HBWS6 Freddie Mac Domestic	4.00	2,000,000.00	1,995,000.00	1,995,000.00
08-29-25	02-25-30	CITY	3133ETUN5 Federal Farm Credit	4.45	5,000,000.00	5,000,000.00	5,000,000.00
09-17-25	09-15-28	CITY	3133ETXV4 Federal Farm Credit Bond	3.83	1,400,000.00	1,402,403.14	1,400,000.00
11-17-25	11-06-30	CITY	3130B8BF8 Federal Home Loan	3.95	830,000.00	833,082.01	832,080.25
TOTAL GOVERNMENT AGENCY PAPER					<u>\$ 66,230,000.00</u>	<u>\$ 64,597,434.03</u>	<u>\$ 65,230,962.80</u>

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
NOVEMBER 30, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
<u>CERTIFICATES OF DEPOSIT</u>							
01-04-24	06-15-26	CITY	05580A4Y7 BMW Bank of NA	4.03	240,000.00	243,434.40	241,276.80
01-04-24	12-28-28	CITY	09582YAV4 Blue Ridge Bank	4.09	240,000.00	240,948.00	241,135.20
06-11-24	06-11-26	CITY	38150VUZ0 Goldman Sachs Bank	5.05	245,000.00	245,033.90	247,179.52
06-13-24	06-13-29	CITY	89235MPP0 Toyota Financial SGS	4.65	245,000.00	245,000.00	250,250.86
06-14-24	06-15-26	CITY	34520LBC6 Forbright Bank	5.05	245,000.00	245,000.00	247,279.55
06-14-24	06-14-28	CITY	307811KA6 Farmers & Merchs Bank	5.00	245,000.00	245,000.00	246,517.02
06-17-24	06-17-26	CITY	8562855V9 State Bank of India	5.10	245,000.00	245,000.00	247,345.31
06-18-24	06-18-29	CITY	229083AA8 Evangeline Bank & Trust	5.30	245,000.00	245,000.00	245,115.79
06-20-24	06-22-26	CITY	06051XER9 Bank of America NA	5.05	245,000.00	245,000.00	247,339.38
06-21-24	06-22-26	CITY	35634MAE1 Freedom Bank/Maywood NJ	5.05	245,000.00	245,000.00	247,339.60
TOTAL CERTIFICATES OF DEPOSIT					\$ 2,440,000.00	\$ 2,444,416.30	\$ 2,460,779.03
05-17-23	03-01-26	CITY	30231GAT9 Exxon Mobile Corporation	3.04	1,000,000.00	982,084.11	992,306.58
05-17-23	03-02-26	CITY	194162AQ6 Colgate-Palmolive	4.80	1,000,000.00	1,035,553.33	1,004,192.41
05-17-23	01-26-26	CITY	742718FY0 Procter & Gamble	4.10	1,000,000.00	1,018,471.67	998,946.40
01-04-24	07-27-26	CITY	61761J3R8 Morgan Stanley	4.70	500,000.00	481,185.25	493,730.00
01-04-24	06-15-26	CITY	46625HRS1 JPMorgan Chase & CO	4.52	500,000.00	484,840.25	495,185.00
01-04-24	03-02-28	CITY	718172CE7 Philip Morris Intl Inc	4.49	500,000.00	474,395.25	487,000.00
01-04-24	04-01-27	CITY	808513BW4 Charles Schaw Corp	4.68	500,000.00	479,390.25	492,985.00
01-09-24	06-02-26	CITY	11271LAA0 Brookfield Fin Inc	5.13	500,000.00	490,115.25	498,735.00
01-09-24	11-28-28	CITY	05565QDH8 BP Capital Markets PLC	4.48	500,000.00	483,460.25	491,630.00
01-09-24	01-28-26	CITY	06406RAQ0 Bank OF NY Mellon Corp	4.52	500,000.00	463,355.25	489,620.00
01-09-24	07-09-27	CITY	22550L2K6 Crdit Suisse New York	4.92	500,000.00	500,910.25	507,650.00
01-09-24	08-15-28	CITY	797440CE2 San Diego G & E	4.49	500,000.00	509,340.25	510,425.00
01-09-24	07-01-27	CITY	75973QAA5 Renaissance Financial	5.01	500,000.00	475,470.25	492,385.00
01-09-24	01-27-26	CITY	780082AD5 Royal Bank of Canada	4.97	500,000.00	496,930.25	499,835.00
08-27-24	02-01-29	CITY	06406RBN6 Bank of NY Mellon Corp	4.20	656,000.00	663,116.29	660,965.92
08-27-25	07-26-29	CITY	06406RBK2 Bank of Melon Corp	4.09	1,000,000.00	1,021,952.92	1,021,952.92
08-27-25	08-09-29	CITY	89236TMK8 Toyota Motor Crdt Corp	4.03	500,000.00	510,587.75	510,587.75
08-27-25	05-13-30	CITY	91324PDX7 United Health Group Inc	4.15	1,000,000.00	914,211.92	914,211.92
TOTAL CORPORATE BONDS					\$11,656,000	\$11,485,371	\$ 11,562,343.90
<u>STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND</u>							
09-01-84	n/a	CITY	98-19-620	0.78	49,231,271.14	49,231,271.14	49,231,271.14
9-19-2024	n/a	PFA	40-19-078		36,500,000.00	36,500,000.00	40,178,315.84
9-28-2021	n/a	ARPA	19-19-004	0.78	14,405,541.45	14,405,541.45	14,405,541.45
TOTAL LAIF ACCOUNTS					\$ 100,136,812.59	\$ 100,136,812.59	\$ 103,815,128.43
<u>CAMP- CALIFORNIA ASSET MANAGEMENT PROGRAM</u>							
6080-01	n/a	CITY	6080-01	0.30	53,910,079.79	53,910,079.79	53,910,079.79
TOTAL CAMP ACCOUNTS					\$ 53,910,079.79	\$ 53,910,079.79	\$ 53,910,079.79

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
NOVEMBER 30, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
<u>UBS FINANCIAL SERVICES</u>							
n/a	n/a	CITY		0.00	304,963.72	304,963.72	304,963.72
TOTAL UBS FINANCIAL SERVICES ACCOUNTS					<u>\$ 304,963.72</u>	<u>\$ 304,963.72</u>	<u>\$ 304,963.72</u>
TOTAL CITY INVESTMENTS					<u>\$ 292,377,856.10</u>	<u>\$ 290,862,388.66</u>	<u>\$ 294,775,259.92</u>
LIBRARY INVESTMENTS							
<u>STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND</u>							
11-20-84	n/a	LIBRARY	16-19-012	0.78			14,079.76
TOTAL LIBRARY INVESTMENTS						<u>\$</u>	<u>14,079.76</u>
FISCAL AGENT CASH							
<u>SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1</u>							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
05-10-95	n/a	BOND	95421220	0.35			122.56
05-10-95	n/a	IMPROVEMENT	95421222	0.10			178,115.07
TOTAL SIERRA GATEWAY COMMUNITY FACILITIES DISTRICT 91-1						<u>\$</u>	<u>178,237.63</u>
BOND PROCEEDS							
<u>RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1</u>							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
04-06-95	n/a	RESERVE-SEN	95420880	n/a			14.13
04-06-95	n/a	IMPV-ACQUI	95420884	0.01			2,964,733.10
04-06-95	n/a	BOND	95420887	0.15			0.15
TOTAL RITTER RANCH COMMUNITY FACILITIES DISTRICT 93-1						<u>\$</u>	<u>2,964,747.38</u>
BOND PROCEEDS							
<u>ANAUVERDE COMMUNITY FACILITIES DISTRICT 2003-1</u>							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
08-01-19	n/a	SP TAX - B BOND	242969000	0.00			93.58
08-01-19	n/a	RESERVE	242969003	0.00			722,957.02
08-01-19	n/a	SP TAX - REFNDING BOND	242969004	0.01			15,151.91
TOTAL ANAUVERDE COMMUNITY FACILITIES DISTRICT 2003-1						<u>\$</u>	<u>738,202.51</u>

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
NOVEMBER 30, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
BOND PROCEEDS							
<u>2005 \$7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021</u>							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
	n/a	SPEC TRB SER A/B	251009000	0.01			14,755.57
	n/a	RESERVE FUND	251009001	0.01			644,991.43
TOTAL 2005 \$7.2M COMMUNITY FACILITIES DISTRICT 05-1 (TRADE AND COMMERCE CENTER) REFUNDED 2021							\$ 659,747.00
BOND PROCEEDS							
<u>2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB</u>							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
11-08-06	n/a	REDEMPTION FUND	106844000	0.01			29,578.79
11-08-06	n/a	ADM EXP	106844002	0.01			1,832.83
11-08-06	n/a	RESERVE FUND	106844003	0.01			86,826.90
TOTAL 2006-1 GODDE HILL ESTATE SEWER IMPROVEMENTS LOIB							\$ 118,238.52
<u>2015 HA DEBT SERVICE RESERVE</u>							
Fiscal Agent: Bank of America							
11-19-15	n/a	DEBT SVC RESERVE	1257964992	0.08			41,061.49
TOTAL 2015 HA DEBT SERVICE RESERVE							\$ 41,061.49
<u>PARS RESTRICTED CASH FOR PENSION STABILIZATION TRUST FUND</u>							
05-23-18	n/a	CITY	104790895775 Pub. Agency Retirement Svcs.	2.60			12,358,179.92
TOTAL PARS PENSION TRUST FUND							\$ 12,358,179.92
BOND PROCEEDS							
<u>2015 HA \$4.3M MULTIFAMILY HOUSING REVENUE BONDS</u>							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
09-03-15	n/a	BOND FUND	277067000	0.00			152,861.48
09-03-15	n/a	INTEREST ACCT	277067001	0.01			6.95
09-03-15	n/a	BOND RESERVE	277067003	0.00			281,022.06
09-03-15	n/a	REPAIR & REPLACE FUND	277067004	0.00			1,420,511.73
TOTAL 2015 HA \$4.3M MULTIFAMILY HOUSING REVENUE BONDS							\$ 1,854,402.22
BOND PROCEEDS							
<u>2017 PFA \$17.4M LEASE REVENUE BONDS</u>							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
04-05-17	n/a	REVENUE FUND	271128000	0.00			0.50
04-05-17	n/a	REVENUE REFUNDING BOND	271128001	n/a			0.02
04-05-17	n/a	REVENUE REFUNDING BOND	271128002				0.10
TOTAL 2017 PFA \$17.4M LEASE REVENUE BONDS							\$ 0.62

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
NOVEMBER 30, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	PAR AMOUNT	PURCHASE AMOUNT	INVESTED AMOUNT
BOND PROCEEDS							
<u>2023 A&B SERIES ACQUISITION & CONSTRUCTION REVENUE BOND</u>							
Fiscal Agent: U.S. Bank National Association (fka First Trust)							
			248041000				437,924.89
11-30-23	n/a	INTEREST	248041001				505,008.84
11-30-23	n/a	PRINCIPAL	248041002				0.51
11-30-23	n/a	REVENUE FUND	248041004				13.54
11-30-23	n/a	INTEREST	248041007				0.57
11-30-23	n/a	REVENUE FUND	248041008				4,800,401.36
TOTAL 2023 A&B SERIES B ACQUISITION & CONSTRUCTION REV BOND						\$	5,743,349.71
GRAND TOTAL - FISCAL AGENT CASH						\$	24,656,167.00
SUMMARY OF CASH AND INVESTMENTS							
Page 1 of 1							
Cash on Hand						\$	14,153,750
Pooled Cash Investments							
City:		\$	292,182,744				
Insur Fund:		\$	2,592,516				
Library Investments						\$	14,080
Subtotal						\$	308,943,090
City/AD/CFD/PCA/PFA/HA							
Fiscal Agent Cash						\$	24,656,167
Grand total						\$	333,599,257

The interest rate quoted on LAIF, AIM, and Fiscal Agent/Trustee accounts is the most current rate available.
LAIF & AIM interest Rates are as of November, 2025

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
NOVEMBER 30, 2025

POOLED CASH - LOCAL AGENCY INVESTMENT FUND (LAIF), CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP), & UBS FINANCIAL SERVICES

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
<u>LAIF - CITY ACCOUNT 98-19-620</u>				
Beginning Balance				\$ 49,231,271.14
Subtotal	\$ -	\$ -	\$ -	\$ 49,231,271.14
<u>LAIF - PFA ACCOUNT 40-19-078</u>				
Beginning Balance				\$ 40,178,315.84
Subtotal	\$ -	\$ -	\$ -	\$ 40,178,315.84
<u>LAIF - LIBRARY ACCOUNT 16-19-012</u>				
Beginning Balance				\$ 14,079.76
Subtotal	\$ -	\$ -	\$ -	\$ 14,079.76
<u>LAIF - ARPA ACCOUNT 19-19-004</u>				
Beginning Balance				\$ 14,405,541.45
Subtotal	\$ -	\$ -	\$ -	\$ 14,405,541.45
<u>CAMP</u>				
Beginning Balance				\$ 53,729,147.65
11-30-25			\$ 180,932.14	
Subtotal	\$ -	\$ -	\$ 180,932.14	\$ 53,910,079.79
<u>UBS Financial Services</u>				
Beginning Balance				\$ 103,464.85
11-30-25			\$ 14,966.87	
11-30-25	\$ 4,150,000.00			
11-30-25		\$ (130,257.50)		
11-30-25		\$ (3,833,210.50)		
Subtotal	\$ 4,150,000.00	\$ (3,963,468.00)	\$ 14,966.87	\$ 304,963.72
Total	\$ 4,150,000.00	\$ (3,963,468.00)	\$ 195,899.01	\$ 158,044,251.70

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
NOVEMBER 30, 2025

POOLED CASH - INVESTMENTS MATURED OR CALLED

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit

C = Call
M = Maturity
CB = Corporate Bond

ISSUER	PURCHASE DATE	MATURITY DATE		FACE VALUE REDEEMED	INTEREST RECEIVED	NET FUNDS	INVESTED AMOUNT	GAIN/ (LOSS)
3135G06G3 Fannie Mae	06-04-21	11-07-25	FP	\$ 3,000,000.00	\$ 7,500.00	\$ 3,007,500.00	2,960,070.00	39,930.00
3134GXB5 Federal Home Loan Note	12-17-21	11-12-25	FP	\$ 1,150,000.00	\$ 3,450.00	\$ 1,153,450.00	1,134,187.50	15,812.50
3133ETUM7 Federal Farm Credit	08-28-25	02-25-30	FP CALLED	\$ 5,000,000.00	\$ 56,625.00	\$ 5,056,625.00	5,000,000.00	-
						\$ -		-
						\$ -		-
				<u>\$ 9,150,000.00</u>	<u>\$ 67,575.00</u>	<u>\$ 9,217,575.00</u>	<u>\$ 9,094,257.50</u>	<u>\$ 55,742.50</u>

Total Number of Transactions:

CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
NOVEMBER 30, 2025

POOLED CASH - INVESTMENTS PURCHASED

TN = US Treasury
FP = Federal Paper
CD = Certificate of Deposit
CN = Corporate Notes

ACCRUED

ISSUER	PURCHASE DATE		MATURITY DATE	FACE VALUE	PREMIUM / (DISCOUNT)	PURCHASE PRICE	INTEREST PURCHASED	NET PURCHASE	Yield
91282CPA3 U.S. Treasury Note	11-17-25	TN	09-30-30	\$ 3,000,000.00	(1,130.25)	\$ 3,001,130.25	\$ 14,340.66	3,015,470.91	3.63
3130B8BF8 Federal Home Loan	11-17-25	FP	11-06-30	\$ 830,000.00	(2,080.25)	\$ 832,080.25	\$ 1,001.76	833,082.01	3.95
					-			-	
					-			-	
					-			-	
					-			-	
				<u>\$ 3,830,000.00</u>	<u>\$ (3,210.50)</u>	<u>\$ 3,833,210.50</u>	<u>\$ 15,342.42</u>	<u>\$ 3,848,552.92</u>	

Total Number of Transactions:

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
November 30, 2025

PURCHASE DATE	MATURITY DATE	FUND	ACCOUNT/ INSTITUTION	INTEREST RATE	INVESTED AMOUNT	TOTAL
<u>LAIF - SA ACCOUNT 65-19-035</u>						
09-01-84	n/a	SA Account	65-19-035	0.78	3,985,613.24	
						<u>\$ 3,985,613.24</u>
FISCAL AGENT CASH						
BOND PROCEEDS						
<u>CRA - 2002 Sub Lien Tax Allocation Bonds \$5.3M (\$5,329,748.25)</u>						
Fiscal Agent: U.S. Bank National Association						
08-20-02	n/a	Reserve Fund	94460700	2.54	548,959.90	
08-20-02	n/a	Interest Acct	94460701	0.04	703,165.68	
08-20-02	n/a	Principal Acct	94460702	0.04	271,967.68	
TOTAL CRA - 2002 Sub Lien Tax Allocation Bonds \$5.3M (\$5,329,748.25)						<u>\$ 1,524,093.26</u>
BOND PROCEEDS						
<u>2016 SA \$31.5M Tax Allocation Refunding Bonds Series A</u>						
Fiscal Agent: U.S. Bank National Association (fka First Trust)						
04-26-16	n/a	Debt Service	245113000	0.00	12.37	
04-26-16	n/a	Interest Acc	245113001	N/A	0.00	
TOTAL 2016 SA \$31.5M Tax Allocation Refunding Bonds Series A						<u>\$ 12.37</u>
GRAND TOTAL - FISCAL AGENT CASH						<u><u> </u></u>

SUMMARY OF CASH AND INVESTMENTS

Cash on Hand	\$ 5,290,820
Pooled Cash Investments	\$ 3,985,613
Successor Agency Fiscal Agent Cash	\$ -
Grand total	<u>\$ 9,276,433</u>

* The interest rate quoted on LAIF and Fiscal Agent/Trustee accounts is the most current rate available.
LAIF interest rates are as of November 30, 2025.

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE
TREASURER'S REPORT OF INVESTMENTS
November 30, 2025

POOLED CASH - STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF)

TRANSACTION DATE	DEPOSIT	WITHDRAWAL	INTEREST RECEIVED	BALANCE
LAIF - SA ACCOUNT 65-19-035				
Beginning Balance				3,985,613.24
Subtotal	\$ -	\$ -	\$ -	\$ 3,985,613.24



City Council Staff Report

DATE: JANUARY 13, 2026

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OPERATIONS DEPARTMENT
FINANCE DIVISION

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2026-001, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE STATING THE CITY'S INVESTMENT POLICY AND REPEALING RESOLUTION NO. CC 2025-004, AND ADOPT RESOLUTION NO. CC 2026-002, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE RESTATING THE INVESTMENT POLICY FOR THE CITY CONTRIBUTIONS TO THE RETIREE HEALTH REIMBURSEMENT ARRANGEMENT (HRA) PLAN AND THE RETIREE HEALTH PREMIUM SUPPLEMENT (HPS) PLAN AND REPEALING RESOLUTION NO. CC 2025-005

RECOMMENDATION

Staff recommend that the City Council:

1. Adopt Resolution No. CC 2026-001, a Resolution of the City Council of the City of Palmdale stating the Investment Policy and repealing Resolution No. CC 2025-004; and,
2. Adopt Resolution No. CC 2026-002, a Resolution of the City Council of the City of Palmdale stating the Investment Policy for the City contributions to the Retiree Health Reimbursement Arrangement (HRA) Plan and the Retiree Health Premium Supplement (HPS) Plan and repealing Resolution No. CC 2025-005.

BACKGROUND

Senate Bills 866 and 564 were signed into law in 1995 to provide additional requirements on public agency investments. SB 866 added to California Government Code Section 53600, Section 53600.3 (the "prudent investor" standard) and Section 53600.5 mandating and prioritizing three objectives of investing public funds (i.e., safety, liquidity, and yield) and Section 53600.6 declaring the deposit and investment practices of local agencies to be an issue of statewide concern. SB 564 also repealed and rewrote

California Government Code Section 53646, mandating cities and other local agencies to adopt a written investment policy and submit it to the legislative body of the local agency. Furthermore, this policy and any changes to it shall be reviewed at least annually at a public meeting. SB 564 also required quarterly reports concerning financial holdings, a statement of compliance along with the report, and a statement concerning the ability to meet cash flow needs in the ensuing six months that must be filed with the agency's governing body.

DISCUSSION

The City Council last reviewed and adopted Resolution No. CC 2025-004 and Resolution No. CC 2025-005 on January 22, 2025, stating the City's Investment Policy and the Investment Policy for City contributions to the Health Reimbursement Arrangement Plan (HRA) and the Retiree Health Premium Supplement (HPS) Plan. The City reviews the Investment Policies annually and makes changes where necessary.

The attached Investment Policies are presented to the Council for annual approval pursuant to SB 564. There are no substantive changes to the policies.

FISCAL IMPACT

\$0; There is no fiscal impact associated with the recommended actions for this report.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

B. Manage resources, costs, and liabilities to ensure the City's long-term fiscal health.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Reso No. CC 2026-001 City Investment Policy
Reso No. CC 2026-002 Retiree Investment Policy

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
RESTATING THE CITY'S INVESTMENT POLICY AND REPEALING
RESOLUTION NO. CC 2025-004.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. Purpose

This Resolution states the City's investment policy, which is intended to provide guidelines to the City Treasurer for the prudent investment of the City's temporary idle cash not otherwise governed by bond indentures or bond resolutions and to outline policies for maximizing the efficiency of the City's cash management system. The goal is to preserve public trust and safeguard public funds. These guidelines do not supersede applicable State laws and City ordinances. A Glossary of investment terms is provided at the end of the resolution for reference.

SECTION 2. Scope

This investment policy applies to the investment of all cash and various funds of the City as identified in the Annual Comprehensive Financial Report, except for the employee's retirement and deferred compensation funds and those cash assets governed by bond indentures or bond resolutions. The following is a list of funds included:

2.1 General Fund

2.2 Special Revenue Funds

2.3 Capital Project Funds

2.4 Proprietary Funds

2.5 Trust and Successor Agency Funds not otherwise invested with the Trustee/Fiscal Agent

SECTION 3. Prudence

Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 Governing bodies of local agencies, or persons authorized to make investment decisions on behalf of the agency, are trustees, and therefore fiduciaries subject to the prudent investor standard. The trustee is required to consider the general economic conditions and the anticipated needs of the agency when investing, reinvesting, purchasing, acquiring, exchanging, and selling or managing public funds.

3.2 The standard of prudence to be used by investment officials shall be the prudent person standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

SECTION 4. Objectives

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City Treasurer maintains a diversified portfolio to accomplish the primary objectives of safety, liquidity, and yield (in that order of priority).

4.1 Safety: The safety/risk associated with an investment refers to the potential loss of principal, accrued interest, or a combination of these. The City seeks to mitigate credit risk by continual monitoring of financial institutions with which it will do business and by careful scrutiny of the creditworthiness of the investment instruments as well as the institutions. Such resources as Moody's Investor, Standard & Poor's, and Fitch rating services are utilized for this review. The City seeks to mitigate rate risk through diversification of instruments as well as maturities.

4.2 Liquidity: The portfolio will be structured with sufficient liquidity to allow the City to meet all anticipated cash requirements. This will be accomplished through matching maturities to expected cash needs, the State Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP), and AAA/Aaa rated money market funds with immediate withdrawal provision.

4.3 Yield: A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

SECTION 5. Delegation of Authority

California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate the full responsibility to the City Treasurer. The Director of Operations, as City Treasurer, delegates this authority to the Deputy City Treasurer. In the absence of the Director of Operations and Deputy City Treasurer, authority to invest funds may be delegated to the Finance Manager or Senior Analyst. Section 53607 of the State of California Government

Code limits the authorization of the legislative body to delegate investment authority to a one-year period, renewable annually.

5.1 City Council: By adoption of this policy, the City Council has authorized the City Treasurer to invest City surplus funds in accordance with California Government Code Section 53600, et. seq. and to invest Agency bond or COP proceeds in accordance with California Government Code Section 5922(d) and 53601(l). The delegation of authority to the City Treasurer shall remain in effect until it expires or is revoked, whichever occurs first. The City Treasurer shall make a monthly report to the City Council of all transactions made pursuant to this delegation of authority.

5.2 City Treasurer: The City Treasurer or designee will execute investment transactions on a daily basis in accordance with this policy. The City Treasurer has established a system of controls and segregation of responsibilities for investment functions to ensure the maintenance of internal control over the investment function.

5.3 The City Council retains the authority to approve any amendments to the Investment Policy. The City Treasurer is authorized to update internal guidelines and procedures at any time in order to carry out the duties as the Chief Investment Officer for the City.

SECTION 6. Ethics and Conflicts of Interest

The Director of Operations and other employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program or which could impair their ability to make impartial investment decisions. The Director of Operations and other employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business within their jurisdiction, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment portfolio and shall refrain from personal investment transactions with the same individual or firm with whom business is conducted on behalf of the City.

The Director of Operations and other employees involved in the investment process are required to file annual disclosure statements as required by the Fair Political Practices Commission. During the course of the year, if there is an event subject to disclosure that could impair the ability of the Director of Operations or investment employees to make impartial decisions, the City Council will be notified in writing within ten (10) days of the event.

SECTION 7. Authorized Financial Dealers and Institutions

7.1 The City shall transact business only with issuers, banks, savings and loans, and registered securities dealers. The City Treasurer shall maintain a listing of financial institutions authorized to provide investment services to the City.

7.2 Selection of financial institutions and broker/dealers authorized to engage in transactions with the City shall be at the sole discretion of the City.

7.3 The Treasurer and the Investment Oversight Committee shall obtain information from qualified financial institutions to determine if the institution makes markets in securities appropriate for the City's needs, can assign qualified sales representatives, and can provide written agreements to abide by the conditions set forth in the City of Palmdale Investment Policy. Investment accounts with all financial institutions shall be standard non-discretionary accounts and may not be margin accounts.

7.4 All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply to the Treasurer the following: audited financial statements, proof of National Association of Security Dealers certification, proof of state registration, SEC registration verification, broker/dealer questionnaire, and certification of having read the California Government Code Section 53600 *et seq.* and the City's Investment policy and that all securities offered to the City shall comply fully and in every instance with all provisions of the California Government Code.

7.5 The signatures of two individuals shall be required for the opening and closing of any bank account and broker account (as defined in the Palmdale Municipal Code Section 3.14.020). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide this list of accounts to the City's independent auditor.

7.6 Public deposits shall be made only in qualified public depositories within the State of California as established by State law. The Federal Deposit Insurance Corporation shall insure deposits, or, to the extent the amount exceeds the insured maximum, shall be collateralized with securities in accordance with State law.

7.7 Whenever possible, investment staff shall obtain a minimum of two quotations, preferably three, prior to entering into an investment transaction. Staff will buy or sell at the price that is most advantageous to the City and meets investment requirements. Treasury bills, treasury notes, and federal agency securities will only require one quotation due to minimal commissions.

SECTION 8. Authorized and Suitable Investments for Surplus Funds

California Government Code Section 53601 defines eligible securities for the investment of surplus funds by local agencies. Surplus funds of the City are invested in compliance with this statute and as further limited in this Investment Policy. In any event, no security may be purchased with a remaining maturity in excess of five years without specific legislative authority.

8.1 Demand deposits of up to \$2,000,000 (and \$2,500,000 in the aggregate).

8.2 Bank of America Cash Management Sweep Agreement.

8.3 U.S. Government: United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. The maturity of

these investments shall not exceed five years without the prior approval of the Investment Oversight Committee.

8.4 U.S. Government: United States Federal Agency Securities are backed by the implied support of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. The maturity of these investments shall not exceed five years without the prior approval of the Investment Oversight Committee.

8.5 Municipal Obligations: Bonds, notes, warrants, or other evidence of indebtedness of the State of California or of any local agency within the State of California. A maximum of 10 percent may be invested in municipal obligations. The maturity on these investments shall not exceed State investment guidelines of five years without the prior approval of the Investment Oversight Committee. In addition, the issuer itself must meet the minimum State investment guidelines of having a minimum credit rating of "A" or equivalent by two of the three major rating agencies (Moody's, Standard & Poor's, and Fitch).

8.6 Corporate Notes: Medium Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated A or better by Moody's or Standard & Poor's rating services. A maximum of 15 percent of the portfolio may be invested in medium-term corporate notes, with a maximum of 5 percent per issuer.

8.7 Bankers Acceptances: Bills of exchange or time drafts drawn on and accepted by commercial banks, which are eligible for purchase by the Federal Reserve System, are known as banker's acceptances. Purchases of these instruments may not exceed 180 bankers days maturity. A maximum of 2 percent of the total invested portfolio may be invested in the bankers acceptances of any one commercial bank.

8.8 Certificates of Deposit (CDs): Certificates of deposit or "time deposits" of up to \$250,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. The statute does not limit CDs; however, this Investment Policy shall limit such investments to a maximum of 25 percent of the portfolio and to a maximum of 15 percent deposited in any one institution. In addition, time deposits shall be placed in institutions meeting all capital requirements and rated "AA" or higher by two of the three major rating agencies (Moody's, Standard & Poor's, and Fitch) for any deposits over \$250,000.

If a local bank does not have two ratings from two of the three rating agencies that are double AA or higher (Moody's, Standard & Poor's, and Fitch), then the City Treasurer will use alternative methods to determine the financial strength of the local bank when depositing over \$250,000. The alternative methods will include a review of the latest three-year earnings trend and a review of the ratios showing bank capital as a percentage of weighted assets and average assets. These ratios are shown in the audited annual

report for each bank and will be reviewed annually. The Federal Deposit Insurance Corporation (FDIC) issues standards for the determination of well-capitalized.

Investments in local banks will be limited to banks that are well capitalized as exhibited in the audited annual report. Initial investments with local banks will be no more than \$250,000. Additional amounts may be invested with local banks subject to the approval of the City Council. The maximum allowable investment in any local bank will be \$1,000,000. The maximum allowable investment for local banks will be reviewed annually and may be adjusted up or down subject to City Council approval.

Investments in the CDARS program are permitted. CDARS, the Certificate of Deposit Account Registry Service, is an investment vehicle established to allow investing participants to have full federal insurance on deposits up to \$50 million and to earn one interest rate per deposit. A deposit is placed with a network member institution that uses CDARS to place the deposit into several certificates of deposits issued by network banks. The maximum placed into each certificate of deposit by the network member institution is \$250,000 to ensure full federal insurance by the FDIC.

8.9 Mutual Funds: Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, et. seq., and complying with Section 53630, are permitted investments. Section 53601(k) further defines requirements. A maximum of 15 percent of the portfolio may be so invested in funds that have the highest rating (e.g., AAA) provided by two of the three major rating agencies (Moody's, Standard & Poor's, and Fitch).

8.10 Local Agency Investment Fund (LAIF): The Local Agency Investment Fund has been established by the State Treasurer for the benefit of local agencies. The City may invest up to the maximum permitted by the LAIF.

8.11 Capital Asset Management Program (CAMP): Pooled money market investment program has been established by California public agents (board of trustees) for the benefit of local agencies. The Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). The City may invest up to the maximum permitted by the CAMP.

8.12 Ineligible Investments: Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. Additionally, the Treasurer shall not invest in reverse floaters, range notes, or interest only strips that are derived from a pool of mortgages, nor may the Treasurer invest in any security that could result in zero interest accrued if held to maturity.

8.13 Permitted Investments Summary:

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
Demand Deposits with Bank of America or Wells Fargo Bank	N/A	\$2 million each or \$2.5 million in aggregate	N/A
Overnight banks investment pools that invest solely in Investments allowable under this policy	N/A	None	None
U.S. Treasury bonds/notes/bills	5 years	None	None
U.S. Government Agency obligations	5 years	None	None
Municipal Obligations	5 years	10%	"A" rating
Bankers' acceptances	180 days	40%	Federal Reserve eligible
Certificates of deposit	5 years	25%	"AA" rating above \$250,000 deposit
Medium-Term Corporate Notes	5 years	15%	"A" rating
Mutual Funds	N/A	15%	"AAA" rating
Local Agency Investment Fund (LAIF) (not to exceed the maximum amount permitted by LAIF, per account)	N/A	None	None
California Asset Management Program (CAMP) (must not exceed 10% of the total CAMP pool)	N/A	None	None

SECTION 9. Authorized and Suitable Investments for Bond or COP Proceeds

California Government Code Section 5922 authorizes “Investment Securities,” “Permitted Investments,” or “Qualified Investments” defined in the Bond or COP documentation for each issuance. This Code Section was enacted in recognition of the unique needs inherent in the investment of these proceeds. In addition to the investments authorized for the City’s surplus funds in Section 8 above, the bond indenture can expand the investments in accordance with the documents to include such investment instruments such as Investment Agreements as defined in the documentation as per California Government Codes 53601(l) and 5922(d).

SECTION 10. Collateral

California Government Code Sections 53652, et seq. requires depositories to post certain types of collateral for public funds above the FDIC insurance amounts. The collateral requirements apply to bank deposits, both active (checking and savings accounts) and inactive (non-negotiable certificates of deposit).

Collateral will always be held by an independent third party with whom the entity has a custodial arrangement. If requested, the City must be supplied with clearly marked evidence of ownership (safekeeping receipt) and retained. The right of collateral substitution is granted.

SECTION 11. Safekeeping and Custody

In accordance with California Government Code Section 53601, all securities owned by the City shall be held in safekeeping by the City’s custodial bank or a third-party bank trust department, acting as an agent for the City under the terms of the custody agreement. Third-party custodial agreements will be reviewed by the City Attorney.

All securities will be received and delivered using a delivery vs. payment (DVP) basis, which ensures that securities are deposited with the third-party custodian prior to the release of funds. Securities held by the third-party custodian will be evidenced by safekeeping receipts and/or bank statements. Investments in the State Local Agency Investment Fund (LAIF) or money market mutual funds are undeliverable and are not subject to delivery or third-party safekeeping.

Investment trades shall be verified against bank transactions and broker confirmation tickets. The custodial asset statement shall be reconciled with the month-end portfolio holdings monthly.

SECTION 12. Diversification

The City will diversify its investments by security type, institution, and maturity date. Concentration limits are set by the State of California Government Code, Title 5, Division 2, Sections 53600, 53601, 53631.5 and 53635, and Section 8 (Authorized and Suitable Investments) of this policy.

SECTION 13. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities with a final stated maturity date of more than five (5) years from the date of purchase settlement. Any investment of more than five years requires the advance approval of the City Council, in accordance with State law.

In order to minimize the impact of market risk, most investments will be purchased with the intent to hold to maturity. Investments may be sold prior to maturity for cash flow needs, portfolio rebalancing and/or appreciation purposes, or in order to mitigate portfolio risk by limiting potential losses. However, no investment shall be made based solely on earnings anticipated from capital gains. Due to the uncertain nature of cash flow requirements, a portion of the portfolio should be continually invested in readily available funds.

SECTION 14. Internal Control

The City Treasurer shall provide for a quarterly internal review and an annual review by an external independent auditor. This review will provide internal control by assuring compliance with the City's investment policies and procedures.

SECTION 15. Investment Oversight Committee

An Investment Oversight Committee shall be established consisting of the City Manager, City Treasurer, City Attorney, the Mayor, and one annually rotating Council member. Members of the Committee shall serve without additional compensation and shall meet at least quarterly to determine general strategies and to monitor results. The quarterly meetings may be held concurrently with a meeting of the City Council or may be held as a separate meeting. The information provided to the City Council shall be consistent with the information provided to the Investment Oversight Committee. The Committee shall be deemed to have deliberated on and approved the investment strategies, management, and results by participation in the presentation(s) to the City Council. Further, the minutes of the City Council shall serve as the Committee minutes, except pursuant to separate direction of the Committee.

SECTION 16. Performance Standards

The City's investment portfolio shall be maintained to obtain a market average rate of return during various economic cycles. The rate of return will consider the City's constraints on investment risk and the City's cash flow needs.

The City's investment strategy is passive. Given this strategy, the basis used by the City Treasurer to determine whether appropriate and suitable market yields are being achieved shall be to identify a comparable benchmark to the portfolio's investment duration, e.g. the Constant Maturing Two Year Treasury bill index. Benchmarks may change over time depending on the portfolio's duration.

SECTION 17. Reporting

Monthly reports will be made by the City Treasurer, or designee, to the City Council and the City Manager describing the present status of City investments and monies held by the City, as well as summarizing all investment transactions for the month. Schedules in the monthly report should include the following:

- A complete list of investments including the type of investment, name of the issuer, maturity date, par value, book value, and market value.
- The source of market value data.
- The weighted average maturity and yield to maturity of the portfolio.
- Coupon, discount, or earnings rate for each security.
- Percentage of portfolio represented by each investment category.
- A certification of compliance with the Investment Policy.
- A statement denoting the City's ability to meet its anticipated expenditures requirements for the next six months.
- Benchmark comparison

Records of all investment transactions will be kept and filed in the Finance Department in accordance with legal guidelines and records retention policies.

SECTION 18. Investment Policy Adoption

The City Council shall review and adopt the City's investment policy annually. The Investment Committee will review the policy periodically to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return and its conformance with current law, financial and economic trends, and the City's cash flow needs.

SECTION 19. Repeal

Resolution No. CC 2025-004, adopted on January 22, 2025, is hereby repealed in its entirety.

SECTION 20. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 13th day of January 2026.

Approved as to form:

Eric Ohlsen, Mayor

ATTEST:

Alexandra Severino,
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 13th day of January, 2026 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

GLOSSARY

AGENCIES: Federal agency securities.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report for the City of Palmdale. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: A basis point equals one one-hundredth of 1% (.01%).

BID: The price offered for securities:

BOOK ENTRY SECURITIES: All U.S. Treasury and Federal Agencies are maintained on computerized records at the Federal Reserve now known as "wireable" securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

CALIFORNIA ASSET MANAGEMENT PROGRAM: Pooled money from various California public agencies that invest in obligations of the United States Government and its agencies, high-quality, short-term debt obligations of U.S. companies and financial institutions. The Pool is a permitted investment for all local agencies under California Government Code Section 53601(p).

CDARS: The Certificate of Deposit Account Registry Service is an investment vehicle established to allow investing participants to have full federal insurance on deposits up to \$50 million and to earn one interest rate per deposit. A deposit is placed with a network member institution that uses CDARS to deposit it into several certificates of deposits issued by network banks. The maximum placed into each certificate of deposit by the network member institution is \$250,000 to ensure full federal insurance by the FDIC.

COLLATERAL: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

COMMERCIAL PAPER (CP): An unsecured promissory note with a fixed maturity no longer than 270 days. Public offerings are exempt from SEC registration. The largest issuers include General Motors Acceptance Corporation (GMAC), General Electric Capital Corporation (GECC) and other major corporations.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivering securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment involves exchanging money for the securities, while delivery versus receipt involves exchanging a signed receipt for the securities.

DEBENTURE: A bond secured only by the general credit of the issuer.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below the original offering price shortly after the sale is also considered to be at a discount.

DISCOUNT SECURITIES: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL AGENCY SECURITIES: Debt instruments issued by federal credit agencies; fully backed by the U.S. government guarantee but not by its full faith and credit.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS: Non-interest-bearing deposits held by member banks at the Federal Reserve. Also used to denote "immediately available" funds in the clearing sense. "Fed Funds" is also used to refer to these funds.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. The Federal Reserve, through open-market operations, currently pegs this rate.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC): A U.S. Corporation and instrumentality of the U.S. government. Through its purchases of conventional mortgages, it provides liquidity to the mortgage markets, much like FNMA. FHLMC's securities are highly liquid and widely accepted. FHLMC assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States was created by Congress and consists of a seven-member Board of Governors in Washington, D.C., 12 Regional Banks, and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loans associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term pass-throughs is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and a reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM CORPORATE NOTE: A corporate debt instrument that is continuously offered to investors over a period of time by an agent of the issuer. Investors can select from maturity bands of: 9 months to 1 year, more than 1 year to 18 months, more than 18 months to 2 years, etc., up to 30 years.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the FOMC, in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate the growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIME RATE: The rate at which banks lend to their best or "prime" customers. Also known as the "reference rate."

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state (the so-called legal list). In other states, the trustee may invest in a security if it is one that would be brought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which was segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Federal Reserve Bank is said to be doing RP, it is lending money that is increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the banks' vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SEC RULE 15C3-1: See uniform net capital rule.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SETTLEMENT DATE: The date on which a trade is cleared by delivery of securities against funds. This date may be the same as the trade date or later.

TRADE DATE: The date on which a transaction is initiated or entered into by the buyer and seller.

TREASURY BILL: A non-interest-bearing (discount) security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate-term coupon-bearing U.S. Treasury securities having initial maturities of from one to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. This is one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

WHEN-ISSUED TRADES: Typically, there is a delay between the time a new bond is announced and sold, and the time when it is actually issued. During this interval, the security trades "wi", "when, as, and if issued."

YIELD: The rate of annual income returns on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

YIELD TO MATURITY: The rate of return yielded by debt security held to maturity when both interest payments and the investor's capital gain or loss on the security are taken into account.

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2026-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
RESTATING THE INVESTMENT POLICY FOR CITY CONTRIBUTIONS
TO THE RETIREE HEALTH REIMBURSEMENT ARRANGEMENT (HRA)
PLAN AND THE RETIREE HEALTH PREMIUM SUPPLEMENT (HPS)
PLAN AND REPEALING RESOLUTION NO. CC 2025-005.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. Purpose

This Resolution states the City's investment policy for contributions and earnings accumulated under the Retiree HRA Plan and the Retiree HPS Plan Trusts, which have been adopted by the City Council of the City of Palmdale to assist in meeting applicable funding requirements for the future payment of other post-employment benefit obligations (generally referred to as "**OPEB Liability**"). The Investment Policy Statement is intended to provide guidelines to the City Treasurer and the authorized Investment Advisor for the prudent investment of the City's Retiree HRA and HPS Plan contributions and earnings.

This Investment Policy Statement shall be consistent with the governing law, including the Internal Revenue Code of 1986 as amended from time to time (the "Code"), applicable provisions of Governmental Accounting Standards Board Statement Nos. 43 and 45, California laws, including applicable provisions of the California Government Code and City ordinances. A Glossary of investment terms is provided at the end of the resolution for reference.

SECTION 2. Scope

This investment policy applies to the investment of all cash and various funds of the City as identified in the adopted budget document for the purpose of funding the City OPEB Liability.

- 2.1 Funding sources for this purpose will include the General Fund, Successor Agency to the Community Redevelopment Agency of the City of Palmdale Funds, and Special Revenue Funds through which participants are financed.
- 2.2 Participant GROUPS 1, 2, and 3 are defined in the Retiree HRS and Retiree HPS Plan documents.
- 2.3 Investment strategies for this purpose are as follows:
 - a) Participant-directed investment portfolio choices (age-based custom portfolio or self-directed alternative) – This investment strategy for

contributions and earnings applies to the Retiree HRA Plan Trust and encompasses Group 2 Employees that elect the defined contribution option and Group 3 Employees. Employees in these Groups must have met the age and years of service requirements for vesting purposes.

- b) Plan Sponsor directed portfolio using a 5-year Treasury benchmark – This investment strategy for contributions and earnings applies to the Retiree HRA Plan Trust and encompasses Group 2 Employees that elect the defined contribution option and Group 3 Employees. Employees in these Groups subject to this investment strategy have not yet met the age and years of service requirements for vesting purposes.
- c) Plan Sponsor directed long-term diversified portfolio – This investment strategy for contributions and earnings applies to the Retiree HPS Plan Trust and encompasses eligible Group 1 Retirees and eligible Group 2 Employees that elected the defined benefit option.

SECTION 3. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

3.1 Governing bodies of local agencies, or persons authorized to make investment decisions on behalf of the agency, are trustees and, therefore, fiduciaries subject to the prudent investor standard. The trustee is required to consider the general economic conditions and the anticipated needs of the agency when investing, reinvesting, purchasing, acquiring, exchanging, and selling or managing public funds.

3.2 The standard of prudence to be used by investment officials shall be the prudent person standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

SECTION 4. Objectives

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City Treasurer and authorized Investment Advisor maintain a diversified portfolio to accomplish the primary objectives of safety, liquidity, and yield (in that order of priority).

4.1 Safety: The safety/risk associated with an investment refers to the potential loss of principal, accrued interest, or a combination of these. The City seeks to mitigate credit risk by continual monitoring of financial institutions with which it will do business and by careful scrutiny of the creditworthiness of the investment instruments as well as

the institutions. Such resources as Moody's Investor, Standard & Poor's, and Fitch rating services are utilized for this review. The City seeks to mitigate rate risk through diversification of instruments as well as maturities.

4.2 Liquidity: The portfolio will be structured with sufficient liquidity to allow the City/Agency to meet all anticipated cash requirements. This will be accomplished through matching maturities to expected cash needs, and AAA/Aaa-rated money market funds with immediate withdrawal provision.

4.3 Yield: A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

SECTION 5. Delegation of Authority

Notwithstanding Section 53601 or 53635, the governing body of a local agency may invest funds designated for the payment of retiree health benefits in any form or type of investment deemed prudent by the governing body pursuant to Section 53622.

5.1 City Council: By adoption of this policy, the City Council has authorized the City Treasurer and the authorized Investment Advisor to invest Retiree HRA and HPS Plan contributions and earnings in accordance with California Government Code Section 53622.

5.2 City Treasurer: The execution of investment transactions on a daily basis will be conducted by the authorized Investment Advisor under the direction of the City Treasurer. The City Treasurer has established a system of controls and a segregation of responsibilities of investment functions to ensure the maintenance of internal control over the investment function.

5.2 The City Council retains the authority to approve any amendments to the Investment Policy. The City Treasurer is authorized to update internal guidelines and procedures at any time in order to carry out the duties as Chief Investment Officer for the City.

SECTION 6. Ethics and Conflicts of Interest

The Director of Operations and other employees and authorized persons involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program or which could impair their ability to make impartial investment decisions. The Director of Operations and other employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business within their jurisdiction, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment portfolio and shall refrain from personal investment transactions with the same individual or firm with whom business is conducted on behalf of the City.

The Director of Operations and other employees involved in the investment process are required to file annual disclosure statements as required by the Fair Political Practices Commission. During the course of the year, if there is an event subject to disclosure that could impair the ability of the Director of Operations or investment employees to make impartial decisions, the City Council will be notified in writing within ten (10) days of the event.

SECTION 7. Authorized Financial Dealers and Institutions

7.1 The City shall transact business only with nationally or state-chartered banks and licensed investment securities dealers. The City Treasurer shall maintain a listing of financial institutions authorized to provide investment services to the City.

7.2 Selection of financial institutions and broker/dealers authorized to engage in transactions with the City shall be at the sole discretion of the City.

7.3 The City Treasurer, the authorized Investment Advisor, and the Investment Oversight Committee shall obtain information from qualified financial institutions to determine if the institution makes markets in securities appropriate for the City's needs, can assign qualified sales representatives, and can provide written agreements to abide by the conditions set forth in the City of Palmdale Investment Policy. Investment accounts with all financial institutions shall be standard non-discretionary accounts and may not be margin accounts.

7.4 The signatures of two individuals shall be required for the opening and closing of any bank account and broker account (as defined in the Palmdale Municipal Code Section 3.14.020). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide this list of accounts to the City independent auditor.

SECTION 8. Authorized and Suitable Investments for Retiree HRA and HPS Plan Contributions and Earnings

California Government Code Section 53622 defines eligible securities for the investment of retiree health benefits. Retiree HRA and HPS Plan contributions and earnings of the Trusts will be invested in compliance with this statute and as further limited by this Investment Policy.

8.1 U.S. Government: United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. The maturity on these investments shall not exceed five years without the prior approval of the Investment Oversight Committee.

8.2 U.S. Government: United States Federal Agency Securities are backed by the implied support of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. The maturity on these

investments shall not exceed five years without the prior approval of the Investment Oversight Committee.

8.3 Bankers Acceptances: Bills of exchange or time drafts drawn on and accepted by commercial banks, which are eligible for purchase by the Federal Reserve System, are known as banker's acceptances. Purchases of these instruments may not exceed 180 bankers days maturity. A maximum of 2 percent may be invested in the banker's acceptance of any one commercial bank.

8.4 Certificates of Deposit (CDs): Certificates of deposit or "time deposits" of up to \$250,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. Statute does not limit CDs, however, this Investment Policy shall limit such investments to a maximum of 30 percent of the portfolio and to a maximum of 15 percent deposited in any one institution. In addition, time deposits shall be placed in institutions meeting all capital requirements and rated "AA" or higher by two of the three major rating agencies (Moody's, Standard & Poor's, and Fitch) for any deposits over \$250,000.

8.5 Mutual Funds: Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53622. A maximum of 20 percent of the portfolio may be invested in any individual fund.

8.6 Ineligible Investments: Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund. Additionally, the City Treasurer shall not invest in reverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, nor may the City Treasurer invest in any security that could result in zero interest accrued if held to maturity.

SECTION 9. Diversification

In an effort to reduce portfolio risk while attaining market average rates, type and institution will suitably diversify the Trust portfolio.

9.1 Security Type and Institution: With the exception of U.S. Treasury securities and U.S. Federal Agency Securities, no more than 50 percent of the total portfolio will be invested in a single security type and no more than 15 percent with a single financial institution. Investments are further limited by specific language relating to each investment type as stated in Section 8 of this Policy.

9.2 Maximum Maturities: To the extent possible, the City Treasurer and the authorized Investment Advisor will attempt to match investments with anticipated cash flow requirements. The Trusts' portfolio will not be directly invested in securities that mature more than five years from the date of purchase.

9.3 Diversification Parameters:

Investment Strategy	Cash	Fixed income*	Domestic Equities	Foreign Equities
Participant Directed – Self Directed	Participant Driven Allocation			
Participant Directed – Age Based	Allocation determined via actuarial age-based algorithm			
Plan Sponsor Directed – 5 Yr Treasury	0%-100%	0%-100%	0%-20%	0%-10%
Plan Sponsor Directed – LT Portfolio	0%-50%	40%-60%	40%-60%	5%-20%

*See Section 8 for specific fixed income category parameters

Domestic Equity Asset Class Parameters	Allocation
Large Cap	20%-40%
Mid Cap	10%-30%
Small Cap	5%-20%

SECTION 10. Internal Control

The City Treasurer shall provide for a quarterly internal review and an annual review by an external independent auditor. This review will provide internal control by assuring compliance with the City's investment policies and procedures.

SECTION 11. Investment Oversight Committee

An Investment Oversight Committee shall be established consisting of the City Manager, City Treasurer, City Attorney, the Mayor, and one annually rotating Council member. Members of the Committee shall serve without additional compensation and shall meet at least quarterly to determine general strategies and to monitor results. The quarterly meetings may be held concurrently with a meeting of the City Council or may be held as a separate meeting. The information provided to the City Council shall be consistent with the information provided to the Investment Oversight Committee. The Committee shall be deemed to have deliberated on and approved the investment strategies, management, and results by participation in the presentation(s) to the City Council. Further, the minutes of the City Council shall serve as the Committee minutes, except pursuant to separate direction of the Committee.

SECTION 12. Performance Standards

12.1 Mutual Funds & Separate Accounts: In populating its recommended Managed Portfolio(s), the Investment Consultant can make recommendations from publicly traded mutual funds, separate accounts, and bank collective trust funds subject to the following limitations:

- d) Active and Passive (Index) Investment Management will be used together.
- e) Minimum Investment Option Age will be 3 Years and Minimum Management Tenure (Asset Class Experience) will be 3 Years.
- f) Minimum assets under management must be equal to or greater than \$100 Million.
- g) Published Expense Ratios must be equal to or less than 125% of peer group.

12.2 Managed Portfolio Performance Metrics: The Managed Portfolio(s) point-specific return benchmark will be the S&P 500 Index and the Barclays Aggregate U.S. Bond Index combined to create a portfolio of equivalent allocation to the Managed Portfolio being measured.

12.3 Fixed Income & Structured Product Performance Metrics: To the extent that they are used in this plan's portfolio, individual fixed-income securities and/or structured products shall be monitored against mutual fund data related to intermediate bond peer group performance.

12.4 Mutual Fund & Separate Account Performance Metrics:

- a) Investment outperformance, over rolling periods of time, compared to peer group: One Year, Three Years, and Five Years – 50% of the time.
- b) Point-specific investment performance relative to peer group: Percentile Rank for One Year, Three Years, and Five Years – 50% or greater.
- c) Point-specific investment performance relative to specific asset class index over a five-year period.
- d) Style Consistency will be reported as "Pass" or "Fail." The allowable period of deviation will be two quarters.
- e) Sharpe Ratio and Alpha will be equal to or greater than that of a peer group. Standard Deviation will not be applicable.

SECTION 13. Watchlist Review

13.1 While all of the Performance Metrics For Quarterly Investment Review are relevant to the subject of a Watchlist, none of them alone or in combination with others absolutely requires putting an Investment Option on Watchlist. With that caveat, the general chronology of this Investment Policy Statement's Watchlist shall be:

	Quarter	Quarter Following		
Formally putting an Investment Option on Watchlist	☒ 1 st			
Review Watchlist Status		☒ 2 nd	☐ 3 rd	☐ 4 th
Review Investment Option Alternatives		☐ 2 nd	☒ 3 rd	☐ 4 th
Select Investment Option Replacement		☐ 2 nd	☒ 3 rd	☐ 4 th

13.2 An Investment Option can be removed from Watchlist status for one of three reasons:

- a) The Performance Metrics for Quarterly Investment Review of an Investment Option change so that it meets the Performance Metrics;
- b) The Investment Committee understands why the Investment Option is not meeting a stated Performance Metric and is comfortable that the Investment Option is still meeting the objectives for which it was chosen; or
- c) The Investment Committee replaces the Investment Option.

SECTION 14. Reporting

The authorized Investment Advisor shall prepare quarterly reports that highlight the current portfolio allocation, time-weighted performance, and any transactions that occurred during the quarter. The advisor will also prepare a quarterly fiduciary review packet that analyzes the plan's current investments against its investment policy statement. The plan's trust provider will also provide monthly trust reports that outline the plan's asset allocation and any transactions that occurred during the month.

SECTION 15. Investment Policy Adoption

The City Council shall review and adopt the City's investment policy annually. The Investment Committee will review the policy periodically to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return and its conformance with current law, financial and economic trends, and the City's cash flow needs.

SECTION 16. Repeal

Resolution No. CC 2025-005, adopted on January 22, 2025, is hereby repealed in its entirety.

SECTION 17. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 13th day of January 2026.

Approved as to form:

Eric Ohlsen, Mayor

ATTEST:

Alexandra Severino,
City Attorney

Rochelle Scott, City Clerk

I, Rochelle Scott, City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 13th day of January 2026 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, City Clerk

GLOSSARY

AGENCIES: Federal agency securities.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR): The official annual report for the City of Palmdale. It includes combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: A basis point equals one one-hundredth of 1% (.01%).

BID: The price offered for securities:

BOOK ENTRY SECURITIES: All U.S. Treasury and Federal Agencies are maintained on computerized records at the Federal Reserve now known as "wireable" securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

COLLATERAL: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COMMERCIAL PAPER (CP): An unsecured promissory note with a fixed maturity no longer than 270 days. Public offerings are exempt from SEC registration. The largest issuers include General Motors Acceptance Corporation (GMAC), General Electric Capital Corporation (GECC) and other major corporations.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DEBENTURE: A bond secured only by the general credit of the issuer.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below the original offering price shortly after the sale is also considered to be at a discount.

DISCOUNT SECURITIES: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS: Non-interest-bearing deposits held by member banks at the Federal Reserve. Also used to denote "immediately available" funds in the clearing sense. "Fed Funds" is also used to refer to these funds.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. The Federal Reserve, through open-market operations, currently pegs this rate.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC): A U.S. Corporation and instrumentality of the U.S. government. Through its purchases of conventional mortgages, it provides liquidity to the mortgage markets, much like FNMA. FHLMC's securities are highly liquid and widely accepted. FHLMC assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned

corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States was created by Congress and consists of a seven-member Board of Governors in Washington, D.C., 12 Regional Banks, and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loans associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. GNMA securities are backed by FHA, VA or FMHM mortgages. The term pass-throughs is often used to describe Ginnie Mae's.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and a reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase--reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank, as directed by the

FOMC, in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate the growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIME RATE: The rate at which banks lend to their best or "prime" customers. Also known as the "reference rate."

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state (the so-called legal list). In other states, the trustee may invest in a security if it is one that would be brought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which was segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Federal Reserve Bank is said to be doing RP, it is lending money that is increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the banks' vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SEC RULE 15C3-1: See uniform net capital rule.

SECURITIES & EXCHANGE COMMISSION: Congress created this agency to protect investors in securities transactions by administering securities legislation.

SETTLEMENT DATE: The date on which a trade is cleared by delivery of securities against funds. This date may be the same as the trade date or later.

TRADE DATE: The date on which a transaction is initiated or entered into by the buyer and seller.

TREASURY BILL: A non-interest-bearing (discount) security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate-term coupon-bearing U.S. Treasury securities having initial maturities of from one to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms, as well as nonmember broker-dealers in securities, maintain a maximum ratio of indebtedness to liquid capital of 15 to 1, also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. This is one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

WHEN-ISSUED TRADES: Typically, there is a delay between the time a new bond is announced and sold, and the time when it is actually issued. During this interval, the security trades "wi", "when, as, and if issued."

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

YIELD TO MATURITY: The rate of return yielded by debt security held to maturity when both interest payments and the investor's capital gain or loss on the security are taken into account.



City Council Staff Report

DATE: JANUARY 13, 2026

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
ECONOMIC AND COMMUNITY DEVELOPMENT

DISTRICT: ALL

SUBJECT: REVIEW AND APPROVE THE AMENDED PALMDALE AEROSPACE INCENTIVE PROGRAM GUIDELINES AND APPLICATION IN ACCORDANCE WITH DEVELOPMENT MILESTONES FOR NEW CONSTRUCTION PROJECTS

RECOMMENDATION

Staff recommend that the City Council:

1. Review and approve the amended Palmdale Aerospace Incentive Program Guidelines and Application in accordance with development milestones for new construction projects; and,
2. Authorize the Interim City Manager or his designee to oversee and implement the program, including minimal and/or non-substantial changes.

BACKGROUND

On November 15, 2023, the City Council adopted Resolution No. CC 2023-067, approving the Palmdale Aerospace Incentive Program (PAIP). The program awards qualifying small to mid-sized aerospace and defense businesses up to \$250,000 to relocate or expand operations to Palmdale based on the total number of jobs created and the size of the development. The approval of the PAIP served as a catalyst to accelerate the attraction of new businesses and foster the growth of the local aerospace ecosystem.

The proposed amendment to the program is geared to support development as it occurs and helps to offset the increasing construction costs associated with the relocation or expansion of awarded businesses.

DISCUSSION

Due to the substantial and continually increasing costs associated with development, a series of phased milestones is recommended for approval as follows:

Phase 1 New Construction

- \$62,500 for the approval of site plans
- \$62,500 for the approval of building plans
- \$125,000 for the commencement of construction

Phase 2 New Construction

- \$62,500 proof of effort through a bidding process to keep costs local
- \$125,000 upon issuance of the Certificate of Occupancy
- \$62,500 upon proof of job creation indicated on the approved application at a rate of \$450 per job within one year of being issued the Certificate of Occupancy

Each phase is valued at a not-to-exceed amount of \$250,000. To be eligible for subsequent milestone funding, the awarded business must first complete all previous milestones within a satisfactory timeframe. Once each phase has been concluded, a new application must be submitted to be eligible for Phase 2, which will be evaluated for approval quarterly alongside all other applicants, subject to funding availability.

In addition to the construction development incentive option, this amendment also incorporates a one-time incentive of \$125,000 for companies interested in relocating and expanding through the lease of a currently vacant industrial site. The milestones are as follows:

Phase 1 Lease

- Proof of an executed lease agreement for a minimum of five years
- Proof of total job creation, minimum 50, within one year of the effective date of the lease agreement

The maximum New Construction incentive is capped at \$250,000 per project, per awarded phase, or until budgeted funds are exhausted. New Construction projects can be awarded up to two times in accordance with the development milestones set forth above, not to exceed \$500,000. And Leasing incentive projects can be awarded one time in accordance with the guidelines above and are capped at \$125,000.

The approval of this program amendment will enable a more sustainable, competitive, and beneficial approach to support efforts to bolster the aerospace and manufacturing businesses in the City.

FISCAL IMPACT

\$0; There is no fiscal impact associated with the approval of the program guidelines and application. The award of PAIP funds is subject to council approval and the availability of funds. \$500,000 is budgeted and available in the Economic and Community Development Department for FY 2025-26. In addition, the City will benefit from increased property and sales tax revenue as new businesses are incentivized to relocate or expand.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work, and play.

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Megan Taggart, Director of Economic and Community Development
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Amended Palmdale Aerospace Incentive Program Guidelines and Application



**Amended Palmdale Aerospace Incentive Program
Guidelines and Application**

Palmdale Aerospace Incentive Program

Introduction and Program Guidelines

The City of Palmdale Aerospace Incentive Program (PAIP) is a structured initiative aimed at attracting aerospace and defense-related businesses to the area. The goals of the PAIP are to:

- Attract aerospace and defense supportive businesses that provide products and services to support the operations and manufacturing processes of aerospace and defense companies.
- Incentivize job creation and capital investment in the city.
- Provide larger incentives for projects with more jobs and capital investment in Palmdale.

Eligibility Requirement:

- A minimum of 50 new primary jobs must be created.
- A minimum of 70,000 square feet of new construction or new lease space will be utilized.
- End users of the company's product must be in the aerospace or defense industry or play a crucial role in the supply chain of the aerospace and defense sectors, helping them produce advanced technologies and systems for military and civilian purposes. They must provide products or services to support the operations and manufacturing process of aerospace and defense companies as outlined in the qualifying companies' section of this program.
- Businesses annual revenue must be \$47 million or less as designated by the North American Industry Classification System (NAICS) utilized by the US Small Business Administration to qualify as a small business for businesses involved in the manufacturing of military and aerospace equipment or military weapons.
- A minimum of three consecutive years of first-class business operation in a field of business as set forth in the qualifying companies section outlined in this program is required.
- If the building to be occupied by the qualifying company is owned by another party, a lease agreement with a minimum 5-year commitment is necessary.

Incentive Structure

Phase 1

Leasing:

- Proof of an executed lease agreement with the property owner for a minimum of five (5) years; and
- Proof of total job creation, minimum 50, must be provided to the City within one (1) year after the effective date of the lease agreement in order to receive Leasing Structure Phase 1 funding. Failure to provide proof of job creation will result in the forfeiture of the incentive award; and
- Acceptable documents shall include: SEC Filings (10-K Report), Payroll or HR Records, IRS Form W-3, or a Proof of Employment (PoE) Letter on company letterhead and signed by an authorized representative as deemed acceptable by the City; and
- Upon receipt of the documents listed above, the awarded applicant will receive a one-time incentive of \$125,000.

OR

New Construction:

- Site Plans - Reimbursement of Architect, Engineering, or Design costs incurred as part of the Site Plan approval process. Up to 50% of the total cost may be eligible for reimbursement, not to exceed 25% (\$62,500) of the Phase 1 award amount. Reimbursement may be disbursed after the City approves the Site

Palmdale Aerospace Incentive Program

Plan. Proof of payment(s) for work performed must be provided to the City in order to process reimbursement payment; and

- Building Plans – Reimbursement of Architect, Engineering, or Design costs incurred as part of the Building Plan approval process. Up to 50% of the total cost may be eligible for reimbursement, not to exceed 25% (\$62,500) of the Phase 1 award amount. Reimbursement may be disbursed after the City approves the Building Plans. Proof of payment(s) for work performed must be provided to the City in order to process reimbursement payment; and
- Commencement of Construction — The remaining 50% of the total Phase 1 award, not to exceed \$125,000, will be paid upon the commencement of construction of the facility for the approved Site Plans and Building Plans.

Phase 2

New Construction Only

- Applicants awarded Phase 2 funding shall provide proof of their due diligence and effort, satisfactory to the City of Palmdale, to keep construction costs and labor local throughout the course of their development. Upon acceptance and understanding from the City of the procured services for the approved project, the awarded applicant will receive a disbursement of 25% of the Phase 2 award, not to exceed \$62,500; and
- Upon issuance of the Certificate of Occupancy, the awarded applicant will receive an additional disbursement of 50% of the total Phase 2 award, not to exceed \$125,000; and
- The remaining 25% of the Phase 2 award, not to exceed \$62,500, will be disbursed upon proof of job creation and calculated as follows: (Total Jobs Created x \$450 Incentive Rate per Job); and
- Proof of total job creation must be provided to the City within one (1) year after being issued the Certificate of Occupancy in order to receive the final 25% of Phase 2 funding. Failure to provide proof of job creation will result in the forfeiture of any remaining funding.
- Acceptable documents shall include: SEC Filings (10-K Report), Payroll or HR Records, IRS Form W-3, or a Proof of Employment (PoE) Letter on company letterhead and signed by an authorized representative as deemed acceptable by the City.

Disclaimers

- The maximum New Construction incentive is capped at \$250,000 per project, per awarded phase, or until budgeted funds are exhausted. New Construction projects can be awarded up to two (2) times in accordance with the development milestones set forth above, not to exceed \$500,000. And Leasing Incentive projects can be awarded one (1) time in accordance with the guidelines above and are capped at \$125,000.
- All New Construction Applicants must complete the previous development milestones of the prior phase before being eligible for the next phase of funding. Projects that do not complete the Phase 1 milestones within two (2) years of being awarded will forfeit the current award balance and be ineligible for all subsequent phases of funding.
- This program is in compliance with AB 2231 and shall not exceed an award greater than \$600,000 or 2% of the total project cost.
- ~~Total Incentive = (Total Square Feet x .75 Incentive Rate per SF) + (Total Jobs Created x 1,300 Incentive Rate per Job)~~
- ~~The maximum incentive capped at \$250,000 per project or until funds are exhausted.~~

Palmdale Aerospace Incentive Program

Qualifying companies must be in one of the following categories:

- **Component Manufacturers:** These companies produce specific parts and components used in aircraft, spacecraft, missiles, and defense systems. Examples include engine manufacturers, avionics suppliers, and companies that produce structural components like wings or fuselage sections.
- **Materials Suppliers:** These suppliers provide the materials needed for manufacturing aerospace and defense products. This includes specialized metals, composites, ceramics, and other advanced materials that meet strict aerospace and defense industry standards for strength, durability, and weight.
- **Electronics and Avionics Suppliers:** This category includes companies that supply electronic components, avionics systems, navigation equipment, and communication systems for aircraft, satellites, and defense applications.
- **Software and IT Services Providers:** These suppliers develop and provide software solutions for aircraft and defense systems. This can include flight control software, simulation software, cybersecurity services, and more.
- **Maintenance, Repair, and Overhaul (MRO) Providers:** MRO companies offer services to maintain, repair, and overhaul aerospace and defense equipment. This includes routine maintenance, inspections, and the refurbishment of military vehicles, aircraft, and naval vessels.
- **Logistics and Supply Chain Management:** Suppliers in this category provide logistics and supply chain management services, ensuring that the necessary parts and equipment are delivered on time and efficiently to support aerospace and defense manufacturing and operations.
- **Testing and Certification Services:** These companies offer testing, validation, and certification services to ensure that aerospace and defense products meet safety and quality standards. They conduct various tests, including stress testing, environmental testing, and electromagnetic interference testing.
- **Research and Development (R&D) Firms:** R&D companies work on cutting-edge technologies and innovations in the aerospace and defense sectors. They may collaborate with government agencies and defense contractors to develop new technologies and systems.
- **Consulting and Professional Services:** These suppliers offer consulting, engineering, and other professional services to help aerospace and defense companies with design, development, regulatory compliance, and project management.
- **Raw Material Suppliers:** Companies that provide basic raw materials, such as metals, plastics, and chemicals, which are used in the manufacturing processes of aerospace and defense products.
- **Tool and Equipment Suppliers:** These suppliers provide specialized tools, machinery, and equipment needed for the manufacturing and maintenance of aerospace and defense products.

Palmdale Aerospace Incentive Program

Application/Evaluation Process

A completed application must be submitted. Staff will evaluate and calculate the incentive amount based on the incentive structure. If approved, a signed incentive reimbursement agreement will be required, agreeing to the policies of the program and the City of Palmdale. Approved incentive funds will be distributed by check upon proof that the business has completed the applicable development milestone(s)

The information requested on this application is needed by the City of Palmdale to determine eligibility for the Palmdale Aerospace Incentive Program. If you have any questions concerning the information being requested on this application, please contact Economic Development. Please complete the information requested and submit it to:

Email: Economicdevelopment@cityofpalmdaleca.gov

Mail: City of Palmdale
Economic Development
38250 Sierra Highway
Palmdale, CA 93550
Phone: 661-267-5125

Eligibility Checklist

The checklist below helps businesses determine their eligibility for the PAIP.

Will this business be located within Palmdale City boundary?	Yes ____ No ____
Does this business meet the criteria outlined for qualified businesses?	Yes ____ No ____
Will this business create a minimum of 50 new primary jobs?	Yes ____ No ____
Will this business utilize a minimum of 70,000 square feet in either new construction or new lease space?	Yes ____ No ____
Does this business have a minimum of three years in business providing services as a qualified business?	Yes ____ No ____
Is this business plan to remain in Palmdale for at least 5 years?	Yes ____ No ____

If you answered yes to all questions in the eligibility checklist, you may be eligible for the PAIP. Proceed to complete the application. If you answered no to any question, you may not be eligible for the PAIP. Note: Submitting an application does not ensure the availability of funds, the awarding of funds to you, or the qualification of your project to receive funds.

Palmdale Aerospace Incentive Program

Summary Application

Legal Name of Business:	
DBA (if applicable):	
Business Address:	
Point of Contact:	
Contact Email:	
Contact Phone:	
Date Business Opened:	
Federal EIN:	
Qualifying Business Category:	
Number of Jobs to be Created:	
New construction or Lease:	
If New Construction, Expected Date of Completion:	
If Lease, Provide Lease Term:	
Square Footage of Facility:	
Application Phase (Circle One):	1 2
Estimated Total Project Cost:	

Application Signature Page

(Complete one signature page for each business owner)

The applicant warrants and represents that no City Council Member, City Staff Member, Commission Member, Committee Member, and/or any person who is subject to the provisions of the City's Conflict of Interest Code, has any ownership interest of any kind or amount in the business for which the incentive would be issued, or would otherwise receive a financial benefit from any incentive which may be extended to applicant and/or for the business. By accepting this incentive, I agree to comply with the current and future guidelines and other requirements as set forth by the City of Palmdale.

Name (Print) _____ Date _____

Signature _____

I attest that I have read and understood the application and completed the application in full, including the required attachments listed below. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Required Attachments (all applicants)

1. Comprehensive business proposal detailing the type of business, operational methods, facility size, and the number of jobs to be created, among other relevant information.
2. Appropriate documents as indicated in the New Construction and Leasing phase guidelines for the phase applicable to the corresponding application.
3. Signed W-9



City Council Staff Report

DATE: JANUARY 13, 2026

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: 1

SUBJECT: APPROVE CONSTRUCTION AGREEMENT WITH AZAS ENGINEERING, INC., FOR PN 916, 3RD STREET EAST ADA IMPROVEMENTS AND SIDEWALK GAP CLOSURE PROJECT FOR A TOTAL NOT TO EXCEED AMOUNT OF \$435,065 FOR A TERM OF 45 WORKING DAYS FROM THE DATE OF THE NOTICE TO PROCEED

RECOMMENDATION

Staff recommend that the City Council:

1. Approve Construction Agreement No. A-9269 with Azas Engineering, Inc. (Azas), for PN 916, 3rd Street East ADA Improvements and Sidewalk Gap Closure Project, for a total not to exceed amount of \$435,065, which includes a contract amount of \$395,514, plus a 10% contingency amount of \$39,551 for a term of 45 working days from the date of the Notice to Proceed;
2. Authorize the Interim City Manager or his designee to execute Agreement No. A-9269 with Azas, including minimal and/or non-substantial changes; and,
3. Authorize the Interim City Manager or his designee to approve change orders for additional or changed scopes of work up to the 10% contingency amount approved by the Council.

BACKGROUND

The proposed 3rd Street East ADA Improvements and Sidewalk Gap Closure Project work includes sidewalk improvements, construction of curb and gutter, and ADA ramps, upgrades to crosswalks and paving markings, and traffic control. All work will be performed within the existing right-of-way. It is anticipated that construction will take approximately forty-five (45) working days from the date the City issues the Notice to Proceed.

DISCUSSION

On October 27, 2025, the project was advertised for construction bids via the Planet Bids electronic platform. Four bids were received on November 26, 2025. Azas, a contractor based in Glendale, submitted the lowest responsive bid and has secured a 10% bid bond as required.

Bidder	Location	Amount
1. Azas Engineering, Inc.	Glendale, CA	\$395,514
2. Savi Construction, Inc.	Chino, CA	\$518,294
3. Golden Sun Enterprise, Inc.	Santa Clarita, CA	\$557,777
4. All American Building Services	Van Nuys, CA	\$653,441

References have been checked and Azas has completed similar projects for the City of Santa Ana and Ventura County Public Works.

Staff recommend that the City Council award Project No. 916 to the lowest responsive bidder, Azas Engineering, Inc., in the amount of \$395,514 with a 10% contingency.

FISCAL IMPACT

\$435,065; The project is funded using CDBG Funds. Funds are budgeted and available in FY 2025-26.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

- A. Implement and administer environmentally sustainable programs.
- C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Agrmt No. A-9269 with Azas Engineering, Inc.
Vicinity Map

AGREEMENT NO. A- 9269
CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND AZAS ENGINEERING INC.

THIS CONTRACT ("Contract") is made and entered into by and between City of Palmdale, a public entity ("City"), and AZAS ENGINEERING INC., a S-Corporation ("Contractor"). Contractor and City are collectively referred to herein as the "parties." This Contract shall become effective on the date of the last signatory.

1 Scope of Work

Contractor shall complete the Project in accordance with this Contract. Contractor shall furnish all materials and perform all work required for the completion of the following Project:

Actual quantities of Work to be performed may vary at the discretion of the Director of Public Works and/or his designee for the PN 916 3rd St East ADA Improvements and sidewalk Gap Closure project in the City of Palmdale.

Scope are described in the project maps, including but not limited to City of Palmdale coordination and permitting, public notification, traffic control implementation and maintenance per the MUTCD, spatial inventory of utility infrastructure at the surface, roadway excavation, concrete demolition, PCC Curb and Gutter, PCC ADA Curb Ramps, PCC Sidewalk, PCC Cross Gutters and Spandrels, adjustment of utility infrastructure.

The work shall be completed in 30 calendar days.

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2024 Greenbook edition of the "Standard Specifications for Public Works Construction" (the "Greenbook"). Except as otherwise expressly provided herein, the Standard Specifications shall control the general provisions, construction materials, and construction methods for this Contract (except as amended by the Plans for the Project), the General Specifications for the Project, the Special Provisions for the Project, any technical specifications for the Project, and any other contract documents.

Should it apply, the Successor Community Workforce Agreement policies and procedures must be followed as outlined in the attached agreement.

3 Compensation

City shall pay Contractor the total, all-inclusive, NOT-TO-EXCEED amount of three hundred ninety-five thousand, five hundred fourteen Dollars (\$395,514) for the construction of the Project. This amount shall cover all expenses for labor, materials, and any and all other costs incurred by Contractor to satisfactorily construct the

Project. Unless otherwise provided in the bid documents or agreed upon by the parties, Contractor shall submit detailed, monthly invoices for work actually performed.

4 Completion Date

The construction of the Project shall commence upon Contractor being given a written notice to proceed, and shall be completed within 30 working days of said notice.

5 Payment and Performance Bonds; Guaranty

Unless otherwise expressly provided in the bid documents, prior to commencing work, Contractor shall provide a payment bond and performance bond, each in an amount equal to 100% of the projected annual recurring services price for each year of the term of the contract. Contractor shall submit all bonds electronically through Surety 2000. Pursuant to the bid documents for this Project, the Contractor is required to provide a written guaranty of Contractor's work. In furtherance thereof, Contractor shall execute the written form of Guaranty attached hereto and incorporated by reference herein.

6 Licenses

At all times during the term of this Contract, Contractor shall possess a valid and current Class A Contractor's License **or Specialty Contractor License consisting of Class A licensee** to perform the required work ("Work"). Contractor's DIR registration number is 2000010655. Contractor hereby certifies that it holds the required license(s).

CONTRACTOR shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the CONTRACTOR as applicable to this contract.

CONTRACTOR shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

7 Subcontracting

Subject to any self-performance requirements herein, Contractor may subcontract any portion of the work required by this Contract to other persons or firms, and Contractor submitted with its bid a list of those subcontractors who will perform work in an amount in excess of one-half of one percent (1%) of the Contractor's total bid, in compliance with the Subletting and Subcontracting Fair Practices Act,

California Public Contract Code § 4100, et seq. Only such listed subcontractors may perform on this Project.

8 Non-Assignability

Neither this Contract nor any rights, title, interest, duties or obligations under this Contract may be assigned, transferred, conveyed or otherwise disposed of by Contractor without the prior written consent of City.

9 Administration

This Contract will be administered by the Public Works Department of the City. The Director of Public Works or his or her designee shall be considered the Project Administrator and shall have the authority to act for the City under this Contract.

10 Indemnification

To the maximum extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City, its Board of Director, the City's officers, employees, agents, volunteers, and representatives ("Indemnitees") with respect to any and all claims, suits, actions, stop notices, liabilities and/or damages, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by Contractor pursuant to this Contract, and in connection with the Project.

11 Insurance

11.1 Without limiting Contractor's indemnification of City, as described in paragraph 10, and unless modified by City, Contractor shall obtain, provide and maintain, at its own expense, during the term of this Contract, a policy or policies of insurance, satisfactory to the City, from insurance carriers admitted to do business in the State of California and rated in A.M. Best's Insurance Guide with a rating of A:VII or better, which contain the coverage described below.

11.1.1 Commercial General Liability

- \$2,000,000.00 limit on a per occurrence basis
- \$4,000,000.00 general aggregate limit

11.1.2 Commercial Automobile Liability

- \$2,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.1.3 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability --
\$1,000,000.00 each accident

\$1,000,000.00 policy limit bodily injury
\$1,000,000.00 each employee bodily injury by disease

11.1.4 Pollution/Environmental Liability*

- \$2,000,000.00 limit on a per occurrence basis

11.2 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

11.3 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.4 Said Certificates of Insurance shall provide that thirty (30) days' prior written notice of cancellation shall be given to the City in the event of cancellation and/or reduction in coverage of any nature.

11.5 The required policies of insurance shall be endorsed to waive all rights of subrogation. Contractors waives all rights of subrogation.

11.6 Acceptable Proof of Insurance:

A. ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

B. Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of

Insurance listing all insurers and coverage must be submitted to the City Attorney.

C. *When pollution/environmental liability coverage is provided on a “claims made basis”, CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR, or its officers, employees, or agents during the time this Agreement was in effect.

11.7 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR’s liabilities and obligations under this Contract.

11.8 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer’s right of subrogation against CITY.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 State Labor Code

12.1 This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

12.2 This is a public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of

California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than \$200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Agreement.

12.3 Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7 are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

12.4 Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

12.5 Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12.6 Each Contractor and subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the State Labor Commissioner at least monthly in the format prescribed by the State Labor Commissioner.

12.7 Sections 1774 and 1775 require the Contractor and all subcontractors to pay not less than the prevailing wage rates to all workmen employed in the execution of the Contract and specify forfeitures and penalties for failure to do so. The minimum wages to be paid are those determined by the State Director of the Department of Industrial Relations. Section 1776 requires the Contractor and all subcontractors to keep accurate payroll records, specifies the contents thereof, their inspection and duplication procedures and certain notices required of the Contractor pertaining to their location.

12.8 Section 1777.5 of the Labor Code requires Contractor or subcontractor employing workers in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project, which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the Contract. The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade and if other contractors on the public works site are making such contributions. Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards. Section 1777.6 of the Labor Code provides that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age.

12.9 Eight hours labor constitutes a legal day's work, as set forth in Labor Code

Section 1810. The statutory provisions for penalties for failure to comply with the State's wage and hour laws will be enforced as set forth in Labor Code Section 1813.

13 Antitrust Claims

In entering into this Agreement, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Agreement. This assignment shall be made and become effective at the time the City tenders final payment to Contractor without further acknowledgment by the parties.

14 Trenching and Excavations

Pursuant to Public Contract Code Section 7104, if the Project involves trenching more than four (4) feet deep, Contractor shall promptly and before the following conditions are disturbed notify the City in writing of any:

14.1 Material that Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; and/or

14.2 Subsurface or latent physical conditions at the site differing from those indicated; and/or

14.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

14.4 As required by Labor Code Section 6705 and in addition thereto, whenever work under the Contract that involves an estimated expenditure in excess of twenty-five thousand dollars (\$25,000) for the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit for acceptance by City in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation, of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be included in the price of the Contract. Nothing in this provision shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this provision shall be construed to impose tort liability on the City or on any City officer, agent, consultant, representative, or employee. All plans, processing and shoring costs are Contractor's responsibility and must be included in Contractor's bid.

15 Location of Existing Elements

Pursuant to Government Code Sections 4216 to 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

16 Third Party Claims

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The City shall timely notify Contractor of the receipt of any third-party claim relating to the Contract. The City shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

17 Non-Collusion

Contractor hereby certifies that this bid is genuine and not a sham or collusive, or made in the interest or on behalf of any person or business not herein named. Contractor further certifies that Contractor has not directly or indirectly induced or solicited any other bidder to furnish a sham bid, or any other person or

business to refrain from bidding, and Contractor has not in any manner sought by collusion to secure itself an advantage over any other bidder. Contractor also affirms that it has signed and submitted with its bid to the City a Non-collusion Declaration as required by Public Contract Code Section 7106.

18 Conflicts of Interest

Contractor agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Contractor “financially interested,” as provided in Government Code Section 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Contract.

19 Audit

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to the City as a condition precedent to any payment to Contractor. Contractor will promptly furnish documents requested by the City. Additionally, pursuant to Government Code Section 8546.7, if this Contract involves the expenditure of public funds in excess of ten thousand dollars (\$10,000), Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under this Contract.

20 Substitute Security

Pursuant to Public Contract Code Section 22300, the substitution of securities for any moneys withheld by the City to ensure performance under a contract is permitted, except where financing will be provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 *et seq.*) or where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in the State of California as the escrow agent, that shall then pay those moneys to Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor.

Alternatively, Contractor may request and the City shall make payment of retentions earned directly to the escrow agent at the expense of Contractor. At the expense of Contractor, Contractor may direct the investment of the payments into securities, and Contractor shall receive the interest earned on the investments upon the same terms provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City, pursuant to the terms of this section.

Securities eligible for investment shall include those listed in California Government Code Section 16430, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security to which Contractor and the City agree in writing. Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

If Contractor elects to receive interest on moneys withheld in retention by the City, it shall, at the request of any subcontractor performing more than five percent (5%) of Contractor's total bid, make that option available to the subcontractor regarding any moneys withheld in retention by Contractor from the subcontractor. If Contractor elects to receive interest on any moneys withheld in retention by the City, then the subcontractor shall receive the identical rate of interest received by Contractor on any retention moneys withheld from the subcontractor by Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If Contractor elects to substitute securities in lieu of retention, then, by mutual consent of Contractor and its subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by Contractor. No Contractor shall require any subcontractor to waive any provision of this paragraph.

The escrow agreement for security deposits in lieu of retention shall be substantially similar to the form provided in Public Contract Code Section 22300(f).

21 Claims Dispute Resolution

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an "unresolved dispute" and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and

Article 1.5 (if applicable), and must then adhere to Section 9204 and Article 1.5 (as applicable), pursuant to the definition of “claim” as individually defined therein.

22 Non-discrimination and Equal Employment Opportunity

22.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status.

CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

23 Integration

This Contract supersedes any and all agreements, either oral or written, between the parties hereto with respect to the construction of the Project by Contractor for City and contains all of the covenants and agreements between the parties with respect to the construction of the Project. Each party to this Contract acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with regard to the construction of the Project by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise regarding work not contained in this Contract shall be valid or binding. Any modification or amendment of this Contract will be effective only if it is in writing and signed by the parties to this Contract. Any changes to the work required by this Contract will be by change order signed by the parties.

24 Debarment and Suspension Certification

Title 2, Code of Federal Regulations, Part §180.300

The bidder, under penalty of perjury, certifies that, except as noted in a separate document, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, or manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- does not have a proposed debarment pending; and

- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

25 Governing Law

This Contract will be governed by and construed in accordance with the laws of the State of California without reference to change of venue laws. Any legal action in which enforcement of the terms and conditions of this Contract is requested, or in which it is alleged that a breach of this Contract has taken place, shall be filed and prosecuted in the County of Los Angeles, California.

26 Successors and Assigns

The terms and conditions of this Contract shall be binding on the successors and assigns of the parties to this Contract.

27 Exhibits

The exhibits and attachments referenced in this Contract are attached hereto and incorporated herein by this reference as though set forth in full in the Contract.

28 Authority to Sign

The person or persons executing this Contract on behalf of the Contractor warrant and represent that they have the authority to execute this Contract on behalf of the Contractor and have the authority to bind Contractor to the construction of the Project.

29 Time is of the Essence

Time is of the essence in every provision of this Agreement in which time to perform is a factor.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE

AZAS ENGINEERING INC.

SIGNATURE AREA

SIGNATURE AREA

Date

Alaa Abdellatif Date
Company President

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Hwy
Palmdale, CA 93550

ADDRESS FOR NOTICE:
AZAS ENGINEERING INC.
1010 Raleigh Street #114
Glendale, CA 91205

APPROVE AS TO FORM:

SIGNATURE AREA

ATTEST:

ATTEST: If Corporation

SIGNATURE AREA

Secretary

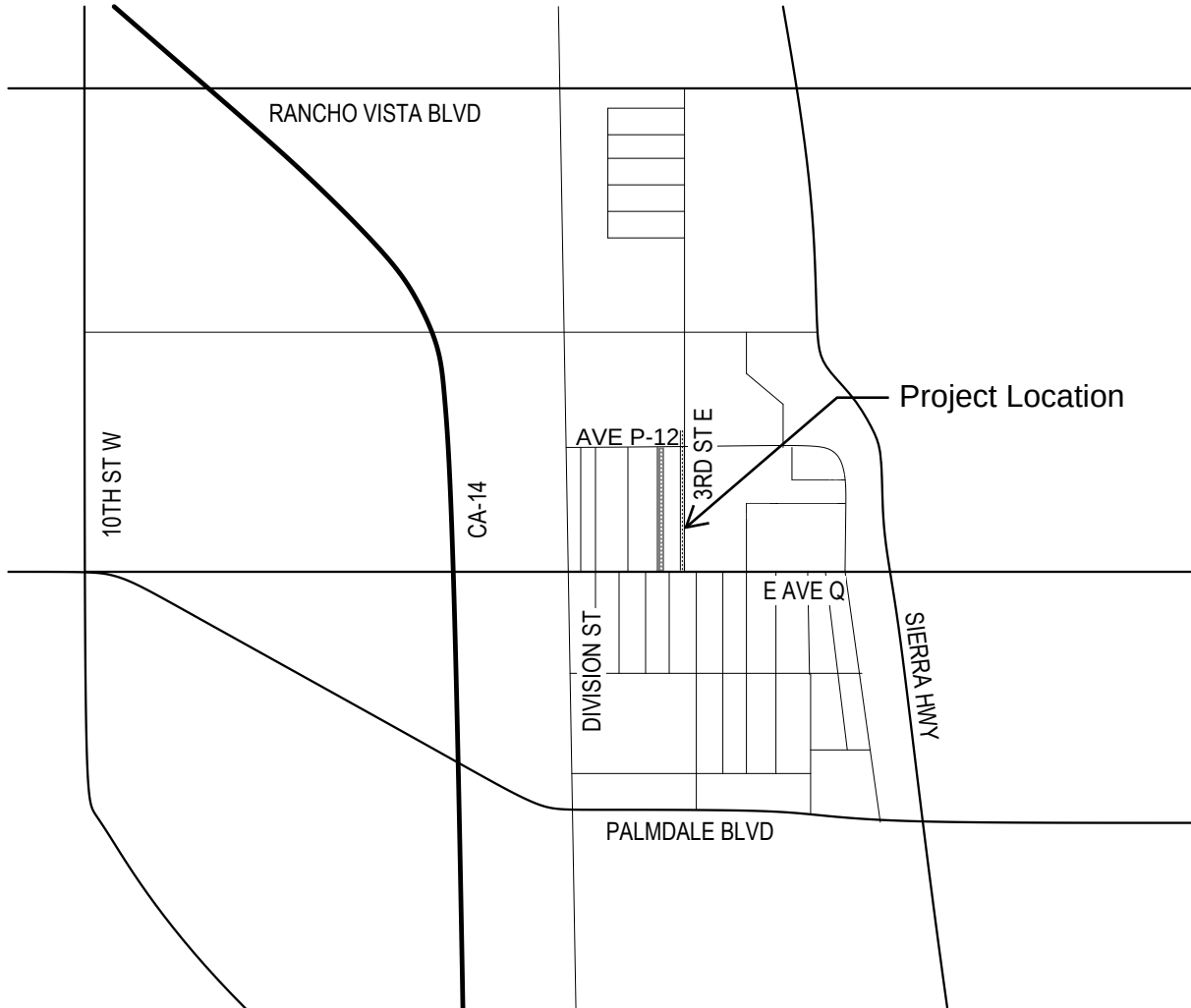
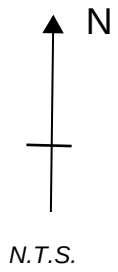
Roxanne Faber
City Clerk

[Signatures of contractor on bond(s) must be notarized. Obtain two corporate signatures if contractor is a corporation.]

----- INTERNAL USE ONLY -----

- ☐ Certificate(s) and Endorsement(s) attached
- ☐ Confirmed business name on contract with certificate(s)
- ☐ Attached notarized bond(s), Worker's Compensation Certificate, and Guaranty
- ☐ Attached Agreement Checklist and met all requirements
- ☐ 2 CFR 200 Checklist (if federally funded)

ATTACHMENT A VICINITY MAP





City Council Staff Report

DATE: JANUARY 13, 2026

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: 3

SUBJECT: APPROVE THE FIRST AMENDMENT TO AGREEMENT WITH RHA LANDSCAPE ARCHITECTS-PLANNERS, INC., FOR DESIGN SERVICES FOR PN 871, OASIS PARK BASIN UPGRADES PROJECT, INCREASING THE AGREEMENT BY \$57,607 FOR A TOTAL NOT TO EXCEED AMOUNT OF \$364,205 FOR A TERM OF 12 MONTHS FROM THE DATE OF THE NOTICE TO PROCEED

RECOMMENDATION

Staff recommend that the City Council:

1. Approve the First Amendment to Agreement No. A-9293 with RHA Landscape Architects-Planners, Inc., for design services for PN 871, Oasis Park Basin Upgrades Project (Project), increasing the Agreement by \$57,607, for a total not to exceed amount of \$364,205, which includes the original contract amount of \$278,725, plus a new updated 10% contingency amount of \$33,110, for a term of 12 months from the date of the Notice to Proceed;
2. Authorize the Interim City Manager or his designee to execute the First Amendment to Agreement No. A-9293 with RHA Landscape Architects-Planners, Inc., including minimal and/or non-substantial changes; and,
3. Authorize the Interim City Manager or his designee to approve change orders for additional or changed scope of work up to the 10% contingency amount approved by the Council.

BACKGROUND

On May 6, 2025, the City Council awarded RHA Landscape Architects-Planners, Inc., a consultant contract for \$278,725 plus 10% Contingency, for a term of 12 months. The scope of the work included addressing both flood control and recreational needs, evaluating the existing park basin, and developing a comprehensive improvement plan. The plan will include recommendations based on current site conditions, such as

maintenance needs, access for vehicles and pedestrians, erosion control plantings, turf management, and preparation for future sports field lighting. The Project will also include design plans for new site features, including a restroom/storage building with a drinking fountain, a monument sign with uplighting, a safety fence along the walking path (which incorporates fitness elements), pet waste stations, and trail lighting enhancements.

DISCUSSION

The Project began design in June of 2025 and was anticipated to be completed by June 2026. The original project scope did not include a complex drainage basin redesign. This redesign is required to incorporate a multipurpose sports field while ensuring the drainage basin's functionality aligns with the specifications of the Drainage Master Plan.

The proposed redesign will consist of providing additional field survey to support the drainage basin redesign, reestablishing to meet the original required basin volume per a Drainage Master Plan, redesigning inlet and outlet structures, connecting public storm drain systems as needed, and providing landscape architectural design services at the northwest corner of the park to include playground improvements, fencing, and landscape that was not in the original scope of work.

FISCAL IMPACT

\$57,607; This project is funded using Drainage Funds. Sufficient funds are budgeted and available in FY 2025-26. The total contract amount can be seen in the following table:

Project Summary	Cost
Design Contract Agrmt No. A-9293	\$278,725
First Amendment to Agrmt No. A-9293	\$52,370
10% Contingency	\$33,110
Total Contract Amount	\$364,205

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work, and play.

B: Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Leonardo Torres, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Salvador Mendez, Interim City Manager
Approved as to form:	Alexandra Severino, City Attorney

ATTACHMENTS

Report to Mayor and City Council
Re: First Amendment to Agrmt No. A-9293
January 13, 2026
Page 3

Agrmt No. A-9293 First Amendment with RHA Landscape Architects-Planners, Inc.
Agrmt No. A-9293 with RHA Landscape Architects-Planners, Inc.

**FIRST AMENDMENT TO AGREEMENT A- 9293
BETWEEN THE CITY OF PALMDALE AND RHA LANDSCAPE ARCHITECTS-
PLANNERS, INC.**

This First Amendment to Agreement No. A-9293 ("Agreement") is made and entered into by and between the City of Palmdale (hereinafter called "CITY") and RHA LANDSCAPE ARCHITECTS-PLANNERS, INC. (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

WHEREAS, on May 22, 2025 ("Original Agreement") the CITY and CONSULTANT entered into an agreement to provide:

PN 871 - Oasis Park Basin Upgrade Project

TASK 1 – PRELIMINARY RESEARCH & INVESTIGATION

Task 1a - Pre-Design Investigation

Task 1b - Topographic Survey

TASK 2 – PRELIMINARY DESIGN (50% and 80% PS&E)

Task 2a - Develop Park Element Design Concepts

Task 2b - Revise Design Concepts into Final Design

Task 2c - Public Outreach / Presentation Graphics for Park

Task 2d - Preliminary Engineer's Estimate

Task 2e - Meetings with City Staff

TASK 3 – FINAL DESIGN (95% and 100% PS&E)

Task 3a - 95% PS&E

Task 3b - 100% PS&E

**TASK 4 – CONSTRUCTION ENGINEERING SUPPORT SERVICES (Contingent
Concord - Document ID: generated after first signature 1-13Item)**

CONSULTANT'S detailed proposal is attached as Exhibit "B".

WHEREAS, the parties desire to amend the Original Agreement to:

Amendment #1: Increase the contract amount by \$52,370, for a not to exceed amount of \$331,095.

NOW THEREFORE, the parties agree as follows:

Include Attached Exhibit "A": Agreement and Work Authorization Detail.

All other terms and conditions of the Original Agreement not amended herein, remain in full force and effect.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

RHA LANDSCAPE ARCHITECTS-
PLANNERS, INC.:

SIGNATURE AREA

SIGNATURE AREA

Doug Grove, RLA, LEED AP
President/Landscape Architect

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

ADDRESS FOR NOTICE:
RHA LANDSCAPE ARCHITECTS-
PLANNERS, INC.
6840 Indiana Avenue, Suite 100
Riverside, CA 92506

APPROVE AS TO FORM:

SIGNATURE AREA

ATTEST:

SIGNATURE AREA

Roxanne Faber
City Clerk

----- INTERNAL USE ONLY -----

- ☐ Certificate(s) and Endorsement(s) attached
- ☐ Confirmed business name on contract with certificate(s)
- ☐ Original contract and previous amendment(s) (if any) are attached
- ☐ Attached Agreement Checklist and met all requirements



RHA Landscape Architects-Planners



CALL FOR PROPOSALS
OASIS PARK BASIN UPGRADES
CITY PROJECT NO. 871

Prepared For:
City of Palmdale



PALMDALE
a place to call home

March 11, 2025

March 11, 2025



Rebecca Brown, Project Manager
City of Palmdale
Public Works | Capital Improvement Program
38250 Sierra Highway
Palmdale, CA 93550

RE: Oasis Park Basin Upgrades – City Project No. 871

Dear Rebecca,

RHA Landscape Architects-Planners is excited to submit this proposal to the City of Palmdale for the Oasis Park Basin Upgrades. Our approach to successful park design starts with listening to both the users and maintainers of the space, ensuring the final design exceeds expectations. Through a dynamic brainstorming process, we refine ideas until we achieve a solution that is safe, creative, functional, sustainable, and long-lasting.

Our team is well-suited for this project due to our extensive experience with park and basin improvements. Additionally, we have partnered with PBLA Engineering, who bring expertise in flood basin design, ensuring that drainage and stormwater management solutions are both effective and sustainable.

As part of this project, we will assess the existing basin and develop a plan addressing maintenance, access, turf, erosion control, and future sports field lighting. Additionally, we will design a restroom/storage building with a drinking fountain, a monument sign with uplighting, a safety fence for the walking path, fitness course elements, pet waste stations, and trail lighting for enhanced safety and usability.

Doug Grove, licensed Landscape Architect with 40 years of park design experience in California, will manage the project. Doug has been designing park projects in the Antelope Valley for over 35 years and has a keen understanding of what makes a park successful in these communities. We look forward to collaborating with the City of Palmdale to deliver innovative, high-quality, and cost-effective solutions.

I HAVE READ, UNDERSTOOD, AND AGREED TO ALL STATEMENTS IN THIS REQUEST FOR PROPOSAL AND ACKNOWLEDGE RECEIPT OF ALL ADDENDUMS / AMENDMENTS AS WELL AS TO THE TERMS, CONDITIONS, AND ATTACHMENTS REFERENCED.

Cordially,
RHA Landscape Architects-Planners, Inc.


Doug Grove, RL, ASLA, LEED® AP
President

QUALIFICATIONS AND EXPERIENCE

RHA Landscape Architects-Planners, Inc. is led by two principals: Doug Grove, RLA, ASLA, LEED AP, the firm's president, and Greg Meek, RLA, CPSI, principal. Our firm operates with a collaborative team approach, ensuring that each project benefits from the expertise of our principals and associates. Based in Riverside, California, RHA has a dedicated staff of ten professionals, including five licensed landscape architects and one LEED Accredited Professional

RHA TEAM MEMBERS

- | | |
|---------------------------|---|
| • Doug Grove | President / Landscape Architect RLA, LEED AP |
| • Greg Meek | Principal / Landscape Architect RLA, CPSI |
| • David Black | Project Manager / Landscape Architect RLA |
| • Lauren McHugh | Project Manager / Landscape Architect RLA |
| • Andy Emery | Quality Control / Construction Administration RLA |
| • Jennifer Salazar | Project Manager / Landscape Designer |
| • Andrew Lytle | Project Manager / Landscape Designer |
| • Arielle Talley | Landscape Designer |
| • Erik Delgadillo | Landscape Designer |
| • Marissa Grove | Accounting / Office Management |

PROJECT LEADERSHIP

The project will be managed by Doug Grove, President and Landscape Architect. He will be the main point of contact for the city. He will be supported by Dave Black and Jennifer Salazar, park design specialists with over 20 years of experience.

SUB-CONSULTANTS & SPECIALIZED EXPERTISE

RHA collaborates with industry-leading consultants to provide specialized services for the successful execution of this project. Our consultant team includes:

PBLA Engineering – Civil Engineering

PBLA Engineering will be responsible for all civil engineering aspects of the project, including:

- Topographic Survey
- Grading & Drainage
- Water Quality Management Plans (WQMP) / Low Impact Development (LID)
- Stormwater Pollution Prevention Plans (SWPPP)
- Erosion Control Plans

JCA Engineering – Electrical Engineering

JCA Engineering, led by Jim Corns with over 35 years of park electrical design experience, will handle all electrical engineering aspects of the project. This includes:

- Upgrades to the existing electrical infrastructure
- Installation of new electrical systems to support event power
- Analysis and design of power distribution systems for multi-purpose field lighting and event services

Converse Consultants – Geotechnical Engineering

Converse Consultants will perform a geotechnical investigation for the project to assess the subsurface conditions and provide recommendations for the design and construction of the fields. Their expertise includes:

- Geotechnical site assessments
- Soil testing and analysis
- Recommendations for soil stabilization, compaction, and drainage

RELEVANT PROJECT EXPERIENCE

American Heros Park – Lancaster, CA

RHA led a design team in the preparation of Preliminary Planning and Construction Documents for a 14-acre downtown park in Lancaster. The site design included 2 ballfields, 2 soccer fields, restroom building, 3 full court and 1 half court basketball, other hard-court games, playground, central plaza with raised gazebo and trellis structures, veterans' memorial, public plaza with gazebo for weddings and special events, drought-tolerant native planting and on-site parking for 127 cars.

Client: City of Lancaster
Contact: Nicole Jones, Projects Coordinator - (661) 723-6173
Principal-in-Charge: Doug Grove

California Citrus State Historic Park – Children's Interactive Interpretive Trail

RHA worked with the California Citrus State Historic Park NPMC and the State park rangers to develop a Children's Interactive Interpretive Trail to educate park visitors on the history of the citrus industry in Riverside and California. A series of 8 interactive locations that included *Parent Navel Orange Tree*, *Migratory Grove Workers Encampment*, *Tractor Climbing Structure*, *Stand Pipe Interactive Structures*, *Agricultural Fan and Smudge Pots*, *Seating Area with View Shed Maps*, *Parking House Interactive Structure* and *Rail Road Interactive Structure*. ADA improvements for the existing Varietal Grove Trail were also developed. The team worked with several playground manufacturers to develop potential structures and signage for each location and then met with the NPMC and park rangers to determine which ones provided the best interactive and informative experience.

Client: California Citrus State Historic Park NPMC
Contact: Greg Neel - ganeal58@gmail.com
Principal-in-Charge: Doug Grove

Whit Carter Park

RHA led a design team in the Preliminary Planning for a 60-acre park in Lancaster. The overall site design included 3 lighted ballfields, 2 practice ballfields, 2 play grounds, 2 water splash pads, community building, restroom building, maintenance storage building, 3 grass volleyball courts, 2 tennis courts, 1 full and 1 half court basketball, picnic shelters, amphitheater, dog park, walking paths with exercise stations and on-site parking for 950 cars. Construction documents were then prepared for 12.5-acre phase 1 which included a large themed playground, picnic shelter, half-court basketball, restroom building, maintenance and storage building, walking paths, drought-tolerant native plants and on-site parking for 80 cars.

Client: City of Lancaster
Contact: Nicole Jones, Projects Coordinator - (661) 723-6173
Principal-in-Charge: Doug Grove

We have many more project examples but due to the page limit expressed in the RFP we have not included them. This information can be provided upon request.

PROJECT APPROACH

Task 1 – Preliminary Research & Investigation

Our team will conduct site visits to analyze opportunities, constraints, and utility coordination by gathering existing site conditions, utility information, and environmental factors. We will perform a topographic survey to document site features, terrain contours, and boundaries, ensuring compliance with prevailing wage rates. This data will provide a foundation for accurate design development.

Deliverables: *Site Analysis Memorandum, Topographic Survey*

Task 2 – Preliminary Design (50% and 80% PS&E)

We will develop park design concepts by integrating site analysis data and City objectives into functional and aesthetically pleasing solutions. Elements such as a restroom/storage building, monument sign with uplighting, drinking fountains, safety fencing, fitness course, pet waste stations, landscaping, irrigation, and trail lighting will be incorporated. Concepts will be refined based on City feedback. We will prepare public outreach materials and present at four (4) meetings to gather community input and ensure alignment with stakeholders. A preliminary engineer's estimate will be developed to align with the City's budget. Additionally, we will conduct milestone meetings with City staff to ensure progress and coordination.

Deliverables: *Color presentation graphics, Final Park Basin Design, Public Outreach Materials, Engineer's Cost Estimate*

Task 3 – Final Design (95% and 100% PS&E)

We will finalize the design by incorporating City feedback into the 95% and 100% PS&E submissions. Detailed drawings, specifications, and cost estimates will be refined to ensure constructability and compliance with regulatory requirements. The final submittal will include all necessary documentation for permitting and construction.

Deliverables:

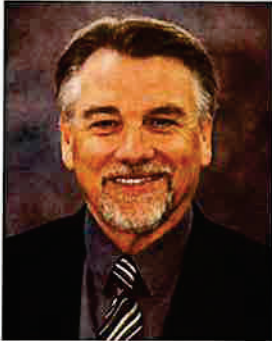
- *Stamped Mylar Drawings, AutoCAD, and PDF files*
- *Project Specifications*
- *Engineer's Estimate*
- *Utility Research Documents*

Task 4 – Construction Engineering Support Services (Contingent Item)

Our team will provide as-needed support during construction to address design concerns, respond to RFIs, and ensure that the project is built according to the approved plans. This service will be offered on an 80-hour basis as a contingent item, allowing for flexibility based on project needs.

This structured approach ensures the successful design and implementation of the Palmdale Oasis Park Basin project.

PROPOSED PERSONNEL



Doug Grove, RLA, ASLA, LEED® AP
President

Education:

BS/1985/Landscape Architecture/
Cal State Polytechnic University, Pomona

Active Registration:

1987/Landscape Architect/2799/State of California
LEED Accredited Professional - USGBC

Mr. Grove is President, Principal Landscape Architect, and LEED Accredited Professional with RHA Landscape Architects-Planners, Inc. He graduated from California State Polytechnic University, Pomona in 1985 and holds a Bachelor of Science degree in Landscape Architecture. A professional Landscape Architect for over 39 years, his wide range of experience in the public works sector includes in the design and project management of hundreds of park projects as well as housing development, streetscape, institutional and commercial projects. He has personally designed over 150 parks throughout California.

Mr. Grove has established his ability to work efficiently and professionally throughout all aspects of project development. His extensive experience has included management and design of projects from preliminary phases to construction documents, and coordination and observation of project installation. He has been responsible for coordinating public meetings, design development, and approval on numerous public works and parks projects as well as following through with obtaining all other necessary approvals needed for final drawing and project completion.

Mr. Grove served on the California Park and Recreation Society (CPRS) State Board of Directors as the President in 2023-2024. He also serves on the Board of Directors for the California Turf and Landscape Foundation at the University of California, Riverside and the Building Industry Association (BIA) Riverside County as President. He is a past President of the CPRS State Development and Operations Section and a past Board Member for the United States Green Building Council – Inland Empire (USGBC-IE).

Representative projects include (partial list):

City of Palmdale

- Domenic Massari Park

City of Lancaster

- Sargent Steve Owens Memorial Park
- Sargent Steve Owens Memorial Plaza
- Hull Park
- Jane Reynolds Skatepark
- Prime Desert Woodland Preserve Pavilion
- American Heroes Park
- Trend Community Garden
- Whit Carter Park

Oasis Park Basin Upgrades

March 11, 2025

Palmdale, CA

- Piute Linear Park
- Tierra Bonita Park
- Rawley-Duntley Park
- Kensington Campus
- Freeway Passive Park

Town of Yucca Valley

- Yucca Valley Athletic Facility
- South Community Center Park

City of Irwindale

- Kare Park (Kare Youth League)

City of Rialto

- Fergusson Park
- Jerry Eaves Park

County of Riverside

- Rancho Jurupa Regional Sports Complex
- Rancho Jurupa Park – RV Park, Water Play & Miniature Golf

City of Moreno Valley

- Moreno Valley Community Park – Soccer Field Renovations (Synthetic Turf)
- Shadow Mountain Park

City of Temecula

- Harveston Community Park

City of Corona

- Citrus Community Park

City of Riverside

- Hunter Community Park
- Reid Park Expansion
- Orange Terrace Community Park
- Andulka Park
- La Sierra & Hunt Parks

City of Temple City

- Live Oak Park Renovation

MAFB Joint Powers Authority

- March Air Force Base Regional Park

County of Los Angeles

- Schabarum Park Renovation

City of Los Angeles

- Ardmore & Shatto Parks Renovation

City of Yucaipa

- Bryant Street Park

City of Ridgecrest

- Kern Desert Regional Park

City of El Monte

- Park Arroyo

City of Indio

- Indio Community Center/Park

Oasis Park Basin Upgrades

Palmdale, CA

March 11, 2025



David Black, RLA
Project Manager

Education:

BS/1999/Landscape Architecture/
Cal State Polytechnic University, Pomona

Active Registration:

2009/Landscape Architect/5509/State of California
Contractor License CA #789824(C27)

Mr. Black is a Project Manager and Licensed Landscape Architect with RHA Landscape Architects-Planners, Inc. He graduated from California State Polytechnic University, Pomona, and holds a Bachelor of Science degree in Landscape Architecture. He has more than 25 years of landscape design and construction experience and specializes in irrigation design for all projects at RHA. As a professional Landscape Architect, Mr. Black has established his ability to work efficiently and professionally throughout all aspects of project development. His experience has included management and design of projects from preliminary phases to construction documents, and coordination and observation of project installation. He has been responsible for coordinating meetings with clients and governing agencies, overseeing project budget preparation, design development and approval on numerous projects as well as following through with obtaining all other necessary approvals needed for final drawing completion.

Representative projects include:

Town of Yucca Valley

- Yucca Valley Athletic Facility

County of Riverside

- Rancho Jurupa Regional Sports Complex (Synthetic Turf)
- Rancho Jurupa Park – RV Park, Water Play & Miniature Golf

City of Moreno Valley

- Moreno Valley Community Park – Soccer Field Renovations (Synthetic Turf)
- Shadow Mountain Park

City of Temecula

- Harvestor Community Park

City of Lancaster

- Sargent Steve Owens Memorial Plaza
- Hull Park
- Jane Reynolds Skatepark
- Prime Desert Woodland Preserve Pavilion
- American Heroes Park
- Trend Community Garden
- Whit Carter Park
- Piute Linear Park
- Tierra Bonita Park
- Rawley-Duntley Park
- Kensington Campus



Steve Levissee, PE
Principal, Project Engineer

Education:
BS Civil Engineering
Gonzaga University, Spokane, WA

Active Registration:
Reg. Civil Engineer CA # 45926
Reg. Civil Engineer AZ # 32982
Reg. Civil Engineer TX # 89715
Reg. Civil Engineer PA # 075430
Qualified SWPPP Dev. #21591

Mr. Levissee is a registered civil engineer with more than 30 years of experience in civil engineering design and 24 years of project management experience. He has a diverse background in commercial and industrial master planned centers. Mr. Levissee is also a registered Qualified SWPPP Developer #21591 (QSD). He is the firm's resident expert in hydrology and hydraulics and proficient with rational and modified rational methods, unit hydrographs and flood routing analysis, WSPG, HEC-2 and other standard step hydraulic analyses. He is a Registered Civil Engineer in the states of California, Arizona, Texas, and Pennsylvania. His experience includes the design, preparation and processing of all improvement plans required for the development of residential, commercial, retail, and industrial projects. Along with plan preparation, he is responsible for preparing Water Quality Plans, Storm Water Pollution Prevention Plans, Hydrology and Hydraulics Reports, capacity studies for sewer and storm drain, and water distribution networks.

Representative projects include:

- Industry Business Center – East – City of Industry, CA
248ac Retail & Industrial Development
- Mountain Grove Retail Center – Redlands, CA
65ac Regional Retail Development
- Majestic Chino Gateway – Chino, CA
150ac Industrial Development
- Port Grande – Laredo, TX
1,992ac Master Planned Development with 25 Million square feet of Industrial Development
- Business Properties – Southern California
7 Retail sites analyzed for ADA Compliance
- Sewer Study – Redlands, CA
4,400ac Regional Sewer Study
- Gas Company – Southern California
6ac site which includes tank farm, pumps, compressors, pipe racks, and vessels

QUALITY ASSURANCE / QUALITY CONTROL PROCEDURES

The RHA team follows a structured QA/QC process to ensure that each project meets required standards and client expectations throughout the project. The procedure includes the following key phases:

1. Project Initiation and Planning

- **Kick-off Meeting:** The RHA team defines roles and responsibilities, and clarifies project goals, scope, and standards.
- **Design Standards & Guidelines:** The team ensures compliance with relevant codes, local regulations, ADA requirements, sustainability principles, and park-specific design standards (e.g., accessibility, landscaping, water management).
- **Client Requirements:** The team reviews the client's goals and expectations to align the design with budget, environmental sustainability, and safety considerations.

2. Design Phase

- **Internal Design Reviews:** The RHA team conducts regular design reviews at key milestones (concept, schematic, design development, and construction documents) to maintain quality.
- **Cost Estimation:** Regular cost reviews and value engineering sessions keep the project within budget.

3. Pre-Construction and Permitting

- **Quality Review of Final Plans:** Before construction, the RHA team verifies that final plans and specifications align with established design standards.
- **Permitting:** The team ensures all necessary permits are obtained and meet regulatory requirements.
- **Construction Specifications:** The team reviews and approves construction specifications to ensure alignment with design intent, material quality, and project goals.

4. Construction Phase

- **Site Observations:** The RHA team conducts routine site visits to monitor construction progress and ensure compliance with design documents and quality standards.
- **Material Review:** Materials are reviewed upon delivery to confirm they meet required specifications.
- **Workmanship Reviews:** The team reviews key construction elements, such as drainage, paving, furniture installations, and utilities.
- **Corrective Action:** Any identified issues are promptly addressed through corrective measures.

5. Testing and Commissioning

- **Final Inspection:** The RHA team verifies that the completed construction meets the intended design and ensures all systems function properly.
- **Punch List:** A final checklist of outstanding items is prepared and addressed before project acceptance.

6. Client Handover and Post-Completion Evaluation

- **Client Walkthrough:** The RHA team conducts a final walkthrough to confirm that all design and quality expectations are met.
- **Post-Occupancy Evaluation:** The team performs follow-up evaluations after project completion to assess functionality, safety, and user experience, making adjustments as needed.

7. Documentation and Reporting

- **Quality Check Records:** The RHA team maintains thorough documentation of inspections, reviews, approvals, and corrective actions.

SCHEDULE CONTROL

Our team prioritizes effective project scheduling to ensure timely completion, efficient resource allocation, and seamless task coordination. Microsoft Project serves as a key tool in our project management process, enabling us to plan, track, and adjust schedules throughout a project's lifecycle.

1. Defining the Project Scope and Tasks

We begin by clearly defining the project scope and breaking it down into tasks and milestones. Using the **Work Breakdown Structure (WBS)**, we organize tasks hierarchically, ensuring all project components are systematically planned and accounted for.

2. Establishing Task Dependencies and Durations

Once tasks are identified, we establish logical relationships between them, defining **task dependencies** such as Finish-to-Start (FS), Start-to-Start (SS), Finish-to-Finish (FF), and Start-to-Finish (SF). Task durations are estimated based on historical data, industry standards, and team input to create a realistic project timeline.

3. Assigning Resources and Managing Workloads

We assign team members, materials, and equipment to specific tasks using Microsoft Project's **Resource Sheet** and **Resource Usage View**. This ensures an even distribution of workload and helps prevent resource overallocation, keeping the project running smoothly.

4. Utilizing the Gantt Chart for Visualization

The **Gantt Chart** serves as a critical tool for our team, providing a clear visual representation of task sequences, dependencies, and progress. This allows project managers to monitor key milestones and identify potential scheduling conflicts early in the process.

5. Critical Path Analysis and Schedule Adjustments

Microsoft Project enables us to identify the **Critical Path**, highlighting tasks that directly impact the project completion date. If delays occur, we use strategies such as **fast-tracking** (overlapping tasks) or **crashing** (allocating additional resources) to maintain the schedule.

6. Progress Tracking and Schedule Updates

We continuously update task completion percentages, actual start and finish dates, and compare progress against the original baseline. This **variance analysis** allows us to identify and mitigate scheduling deviations proactively.

7. Reporting and Stakeholder Communication

To keep stakeholders informed, we leverage Microsoft Project's built-in reporting features, such as **Task Overview**, **Resource Workload**, and **Milestone Reports**. Custom reports are also generated to meet specific project needs, ensuring transparent and effective communication.

By consistently updating the schedule and ensuring visibility of tasks and milestones, our team has successfully averted project delays. Everyone involved can see their responsibilities, deadlines, and dependencies, allowing for proactive problem-solving and timely adjustments. This method keeps projects on track, minimizes last-minute surprises, and enhances overall efficiency.

Oasis Park Basin Upgrades

Fee Schedule

3/11/2025

RHA Landscape Architects-Planners, Inc.

TASK	RHA Landscape Architects-Planners, Inc.			PBLA Engineering			JCA Engineering			Converse Consultants			TOTAL
	Principal	Project Manager	Landscape Designer	Principal	Project Manager	Staff	Principal	Project Manager	Staff	Principal	Project Manager	Staff	
	\$200	\$150	\$125	\$300	\$250	\$150	\$200	\$150	\$125	\$200	\$150	\$125	
Task 1 – Preliminary Research & Investigation													
Project Management	4	4	2	2	1	1							\$ 2,650
Research / Site Analysis / Photography		12	8				5	6					\$ 4,700
Topographic Survey & Utility Research				40	30	41							\$ 25,650
Geotechnical Soil Testing										20	40	100	\$ 22,500
Meetings with city staff (2)	8	8											\$ 2,800
Subtotal Hours	12	24	10	42	31	42	5	6	-	20	40	100	332
Subtotal Dollars	\$ 2,400	\$ 3,600	\$ 1,250	\$ 12,600	\$ 7,750	\$ 6,300	\$ 1,000	\$ 900	\$ -	\$ 4,000	\$ 6,000	\$ 12,500	\$ 58,300
Expenses		\$500											\$ 500
TOTAL		\$7,750			\$26,650			\$1,900			\$22,500		\$ 58,800
Task 2 – Preliminary Design (50% and 80% PS&E)													
Project Management	8	4	4										\$ 2,700
Prepare alternative design concepts and graphics		40	24										\$ 9,000
Community Meetings (4)	48												\$ 9,600
Refine selected design		24	20										\$ 6,100
Prepare Final Park Basin Design		12	21										\$ 4,425
Preliminary Engineer's Cost Estimate	2	12	8										\$ 3,200
Conceptual Grading Plan				10	18	30							\$ 12,000
Conceptual Utility Plan				4	4	12							\$ 4,000
Preliminary Construction Plan & Details		24	20										\$ 6,100
Preliminary Irrigation Plan & Details		24	24										\$ 6,600
Preliminary Planting Plan & Details		12	24										\$ 4,800
Meetings with City Staff (2)	8	8											\$ 2,800
Subtotal Hours	66	160	145	14	22	42	-	-	-	-	-	-	449
Subtotal Dollars	\$ 13,200	\$ 24,000	\$ 18,125	\$ 4,200	\$ 5,500	\$ 6,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,325
Expenses		\$500											\$ 500
TOTAL		\$55,825			\$16,000			\$0			\$0		\$ 71,825
Task 3 – Final Design (95% and 100% PS&E)													
Project Management	6	8	6	3		4	4						\$ 5,450
Demolition Plan		8	24										\$ 4,200
Precise Grading Plan				10	24	40							\$ 15,000
Earthwork Quantities					5	5							\$ 2,000
Erosion Control Plan				3	6	4							\$ 3,000
Storm Drain Plans				10	24	40							\$ 15,000
Hydrology / Hydraulics Report				12	12	16							\$ 9,000
Water Quality Management Plan (WQMP/LID)				12	12	16							\$ 9,000
Storm Water Pollution Prevention Plan (SWPPP)				12	12	16							\$ 9,000
Construction Plan & Details		16	30										\$ 6,150
Irrigation Plan & Details		16	20										\$ 4,900
Planting Plan & Details		8	16										\$ 3,200
Electrical Plan & Details							30	32	44				\$ 16,300
Final Engineer's Cost Estimate	2	12	8		8								\$ 5,200
Specifications		16	8	10									\$ 6,400
Plan Review and Revisions	6	30	32										\$ 9,700
Meetings with City Staff (2)	8	8											\$ 2,800
Subtotal Hours	22	122	144	72	103	141	34	32	44	-	-	-	714
Subtotal Dollars	\$ 4,400	\$ 18,300	\$ 18,000	\$ 21,600	\$ 25,750	\$ 21,150	\$ 6,800	\$ 4,800	\$ 5,500	\$ -	\$ -	\$ -	\$ 126,300
Expenses		\$3,000											\$ 3,000
TOTAL		\$43,700			\$68,500			\$17,100			\$0		\$ 129,300
Task 4 – Construction Engineering Support Services (Contingent Item)													
Bidding Assistance	8												\$ 1,600
Construction Coordination		10											\$ 1,500
Field Visits		30		4	4	12	2						\$ 8,900
Field Reports		6											\$ 900
Submittal Review		8					2						\$ 1,600
RFI Review		8					2						\$ 1,600
As-Builts		6											\$ 900
Project Close-out		4											\$ 600
Subtotal Hours	8	72	-	4	4	12	6	-	-	-	-	-	106
Subtotal Dollars	\$ 1,600	\$ 10,800	\$ -	\$ 1,200	\$ 1,000	\$ 1,800	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,600
Expenses		\$1,200											\$ 1,200
TOTAL		\$13,600			\$4,000			\$1,200			\$0		\$ 18,800
TOTAL HOURS 108 378 299 132 160 237 45 38 44 20 40 100 1,601													
TOTAL EXPENSES \$5,200 \$0 \$0 \$0 \$ 5,200													
TOTAL FEES \$ 21,600 \$ 56,700 \$ 37,375 \$ 39,600 \$ 40,000 \$ 35,550 \$ 9,000 \$ 5,700 \$ 5,500 \$ 4,000 \$ 6,000 \$ 12,500 \$ 273,525													
TOTAL DOLLARS \$120,875 \$115,150 \$20,200 \$22,500 \$ 278,725													

We are open to adjusting our fee to best fit the city's project budget.



ADDITIONAL WORK AUTHORIZATION

Rebecca Brown, Project Manager
City of Palmdale
Public Works | Capital Improvement Program
38250 Sierra Highway
Palmdale, CA 93550
rebrown@cityofpalmdaleca.gov

Date: November 25, 2025
Project: Oasis Park Basin Upgrades

Work Authorization No: 1

Dear Rebecca,
RHA Landscape Architects-Planners, Inc. has developed the following scope of services and fee schedule for additional design services requested on the Oasis Park Basin Upgrades project.

SCOPE OF SERVICES

1. Basin Changes
 - a. Provide field survey and office support to confirm offsite Storm Drain locations and elevations to support Basin Re-design.
 - b. Regrade existing basin to provide for sports fields on the west 2/3 and 1/3 deepened basin. Basin regrading also includes reestablishing the original required basin volume as provided in the flood routing study for the basin provided by the City.
 - c. Redesign inlet and outlet structures, and connecting public storm drain systems as needed to match up to the redesigned basin elevations. Includes hydraulic calculations for new storm drain lines from basin to upstream and/or downstream connections to the existing system.
 - d. Revise preliminary plans and coordination with the City and design team.
2. North West Corner
 - a. Provide additional topographic survey for the northwest corner of the site that was not in the original RFP scope of work.
 - b. Provide landscape architectural design services at the northwest corner of the park to include playground improvements, fencing, and landscape.

SCHEDULE OF FEES

1. Basin Changes
 - Engineering: \$ 43,600
 - Landscape Architecture: \$ 2,500
2. North West Corner
 - Engineering: \$ 1,770
 - Landscape Architecture: \$ 4,500

Total Fee: \$ 52,370

Upon your review of the above referenced scope of services, please sign and return this agreement to RHA Landscape Architects-Planners, Inc. An emailed PDF copy of this agreement is sufficient.

Cordially,

RHA Landscape Architects-Planners, Inc.



Doug Grove, RLA, LEED AP
President

Authorized by:

Name/Title: _____

By: _____

Date: _____

**AGREEMENT NO. A-9293
CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF PALMDALE AND RHA LANDSCAPE ARCHITECTS-
PLANNERS, INC.**

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract" herein) is made and entered into by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and RHA LANDSCAPE ARCHITECTS-PLANNERS, INC. (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS, City desires to engage CONSULTANT to provide certain consultant services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in this Contract. And, if required, is duly registered under the laws of the State of California; and

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The City hereby engages CONSULTANT, and CONSULTANT accepts such engagement, to provide the following services:

PN 871 - Oasis Park Basin Upgrade Project

TASK 1 – PRELIMINARY RESEARCH & INVESTIGATION

Task 1a - Pre-Design Investigation

Task 1b - Topographic Survey

TASK 2 – PRELIMINARY DESIGN (50% and 80% PS&E)

Task 2a - Develop Park Element Design Concepts

Task 2b - Revise Design Concepts into Final Design

Task 2c - Public Outreach / Presentation Graphics for Park

Task 2d - Preliminary Engineer's Estimate

Task 2e - Meetings with City Staff

TASK 3 – FINAL DESIGN (95% and 100% PS&E)

Task 3a - 95% PS&E

Task 3b - 100% PS&E

TASK 4 – CONSTRUCTION ENGINEERING SUPPORT SERVICES (Contingent

Concord - Document ID: generated after first signature 1-13
Item)

CONSULTANT'S detailed proposal is attached as Exhibit "A".

CONSULTANT shall perform and complete all such work and services in a manner satisfactory to CITY.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 CONSULTANT shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to CONSULTANT, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

2 CITY PROJECT MANAGER

To provide the services required by this Contract, CONSULTANT shall act under the authority and approval of a Project Manager appointed by CITY. The City Project Manager will oversee the work under this Contract, assist CONSULTANT with any necessary information, audit billings, and approve payments. CONSULTANT shall channel reports, deliverables, and special requests through the City Project Manager.

3 CONSULTANT'S KEY PERSONNEL

CONSULTANT's Team and Key Personnel are as follows:

Doug Grove - President/Landscape Architect

This Consultant Services Contract has been awarded to CONSULTANT based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed herein. CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 CONTRACT TERM

The term of this contract is Twelve (12) Months, commencing on the effective date.

5 TAXES

5.1 CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by CONSULTANT in accordance with state and local laws.

5.2 CONSULTANT is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONSULTANT or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 CONSULTANT shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 PATENT FEES AND ROYALTIES

CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONSULTANT shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

CONSULTANT shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONSULTANT shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY -furnished information.

8 CONSULTANT'S PERSONNEL

8.1 All services required under this Contract shall be performed by CONSULTANT, or under CONSULTANT'S direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this

Contract, and compliance with all reasonable performance standards established by CITY.

8.3 CONSULTANT shall be responsible for payment of all CONSULTANT's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 CONSULTANT shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONSULTANT's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Section 1, CITY shall pay to CONSULTANT an amount not to exceed the sum of Two Hundred Seventy-Eight Thousand Seven Hundred Twenty-Five dollars (\$278,725.00), payable as follows:

Task 1.....	\$58,800
Task 2.....	\$71,825
Task 3.....	\$129,300
Task 4.....	\$18,800
Project Total.....	\$278,725

The Contract Price is CONSULTANT'S estimate of its charges for all of the services, including all labor, equipment, material, subcontractor and reimbursable costs, to be provided under this Agreement. Progress payments shall be made on a time and material basis. Final payment shall be made upon completion of all services and City acceptance of all deliverables, not-to-exceed the Contract Price.

9.2 CONSULTANT shall perform no work in excess of the total contract price without prior written approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear, if so required, before City Council or any other board or commission of CITY.

9.3 CONSULTANT shall maintain adequate records and shall permit inspection and audit by CITY of CONSULTANT's charges under this Contract. CONSULTANT shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONSULTANT for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONSULTANT shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to CONSULTANT, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by CONSULTANT of its obligations under this Contract.

10 INDEMNIFICATION

To the fullest extent permitted by law, CONSULTANT and any contractors or subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONSULTANT, its contractors or subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONSULTANT and, as applicable, any contractors or subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONSULTANT shall ensure that the contract of any contractor or subcontractor working under this agreement contain an indemnity agreement, requiring the contractor or subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONSULTANT shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

11 INSURANCE

11.1 CONSULTANT, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California.

Proof of Insurance, as identified in Section 11.8, must be reviewed and accepted by the City Attorney.

11.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation—coverage as required by the State of California
- Employer's Liability:
 - \$1,000,000.00 each accident
 - \$1,000,000.00 policy limit bodily injury
 - \$1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*

- \$1,000,000 limit on a per occurrence basis

11.1.3 Commercial General Liability

- \$1,000,000.00 limit on a per occurrence basis
- \$2,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

- \$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of CONSULTANT's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty- (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

- A. An endorsement extending coverage to the City as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificate and endorsements shall state: "The City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Industrial Development Authority of the City of Palmdale, Palmdale Airport Authority, their officers, agents, employees and volunteers are named as additional insured's."
- B. "Severability of Interest" clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, CONSULTANT shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONSULTANT has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, CONSULTANT shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify CONSULTANT's liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that CONSULTANT elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

11.7 All insurance coverage must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 *When professional (E&O) liability coverage is provided on a "claims made basis", CONSULTANT will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONSULTANT fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONSULTANT shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONSULTANT shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONSULTANT's sole risk. CONSULTANT's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 TERMINATION WITHOUT CAUSE

CITY reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event

shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 TERMINATION FOR CAUSE

13.1 If the City determines that the CONSULTANT has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the City shall give written notice to the CONSULTANT specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City's dissatisfaction and suggest corrective measures. If, after thirty days, the CONSULTANT has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the CONSULTANT to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the CONSULTANT. Upon such termination, the CONSULTANT shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another CONSULTANT to complete the services. In the event no new CONSULTANT is employed, the CONSULTANT shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the City.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that CONSULTANT was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONSULTANT arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, research, field notes, investigations, analysis, and studies which are prepared in the performance of this Contract are to

be, and remain the property of CITY. CONSULTANT shall furnish CITY, upon its request, originals or reproducible or electronic copies of reports, studies and of all other documents listed above.

16 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

16.1 CONSULTANT shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONSULTANT from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegates or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegates or subcontractor shall include the following:

- A. The amount involved, together with CONSULTANT's analysis of such cost or price; and
- B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.
- C. The requirement to hire only those persons authorized by federal law to work in the United States.

16.2 Any assignment, delegation or subcontract shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONSULTANT under this Contract.

17 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

17.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

17.2 The provisions of subsection 17.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONSULTANT for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONSULTANT and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

18 FINANCIAL INTEREST CERTIFICATION

18.1 CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONSULTANT's firm.

18.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

19 CONFLICT OF INTEREST

19.1 CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONSULTANT to be "financially interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

19.2 CONSULTANT shall not employ any City official or employee to perform any work required pursuant to this Contract.

19.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT'S recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of \$250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, City shall select a different CONSULTANT to recommend the actual formula to spread the

costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

19.4 To the extent required by the City Manager/designee, CONSULTANT shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

20 COMPLIANCE WITH LAW

20.1 CONSULTANT shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONSULTANT uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONSULTANT.

20.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

21 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

22 ENTIRE CONTRACT AND AMENDMENTS

22.1 This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

22.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONSULTANT hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

22.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

23 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

RHA LANDSCAPE ARCHITECTS-
PLANNERS, INC.:

Salvador Mendez

Signed: 5/22/2025

Salvador Mendez
City Manager Pro-Tem

Lee Torres

Signed: 5/21/2025

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

Doug Grove

Signed: 5/22/2025

Doug Grove, RLA, LEED AP
President/Landscape Architect

ADDRESS FOR NOTICE:
RHA LANDSCAPE ARCHITECTS-
PLANNERS, INC.
6840 Indiana Avenue, Suite 100
Riverside, CA 92506

APPROVE AS TO FORM:

Alexandra Halfman

Signed: 5/22/2025

Alexandra Halfman
Acting City Attorney

ATTEST:

Roxanne Faber

Signed: 5/22/2025

Roxanne Faber
City Clerk

----- INTERNAL USE ONLY -----

- Certificate(s) and Endorsement(s) attached
- Confirmed business name on contract with certificate(s)
- Attached Agreement Checklist and met all requirements

Record of Signing

For
Name
Title

Lee Torres

Signed on 2025-05-21 17:03:48 GMT

Secured by Concord™
DocumentID: 02zycRXo1F1ij8Splhlq1h
SigningID: 02zycRXnvCJTbakPJ2ePZf
Signing date: 5/21/2025
IP Address: 206.171.111.149
Email: ltorres@cityofpalmdaleca.gov

For
Name
Title

Doug Grove

Signed on 2025-05-22 00:16:19 GMT

Secured by Concord™
DocumentID: 02zycRXo1F1ij8Splhlq1h
SigningID: 02zyn3eFibwUsooAfTjqGt
Signing date: 5/22/2025
IP Address: 71.84.229.42
Email: dougg@rhala.com

For
Name
Title

Alexandra Haltman

Signed on 2025-05-22 04:51:10 GMT

Secured by Concord™
DocumentID: 02zycRXo1F1ij8Splhlq1h
SigningID: 02zytnpdNppNDnqQITb4hW
Signing date: 5/22/2025
IP Address: 107.116.170.84
Email: amhaltman@harperburns.com

For
Name
Title

Salvador Mendez

Signed on 2025-05-22 21:42:09 GMT

Secured by Concord™
DocumentID: 02zycRXo1F1ij8Splhlq1h
SigningID: 02zzlc5cyWFcPJvjFrqLzl
Signing date: 5/22/2025
IP Address: 206.171.111.149
Email: smendez@cityofpalmdaleca.gov

For
Name
Title

Roxanne Faber

Signed on 2025-05-22 23:28:57 GMT

Secured by Concord™
DocumentID: 02zycRXo1F1ij8Splhlq1h
SigningID: 02zzLEb8AEoDmEO7HQHTXK
Signing date: 5/22/2025
IP Address: 206.171.111.149
Email: rfaber@cityofpalmdale.org



Signed with <https://www.concord.app/>



RHA Landscape Architects-Planners



CALL FOR PROPOSALS
OASIS PARK BASIN UPGRADES
CITY PROJECT NO. 871

Prepared For:
City of Palmdale



PALMDALE
a place to call home

March 11, 2025



March 11, 2025

Rebecca Brown, Project Manager
City of Palmdale
Public Works | Capital Improvement Program
38250 Sierra Highway
Palmdale, CA 93550

RE: Oasis Park Basin Upgrades – City Project No. 871

Dear Rebecca,

RHA Landscape Architects-Planners is excited to submit this proposal to the City of Palmdale for the Oasis Park Basin Upgrades. Our approach to successful park design starts with listening to both the users and maintainers of the space, ensuring the final design exceeds expectations. Through a dynamic brainstorming process, we refine ideas until we achieve a solution that is safe, creative, functional, sustainable, and long-lasting.

Our team is well-suited for this project due to our extensive experience with park and basin improvements. Additionally, we have partnered with PBLA Engineering, who bring expertise in flood basin design, ensuring that drainage and stormwater management solutions are both effective and sustainable.

As part of this project, we will assess the existing basin and develop a plan addressing maintenance, access, turf, erosion control, and future sports field lighting. Additionally, we will design a restroom/storage building with a drinking fountain, a monument sign with uplighting, a safety fence for the walking path, fitness course elements, pet waste stations, and trail lighting for enhanced safety and usability.

Doug Grove, licensed Landscape Architect with 40 years of park design experience in California, will manage the project. Doug has been designing park projects in the Antelope Valley for over 35 years and has a keen understanding of what makes a park successful in these communities. We look forward to collaborating with the City of Palmdale to deliver innovative, high-quality, and cost-effective solutions.

I HAVE READ, UNDERSTOOD, AND AGREED TO ALL STATEMENTS IN THIS REQUEST FOR PROPOSAL AND ACKNOWLEDGE RECEIPT OF ALL ADDENDUMS / AMENDMENTS AS WELL AS TO THE TERMS, CONDITIONS, AND ATTACHMENTS REFERENCED.

Cordially,
RHA Landscape Architects-Planners, Inc.


Doug Grove, RLQ, ASLA, LEED® AP
President

QUALIFICATIONS AND EXPERIENCE

RHA Landscape Architects-Planners, Inc. is led by two principals: Doug Grove, RLA, ASLA, LEED AP, the firm's president, and Greg Meek, RLA, CPSI, principal. Our firm operates with a collaborative team approach, ensuring that each project benefits from the expertise of our principals and associates. Based in Riverside, California, RHA has a dedicated staff of ten professionals, including five licensed landscape architects and one LEED Accredited Professional

RHA TEAM MEMBERS

- | | |
|---------------------------|---|
| • Doug Grove | President / Landscape Architect RLA, LEED AP |
| • Greg Meek | Principal / Landscape Architect RLA, CPSI |
| • David Black | Project Manager / Landscape Architect RLA |
| • Lauren McHugh | Project Manager / Landscape Architect RLA |
| • Andy Emery | Quality Control / Construction Administration RLA |
| • Jennifer Salazar | Project Manager / Landscape Designer |
| • Andrew Lytle | Project Manager / Landscape Designer |
| • Arielle Talley | Landscape Designer |
| • Erik Delgadillo | Landscape Designer |
| • Marissa Grove | Accounting / Office Management |

PROJECT LEADERSHIP

The project will be managed by Doug Grove, President and Landscape Architect. He will be the main point of contact for the city. He will be supported by Dave Black and Jennifer Salazar, park design specialists with over 20 years of experience.

SUB-CONSULTANTS & SPECIALIZED EXPERTISE

RHA collaborates with industry-leading consultants to provide specialized services for the successful execution of this project. Our consultant team includes:

PBLA Engineering – Civil Engineering

PBLA Engineering will be responsible for all civil engineering aspects of the project, including:

- Topographic Survey
- Grading & Drainage
- Water Quality Management Plans (WQMP) / Low Impact Development (LID)
- Stormwater Pollution Prevention Plans (SWPPP)
- Erosion Control Plans

JCA Engineering – Electrical Engineering

JCA Engineering, led by Jim Corns with over 35 years of park electrical design experience, will handle all electrical engineering aspects of the project. This includes:

- Upgrades to the existing electrical infrastructure
- Installation of new electrical systems to support event power
- Analysis and design of power distribution systems for multi-purpose field lighting and event services

Converse Consultants – Geotechnical Engineering

Converse Consultants will perform a geotechnical investigation for the project to assess the subsurface conditions and provide recommendations for the design and construction of the fields. Their expertise includes:

- Geotechnical site assessments
- Soil testing and analysis
- Recommendations for soil stabilization, compaction, and drainage

RELEVANT PROJECT EXPERIENCE

American Heros Park – Lancaster, CA

RHA led a design team in the preparation of Preliminary Planning and Construction Documents for a 14-acre downtown park in Lancaster. The site design included 2 ballfields, 2 soccer fields, restroom building, 3 full court and 1 half court basketball, other hard-court games, playground, central plaza with raised gazebo and trellis structures, veterans' memorial, public plaza with gazebo for weddings and special events, drought-tolerant native planting and on-site parking for 127 cars.

Client: City of Lancaster
Contact: Nicole Jones, Projects Coordinator - (661) 723-6173
Principal-in-Charge: Doug Grove

California Citrus State Historic Park – Children's Interactive Interpretive Trail

RHA worked with the California Citrus State Historic Park NPMC and the State park rangers to develop a Children's Interactive Interpretive Trail to educate park visitors on the history of the citrus industry in Riverside and California. A series of 8 interactive locations that included *Parent Navel Orange Tree*, *Migratory Grove Workers Encampment*, *Tractor Climbing Structure*, *Stand Pipe Interactive Structures*, *Agricultural Fan and Smudge Pots*, *Seating Area with View Shed Maps*, *Parking House Interactive Structure* and *Rail Road Interactive Structure*. ADA improvements for the existing Varietal Grove Trail were also developed. The team worked with several playground manufacturers to develop potential structures and signage for each location and then met with the NPMC and park rangers to determine which ones provided the best interactive and informative experience.

Client: California Citrus State Historic Park NPMC
Contact: Greg Neel - ganeal58@gmail.com
Principal-in-Charge: Doug Grove

Whit Carter Park

RHA led a design team in the Preliminary Planning for a 60-acre park in Lancaster. The overall site design included 3 lighted ballfields, 2 practice ballfields, 2 play grounds, 2 water splash pads, community building, restroom building, maintenance storage building, 3 grass volleyball courts, 2 tennis courts, 1 full and 1 half court basketball, picnic shelters, amphitheater, dog park, walking paths with exercise stations and on-site parking for 950 cars. Construction documents were then prepared for 12.5-acre phase 1 which included a large themed playground, picnic shelter, half-court basketball, restroom building, maintenance and storage building, walking paths, drought-tolerant native plants and on-site parking for 80 cars.

Client: City of Lancaster
Contact: Nicole Jones, Projects Coordinator - (661) 723-6173
Principal-in-Charge: Doug Grove

We have many more project examples but due to the page limit expressed in the RFP we have not included them. This information can be provided upon request.

PROJECT APPROACH

Task 1 – Preliminary Research & Investigation

Our team will conduct site visits to analyze opportunities, constraints, and utility coordination by gathering existing site conditions, utility information, and environmental factors. We will perform a topographic survey to document site features, terrain contours, and boundaries, ensuring compliance with prevailing wage rates. This data will provide a foundation for accurate design development.

Deliverables: *Site Analysis Memorandum, Topographic Survey*

Task 2 – Preliminary Design (50% and 80% PS&E)

We will develop park design concepts by integrating site analysis data and City objectives into functional and aesthetically pleasing solutions. Elements such as a restroom/storage building, monument sign with uplighting, drinking fountains, safety fencing, fitness course, pet waste stations, landscaping, irrigation, and trail lighting will be incorporated. Concepts will be refined based on City feedback. We will prepare public outreach materials and present at four (4) meetings to gather community input and ensure alignment with stakeholders. A preliminary engineer's estimate will be developed to align with the City's budget. Additionally, we will conduct milestone meetings with City staff to ensure progress and coordination.

Deliverables: *Color presentation graphics, Final Park Basin Design, Public Outreach Materials, Engineer's Cost Estimate*

Task 3 – Final Design (95% and 100% PS&E)

We will finalize the design by incorporating City feedback into the 95% and 100% PS&E submissions. Detailed drawings, specifications, and cost estimates will be refined to ensure constructability and compliance with regulatory requirements. The final submittal will include all necessary documentation for permitting and construction.

Deliverables:

- *Stamped Mylar Drawings, AutoCAD, and PDF files*
- *Project Specifications*
- *Engineer's Estimate*
- *Utility Research Documents*

Task 4 – Construction Engineering Support Services (Contingent Item)

Our team will provide as-needed support during construction to address design concerns, respond to RFIs, and ensure that the project is built according to the approved plans. This service will be offered on an 80-hour basis as a contingent item, allowing for flexibility based on project needs.

This structured approach ensures the successful design and implementation of the Palmdale Oasis Park Basin project.

PROPOSED PERSONNEL



Doug Grove, RLA, ASLA, LEED® AP
President

Education:

BS/1985/Landscape Architecture/
Cal State Polytechnic University, Pomona

Active Registration:

1987/Landscape Architect/2799/State of California
LEED Accredited Professional - USGBC

Mr. Grove is President, Principal Landscape Architect, and LEED Accredited Professional with RHA Landscape Architects-Planners, Inc. He graduated from California State Polytechnic University, Pomona in 1985 and holds a Bachelor of Science degree in Landscape Architecture. A professional Landscape Architect for over 39 years, his wide range of experience in the public works sector includes in the design and project management of hundreds of park projects as well as housing development, streetscape, institutional and commercial projects. He has personally designed over 150 parks throughout California.

Mr. Grove has established his ability to work efficiently and professionally throughout all aspects of project development. His extensive experience has included management and design of projects from preliminary phases to construction documents, and coordination and observation of project installation. He has been responsible for coordinating public meetings, design development, and approval on numerous public works and parks projects as well as following through with obtaining all other necessary approvals needed for final drawing and project completion.

Mr. Grove served on the California Park and Recreation Society (CPRS) State Board of Directors as the President in 2023-2024. He also serves on the Board of Directors for the California Turf and Landscape Foundation at the University of California, Riverside and the Building Industry Association (BIA) Riverside County as President. He is a past President of the CPRS State Development and Operations Section and a past Board Member for the United States Green Building Council – Inland Empire (USGBC-IE).

Representative projects include (partial list):

City of Palmdale

- Domenic Massari Park

City of Lancaster

- Sargent Steve Owens Memorial Park
- Sargent Steve Owens Memorial Plaza
- Hull Park
- Jane Reynolds Skatepark
- Prime Desert Woodland Preserve Pavilion
- American Heroes Park
- Trend Community Garden
- Whit Carter Park

Oasis Park Basin Upgrades

March 11, 2025

Palmdale, CA

- Piute Linear Park
- Tierra Bonita Park
- Rawley-Duntley Park
- Kensington Campus
- Freeway Passive Park

Town of Yucca Valley

- Yucca Valley Athletic Facility
- South Community Center Park

City of Irwindale

- Kare Park (Kare Youth League)

City of Rialto

- Fergusson Park
- Jerry Eaves Park

County of Riverside

- Rancho Jurupa Regional Sports Complex
- Rancho Jurupa Park – RV Park, Water Play & Miniature Golf

City of Moreno Valley

- Moreno Valley Community Park – Soccer Field Renovations (Synthetic Turf)
- Shadow Mountain Park

City of Temecula

- Harveston Community Park

City of Corona

- Citrus Community Park

City of Riverside

- Hunter Community Park
- Reid Park Expansion
- Orange Terrace Community Park
- Andulka Park
- La Sierra & Hunt Parks

City of Temple City

- Live Oak Park Renovation

MAFB Joint Powers Authority

- March Air Force Base Regional Park

County of Los Angeles

- Schabarum Park Renovation

City of Los Angeles

- Ardmore & Shatto Parks Renovation

City of Yucaipa

- Bryant Street Park

City of Ridgecrest

- Kern Desert Regional Park

City of El Monte

- Park Arroyo

City of Indio

- Indio Community Center/Park



David Black, RLA
Project Manager

Education:

BS/1999/Landscape Architecture/
Cal State Polytechnic University, Pomona

Active Registration:

2009/Landscape Architect/5509/State of California
Contractor License CA #789824(C27)

Mr. Black is a Project Manager and Licensed Landscape Architect with RHA Landscape Architects-Planners, Inc. He graduated from California State Polytechnic University, Pomona, and holds a Bachelor of Science degree in Landscape Architecture. He has more than 25 years of landscape design and construction experience and specializes in irrigation design for all projects at RHA. As a professional Landscape Architect, Mr. Black has established his ability to work efficiently and professionally throughout all aspects of project development. His experience has included management and design of projects from preliminary phases to construction documents, and coordination and observation of project installation. He has been responsible for coordinating meetings with clients and governing agencies, overseeing project budget preparation, design development and approval on numerous projects as well as following through with obtaining all other necessary approvals needed for final drawing completion.

Representative projects include:

Town of Yucca Valley

- Yucca Valley Athletic Facility

County of Riverside

- Rancho Jurupa Regional Sports Complex (Synthetic Turf)
- Rancho Jurupa Park – RV Park, Water Play & Miniature Golf

City of Moreno Valley

- Moreno Valley Community Park – Soccer Field Renovations (Synthetic Turf)
- Shadow Mountain Park

City of Temecula

- Harveston Community Park

City of Lancaster

- Sargent Steve Owens Memorial Plaza
- Hull Park
- Jane Reynolds Skatepark
- Prime Desert Woodland Preserve Pavilion
- American Heroes Park
- Trend Community Garden
- Whit Carter Park
- Piute Linear Park
- Tierra Bonita Park
- Rawley-Duntley Park
- Kensington Campus



Steve Levissee, PE
Principal, Project Engineer

Education:
BS Civil Engineering
Gonzaga University, Spokane, WA

Active Registration:
Reg. Civil Engineer CA # 45926
Reg. Civil Engineer AZ # 32982
Reg. Civil Engineer TX # 89715
Reg. Civil Engineer PA # 075430
Qualified SWPPP Dev. #21591

Mr. Levissee is a registered civil engineer with more than 30 years of experience in civil engineering design and 24 years of project management experience. He has a diverse background in commercial and industrial master planned centers. Mr. Levissee is also a registered Qualified SWPPP Developer #21591 (QSD). He is the firm's resident expert in hydrology and hydraulics and proficient with rational and modified rational methods, unit hydrographs and flood routing analysis, WSPG, HEC-2 and other standard step hydraulic analyses. He is a Registered Civil Engineer in the states of California, Arizona, Texas, and Pennsylvania. His experience includes the design, preparation and processing of all improvement plans required for the development of residential, commercial, retail, and industrial projects. Along with plan preparation, he is responsible for preparing Water Quality Plans, Storm Water Pollution Prevention Plans, Hydrology and Hydraulics Reports, capacity studies for sewer and storm drain, and water distribution networks.

Representative projects include:

- Industry Business Center – East – City of Industry, CA
248ac Retail & Industrial Development
- Mountain Grove Retail Center – Redlands, CA
65ac Regional Retail Development
- Majestic Chino Gateway – Chino, CA
150ac Industrial Development
- Port Grande – Laredo, TX
1,992ac Master Planned Development with 25 Million square feet of Industrial Development
- Business Properties – Southern California
7 Retail sites analyzed for ADA Compliance
- Sewer Study – Redlands, CA
4,400ac Regional Sewer Study
- Gas Company – Southern California
6ac site which includes tank farm, pumps, compressors, pipe racks, and vessels

QUALITY ASSURANCE / QUALITY CONTROL PROCEDURES

The RHA team follows a structured QA/QC process to ensure that each project meets required standards and client expectations throughout the project. The procedure includes the following key phases:

1. Project Initiation and Planning

- **Kick-off Meeting:** The RHA team defines roles and responsibilities, and clarifies project goals, scope, and standards.
- **Design Standards & Guidelines:** The team ensures compliance with relevant codes, local regulations, ADA requirements, sustainability principles, and park-specific design standards (e.g., accessibility, landscaping, water management).
- **Client Requirements:** The team reviews the client's goals and expectations to align the design with budget, environmental sustainability, and safety considerations.

2. Design Phase

- **Internal Design Reviews:** The RHA team conducts regular design reviews at key milestones (concept, schematic, design development, and construction documents) to maintain quality.
- **Cost Estimation:** Regular cost reviews and value engineering sessions keep the project within budget.

3. Pre-Construction and Permitting

- **Quality Review of Final Plans:** Before construction, the RHA team verifies that final plans and specifications align with established design standards.
- **Permitting:** The team ensures all necessary permits are obtained and meet regulatory requirements.
- **Construction Specifications:** The team reviews and approves construction specifications to ensure alignment with design intent, material quality, and project goals.

4. Construction Phase

- **Site Observations:** The RHA team conducts routine site visits to monitor construction progress and ensure compliance with design documents and quality standards.
- **Material Review:** Materials are reviewed upon delivery to confirm they meet required specifications.
- **Workmanship Reviews:** The team reviews key construction elements, such as drainage, paving, furniture installations, and utilities.
- **Corrective Action:** Any identified issues are promptly addressed through corrective measures.

5. Testing and Commissioning

- **Final Inspection:** The RHA team verifies that the completed construction meets the intended design and ensures all systems function properly.
- **Punch List:** A final checklist of outstanding items is prepared and addressed before project acceptance.

6. Client Handover and Post-Completion Evaluation

- **Client Walkthrough:** The RHA team conducts a final walkthrough to confirm that all design and quality expectations are met.
- **Post-Occupancy Evaluation:** The team performs follow-up evaluations after project completion to assess functionality, safety, and user experience, making adjustments as needed.

7. Documentation and Reporting

- **Quality Check Records:** The RHA team maintains thorough documentation of inspections, reviews, approvals, and corrective actions.

SCHEDULE CONTROL

Our team prioritizes effective project scheduling to ensure timely completion, efficient resource allocation, and seamless task coordination. Microsoft Project serves as a key tool in our project management process, enabling us to plan, track, and adjust schedules throughout a project's lifecycle.

1. Defining the Project Scope and Tasks

We begin by clearly defining the project scope and breaking it down into tasks and milestones. Using the **Work Breakdown Structure (WBS)**, we organize tasks hierarchically, ensuring all project components are systematically planned and accounted for.

2. Establishing Task Dependencies and Durations

Once tasks are identified, we establish logical relationships between them, defining **task dependencies** such as Finish-to-Start (FS), Start-to-Start (SS), Finish-to-Finish (FF), and Start-to-Finish (SF). Task durations are estimated based on historical data, industry standards, and team input to create a realistic project timeline.

3. Assigning Resources and Managing Workloads

We assign team members, materials, and equipment to specific tasks using Microsoft Project's **Resource Sheet** and **Resource Usage View**. This ensures an even distribution of workload and helps prevent resource overallocation, keeping the project running smoothly.

4. Utilizing the Gantt Chart for Visualization

The **Gantt Chart** serves as a critical tool for our team, providing a clear visual representation of task sequences, dependencies, and progress. This allows project managers to monitor key milestones and identify potential scheduling conflicts early in the process.

5. Critical Path Analysis and Schedule Adjustments

Microsoft Project enables us to identify the **Critical Path**, highlighting tasks that directly impact the project completion date. If delays occur, we use strategies such as **fast-tracking** (overlapping tasks) or **crashing** (allocating additional resources) to maintain the schedule.

6. Progress Tracking and Schedule Updates

We continuously update task completion percentages, actual start and finish dates, and compare progress against the original baseline. This **variance analysis** allows us to identify and mitigate scheduling deviations proactively.

7. Reporting and Stakeholder Communication

To keep stakeholders informed, we leverage Microsoft Project's built-in reporting features, such as **Task Overview**, **Resource Workload**, and **Milestone Reports**. Custom reports are also generated to meet specific project needs, ensuring transparent and effective communication.

By consistently updating the schedule and ensuring visibility of tasks and milestones, our team has successfully averted project delays. Everyone involved can see their responsibilities, deadlines, and dependencies, allowing for proactive problem-solving and timely adjustments. This method keeps projects on track, minimizes last-minute surprises, and enhances overall efficiency.

Oasis Park Basin Upgrades

Fee Schedule

3/11/2025

RHA Landscape Architects-Planners, Inc.

TASK	RHA Landscape Architects-Planners, Inc.			PBLA Engineering			JCA Engineering			Converse Consultants			TOTAL
	Principal	Project Manager	Landscape Designer	Principal	Project Manager	Staff	Principal	Project Manager	Staff	Principal	Project Manager	Staff	
	\$200	\$150	\$125	\$300	\$250	\$150	\$200	\$150	\$125	\$200	\$150	\$125	
Task 1 – Preliminary Research & Investigation													
Project Management	4	4	2	2	1	1							\$ 2,650
Research / Site Analysis / Photography		12	8				5	6					\$ 4,700
Topographic Survey & Utility Research				40	30	41							\$ 25,650
Geotechnical Soil Testing										20	40	100	\$ 22,500
Meetings with city staff (2)	8	8											\$ 2,800
Subtotal Hours	12	24	10	42	31	42	5	6	-	20	40	100	332
Subtotal Dollars	\$ 2,400	\$ 3,600	\$ 1,250	\$ 12,600	\$ 7,750	\$ 6,300	\$ 1,000	\$ 900	\$ -	\$ 4,000	\$ 6,000	\$ 12,500	\$ 58,300
Expenses		\$500											\$ 500
TOTAL		\$7,750			\$26,650			\$1,900			\$22,500		\$ 58,800
Task 2 – Preliminary Design (50% and 80% PS&E)													
Project Management	8	4	4										\$ 2,700
Prepare alternative design concepts and graphics		40	24										\$ 9,000
Community Meetings (4)	48												\$ 9,600
Refine selected design		24	20										\$ 6,100
Prepare Final Park Basin Design		12	21										\$ 4,425
Preliminary Engineer's Cost Estimate	2	12	8										\$ 3,200
Conceptual Grading Plan				10	18	30							\$ 12,000
Conceptual Utility Plan				4	4	12							\$ 4,000
Preliminary Construction Plan & Details		24	20										\$ 6,100
Preliminary Irrigation Plan & Details		24	24										\$ 6,600
Preliminary Planting Plan & Details		12	24										\$ 4,800
Meetings with City Staff (2)	8	8											\$ 2,800
Subtotal Hours	66	160	145	14	22	42	-	-	-	-	-	-	449
Subtotal Dollars	\$ 13,200	\$ 24,000	\$ 18,125	\$ 4,200	\$ 5,500	\$ 6,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,325
Expenses		\$500											\$ 500
TOTAL		\$55,825			\$16,000			\$0			\$0		\$ 71,825
Task 3 – Final Design (95% and 100% PS&E)													
Project Management	6	8	6	3		4	4						\$ 5,450
Demolition Plan		8	24										\$ 4,200
Precise Grading Plan				10	24	40							\$ 15,000
Earthwork Quantities					5	5							\$ 2,000
Erosion Control Plan				3	6	4							\$ 3,000
Storm Drain Plans				10	24	40							\$ 15,000
Hydrology / Hydraulics Report				12	12	16							\$ 9,000
Water Quality Management Plan (WQMP/LID)				12	12	16							\$ 9,000
Storm Water Pollution Prevention Plan (SWPPP)				12	12	16							\$ 9,000
Construction Plan & Details		16	30										\$ 6,150
Irrigation Plan & Details		16	20										\$ 4,900
Planting Plan & Details		8	16										\$ 3,200
Electrical Plan & Details							30	32	44				\$ 16,300
Final Engineer's Cost Estimate	2	12	8		8								\$ 5,200
Specifications		16	8	10									\$ 6,400
Plan Review and Revisions	6	30	32										\$ 9,700
Meetings with City Staff (2)	8	8											\$ 2,800
Subtotal Hours	22	122	144	72	103	141	34	32	44	-	-	-	714
Subtotal Dollars	\$ 4,400	\$ 18,300	\$ 18,000	\$ 21,600	\$ 25,750	\$ 21,150	\$ 6,800	\$ 4,800	\$ 5,500	\$ -	\$ -	\$ -	\$ 126,300
Expenses		\$3,000											\$ 3,000
TOTAL		\$43,700			\$68,500			\$17,100			\$0		\$ 129,300
Task 4 – Construction Engineering Support Services (Contingent Item)													
Bidding Assistance	8												\$ 1,600
Construction Coordination		10											\$ 1,500
Field Visits		30		4	4	12	2						\$ 8,900
Field Reports		6											\$ 900
Submittal Review		8					2						\$ 1,600
RFI Review		8					2						\$ 1,600
As-Builts		6											\$ 900
Project Close-out		4											\$ 600
Subtotal Hours	8	72	-	4	4	12	6	-	-	-	-	-	106
Subtotal Dollars	\$ 1,600	\$ 10,800	\$ -	\$ 1,200	\$ 1,000	\$ 1,800	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,600
Expenses		\$1,200											\$ 1,200
TOTAL		\$13,600			\$4,000			\$1,200			\$0		\$ 18,800
TOTAL HOURS													
	108	378	299	132	160	237	45	38	44	20	40	100	1,601
TOTAL EXPENSES													
		\$5,200			\$0			\$0			\$0		\$ 5,200
TOTAL FEES													
	\$ 21,600	\$ 56,700	\$ 37,375	\$ 39,800	\$ 40,000	\$ 35,550	\$ 9,000	\$ 5,700	\$ 5,500	\$ 4,000	\$ 6,000	\$ 12,500	\$ 273,525
TOTAL DOLLARS													
		\$120,875			\$115,150			\$20,200			\$22,500		\$ 278,725

We are open to adjusting our fee to best fit the city's project budget.



City Council Staff Report

DATE: JANUARY 13, 2026

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
INNOVATION AND ENVIRONMENTAL DIVISION

DISTRICT: ALL

SUBJECT: APPROVE SECOND AMENDMENT TO AGREEMENT FOR ADMINISTRATIVE SERVICES WITH CALIFORNIA CHOICE ENERGY AUTHORITY (CALCHOICE) IN THE AMOUNT OF \$1,823,978 FOR A TERM OF ONE YEAR

RECOMMENDATION

Staff recommend that the City Council:

1. Approve the second amendment to Agreement No. A-6826 with California Choice Energy Authority (CalChoice) for administrative services in the amount of \$1,823,978 for a term of one year; and,
2. Authorize the Interim City Manager, or his designee, to execute the Second Amendment to Agreement No. A-6826 for administrative services with CalChoice.

BACKGROUND

The City's Community Choice Aggregation (CCA) Program, Energy for Palmdale's Independent Choice (EPIC), was established through the adoption of Resolution No. CC 2018-087, approving submittal of an Implementation Plan (Plan), in accordance with Public Utilities Code Section 366.2(c), on December 4, 2018. The Plan was certified by the California Public Utilities Commission's Energy Division on February 28, 2019, and EPIC successfully began serving customers on October 1, 2022.

DISCUSSION

The City executed an Administrative Services Agreement (Agreement No. A-6826) with CalChoice, a Joint Powers Authority, dated October 21, 2019. The Second Amendment is proposed to update and clarify the terms of this existing Agreement.

The Second Amendment replaces Exhibit C to the Agreement. Key changes include an update to the fixed fee rate. This update formalizes the CPI-related adjustments to professional services agreements and clarifies reimbursable expenses, including the introduction of a new reimbursable expense category for the CalChoice Board Secretary position. Additionally, this amendment also incorporates CalCCA Membership Fees into the fixed fee costs, which were previously paid separately outside of the Agreement.

The total fiscal impact is \$1,823,978, to be paid from EPIC's operations account. The execution of the Second Amendment will result in changes to the fixed fee and reimbursable expenses outlined in the Administrative Services Agreement. The revised rates in Exhibit C include annual Fixed Fee costs of \$500,353. Exhibit C also encompasses annual estimated reimbursable expenses for Data Management Services (\$936,000), Professional Services (\$367,625), and Legal Services (\$20,000), and may contain annual adjustments based on cost indices.

The specific financial impacts are detailed in Exhibit C attached to the amendment and are considered a budgeted item for the current fiscal year.

This amendment has been reviewed and approved by the City Attorney, and it appropriately funds EPIC's proportional operational costs, ensuring the Agreement's financial terms are current.

FISCAL IMPACT

\$1,823,978 annually, subject to CPI increases as outlined in the Second Amendment. Funds are budgeted and available for FY 2025-26 in EPIC's operations accounts.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

B. Manage resources, costs, and liabilities to ensure the City's long-term fiscal Health

Goal III: Invest in infrastructure to improve community livability.

B. Implement and administer environmentally sustainable programs.

Prepared by:

Leonardo Torres, P.E.
Director of Public Works

Certified as to availability of Funds:

Janelle Samson, Director of Operations

Approved by:

Salvador Mendez, Interim City Manager

Approved as to form:

Alexandra Severino, City Attorney

Report to Mayor and City Council
Re: Second Amendment to Agrmt No. A-6826 with CalChoice
January 13, 2026
Page 3

ATTACHMENT

Agrmt No. A-6826 Second Amendment with CalChoice

Agrmt No. A-6826 First Amendment with CalChoice

Agrmt No. A-6826 with CalChoice

AMENDMENT NO. 2 TO AGREEMENT FOR ADMINISTRATIVE SERVICES BY AND BETWEEN THE
CALIFORNIA CHOICE ENERGY AUTHORITY AND THE CITY OF PALMDALE

This Amendment ("Amendment No. 2") is hereby entered into by and between California Choice Energy Authority (PROVIDER), a Joint Powers Authority, in the State of California, AND the City of Palmdale, a municipal corporation and charter city (CUSTOMER) with respect to the Administrative Services Agreement between the parties dated October 21, 2019 ("Agreement").

The parties agree as follows:

1. "Exhibit C" to the Agreement is hereby deleted in its entirety and replaced with "Exhibit C" attached hereto.
2. Professional Services agreements in Section 2 (b) may contain annual adjustments based on cost indices.
3. This amendment is effective July 1, 2025.
4. All other terms and provisions of the Agreement are hereby reaffirmed.

In witness whereof the parties have executed the Amendment on the date set forth below:

PROVIDER
CALIFORNIA CHOICE ENERGY AUTHORITY

CUSTOMER
CITY OF PALMDALE

Robert Johnson, Interim CEO

Salvador Mendez, Interim City Manager

Dated: _____

Dated: _____

ATTEST:

Susan Caputo, MMC, Authority Secretary

Allison Burns, General Counsel

EXHIBIT C

FIXED FEE RATE, REIMBURSABLE EXPENSES AND NOTICE ADDRESS

1. **Fixed Fee Rate:**

	<u>Fiscal Year</u>
\$	500,353 annually
\$	41,696 monthly

2. **Reimbursable Expenses:**
 - (a) **Data Management Services:**

	<u>Fiscal Year</u>
\$	936,000 fiscal year total (estimated)
\$	78,000 monthly (estimated)

 - (b) **Professional Services:**

	<u>Fiscal Year</u>
\$	367,625 annually (not to exceed)
\$	30,635 monthly (not to exceed)

 - (c) **Legal Services (as incurred):** \$ 20,000 annually (estimated)

 - (d) **Supplemental Procurement Services (as incurred):** \$ Amounts approved by Customer and Provider in accordance with Exhibit E.

3. **Address for Notices:**

Provider:	California Choice Energy Authority 44933 Fern Avenue Lancaster, California 93534 Attn: Cathy DeFalco Tel: 888.639.2411 Email: Cathy@CalChoice.org With a copy to Provider's legal counsel: Hall Energy Law PC Attn: Stephen Hall Tel: 503.477.9354 Email: Steve@HallEnergyLaw.com
Customer:	City of Palmdale Attn: Salvador Mendez Tel: 661.267.5100 Email: smendez@cityofpalmdaleca.gov

AMENDMENT NO. 1 TO AGREEMENT FOR ADMINISTRATIVE SERVICES BY AND BETWEEN THE
CALIFORNIA CHOICE ENERGY AUTHORITY AND THE CITY OF PALMDALE

This Amendment ("Amendment No. 1") is hereby entered into by and between California Choice Energy Authority (PROVIDER), a Joint Powers Authority, in the State of California, AND the City of Palmdale, a municipal corporation and charter city (CUSTOMER) with respect to the Administrative Services Agreement between the parties dated October 21, 2019 ("Agreement").

The parties agree as follows:

1. "Exhibit C" to the Agreement is hereby deleted in its entirety and replaced with "Exhibit C" attached hereto.
2. Professional Services agreements in Section 2 (b) may contain annual adjustments based on cost indices.
3. This amendment is effective July 1, 2023.
4. All other terms and provisions of the Agreement are hereby reaffirmed.

In witness whereof the parties have executed the Amendment on the date set forth below:

PROVIDER
CALIFORNIA CHOICE ENERGY AUTHORITY

CUSTOMER
CITY OF PALMDALE

DocuSigned by:

Barbara Boswell

80A8F606C699409
Jason Caudle, Executive Director
BY: Barbara Boswell, Treasurer

DocuSigned by:

Ronda Perez

CD5E30624BEE4C8
Ronda Perez, City Manager

Dated: 8/16/2023

Dated: 8/15/2023

ATTEST:

DocuSigned by:

Kathleen Stenback

048947EDD50641C
Andrea Alexander, Authority Secretary

DocuSigned by:

Allison Burns

F8FE6E8C968B4CC
Allison Burns, General Counsel

EXHIBIT C**FIXED FEE RATE, REIMBURSABLE EXPENSES
AND NOTICE ADDRESS**

1. **Fixed Fee Rate:**

<u>Fiscal Year</u>	
\$	364,356 annually
\$	30,363 monthly

2. **Reimbursable Expenses:**
 - (a) **Data Management Services:** **Fiscal Year**

\$	686,535 fiscal year total (estimated)
\$	57,211 monthly (estimated)

 - (b) **Professional Services:** **Fiscal Year**

\$	363,000 annually (not to exceed)
\$	30,250 monthly (not to exceed)

 - (c) **Legal Services (as incurred):** \$ 20,000 annually (estimated)

 - (d) **Supplemental Procurement Services (as incurred):** \$ Amounts approved by Customer and Provider in accordance with Exhibit E.

3. **Address for Notices:**

Provider:	California Choice Energy Authority 44933 Fern Avenue Lancaster, California 93534 Attn: Cathy DeFalco Tel: 888.639.2411 Email: Cathy@CalChoice.org With a copy to Provider's legal counsel: Hall Energy Law PC Attn: Stephen Hall Tel: 503.477.9354 Email: Steve@HallEnergyLaw.com
Customer:	City of Palmdale Attn: Ronda Perez Tel: 661.267.5100 Email: rperez@cityofpalmdale.org

**CITY OF PALMDALE
CITY CLERK ORIGINAL**

**ADMINISTRATIVE SERVICES AGREEMENT
(CITY OF PALMDALE),**

**Dated as of October 21, 2019
between**

**CALIFORNIA CHOICE ENERGY AUTHORITY,
as Provider,**

and

**CITY OF PALMDALE,
as Customer**

ADMINISTRATIVE SERVICES AGREEMENT (CITY OF PALMDALE)

This ADMINISTRATIVE SERVICES AGREEMENT (CITY OF PALMDALE) (this "**Agreement**"), dated as of October 21, 2019 (the "**Effective Date**"), is between California Choice Energy Authority, a California joint powers authority ("**Provider**"), and City of Palmdale, a municipal corporation and charter city organized and operating under the laws of the State of California ("**Customer**"). Provider and Customer are sometimes referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

R E C I T A L S

WHEREAS, pursuant to California Public Utilities Code (the "**Code**") Sections 366.1, *et. seq.*, Customer has been registered as a "community choice aggregator" ("**CCA**") (as defined in the Code), which has been established for the purpose of delivering community choice aggregation services to certain customers located within its boundaries;

WHEREAS, pursuant to Code Section 366.2, Customer submitted its implementation plan detailing the process and consequences of community choice aggregation, and its statement of intent to establish electrical load aggregation, to the California Public Utilities Commission (the "**CPUC**");

WHEREAS, pursuant to Code Section 366.2, a community choice aggregator may enter into agreements for services to facilitate the sale and purchase of electricity and other related services;

WHEREAS, Provider has expertise and knowledge in the management and administration of community choice aggregation programs and maintains business relationships with multiple energy suppliers;

WHEREAS, due to Provider's expertise and knowledge, Customer wishes to engage Provider as an independent contractor, during the Term of this Agreement, for the purpose of facilitating the purchase and sale of electricity and other related services on behalf of Customer and for performing certain other duties and services on the terms and conditions set forth herein;

WHEREAS, Provider is willing to perform such duties and services for Customer on the terms and conditions set forth herein for a fee;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions.

As used in this Agreement, all capitalized terms shall have the respective meanings given to them in this Agreement and in Exhibit A (Schedule of Definitions).

1.2 Construction.

All references herein to an agreement shall be to this Agreement as amended, supplemented or modified from time to time. All references to a particular entity shall include a reference to such entity's successors and permitted assigns. The words "herein," "hereof" and "hereunder" and other words of similar import shall refer to this Agreement as a whole, including all appendices, annexes, exhibits and schedules, and not to any particular section or subsection of this Agreement. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "includes" or "including" shall be deemed to be followed by the words "without limitation." All references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations. All exhibits and schedules to this Agreement are hereby incorporated herein by reference, including the following:

- (i) Exhibit A – Schedule of Definitions
- (ii) Exhibit B – Scope of Work
- (iii) Exhibit C – Fixed Fee Rate, Reimbursable Expenses and Notice Address
- (iv) Exhibit D – Authorization Documents
- (v) Exhibit E – Customer Approval Procedures
- (vi) Exhibit F – Form of Authorized Officer Approval
- (vii) Exhibit G – Joint Exercise of Powers Agreement and Amendments Thereto

ARTICLE 2 ENGAGEMENT OF PROVIDER

2.1 Engagement of Provider.

Customer hereby engages Provider as an independent contractor to perform certain administration, energy procurement, contract negotiation, contract administration, and resource planning services (as such Services are described herein) on behalf of Customer in connection with Customer's CCA program, and to perform certain other duties, all as set forth in this Agreement. In consideration of the fees and cost reimbursements payable to Provider hereunder, Provider accepts such engagement and agrees to perform the Services in accordance with the terms and conditions hereof.

2.2 Relationship.

(a) Provider shall act as an independent contractor of Customer with respect to the performance of its obligations hereunder. Neither Provider nor its Affiliates, employees or Subcontractors (including Provider's legal counsel) or the employees of any such parties engaged in connection with the Services shall be deemed to be an agent, representative, employee, or servant of Customer. This Agreement is not intended to create, and shall not be construed to create, a relationship

of partnership or an association of profit between Customer and Provider. Provider is not admitted to practice law in any jurisdiction, and will not provide legal advice to Customer in connection with the performance of the Services. Provider is not licensed as a provider of accounting services, does not hold any certifications required to be held by those providing accounting services, and will not provide any services that require such licensing and certification. Provider is not licensed as a financial advisor, financial manager, insurance advisor, or insurance broker.

(b) In the unanticipated event that Provider or any employee, agent, or subcontractor of Provider providing Services hereunder claims, or is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS"), to be eligible for enrollment in PERS as an employee of the Customer, Provider shall indemnify, defend, and hold harmless Customer for the payment of any employee and/or employer contributions for PERS benefits on behalf of Provider or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Customer.

(c) Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Provider and any of its employees, agents, and subcontractors providing Services hereunder shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by Customer, including but not limited to eligibility to enroll in PERS as an employee of Customer and entitlement to any contribution to be paid by Customer for employer contribution and/or employee contributions for PERS benefits.

2.3 Engagement of Third Parties.

Provider may, subject to the other provisions of this Agreement, engage such Persons as it deems reasonably necessary and appropriate for the purpose of performing or carrying out any of the Services or its obligations under this Agreement; provided, however, that no such engagement shall relieve Provider of any of its obligations or liabilities under this Agreement, including those set forth in Article 7; and provided further, that, except as provided herein, Provider's use of such Persons shall not modify or increase the compensation payable to Provider pursuant to Article 5. Except as expressly set forth herein, nothing in this Agreement shall be construed to create any contractual relationship between any such Person (including Provider's legal counsel) and Customer.

ARTICLE 3 TERM AND RENEWAL

3.1 Term.

(a) Unless earlier terminated in accordance with Article 8, the term of this Agreement shall commence on the Effective Date and shall continue for a period equal to the longer of (i) three (3) years from the Effective Date (as defined under the Original Agreement), or (ii) the longest term of any Energy Contract that Provider has entered into on behalf of Customer (the "**Base Term**"), and the performance of all obligations under such Energy Contract, (as such period may be extended pursuant to Section 3.1(b), the "**Term**").

(b) Unless sooner terminated as set forth in Article 8, at the expiration of the Base Term, the term of this Agreement shall be automatically extended until such time as a Party provides written notice to the other Party that it elects to terminate this Agreement pursuant to Article 8 (such

written notice, a "**Termination Notice**"). Following receipt by such other Party of a Termination Notice, this Agreement shall terminate as set forth in Section 8.4.

(c) For purposes of greater clarity, the definition of "Term" shall include the Base Term and the renewal term of this Agreement as set forth in Section 3.1(b).

ARTICLE 4 DUTIES OF PROVIDER

4.1 Services.

During the Term, Provider shall perform the administration, energy procurement, contract negotiation, contract administration, resource planning services and other services identified in the Scope of Work set forth in Exhibit B hereto or as otherwise agreed to by the Parties pursuant to the terms hereof (the "**Services**"). The Services shall be comprised of those services identified in the Scope of Work Exhibit as "Fixed Fee Services" (collectively, the "**Fixed Fee Services**") and those services to be performed on behalf of Customer and identified in the Scope of Work Exhibit as "Reimbursable Services" (collectively, the "**Reimbursable Services**").

4.2 General Operating Standards.

Provider shall perform the Services in a good, workmanlike, and commercially reasonable manner in accordance with the requirements of this Agreement and Applicable Laws. Provider shall use commercially reasonable efforts to cause the Services to be planned and performed in a timely and cost-effective manner. Provider shall fully cooperate with Customer with respect to the requirements relating to applicable provisions of the Authorization Documents that relate to the tasks to be completed by Customer on or before the date requested by Customer.

4.3 Personnel.

Provider's administration personnel as a group, including any Persons engaged by Provider pursuant to Section 2.3, shall be qualified in administering services related to community choice aggregation programs, possess any certification(s) or license(s) necessary or required by law to perform the service, and experienced in the duties to which they are assigned.

ARTICLE 5 FEES AND COST REIMBURSEMENT

5.1 Fixed Fees.

(a) As compensation for performing the Fixed Fee Services, Customer shall pay Provider a monthly fee during the Term (the "**Fixed Fee**"). The "**Fixed Fee Rate**" identified on Exhibit C is the estimated initial amount of the Fixed Fee, which shall be adjusted based upon the actual number of enrollments and then adjusted thereafter pursuant to Section 5.1(b). The Fixed Fee shall reflect Customer's share of the costs of the Fixed Fee Services, which shall be determined based on the pro-rata share of Customer's Bundled Load compared to the aggregate Bundled Load for all Provider's members, determined each fiscal year by Provider. The Fixed Fee is payable in accordance with Section 5.3 and does not include amounts payable under Energy Contracts or the Security Documents.

(b) The Fixed Fee shall be adjusted automatically as follows:

(i) No later than July 1, 2021, Provider may, on a one time basis, update the Fixed Fee Services amount to reflect actual costs incurred or expected to be incurred in providing the Fixed Fee Services, subject to providing prior written notice and supporting written documentation to Customer and a cap of five percent (5%) on any increase to Customer's then current Fixed Fee;

(ii) Commencing on July 1, 2022, and every July 1 thereafter during the Term of this Agreement, Provider may increase the Fixed Fee to reflect reasonable cost increases incurred by Provider in providing the Fixed Fee Services up to, but not in excess of, three percent (3%) of the Fixed Fee amount applicable to the immediately preceding fiscal year, subject to providing prior written notice and supporting written documentation to Customer; and

(iii) Within ninety (90) days after a change in membership of Provider, Provider shall recalculate the Fixed Fee based on the then current amount of Fixed Fee Services and the recalculated Fixed Fee shall be applied and payable on a prospective basis.

Any requests to increase the Fixed Fee above the three percent (3%) amount allowed in 5.1(b)(ii) will be subject to the prior written approval of Customer, which the Customer may refuse to grant in its reasonable discretion. If Customer does not approve such a request, the Parties shall meet and confer in good faith to reach an agreement and Provider shall provide supporting written documentation to Customer justifying such request. In the event the Parties remain unable to reach agreement, Provider reserves the right to review and adjust the scope of Services in a reasonable manner to compensate for any unapproved Fixed Fee increases.

5.2 Reimbursable Expenses. During the Term, Customer shall reimburse Provider for the reasonable expenses actually incurred by Provider in connection with the performance of the Reimbursable Services described in Paragraph B in the Scope of Work (the "**Reimbursable Expenses**").

(a) The Reimbursable Expenses shall be allocated to Customer as follows:

(i) Data management fees will be allocated to Customer on the basis of the Customer's total number of electric service accounts multiplied by the per account maintenance fee invoiced by the Data Management service provider.

(ii) Fees and costs for Professional Services and Legal Services incurred in performance of the Reimbursable Services for the benefit of Provider's members generally will be allocated among all Provider members (including Customer) on an equal basis.

(iii) Fees and costs for Professional Services, Legal Services, and Supplemental Procurement Services incurred solely on behalf of Customer will be directly assigned to and payable by Customer.

(b) The Reimbursable Expenses incurred by Provider shall be invoiced and payable as set forth in Section 5.3.

5.3 Invoicing and Payment Procedures.

(a) Except as required by Section 5.3(c) below, the Fixed Fee and the Reimbursable Expenses shall be payable for each month not later than thirty (30) days following receipt of a Payment Invoice (each such date, a **"Payment Date"**) and shall be prorated for any partial monthly period at the beginning and end of the Term, with such prorations based on a thirty (30) day calendar month. Invoiced amounts will be paid by wire transfer of immediately available funds to Provider at an account designated in writing by Provider. Notwithstanding the foregoing, the Parties may agree to a different payment due date for the Supplemental Procurement Services portion of the Reimbursable Expenses.

(b) Once Customer has maintained a positive cash flow for three (3) consecutive months, Provider may submit invoices to Customer and to the collateral agent for payment from the lockbox account established pursuant to the Security Documents not less than ten (10) Business Days prior to the relevant Payment Date for the Fixed Fee and Reimbursable Expenses that are due and payable on such Payment Date. The terms and conditions for payment of any Payment Invoice to be paid from the lockbox account shall be governed by the Security Documents.

(c) Once the conditions of Section 5.3(c) have been satisfied, Provider shall submit invoices to Customer at least ten (10) Business Days prior to the relevant Payment Date for the Fixed Fee and Reimbursable Expenses that are due and payable on such Payment Date. Invoices (**"Payment Invoice"**) by Provider shall be sent to Customer at the address(es) set out in Exhibit C

(d) Either Party may, in good faith, dispute the correctness of any invoice, bill, charge, or any adjustment to an invoice, rendered under this Agreement, or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, bill, charge, or adjustment to an invoice, was rendered. If a Payment Invoice or portion thereof, or any other claim or adjustment arising thereunder, is disputed, payment of the undisputed portion of the Payment Invoice shall be required to be made when due, with written notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount (the **"Disputed Payment"**) shall not be required until the dispute is resolved. The Parties shall use commercially reasonable efforts to resolve the Disputed Payment within ten (10) Business Days of receipt of the notice of the Disputed Payment. Once the Parties agree on a resolved payment amount (the **"Resolved Payment Amount"**), Provider shall cause the next monthly Payment Invoice to reflect a credit or charge, as appropriate, based on the resolution of the payment dispute, in the amount of the Resolved Payment Amount. In the event the Parties are unable to resolve a payment dispute within ten (10) Business Days, the any agreed upon undisputed amount shall be deemed due payable unless and until a different amount is agreed to or resolved pursuant to the dispute resolution provisions in Article 12, or a court of competent jurisdiction orders otherwise.

5.4 Records and Audits.

(a) Except as otherwise required by Applicable Laws, Provider shall keep books and records in accordance with generally accepted accounting principles with respect to Services performed for a period of three (3) years after the applicable creation date of such book or record; or any such longer period as may be required by law.

(b) Upon no less than seventy-two (72) hours' notice to Provider, Provider shall make such books and records related to the Services available for inspection and audit by Customer or its designated agents at Customer's expense during Regular Work Hours and at the office where such

books and records are kept; provided that Provider's company software, books and records not directly related to this Agreement shall not be subject to inspection or audit.

(c) If any such inspection or audit discloses that any error has occurred and that, as a result thereof, any overpayment or any underpayment has occurred, the amount thereof shall promptly be paid with interest at the rate set forth in Section 5.5 to the Party to whom it is owed by the other Party; provided that Provider or Customer, as applicable, shall only be liable for any amounts hereunder that relate to a period within twelve (12) months of the date of the inspection or audit conducted by Customer.

5.5 Past Due Amounts.

Any undisputed amounts or amounts determined to be owing pursuant to the dispute resolution provisions of Article 12 of this Agreement, if not timely paid by the Party from whom they are due, shall bear interest at the per annum rate equal to the Prime Rate (as published in The Wall Street Journal) plus one and one-half percent (1.5%), prorated on the basis of a 365-day year (or such lower rate as is the maximum rate permitted by Applicable Law) from the date that such amount was due and payable (taking into account any grace period herein provided) until the time that such amount is paid.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES; COVENANTS

6.1 General Representations and Warranties.

Each Party, for itself only, hereby represents and warrants to the other Party hereto, as of the date hereof, that:

(a) It is an entity duly organized, validly existing and in good standing under the applicable laws of the jurisdiction in which it was formed.

(b) It has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder (including with respect to any indemnity obligations hereunder), and the execution, delivery and performance hereof do not and will not contravene any Applicable Law, or any order of any court or Governmental Authority or agency applicable to or binding on it or any of its properties, or contravene the provisions of, or constitute a default under, its organizational documents or any indenture, mortgage, contract or other agreement or instrument to which it is a party or by which it or any of its property is bound or affected.

(c) This Agreement has been duly authorized by all necessary actions on the part of such Party and the execution, delivery and performance by such Party of this Agreement do not require any approval not already obtained by it or any approval or consent not already obtained of any trustee or holders of indebtedness or obligations of such Party.

(d) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required for the due execution, delivery or performance by such Party of this Agreement.

(e) The execution, delivery and performance of this Agreement have been duly authorized by all requisite entity actions.

(f) The person signing this Agreement is authorized to execute this Agreement on behalf of, and to bind, the applicable Party.

(g) Assuming the due authorization, execution and delivery of this Agreement by the other Parties hereto, this Agreement constitutes its valid and binding obligation, enforceable against it in accordance with its terms, except to the extent such enforceability is limited by bankruptcy, insolvency, moratorium or similar laws affecting or relating to the enforcement of creditors' rights generally and by general equitable principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(h) There are no pending or, to such Party's knowledge, threatened actions or proceedings against such Party before any court or administrative agency which would materially adversely affect such Party's ability to perform its obligations hereunder.

6.2 Additional Customer Representations and Warranties.

(a) Delegation of Authority and Authorization Documents. Customer has taken and performed all acts necessary, and has received all necessary authorizations, approvals or other actions required by, and has made all necessary filings with, any Governmental Authority that is required for the (i) delegation of authority to Provider as contemplated hereby (ii) filing with Provider an executed counterpart of the JPA and (iii) adoption of a resolution of its governing body approving the JPA and the execution and delivery thereof. The Authorization Documents represent a true, complete and accurate list of all such necessary authorizations, approvals, actions and filings and Customer has provided true, complete and accurate copies of the Authorization Documents to Provider as of the Effective Date. Other than the Authorization Documents, there are no other authorizations, approvals, filings or other actions required for Customer to enter into this Agreement, perform its obligations hereunder and delegate authority to Provider to perform the Services.

(b) Security Documents and Ancillary Documents. Subject to Provider's compliance with the Customer Approval Procedures and, in connection with any Energy Contract entered into on behalf of Customer, Provider is authorized to (i) enter into Energy Contracts on behalf of Customer, (ii) grant to the counterparties to any such Energy Contracts a first priority security interest in any amounts received from the Utility, Customer or the end-users in Customer's territory pursuant to such Energy Contracts (as contemplated in the Security Documents), (iii) arrange for any funds received from the Utility, Customer or such end-users in connection with such Energy Contracts to be deposited into a lockbox account pledged to the counterparties to any such Energy Contract and be paid to any such counterparties in accordance with the terms and conditions of such Energy Contracts and the Security Documents, and (iv) enter into any needed ancillary documentation required in connection with the execution, performance or administration of the Energy Contracts, the Security Documents or in connection with the provision of the Services.

(c) Authorized Officer. Customer has designated the Authorized Officer to approve Provider's execution of Energy Contracts as set forth in and subject to the Customer Approval Procedures, on behalf of Customer, for the purchase of energy and renewable energy and Customer has authorized the Authorized Officer to provide any such approval in the form attached hereto as Exhibit F. Upon receipt of the Authorized Officer's approval of any Energy Contract or other action, Provider is authorized to enter into such Energy Contract or perform such action on behalf of Customer.

6.3 Customer Covenants. Customer covenants and agrees as follows:

(a) Authorizing Documents. Customer shall maintain the Authorization Documents in full force and effect throughout the Term and shall immediately inform Provider of any change to the identity of the Authorized Officer hereunder or to the Authorization Documents that may affect the ability of Provider to perform its obligations hereunder.

(b) Collateral Agent's Determinations. In performing the Services hereunder, Provider may rely upon the authorizations and instructions received from the Authorized Officer (if such authorization is required pursuant to the Customer Authorization Procedures) and may rely on the accuracy of the Customer Approval Procedures. Provider shall have no liability to Customer for actions taken in reliance on authorizations or instructions received by the Authorized Officer or in compliance with the Customer Approval Procedures. Until such time as Customer instructs Provider in writing that an individual is no longer an "Authorized Officer" hereunder, Provider shall have no duty to inquire as to the authority of such Authorized Officer to provide the authorizations or instructions in connection with the Services. In the event that Provider is at any time unsure as to the identity of the Authorized Officer hereunder, Provider may request written instructions from Customer as to the course of action to be adopted by Provider and Provider shall be entitled to conclusively rely upon such written instructions without liability to Customer or any other Person.

(c) Data Access. If requested by Provider, Customer shall assist Provider in obtaining information regarding Customer's end-users from the Utility, including the number of end-user customers that form part of Customer's community choice aggregation program, the energy consumption, load shapes and usage data of such end-users and the proportional share of such end-users in Customer's territory.

(d) Customer Rates. Customer shall establish and maintain end-user customer rates designed to generate revenues sufficient to satisfy the overall revenue requirement for Customer, including timely payment of all Customer's obligations under this Agreement, all Energy Contracts and the Security Documents.

6.4 Response Time.

(a) Customer Response Time.

(i) In all circumstances where Provider requests the approval, consent or cooperation of Customer to any action (or inaction) hereunder, Customer shall consider and respond to such request with reasonable promptness as is feasible under the circumstances.

(ii) Provider will exercise commercially reasonable efforts to provide as much advance notice of such request as is reasonable given the prevailing circumstances and the nature of the matters for which a response is requested.

(iii) If Provider is prevented from performing its obligations under this Agreement as the result of an unreasonable delay on the part of Customer to provide a required response required pursuant hereto, then Provider's obligations hereunder shall be excused until such time as Customer provides its required response.

(b) Provider Response Time.

(i) With respect to the provision of the Services, Provider shall promptly respond to any request or direction from or on behalf of Customer and to any event that requires action by Provider pursuant to this Agreement within the time frame by which such response is required hereunder.

6.5 Provider's Insurance

(a) Provider, at its expense, shall maintain in effect at all times during the performance of work under this Agreement not less than the following coverage and limits of insurance, which shall be maintained with insurers that are admitted insurers in the State of California and are either (i) listed "A-, VIII" or better in the Best's Key Rating Guide, or (ii) are part of a pooled insurance program acceptable to Customer:

Commercial General Liability

Each Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Including Products/Completed Operations	
Including Contractual Liability/Independent Contractors	
Including Broad Form Property Damage	

Commercial Automobile Liability

Combined Single Limit per Accident for Bodily Injury and Property Damage	\$1,000,000
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Workers Compensation

As Required by the State of California	Statutory Limits
--	------------------

Employer's Liability

Each Accident	\$1,000,000
Bodily Injury by Disease	\$1,000,000
Each Employee	\$1,000,000

Professional Liability

Each Occurrence	\$1,000,000
General Aggregate	\$1,000,000

Cyber Liability

Each Occurrence	\$1,000,000
General Aggregate	\$1,000,000

(b) Insurance shall be at least as broad as ISO form CG 20 10 11 85 or CG 20 10 10 01 and CG 20 37 10 01 covering Commercial General Liability. Commercial Automobile coverage shall be at least as broad as ISO form CA 00 01.

(c) Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insured's liability.

(d) A Waiver of Subrogation must be provided on behalf of the Certificate Holder for the Workers Compensation/Employers Liability policies and a copy of the endorsement must accompany the certificate.

(e) Any deductibles or self-insurance retentions must be declared and approved by the Customer. At the option of the Customer, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Customer insured entities or the insurer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(f) All insurance shall be primary and non-contributory as respects the Customer insured entities. Any insurance or self-insurance maintained by the Customer insured entities shall be in excess of the Provider's insurance and shall not contribute with it.

(g) The coverage provided under this contract shall not contain any special limitations on the scope of protection afforded to the Customer insured entities.

(h) Insurance provided and maintained by Provider must be placed with insurers that are admitted insurers in the State of California and either (i) with a rating of A-, VIII or better by Best's Key Rating Guide, latest edition, or (ii) that are part of a pooled insurance program acceptable to Customer.

(i) Insurance written on a "claims made" basis must be renewed for a period of five (5) years after this contract expires or is terminated. Such insurance must have the same coverage and limits as the policy that was in effect during the term of this contract and will cover Provider for all claims made by the Customer insured entities arising out of any acts or omissions of Provider or its officers, employees, or agents during the time this Agreement was in effect.

(j) Provider shall furnish the Customer with Certificates of Insurance and with original endorsements effecting coverage required by this contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Customer before work commences. The Customer reserves the right to require complete, certified copies of all required insurance policies at any time.

(k) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Customer insured entities.

(l) Certificates of Insurance must be deposited with the Customer for all coverage required by this contract. Certificates shall meet the following requirements:

(1) Show that the insurance policy has been endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after 30 days prior written notice (10 days written notice for non-payment) by Certified Mail, return receipt requested to the Customer.

(2) List in the "Descriptions of Operations/Locations/Vehicles/Special Items" section:

City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insureds.

(3) List in the "Certificate Holder" section:

City of Palmdale, 38300 Sierra Highway, Palmdale, CA 93550

(4) List in the "Cancellation" section:

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will mail 30 written notice (10 days written notice for non-payment) to the Certificate Holders named to the left.

(m) Provider shall include all subcontractors as an insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. Subcontractors are subject to the same insurance requirements as the Provider.

ARTICLE 7 INDEMNIFICATION

7.1 Indemnification by Provider.

(a) Subject to Section 7.1(b), Provider shall defend, indemnify and hold harmless each Customer Indemnified Party from and against any and all Claims incurred or asserted against such Customer Indemnified Party arising out of or otherwise in connection with Provider's negligence, bad faith, recklessness or willful misconduct in connection with the performance of the Services hereunder, including any Claims relating to any liability resulting from any violation of or noncompliance with any Applicable Law to be complied with by Provider hereunder. Provider's obligations under this paragraph shall include all costs (including but not limited to attorneys fees) incurred in performing the same. Customer may employ counsel at its own expense with respect to any claims or demands asserted or sought to be collected against it; provided, if counsel is employed because Provider does not assume control of the defense, Provider will bear the reasonable expenses of Customer's counsel.

(b) Notwithstanding anything to the contrary in the foregoing, Provider shall not be required to defend, indemnify or hold harmless any Customer Indemnified Party from and against, and no Customer Indemnified Party shall be exculpated from, any Claims to the extent such Claims (i) are caused by or arise from the breach of this Agreement by Customer or the negligence, bad faith, recklessness or willful misconduct of such Customer Indemnified Party; (ii) relate to changes to the market rate for electricity, including the fact that, from time to time, negotiated rates under Energy Contracts entered into by Provider on behalf of Customer may be higher than rates charged by the Utility, (iii) relate to defaults under the Energy Contracts that are not caused by Provider's gross

negligence, bad faith, recklessness or willful misconduct, or (iv) are the result of a change in governmental regulation or a change in Applicable Law.

7.2 Indemnification by Customer.

(a) Subject to Section 7.2(b), Customer shall defend, indemnify and hold harmless each Provider Indemnified Party from and against any and all Claims incurred or asserted against such Provider Indemnified Party arising out of or otherwise in connection with this Agreement and/or Provider's entry into any Energy Contract on behalf of Customer or the end-users in Customer's territory, including any Claims resulting from (i) the failure of Customer (or the end-users in its territory) to make payments with respect to an Energy Contract, or (ii) a default by Provider under any Energy Contract entered into pursuant hereto that is the result of an act or omission of Customer. Customer's obligations under this paragraph shall include all costs (including but not limited to attorneys fees) incurred in performing the same. Provider may employ counsel at its own expense with respect to any claims or demands asserted or sought to be collected against it; provided, if counsel is employed because Customer does not assume control of the defense, Customer will bear the reasonable expenses of Provider's counsel.

(b) Notwithstanding anything to the contrary in the foregoing, Customer shall not be required to defend, indemnify or hold harmless any Provider Indemnified Party from and against, and no Provider Indemnified Party shall be exculpated from, any Claims to the extent caused by or arising from the breach of this Agreement by Provider or the gross negligence, bad faith, recklessness or willful misconduct of such Provider Indemnified Party.

7.3 Indemnification Procedure.

(a) After receipt by an Indemnified Party of notice of the commencement of any Claim that is indemnifiable by Provider under Section 7.1 or Customer under Section 7.2 (as applicable, in such capacity, the "Indemnifying Party"), such Indemnified Party shall give prompt written notice to the relevant Indemnifying Party of the commencement thereof. The failure to promptly notify such Indemnifying Party shall not relieve the Indemnifying Party of any liability that it may have to any Indemnified Party with respect to such action; provided that, to the extent that any such failure to provide prompt notice is responsible for an increase in the indemnity obligations of the Indemnifying Party, the Indemnifying Party shall not be responsible for any such increase.

(b) When required to indemnify an Indemnified Party in accordance with this Article 7, the relevant Indemnifying Party shall assume on behalf of such Indemnified Party and conduct with due diligence and in good faith the defense of any Claim against such Indemnified Party, whether or not the Indemnifying Party shall be joined therein, and the Indemnified Party shall cooperate with the Indemnifying Party in such defense.

(c) The Indemnifying Party shall have charge and direction of the defense and settlement of such Claim; provided, however, that without relieving the Indemnifying Party of its obligations hereunder or impairing the Indemnifying Party's right to control the defense or settlement thereof, the Indemnified Party may elect to participate through separate counsel in the defense of any such Claim, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the employment of counsel by such Indemnified Party has been authorized in writing by the Indemnifying Party, (ii) the Indemnified Party shall have reasonably concluded that there exists a material conflict of interest between the Indemnifying Party and such Indemnified Party in the conduct

of the defense of such Claim (in which case the Indemnifying Party shall not have the right to control the defense or settlement of such Claim on behalf of such Indemnified Party) or (iii) the Indemnifying Party shall not have employed counsel to assume the defense of such Claim within a reasonable time after notice of the commencement thereof. In each of such cases the reasonable fees and expenses of counsel shall be at the expense of the Indemnifying Party.

(d) The Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed) before entering into a settlement of or ceasing to defend such claim or action if, pursuant to or as a result of such settlement or cessation, injunctive or equitable relief or other non-monetary relief, remedy or arrangement will be imposed against the Indemnified Party or if the Indemnifying Party will not fully pay or satisfy all amounts payable with respect to such proceeding or settlement. In no event shall the Indemnifying Party be required to indemnify an Indemnified Party with respect to amounts paid in settlement of a claim unless such claim was settled with the consent of the Indemnifying Party.

7.4 Limitations of Liability.

(a) Total Limitation of Liability. Except for amounts payable as provided in Section 2.2(b), and except for amounts payable as a result of any reckless, willful or criminal conduct by Provider or its Affiliates or any of their employees, agents, officials, Subcontractors or independent contractors, Provider's total liability under this Agreement to Customer Indemnified Parties on all Claims of any kind, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, for all losses or damages arising out of, connected with, or resulting from this Agreement or from the performance or breach thereof, or from any services covered by or furnished during the Term of this Agreement shall with respect to any fiscal year in no case exceed One Million Dollars (\$1,000,000). Similarly, except for amounts payable as provided in Section 7.2 (Indemnification by Customer), Customer's total liability under this Agreement to Provider Indemnified Parties on all Claims of any kind, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, for all losses or damages arising out of, connected with, or resulting from this Agreement or from the performance or breach thereof, or from any services covered by or furnished during the Term of this Agreement shall with respect to any fiscal year in no case exceed One Million Dollars (\$1,000,000).

(b) No Liability for Energy Contracts. Customer acknowledges that Provider will be entering into Energy Contracts on behalf of Customer and the end-users in Customer's territory. Customer acknowledges and agrees that neither Provider nor any member of Provider shall be liable for the amount of any shortfall between the payments due to the counterparty under such Energy Contracts and the amount received from such end-users unless such shortfall is the result of the gross negligence, willful misconduct, conversion, misappropriation or theft on the part of Provider.

(c) Waiver of Consequential Damages. Except in connection with indemnification for third-party Claims or Claims resulting from gross negligence or willful misconduct, in no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall a Party or its respective Affiliates be liable for special, incidental, exemplary, indirect or consequential damages.

7.5 Survival.

Notwithstanding any other provision of this Agreement, the provisions of this Article 7 are intended to and shall survive termination of this Agreement.

ARTICLE 8 TERMINATION

8.1 Termination by Customer.

(a) Termination for Cause.

(i) Without limiting any other rights or remedies it may have, Customer shall be entitled to terminate this Agreement for cause by delivery of a Termination Notice to Provider in connection with the occurrence of any of the following events:

(1) Provider fails to make any payment required to be made by Provider to Customer hereunder when such payment is due and owing under this Agreement, and such failure shall continue for ten (10) calendar days after written notice thereof has been given to Provider.

(2) Provider has filed against it petitions under any insolvency or bankruptcy Law of any jurisdiction which are not dismissed within ninety (90) calendar days of the date filed, proposes any dissolution, liquidation, composition, financial reorganization or recapitalization with creditors, makes a general assignment for the benefit of creditors, files a voluntary petition in bankruptcy under any provision of Applicable Law or consents to the filing of any bankruptcy or reorganization petition against it under any similar law, or if receivers, trustees, custodians or similar agents are appointed or take possession with respect to any property or business of Provider.

(3) Provider fails to comply (other than for Force Majeure reasons) in any material respect with any term, provision or covenant of this Agreement, other than the payment of sums to be paid hereunder, and such failure shall continue for thirty (30) calendar days after written notice thereof has been given to Provider; provided, however, that if such failure cannot reasonably be cured within said thirty (30) day period and Provider has diligently commenced the cure of such failure within said period, then Provider shall have a commercially reasonable additional period of time to cure such default not to exceed an additional one hundred eighty (180) days.

(4) Provider assigns this Agreement in violation of the provisions of Section 13.6.

(ii) Notwithstanding the foregoing, Customer shall not have the right to terminate this Agreement pursuant to this Section 8.1(a) if the occurrence of any of the events or conditions described in this Section 8.1(a) is the result of Customer's bad faith, willful misconduct or gross negligence.

(b) Termination for Convenience. Notwithstanding anything to the contrary in this Agreement, Customer shall be entitled to terminate this Agreement or any part of the Services for convenience, at Customer's sole discretion with or without cause, by delivery of a Termination Notice to Provider at any time after the expiration of the Base Term.

(c) Timing of Termination. If Customer delivers a Termination Notice to Provider pursuant to Section 8.1(a) or 8.1(b), this Agreement shall terminate as set forth in Section 8.4.

8.2 Termination by Provider.

(a) Termination for Cause.

(i) Without limiting any other rights or remedies it may have, Provider shall be entitled to terminate this Agreement for cause by delivery of a Termination Notice to Customer in connection with the occurrence of any of the following events:

(1) Customer has failed to make any undisputed payment required to be made to Provider under this Agreement and such failure is not remedied within ten (10) calendar days after the date on which Customer has received notice of such failure to make such payment.

(2) Customer has filed against it petitions under any insolvency or bankruptcy law of any jurisdiction which are not dismissed within ninety (90) calendar days of the date filed, proposes any dissolution, liquidation, composition, financial reorganization or recapitalization with creditors, makes a general assignment for the benefit of creditors, files a voluntary petition in bankruptcy under any provision of Applicable Law or consents to the filing of any bankruptcy or reorganization petition against it under any similar law, or if receivers, trustees, custodians or similar agents are appointed or take possession with respect to any property or business of Customer.

(3) Customer fails to establish or maintain end-user customer rates in compliance with Section 6.3(d), as reasonably determined by Provider, and fails to establish such rates within sixty (60) calendar days after written notice thereof has been given to Customer; provided, however, that if Customer has sent notice of a rate increase and is awaiting council action, then Customer shall have a commercially reasonable additional period of time to cure such default not to exceed an additional one hundred eighty (180) calendar days.

(4) Customer assigns this Agreement in violation of the provisions of Section 13.6.

(5) Customer fails to comply (other than for Force Majeure reasons) in any other material respect with any term, provision or covenant of this Agreement, other than the payment of sums to be paid hereunder, or as otherwise provided above, and such failure continues for sixty (60) calendar days after written notice thereof has been given to Customer; provided, however, that if such failure cannot reasonably be cured within said sixty (60) day period and Customer has diligently commenced the cure of such failure

within said period, then Customer shall have a commercially reasonable additional period of time to cure such default not to exceed an additional one hundred eighty (180) calendar days.

(ii) Provider shall not have the right to terminate this Agreement pursuant to this Section 8.2(a) if the occurrence of any of the events or conditions described in this Section 8.2(a) is the result of Provider's bad faith, willful misconduct or gross negligence.

(b) Termination for Convenience. Notwithstanding anything to the contrary in this Agreement, Provider shall be entitled to terminate this Agreement or any part of the Services for convenience, at Provider's sole discretion with or without cause, by delivery of a Termination Notice to Customer at any time after the expiration of the Base Term; provided that no Termination Notice shall be effective for at least thirty (30) calendar days following Customer's receipt of the same, or any such longer period as may be indicated in the Termination Notice.

(c) Timing of Termination. If Provider delivers a Termination Notice to Customer pursuant to Section 8.2(a) or 8.2(b), this Agreement shall terminate as set forth in Section 8.4.

8.3 Cooperation Upon Termination.

In connection with any termination of this Agreement in accordance herewith, at the reasonable request of Customer, Provider shall cooperate with Customer to provide for the orderly transition of the performance of the Services to a replacement administrator, including the transfer of documentation and data access, in a manner that shall not prejudice Customer or hamper Customer's ability to receive the Services and the benefits thereof from a replacement administrator after a smooth and timely transition.

8.4 Effect of Termination; No Prejudice.

(a) Effect of Termination. Subject to Section 8.4(b) below, if Customer or Provider delivers a Termination Notice in accordance with, and as permitted by, this Agreement, then this Agreement shall terminate on the later to occur of (i) ninety (90) calendar days from the date of such Termination Notice and (ii) the date on which all of the Energy Contracts to which Provider is a party on behalf of Customer on the date of such Termination Notice have terminated in accordance with their respective terms.

(b) No Prejudice. Termination of this Agreement shall not affect any rights or obligations as between the Parties that may have accrued prior to such termination or that expressly or by implication are intended to survive termination whether resulting from the event giving rise to termination or otherwise. In addition, except as expressly provided for herein, termination of this Agreement for any reason shall be without prejudice to Provider's right to receive a proportional amount of the Fixed Fees or payment of any outstanding Reimbursable Expenses as of the date of termination. Except as otherwise set forth in this Agreement, remedies are cumulative and the exercise of, or failure to exercise, one or more remedies by a Party shall not limit or preclude the exercise of, or constitute a waiver of, other remedies provided for under this Agreement by such Party. For breach of any provision of this Agreement for which an express remedy or measure of damages is herein provided, (i) such express remedy or measure of damages shall be the sole and exclusive remedy hereunder, (ii) the liability of the Party that has committed such breach shall be limited as set forth in

such provision and (iii) the Parties hereby waive all other remedies or damages at law or in equity with respect to such breach. If no remedy or measure of damages is expressly provided herein with respect to a breach of any provision of this Agreement, the liability of the Party that has committed such breach shall be limited to direct actual damages only; provided that this limitation shall not apply to (A) Provider's obligation with respect to indemnifying and holding harmless each Customer Indemnified Party to the extent of any amount owed to a third party other than a Customer Indemnified Party, if any, or (B) Customer's obligation with respect to indemnifying and holding harmless each Provider Indemnified Party to the extent of any amount owed to a third party other than an Provider Indemnified Party.

ARTICLE 9 FORCE MAJEURE

9.1 Force Majeure.

(a) Notwithstanding any other provision of this Agreement, each Party's obligations under this Agreement shall be suspended by any Force Majeure if and to the extent that such Party is prevented or delayed from performing by reason of the Force Majeure; provided, however, that:

(i) the suspension of performance shall be of no greater scope and of no longer duration than is necessarily caused by the Force Majeure and required by any remedial measures;

(ii) no obligations of any Party that arose before the occurrence of Force Majeure shall be excused as the result of the occurrence; and

(iii) each Party shall use commercially reasonable efforts to remedy its inability to perform; provided, further, that no Force Majeure shall excuse any payment obligations of either Provider or Customer otherwise due hereunder.

(b) If the performance by a Party of its obligations under this Agreement is affected by any Force Majeure, such Party shall as soon as practicable notify the other Parties of the nature and extent thereof.

ARTICLE 10 NOTICES

10.1 Notices.

(a) All notices and other communications required or permitted by this Agreement or by Applicable Law to be served upon or given to a Party by any other Party shall be deemed duly served, given and received (i) on the date of service if served personally or if sent by facsimile transmission or electronic mail during Regular Work Hours (each with appropriate confirmation of receipt) to the Party to whom notice is to be given, or (ii) on the fourth (4th) day after mailing, if mailed by first class registered or certified mail, postage prepaid or (iii) on the next day if sent by a nationally recognized courier for next day service and so addressed and if there is evidence of acceptance by receipt addressed to the address(es) set forth in Exhibit C.

(b) The Parties, by like notice in writing, may designate, from time to time, another address or office to which notices shall be given pursuant to this Agreement.

ARTICLE 11 CONFIDENTIALITY

11.1 General Confidential Information.

(a) Except as otherwise provided in this Agreement, without the prior written consent of the other Parties hereto, no Party shall disclose Confidential Information (as defined below) received in connection with the performance of the Services.

(b) Each Party that receives any Confidential Information from the disclosing Party shall use the same degree of care that it uses to protect its own confidential information of like nature, but no less than a reasonable degree of care, to maintain in confidence the Confidential Information of the disclosing Party.

(c) No Party shall have any obligation under this Section 11.1 with respect to any information that:

(i) at the time of disclosure is in the public domain, or thereafter becomes part of the public domain, in each case through a source other than the receiving Party in violation of this Agreement;

(ii) is subsequently learned by receiving Party from a third party that, to the knowledge of the receiving Party, is not under an obligation to keep such information confidential;

(iii) was known to the receiving Party at the time of disclosure to be without confidentiality restrictions, as can be demonstrated by contemporaneous written evidence;

(iv) is generated independently by the receiving Party without reference to the Confidential Information of the disclosing Party, as can be demonstrated by contemporaneous written evidence, or

(v) is required to be disclosed pursuant to Applicable Law, regulation, subpoena, court order or other legal process or professional requirements, or in connection with the enforcement of the receiving Party's rights under this Agreement. Prior to any such disclosure, the disclosing Party shall, to the maximum extent possible, provide reasonable notice to the other Party, with adequate time (to be judged based upon the facts and circumstances surrounding the disclosure) for the non-disclosing party to seek court intervention if it should so elect in its sole and absolute discretion.

(d) For purposes of this Agreement, "Confidential Information" shall mean all end-user customer specific information, including energy consumption, and market sensitive data, including non-public wholesale energy pricing disclosed in connection with negotiation or

procurement of energy or related products under Energy Contracts in connection with the Services whether or not such information was owned or developed by the disclosing Party, which the receiving Party may obtain knowledge of, through or as a result of the relationship established hereunder with the disclosing Party.

(e) Provider shall obtain written approval from Customer in connection with any press release or promotional materials that reference the relationship established through this Agreement and such Parties shall agree on the form and content of such press release.

11.2 Limited Disclosure of Confidential Information.

Notwithstanding the provisions of Section 11.1, Provider shall be entitled to the extent necessary for the performance of its duties hereunder to allow access to the Confidential Information to such of its employees and consultants who are directly concerned with the carrying out of Provider's duties under this Agreement, provided that Provider shall inform each of such Persons of the confidential nature of, and Provider's obligation of confidentiality with respect to, such Confidential Information and such employees and consultants shall agree to keep the Confidential Information confidential in accordance with the terms of this Agreement.

ARTICLE 12 DISPUTE RESOLUTION

12.1 Negotiations.

The Parties shall attempt in good faith to resolve all disputes promptly by negotiation, as set forth below.

(a) A Party may give another Party written notice of any dispute between such Parties that has not been resolved in the normal course of business. Representatives of such Parties at levels one level above the personnel who have previously been involved in the dispute shall meet at a mutually acceptable time and place within ten (10) Business Days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute.

(b) If such representatives are unable to resolve, or do not anticipate being able to resolve, the dispute within twenty (20) calendar days after receiving notice of such dispute, either Party may initiate legal proceedings in a court of competent jurisdiction as provided in Section 13.2.

(c) If a Party intends to be accompanied at a meeting by an attorney, the other Party shall be given at least three (3) Business Days' notice of such intention so that the other Party may also be accompanied by an attorney. All negotiations pursuant to this Section 12.1 are confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and applicable state rules of evidence. Each Party shall bear its own costs for this dispute resolution phase.

12.2 Continued Prosecution of the Work.

In case of any dispute, Provider shall continue to diligently perform its obligations under this Agreement, and, without limiting the generality of the foregoing and subject to Section 5.3(c),

Customer shall continue to make payments to Provider for those portions of the Services performed hereunder that are not the subject of dispute in accordance with this Agreement.

ARTICLE 13 MISCELLANEOUS

13.1 Execution.

This Agreement may be executed in any number of counterparts and by the different Parties on separate counterparts, each of which, when so executed and delivered (including by electronic mail), shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13.2 Governing Law; Venue and Jurisdiction.

THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES.

ANY LITIGATION ARISING HEREUNDER SHALL BE SUBJECT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN THE STATE OF CALIFORNIA AND VENUE SHALL BE IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA OR THE SUPERIOR COURT FOR THE STATE OF CALIFORNIA LOCATED IN LOS ANGELES COUNTY. ANY OF THE FOREGOING COURTS SHALL HAVE PERSONAL JURISDICTION OVER THE PARTIES HERETO. EACH PARTY WAIVES ANY AND ALL RIGHTS TO CONTEST SAID JURISDICTION AND VENUE AND WAIVES ANY RIGHT TO COMMENCE ANY ACTION AGAINST THE OTHER PARTY IN ANY OTHER JURISDICTION.

13.3 Intentionally Omitted.

13.4 Amendments, Supplements, Etc.

Neither this Agreement nor any of the terms hereof may be amended, supplemented, or modified orally, but only by an instrument in writing signed by Provider and by Customer.

13.5 Headings.

The headings of the Articles and Sections of this Agreement have been inserted for convenience of reference only and shall not modify, define or limit any of the terms or provisions hereof.

13.6 Assignment.

(a) Neither Party may assign, pledge or otherwise transfer this Agreement without the prior written consent of the other Party.

(b) Any attempted assignment, pledge or other transfer in violation of this Section 13.6 shall be null and void.

13.7 Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns, to the extent that assignment is permitted hereunder.

13.8 Other Customers.

Nothing in this Agreement shall be construed to prevent or prohibit Provider from providing the same or similar services to any Person not a Party to this Agreement and from entering into a form of agreement substantially similar to this Agreement with any such Persons; provided that the provision of such services does not adversely affect Provider's ability to perform its obligations hereunder.

13.9 Waiver.

No provision of this Agreement may be waived except in writing by the waiving Party. The waiver of any breach of any term or condition hereof shall not be deemed a waiver of any other or subsequent breach, whether of like or different nature.

13.10 Severability.

If any provision of this Agreement is declared by a court of competent jurisdiction to be illegal, unenforceable or void, that provision shall be modified so as to be enforceable and as nearly as possible reflect the original intention of the Parties, it being agreed and understood by the Parties that (i) this Agreement and all the provisions hereof shall be enforceable in accordance with their respective terms to the fullest extent permitted by Applicable Law, and (ii) the remainder of this Agreement shall remain in full force and effect.

13.11 Construction.

Every term and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Party.

13.12 Entire Agreement.

This Agreement, including the exhibits and schedules attached hereto, which are hereby incorporated by this reference as though fully set forth herein, constitutes the entire agreement between the Parties with respect to the subject matter hereof. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Parties any rights, remedies, obligations or liabilities under or by reason of this Agreement.

13.13 Third-Party Beneficiaries.

This Agreement is made and entered into for the sole benefit of the Parties and each of their permitted successors and assigns and no other person or entity shall be a direct or indirect legal beneficiary of, have any rights under, or have any direct or indirect cause of action or claim in connection with this Agreement.

13.14 Survival.

Section 5.4, Article 7, Article 8, Article 9, and Article 13 shall survive the termination or expiration of this Agreement and any provision which by its terms or by implication is intended to survive the termination or expiration of this Agreement shall so survive.

13.15 No Rules of Construction Against Drafter.

Each Party acknowledges that it and its attorneys have been given an equal opportunity to negotiate the terms and conditions of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party or any similar rule operating against the drafter of an agreement shall not be applicable to the construction or interpretation of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the duly authorized officers of the Parties have executed this Agreement as of the Effective Date.

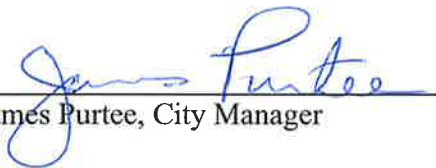
CALIFORNIA CHOICE ENERGY AUTHORITY

By: _____

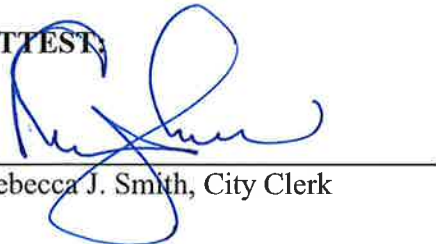
Name: Jason Caudle

Title: Executive Director

CITY OF PALMDALE


James Purtee, City Manager

ATTEST:


Rebecca J. Smith, City Clerk

APPROVED AS TO FORM:


Noel Doran, Assistant City Attorney

EXHIBIT A

SCHEDULE OF DEFINITIONS

The terms defined in this Schedule of Definitions shall include the plural as well as the singular and the singular as well as the plural. Except as otherwise indicated, all the agreements or instruments herein defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof. When used in the Agreement (as defined below), unless otherwise defined therein, the following terms shall have the respective meanings set forth below:

“Affiliate” of a Person (the “First Person”) shall mean a Person which directly or indirectly Controls, or is Controlled by, or is under common control with, the First Person, and shall also include any limited partnership or limited liability company of which the First Person or Affiliate thereof is the general partner, managing member or manager, as the case may be, and any Subcontractor, agent, representative, employee or authorized personnel of the First Person. “Control” of a Person shall mean the customership, directly or indirectly, of more than fifty percent (50%) of the voting securities of that Person.

“Agreement” means this Administrative Services Agreement between Customer and Provider.

“Applicable Law” shall mean all laws, statutes, orders, decrees, injunctions, licenses, permits, approvals, agreements and regulations of any Governmental Authority having jurisdiction over the matter in question which are applicable to or which affect Provider’s provision of the Services and/or the subject matters encompassed by this Agreement.

“Authorization Documents” shall mean the documents identified and summarized in Exhibit D, and the requirements of any documents in replacement of the foregoing or in addition thereto provided by Customer and added to and summarized in Exhibit D from time to time.

“Authorized Officer” means the officer(s) of Customer designated as an “Authorized Officer” in the Customer Approval Procedures.

“Base Term” shall have the meaning set forth in Section 3.1(a).

“Bundled Load” means the proposed electric energy consumption of a member of Provider, as set forth in the implementation plan filed for such member pursuant to Code Section 366.2.

“Business Day” shall mean any day except a Saturday, Sunday or other day on which commercial banks in the State of California are authorized by law to close.

“Claims” shall mean claims, actions, damages, expenses (including reasonable attorneys’ fees), fines, penalties, losses or liabilities.

“Code” shall have the meaning given thereto in the recitals.

“Confidential Information” shall have the meaning given in Section 11.1(d).

“CPUC” shall have the meaning given thereto in the recitals.

"Customer" shall have the meaning given thereto in the introductory paragraph of the Agreement, and its permitted successors and assigns, if any, under the Agreement.

"Customer Approval Procedures" means the approval procedures set forth in Exhibit E hereto.

"Customer Indemnified Party" shall mean Customer (including successors and permitted assigns) and its shareholders, partners, directors, officers, agents and employees.

"Disputed Payment" shall have the meaning given thereto in Section 5.3(d).

"Effective Date" shall have the meaning given in the introductory paragraph of this Agreement.

"Energy Contract" means an agreement for the purchase of energy, renewable energy or related products, including a power purchase agreement and/or confirmation letter thereto, entered into by Provider for the benefit of Customer.

"Fixed Fee" shall have the meaning given thereto in Section 5.1(a).

"Fixed Fee Services" shall have the meaning given thereto in Section 4.1.

"Force Majeure" shall mean any event that wholly or partly prevents or delays the performance by the Party affected of any obligation arising under this Agreement, but only if and to the extent such event is not within the reasonable control, directly or indirectly, of and not the fault of the Party affected including (provided that the foregoing requirements are satisfied): condemnation; expropriation; invasion; plague; drought; landslide; storms or wind of sufficient intensity to prevent safe performance of work; tornado; hurricane; tsunami; flood; lightning; earthquake; fire; explosion; epidemic; quarantine; war (declared or undeclared), terrorism or other armed conflict; material physical damage to an energy facility to the extent caused by third parties; strikes and other labor disputes (including collective bargaining disputes and lockouts) involving Subcontractors; riot or similar civil disturbance or commotion; other acts of God; acts of the public enemy; blockade; insurrection, riot or revolution; sabotage or vandalism; embargoes; and actions of a Governmental Authority (excluding the actions of the claiming party). "Force Majeure" shall not include (1) an event that prevents or delays (i) Provider's or Customer's compliance with (a) Applicable Laws; and (b) Permits required under Applicable Law in connection with such Party's performance under this Agreement and (ii) Customer's indemnity obligations hereunder, (2) labor shortages; (3) labor strikes and other labor disputes (including collective bargaining disputes and lockouts) with regard to work by Provider or a Subcontractor (except if such action is part of a regional or national action); or (4) economic hardship (including lack of money).

"Governmental Authority" shall mean any federal, provincial, state or local government authority, agency, court or other body, officer or public entity, including any zoning authority, building inspector, or health or safety inspector, including the CPUC.

"Indemnified Party" shall mean a Provider Indemnified Party or Customer Indemnified Party.

"Indemnifying Party" shall have the meaning given thereto in Section 7.3.

“JPA” shall mean that certain Joint Exercise of Powers Agreement Relating to the California Clean Energy Authority dated August 14, 2012, as the same has been or may be amended from time to time.

“Payment Date” shall have the meaning given thereto in Section 5.3.

“Payment Invoice” shall have the meaning given thereto in Section 5.3.

“Permit” shall mean any waiver, exemption, variance, franchise, certification, approval, permit, authorization, license, consent, or similar order of or from any Governmental Authority having jurisdiction over the matter in question.

“Person” shall mean any individual, partnership, joint stock company, corporation, trust, unincorporated association or joint venture, a government or any department or agency thereof, or any other entity.

“Provider” shall have the meaning given thereto in the introductory paragraph of this Agreement, and its successors and permitted assigns, if any.

“Provider Indemnified Party” shall mean Provider and its Affiliates and their respective shareholders, partners, directors, officers, agents, employees and representatives.

“Regular Work Hours” means 8:00 am (PT) to 5:00 pm (PT) on a Business Day.

“Reimbursable Expenses” shall have the meaning set forth in Section 5.2.

“Reimbursable Services” shall have the meaning given thereto in Section 4.1.

“Scope of Work Exhibit” means Exhibit B hereto.

“Security Documents” means, with respect to each Energy Contract, the security documents entered into by Customer in connection therewith pursuant to which Customer grants to the energy suppliers under each Energy Contract (or its collateral agent) a security interest in any and all monies received from the Utility or the end-users in Customer’s territory in connection with such Energy Contract, which security documents shall include (i) an account control agreement for an account (sometimes referred to as a “lockbox account”) among Customer, an account bank and the energy supplier to such Energy Contract (or its collateral agent), (ii) an intercreditor and collateral agency agreement, among Customer, the counterparties to such Energy Contracts and, if applicable, the collateral agent, and (iii) a security agreement between Customer and the counterparty to such Energy Contract (or its collateral agent).

“Services” shall have the meaning set forth in Section 4.1 and shall be comprised of the Fixed Fee Services and the Reimbursable Services.

“Subcontractors” means any subcontractor, of any tier, vendor or supplier of materials, equipment or services to Provider or any subcontractor, of any tier, of any Person engaged or employed by Provider or any subcontractor of any tier that provides any part of the Services.

“Supplemental Procurement Services” has the meaning set forth in Exhibit B.

“Term” shall have the meaning set forth in Section 3.1(a).

“Termination Notice” shall have the meaning given thereto in Section 3.1(b).

“Utility” means Southern California Edison.

EXHIBIT B
SCOPE OF WORK

A. Fixed Fee Services

1. Portfolio Operations

(a) Energy Procurement.

- (i) Provider to consider load patterns of the CCA and advise Customer on assembling a supply portfolio that will match resources to the aggregate load shape of the CCA's customer base.
- (ii) Provider to conduct procurement of energy, renewable energy, carbon free energy and resource adequacy procurement with third party suppliers as required from time to time to meet the load requirements of the CCA.

(b) Risk and Credit Management.

- (i) Provider to monitor the credit rating and financial condition of Customer's energy suppliers.
- (ii) Provider to periodically calculate the financial exposure to a specific supplier.

(c) Load Forecasting and Data Collection.

- (i) Provider to collect, process and forecast load information.

(d) Scheduling Coordination.

- (i) Provider to coordinate scheduling with the grid operator's schedule coordinator; exchange customer usage and billing information with the Utility.

2. Account Services

- (a) If necessary, Provider to calculate individual end-user customer bills.
- (b) Provider to confirm receipt of funds in lockbox account.
- (c) Provider to review and validate invoices from Schedule Coordinator.
- (d) Provider to direct distribution of funds from lockbox account.

3. Administration and Management of CCA Program

4. Regulatory Representation and Compliance Filings

B. Reimbursable Services

(a) Data Management Services (e.g., electronic data interchange (EDI) services; customer information system development and maintenance; customer call center management and staffing; billing administration; settlement quality meter data services; customer care, billing and related reports; and qualified reporting entity (QRE) services).

(b) Professional Services (e.g., review and negotiation of template Energy Contracts and Security Documents on behalf of Customer; electric load evaluation; community choice aggregation operational analysis; projected customer rate analysis and comparison; and support and maintenance of financial model).

(c) Legal Services (e.g., review and negotiation of template Energy Contracts and Security Documents on behalf of Customer; legal services to customize existing templates for Energy Contracts and Security Documents to accommodate Customer requested changes).

(d) “Supplemental Procurement Services” means reimbursement for any payments (including deposits) that Provider makes to energy suppliers on behalf of, and at the request of, Customer for the purchase of electricity and other related services to be delivered or provided to Customer. The process for Supplemental Procurement Services will be subject to the approval process set forth in Exhibit E.

EXHIBIT C**FIXED FEE RATE, REIMBURSABLE EXPENSES
AND NOTICE ADDRESS****1. Fixed Fee Rate:****Fiscal Year**

\$ 558,000.00 annually

\$ 46,500.00 monthly

2. Reimbursable Expenses:**(a) Data Management Services: Fiscal Year**

\$ 686,535.00 fiscal year total (estimated)

\$ 57,211.25 monthly (estimated)

(b) Professional Services:**Fiscal Year**

\$ 267,000.00 fiscal year total (not to exceed)

\$ 22,500.00 monthly (not to exceed)

(c) Legal Services (as incurred): \$ 20,000 annually (estimated)**(d) Supplemental Procurement****Services (as incurred):**\$ Amounts approved by Customer and Provider in
accordance with Exhibit E.**3. Address for Notices:**

Provider:	California Choice Energy Authority 44933 Fern Avenue Lancaster, California 93534 Attn: Cathy DeFalco Tel: 888.639.2411 Email: Cathy@CalChoice.org With a copy to Provider's legal counsel: Hall Energy Law PC Attn: Stephen Hall Tel: 503.477.9354 Email: Steve@HallEnergyLaw.com
Customer:	City of Palmdale 38300 Sierra Highway Palmdale, CA 93550 Attn: City Manager Tel: (661) 267-5100 Email: CityManager@cityofpalmdale.org

EXHIBIT D

AUTHORIZATION DOCUMENTS

[Palmdales's Resolution to Join CalChoice]

EXHIBIT E**CUSTOMER APPROVAL PROCEDURES****1. Authorized Officer**

[Table to be completed with name, title of Customer's officer that is authorized to provide Provider with necessary approvals.]

Name	Title
	City Manager
	Assistant City Manager
	Director of Public Works

2. Approval Procedures

[To be completed — Procedures to contain thresholds for which receipt of Authorized Officer's approval is required.]

Majority vote of City Council IS Required if Term of Energy Contract is GREATER than:	Five (5) Years
Authorized Officer Approval IS Required if Notional Amount of Energy Contract is EQUAL TO OR LESS than:	Five (5) Years
Authorized Officer Approval IS Required if the proposed Transaction is entered into through Provider's Supplemental Procurement Services process.	

3. Required Contract Provisions in Energy Contracts (or substantially similar language):**Section 3.6 of the EEI Master Agreement:**

"With respect to each Transaction, as security for Party B's obligations, Member shall have created and set aside a Special Fund and shall have entered into the Security Documents for such Special Fund in form and substance reasonably satisfactory to Party A and Party B. The Parties agree that Party B's obligations to make payments with respect to this Master Agreement and each Transaction, and the obligations of a Member to make payments pursuant to a Transaction, are to be made solely from the Special Fund applicable to such Transaction."

Section 6.9 of the EEI Master Agreement:

“Seller agrees that the obligations of Party B to make payments hereunder are (i) to be made solely from the Secured Account of the Member for whose account a Confirmation is allocated to, and (ii) do not constitute any kind of indebtedness of Party B or (iii) create any kind of lien on, or security interest in, any property or revenues of Party B.”

Section 8.5 of the EEI Master Agreement:

“Section 8.5: Section 8 and Schedule M of the Agreement and the Security Documents set forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, and in Schedule M and in the Security Documents, neither Party:

(a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever, or

(b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party or Member that is complying with the relevant provisions of Section 8 of this Agreement;

(c) and all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.”

Section 10.19 of the EEI Master Agreement:

“10.19 No Recourse Against Constituent Members of Party B. Party B is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Party B will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement in accordance with, and subject to, the terms and conditions of each Transaction and the applicable Security Agreements. Party A will have no rights and will not make any claims, take any actions or assert any remedies against any Member or of Party B’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Party B or Party B’s constituent members, in connection with this Agreement. The Parties agree that Party B’s obligations to make payments with respect to this Master Agreement and each Transaction, and the obligations of a Member to make payments pursuant to a Transaction, are to be made solely from the Special Fund applicable to such Transaction, as set forth in the applicable Security Agreements.”

EXHIBIT F**FORM OF AUTHORIZED OFFICER APPROVAL**

Prior to any procurement, CalChoice, or CalChoice representative will communicate the details of the proposed procurement via email. An Authorized Office, as identified in Exhibit E, will give written approval of the procurement via email.

EXHIBIT G
JOINT EXERCISE OF POWERS AGREEMENT
AND AMENDMENTS THERETO

**MINUTES
CITY COUNCIL/SA/HA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
DECEMBER 2, 2025
5:00 PM**

1) CALL MEETING TO ORDER

Mayor Pro Tem Bettencourt called the meeting to order at 5:02 pm.

Note: All City Council memberships are reflected in their City Council titles.

2) ROLL CALL MAYOR PRO TEM BETTENCOURT, COUNCILMEMBERS BISHOP, LOA, OHLSEN, ALARCÓN, COMMISSIONERS FRAGA-SAENZ, BETTS

PRESENT: Laura Bettencourt, Austin Bishop, Eric Ohlsen, Christina Fraga-Saenz,
Dianne Betts.

ABSENT: Richard J. Loa, Andrea Alarcón.

Motion: Excuse the absence of Councilmember Loa.

Moved by Laura Bettencourt, seconded by Austin Bishop.

Vote: Motion carried (5-0)

Yes: Laura Bettencourt, Austin Bishop, Eric Ohlsen, Christina Fraga-Saenz,
Dianne Betts.

Absent: Richard J. Loa.

Councilmember Alarcón arrived at 5:06 pm.

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Mayor Pro Tem Bettencourt led the pledge of allegiance.

4) PRESENTATIONS

4.1) Recognition of Lockheed Martin's X-59.

Mayor Pro Tem Bettencourt presented a Commendation to Lockheed Martin staff in honor of the X-59 being named by Governor Newsom as the "Coolest Thing Made in California."

Pat LeBeau, X-59 Program Manager and Catherine Bahm, Project Manager spoke about the X-59 Project.

- 4.2) Commendation to Terry Stewart in honor of his retirement from the City of Palmdale.

Deputy Director of Public Works Livingston discussed the character and commitment of Terry Stewart and Clifton Young to serving the City of Palmdale.

Mayor Pro Tem Bettencourt presented a Commendation.

- 4.3) Commendation to Clifton Young in honor of his retirement from the City of Palmdale.

5) HOUSING AUTHORITY CONSENT CALENDAR

- 5.1) Approve the City of Palmdale Housing Authority 2024-25 Annual Report prepared pursuant to California Health & Safety Code Section 34176.1 and direct staff to post the approved Report on the City's Website.

- 5.2) Approve the minutes from the previous meeting.

Motion: Approve the items listed on the Housing Authority Consent Calendar.
Moved by Austin Bishop, seconded by Christina Fraga-Saenz.

Vote: Motion carried (6-0)

Yes: Laura Bettencourt, Austin Bishop, Eric Ohlsen, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

Absent: Richard J. Loa.

Mayor Pro Tem Bettencourt adjourned the Housing Authority Meeting at 5:26 pm.

6) CONSENT CALENDAR

- 6.1) Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).
- 6.2) Receive and file the monthly investment activity reports for October 2025.
- 6.3) Adopt Resolution Nos. SA 2025-004 and SA 2025-005, Resolutions of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale approving the Recognized Obligation Payment Schedule and the Administrative Budget, respectively, for the period of July 1, 2026 through June 30, 2027.
- 6.4) Receive and file the Special Tax Annual Report for CFD 2003-1 (Anaverde), CFD 05-1 (Trade and Commerce), CFD 16-1 (Joshua Ranch Water Supply and Maintenance Services), CFD 2022-1 (Citywide Maintenance and Services), CFD 2022-2 (Ritter Ranch Maintenance Services), and CFD 2022-3

(Ritter Ranch Phase I Public Facilities) in accordance with Senate Bill 165, Section 53410 of the California Government Code.

- 6.5) Approve Agreement with Quest Technology Management for network hardware and security services for a total not to exceed amount of \$259,855 for a term of three years with the option to extend two additional one year terms.
- 6.6) Approve Agreement with Citadel EHS, Inc., for a comprehensive safety/injury illness prevention program assessment for the City of Palmdale, for a total not to exceed amount of \$150,000 for a term of one (1) year.
- 6.7) Approve Agreement with Benevate, LLC, for implementation of software related to grant management and ongoing grant compliance oversight for a total not to exceed amount of \$217,000 for a term of three (3) years.
- 6.8) Accept Notice of Completion (NOC) for PN 904, FY 2024-25 Local Street ARAM Cape Seal Project.
- 6.9) Accept Notice of Completion (NOC) for PN 911, FY 2025-26 Local Street Resurfacing Project.
- 6.10) Approve Final Tract Map No. 63364-1 (located at the southeast corner of Palmdale Boulevard and 65th Street East).
- 6.11) Approve Final Tract Map No. 83359 (Located at the southwest corner of Palmdale Boulevard and Oak Street).
- 6.12) Approve the minutes from the previous meeting.

Motion: Approve the items listed on the Consent Calendar.

Moved by Austin Bishop, seconded by Andrea Alarcón.

Vote: Motion carried (4-0)

Yes: Laura Bettencourt, Austin Bishop, Eric Ohlsen, Andrea Alarcón.

Absent: Richard J. Loa.

7) PUBLIC HEARING

- 7.1) Approve Amended and Restated Purchase and Sale Agreement with AVCC Master, LLC (an affiliate of Covington Investments, LLC), for the sale of approximately 233 acres located at the southeast corner of Sierra Highway and Avenue M (APN: 3126-022-929).

Mayor Pro Tem Bettencourt opened the Public Hearing.

Economic and Community Development Director Taggart presented the staff report.

The following individuals provided public testimony in favor of the project: Rene Palacios, Josh Christensen, Ralph Velador, Iron workers 416, UA Local 761 Plumbers & Pipe Fitters, Drew Mercy, Brenda Campos, and Kateleen Luna. Jason Zink spoke in opposition of the project.

Mayor Pro Tem Bettencourt closed the Public Hearing.

Council spoke in support of the project.

Motion: Approve Amended and Restated Purchase and Sale Agreement with AVCC Master, LLC (an affiliate of Covington Investments, LLC).
Moved by Andrea Alarcón, seconded by Eric Ohlsen.

Vote: Motion carried (4-0)
Yes: Laura Bettencourt, Austin Bishop, Eric Ohlsen, Andrea Alarcón.
Absent: Richard J. Loa.

Mayor Pro Tem Bettencourt recessed the meeting from 5:51 pm to 6:04 pm.

8) NEW BUSINESS

8.1) Annual selection of Mayor and Mayor Pro Tem.

City Attorney Severino presented the item.

The following individuals provided public comments on this item: Rich Gallego, Ralph Velador, Michael Ross, Eugene Hernandez, Roger Soderstedt, Jason Zink, Mark Maldonado, and Marcos Alvarez.

Councilmember Bishop spoke in support of the rotational system and nominated Councilmember Ohlsen to be mayor. Councilmember Alarcón spoke in support of the nomination.

Motion: Approve the selection of Councilmember Ohlsen as Mayor.
Moved by Austin Bishop, seconded by Andrea Alarcón.

Vote: Motion carried (4-0)
Yes: Laura Bettencourt, Austin Bishop, Eric Ohlsen, Andrea Alarcón.
Absent: Richard J. Loa.

Councilmember Ohlsen discussed the current rotational system, acknowledged the respect of his colleagues, and expressed his commitment to serving the City.

Motion: Approve the selection of Councilmember Bishop as Mayor Pro Tem.
Moved by Laura Bettencourt, seconded by Eric Ohlsen.

Vote: Motion carried (4-0)
Yes: Laura Bettencourt, Austin Bishop, Eric Ohlsen, Andrea Alarcón.

Absent: Richard J. Loa.

Councilmember Bishop thanked his colleagues for their vote of confidence.

9) CITY MANAGER'S REPORT

Interim City Manager Mendez spoke about the city receiving awards, including an APWA Best Award for the best innovative project, which was awarded to Public Works for their Community Preservation Program (CPP). The city also received the High Desert Award for Yellen Park, recognizing it as outstanding project of the year. He thanked Parks and Recreation for the Holiday lighting event. He provided an update on several upcoming events including: Jolly Holiday on December 6 at the Palmdale Amphitheater, How the Grinch Stole Christmas- family movie night at Poncitlan Square on December 12 as well as a toy giveaway the same day, holiday cookie decorating event at Marie Kerr Park and Oasis Recreation Centers on December 13, Holiday Magic at the Square at Poncitlan Square on December 19, and several SAVES food distribution events.

10) NON-AGENDA PUBLIC COMMENTS

The following individuals provided public comments: Eugene Hernandez expressed his concerns regarding Councilmember Alarcón's conduct, a proposed car wash in East Palmdale, and the establishment of a community center. Drew Mercy of AV Edge provided Council with a thumb drive containing their quarterly report under the new agreement, thanked Council and staff for attending AV Edge's fall forum at the Playhouse, discussed streamlining development, and spoke about the upcoming holiday reception. Valanda Harville voiced her concerns about the street sweeping signage. Mark Maldonado expressed support for the lighting at Poncitlan Square, discussed the town hall meetings organized by Councilmember Alarcón and Mayor Pro Tem Bettencourt, and addressed topics related to the AV Edge contract. Rich Gallego inquired about the status of the investigation into Councilmember Loa and requested updates on the search for a new City Manager. Roger Soderstedt discussed the missing trash can from Arnie Quinones Park. Jason Zink discussed various topics, including street sweeping, parking citations, and the significance of the mayoral title. Marsha Furman spoke regarding public participation, sidewalk installations, and safe and sane fireworks. Rocio Castellanos promoted a holiday event hosted by LA Care in partnership with SALVA and Councilmember Alarcón, scheduled for December 19 at McAdam Park. Marcos Alvarez expressed concerns about the streetlight outage on 30th Street East and Avenue S and suggested community programs such as music and art schools to help reduce the high suicide rate on the Eastside of Palmdale. Michael Ross addressed issues related to street sweeping signage, parking concerns, and shared his views on civic responsibility.

11) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

11.1) Council Reports

Councilmember Alarcón expressed support for attracting new businesses and

mortgage-paying jobs to Palmdale. She extended her appreciation to staff for their dedication to the community, thanked first responders and residents, and recognized Assemblyman Juan Carrillo. She also highlighted the upcoming LA Care event giveaway scheduled for December 19 and extended warm holiday wishes to all.

Councilmember Bishop participated in several events in November, including the Sam Yellen Phase II ribbon-cutting, the grand opening of Coach's Tavern, the AV Wall retirement ceremony, and a visit to the Together California site. He reflected on the Council meetings held during the COVID-19 pandemic, including discussions on vaccine passports, acknowledging the PFC's efforts in these initiatives. Additionally, he provided a brief update on the Avenue M project near Trader Joe's.

Councilmember Ohlsen attended the Together California walkthrough, the Sam Yellen Phase II ribbon-cutting, and Assemblyman Carrillo futsal courts dedication. He commended the Parks and Recreation Department and Public Works for their diligent work. He also participated in the ribbon-cutting event for the new slide at DryTown and attended several Veterans Day activities, including the Veterans Day ceremony, Veterans Ball, and the AV Wall retirement event.

Mayor Pro Tem Bettencourt expressed gratitude to everyone present and extended holiday wishes. She acknowledged the contributions of her fellow Councilmembers and voiced her support for Councilmembers Ohlsen and Bishop in their new roles. She attended several events in November, including the National League of Cities Conference in Salt Lake City, and spoke about some of the projects discussed and her desire to bring programs to Palmdale, such as Age in Place and the Just Serve program.

Councilmember Alarcón recognized Mayor Pro Tem Bettencourt for her leadership role and decorum, and she thanked her for bringing everyone together.

Councilmember Bishop thanked Mayor Pro Tem Bettencourt for her professionalism, tenacity, and commitment to the city. He spoke of her dedication and her being the definition of service above self.

Mayor Pro Tem Bettencourt shared her strong belief in Palmdale, its residents, and city leadership, expressing her love for the community. She reported efforts to resolve the issue of a missing trash can at Arnie Quinones Park, discussed the ongoing City Manager search, and announced her intention to review the city's General Plan. She provided updates on the AV Edge event and upcoming projects, addressed parking concerns related to street sweeping, and committed to finding a more convenient solution for residents. She also mentioned the out-of-service streetlight at 30th Street East and Avenue S, as well as the need for additional bus benches in Palmdale, requesting that Eugene Hernandez identify key locations. Furthermore, she informed Jason Zink that they would be reviewing the flash

drives for AV Edge.

Councilmember Alarcón voiced support for increasing the number of bus benches and encouraged AV Edge to submit quarterly reports.

Councilmember Ohlsen reported attending the SAVES Thanksgiving giveaway and a turkey distribution event with SALVA. He thanked the community for coming together to support one another. Lastly, he thanked Mayor Pro Tem Bettencourt for stepping up and helping them all get through the year.

12) CLOSED SESSION

Public Comments: None.

City Attorney Severino confirmed that the item would be heard as listed.

12.1) CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

Initiation of litigation: (1 case)

This closed session is being held pursuant to the authority of California Government Code Section 54956.9, paragraph (4) of subdivision (d).

13) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 7:18 pm to 8:07 pm.

City Attorney Severino announced the following:

12.1 - There was no reportable action.

14) ADJOURNMENT.

Mayor Pro Tem Bettencourt adjourned the meeting at 8:09 pm to January 13, 2026, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 13th day of January 2026.

Eric Ohlsen, Mayor

ATTEST:

Rochelle Scott, City Clerk

**CITY OF PALMDALE
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

M E M O R A N D U M

TO: HONORABLE MAYOR AND CITY COUNCILMEMBERS

FROM: MEGAN TAGGART, DIRECTOR OF ECONOMIC AND COMMUNITY DEVELOPMENT

SUBJECT: CONTINUANCE OF AGENDA ITEM 6.1 - ORDINANCE NO. 1665

DATE: JANUARY 13, 2026

In order to allow sufficient time for review of proposed Ordinance No. 1665 prior to Council consideration, staff has requested that this item is continued to the February 3, 2026, City Council meeting.



City Council Staff Report

DATE: JANUARY 13, 2026

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OFFICE OF THE CITY MANAGER
CITY CLERK DIVISION

DISTRICT: ALL

SUBJECT: REVIEW AND PROVIDE DIRECTION ON CHANGES TO EXISTING
COMMITTEE APPOINTMENTS

RECOMMENDATION

Staff recommend that the City Council:

1. Review and provide direction on changes to existing committee appointments.

BACKGROUND

City Council members currently represent the City on various local and regional committees, boards, and commissions to ensure the City is properly represented.

Appointments of Councilmembers and designated alternates require nomination and approval by a majority vote of the City Council. Councilmembers serve on these committees at the discretion of the Council. If a Councilmember is no longer able to serve, a formal request for removal must be submitted. In such cases, if an alternate has been appointed, the alternate may assume the role on an interim basis until the Council makes a new appointment.

DISCUSSION

Annually, the Council reviews current committee assignments to evaluate their interest in serving as the City's representative on various local and regional boards. Based on this review, the Council decides whether to maintain existing assignments or make adjustments.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT (AVAQMD)

Health and Safety Code Section 41310 states, "The AVAQMD shall be governed by a district board consisting of seven members as follows: (a) Two members of the City Council of the City of Lancaster appointed by the city council. (b) Two members of the City Council of the City of Palmdale appointed by the City Council. (c) Two persons

Report to Mayor and City Council

Re: Review and provide direction on changes to existing committee appointments

January 13, 2026

Page 2

appointed by the member of the Board of Supervisors of the County of Los Angeles who represent a majority of the population of the Antelope Valley District, one of whom may be that supervisor. (d) A public member who shall be appointed by the members appointed under subdivisions (a) to (c), inclusive.”

Meetings are held on the third Tuesday of each month at 10:00 am at the Lancaster District office, 43301 Division Street, Suite 206, Lancaster, CA.

Delegate: Mayor Pro Tem Bishop
Delegate: Councilmember Loa
Alternate: Councilmember Bettencourt

ANTELOPE VALLEY FAIRGROUNDS AUTHORITY

The Antelope Valley Fair Authority is a Joint Powers Agreement between the City of Lancaster and the 50th District Agricultural Association. The Authority shall be administered by a Board of Directors consisting of eight members as follows: 1) One member shall be designated by the State Senator for the District in which the Antelope Valley Fairgrounds are located, 2) One member shall be designated by the State Assemblymember for the District in which the Antelope Valley Fairgrounds are located, 3) Two members shall be designated by the Mayor of the City of Lancaster, with concurrence of the City Council, and 4) One member shall be a member of the Board of Directors of the Association, shall be designated by such Board and serve as a liaison between the Board for the Authority and the Board for the Association 5) One member shall be a member of the Board of Directors of the Friends of the Antelope Valley Fair, Inc. and shall be designated by the Mayor of the City of Lancaster, 6) One member shall be designated by the Mayor of the City of Palmdale, with concurrence of the City Council, and 7) One member shall be designated by the Los Angeles County Supervisor of the District in which the Antelope Valley Fairgrounds are located.

Meetings are held on the 4th Thursday of each month at 1:30 p.m. at the Antelope Valley Fairgrounds, 2551 W. Avenue H, Suite 102, Lancaster, CA.

Delegate: Councilmember Loa

ANTELOPE VALLEY TRANSIT AUTHORITY (AVTA)

The AVTA is governed by a Joint Powers Agreement between the cities of Lancaster and Palmdale, and Los Angeles County. AVTA was established in 1992 after Antelope Valley residents expressed a strong desire for public transportation in the high desert. AVTA's total service area covers 1,200 square miles and is bounded by the Kern County line to the north, the San Bernardino County line to the east, the Angeles National Forest to the south, and Interstate 5 to the west. The fixed-route service area covers approximately 100 square miles.

Meetings are held on the fourth Tuesday of each month at 10:00 am at the AVTA office at 42210 6th Street West, Lancaster, CA.

Delegate: Councilmember Loa
Delegate: Mayor Ohlsen
Alternate: Councilmember Bettencourt
Alternate: Citizen Kathryn Mac Laren-Gomez

CALIFORNIA CONTRACT CITIES ASSOCIATION (CCCA)

The general purpose of the CCCA is to serve as a rallying point for cities contracting for municipal services to ensure constituents receive the best service at the minimum cost. Through municipal seminars, education, and the exchange of ideas and information, the association combines resources to influence policy decisions affecting member cities.

Meetings are held as needed at various locations determined by the CCCA.

Delegate: Mayor Pro Tem Bishop
Alternate: Mayor Ohlsen

CITY OF PALMDALE AUDIT COMMITTEE

The goal of the Audit Committee is to maintain the public's confidence in the City's financial functions, enhance the accessibility of the City's financial matters to our citizens, and promote the City's financial transparency. Under the Committee's by-laws, it shall be comprised of five members: two councilmembers, the City Manager, the Finance Manager, and one public member. Committee members shall not receive compensation nor be eligible for reimbursement.

Meetings are held in the spring and fall of each year at a time to be determined in the Palmdale Council Chamber at 38300 Sierra Highway, Suite B, Palmdale, CA.

Delegate: Mayor Pro Tem Bishop
Delegate: Councilmember Bettencourt
Alternate: Councilmember Loa
Public Member: Cinthia Zelaya (Term expires June 2026)

CITY OF PALMDALE INVESTMENT OVERSIGHT COMMITTEE

The Investment Oversight Committee was created under the City's Investment Policy and is comprised of the Mayor, one rotating Councilmember, the City Manager, the City Treasurer, and the City Attorney. Committee members serve without compensation and shall meet at least quarterly to determine general strategies and monitor results.

Meetings may be held concurrently with City Council meetings or as separate meetings.

Member: Councilmember Loa (Must be Mayor per Investment Policy)
Member: Mayor Ohlsen (Council rotates per Investment Policy)

ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD) PUBLIC FINANCING AUTHORITY (PFA)

The City of Palmdale, in partnership with the County of Los Angeles, established an Enhanced Infrastructure Financing District (EIFD) in the boundaries of Palmdale and unincorporated Los Angeles County. The District's purpose is to create a funding mechanism that can facilitate the construction of public infrastructure improvements in this area. The EIFD PFA membership is comprised of two Councilmembers, one public member selected by the Council, one member of the County, and a member of the public selected by the County. Members shall serve at the pleasure of their respective appointing legislative bodies.

Meetings are held as needed in the Palmdale Council Chamber at 38300 Sierra Highway, Suite B, Palmdale, CA.

Member: Mayor Pro Tem Bishop
Member: Councilmember Loa
Public Member: Laura Gordon

HIGH DESERT CORRIDOR JOINT POWERS AUTHORITY (HDC JPA)

The purpose of the HDC JPA is to enhance the quality of life for our communities by developing and maintaining public infrastructure and providing a variety of municipal services that complement our natural resources and environment. Under the Joint Exercise of Powers Agreement, one member shall be the Fifth District Supervisor of Los Angeles County, and the alternate member shall be appointed by the Fifth District Supervisor.

Meetings are held as needed, and the location rotates between Los Angeles and San Bernardino counties. Occasionally, meetings are held in Palmdale and Victorville. The City's appointments are to be ratified by the Authority.

Director: Mayor Ohlsen
Alternate: Councilmember Loa

CAL CITIES DESERT MOUNTAIN DIVISION (DMD)

Cal Cities' policy-making process allows the issues facing California cities to be debated and the organization's policy directions to be established. Member cities generally appoint a Councilmember as a delegate and an alternate.

Meetings are held quarterly on the last Friday of the month at 10:00 am in various cities.

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Delegate: Councilmember Bettencourt

Alternate: Mayor Pro Tem Bishop

Second Alternate: Councilmember Loa

LOS ANGELES COUNTY CITY SELECTION COMMITTEE

Members of the LA County City Selection Committee include the Mayor of each city within Los Angeles County. Each city appoints an elected official as a delegate to the City Selection Committee; it usually is the Mayor. The term of office for each Member of the LA County City Selection Committee coincides with City Mayor terms. Their duties are to appoint City representatives to such Boards, Commissions and Agencies as may be required by law, i.e., LAFCO, South Coast Air Quality Management District, Los Angeles County Metropolitan Transportation Authority; and to nominate for appointment Members to the California Coastal Commission.

Nominations for the City Selection Committee appointees to the MTA are made by the Sector Subcommittees for the Sectors whose representatives' terms are expiring. The cities assigned to one of the four regions in Los Angeles County (North County/San Fernando Valley, San Gabriel Valley, Southeast Long Beach and Southwest Corridor) shall meet as a Sector Subcommittee. Each candidate with a majority weighted vote will then be nominated from that Sector for consideration for appointment to the MTA.

Meetings are held three or four times a year.

Delegate: Councilmember Loa

LOS ANGELES COUNTY SANITATION DISTRICTS (NOS. 14 AND 20)

The Sanitation Districts are a public agency created under state law to manage wastewater and solid waste on a regional scale. They consist of 24 independent special districts serving about 5.6 million people in Los Angeles County. The service area covers approximately 850 square miles and encompasses 78 cities and unincorporated territory within the County. Health and Safety Code Section 4730 states, "The presiding officer of the governing body of each city, the whole or part of which is included in the sanitation district, is a member of the board, and an alternate director may act in the place of the presiding officer." **The Mayor is the presiding officer of the Palmdale City Council and, therefore, automatically serves as a delegate.**

Meetings are held at 1:30 pm on the fourth Wednesday of each month at the Sanitation Districts office at 1955 Workman Mill Road in Whittier or a venue in the Antelope Valley.

District No. 14

Delegate: Councilmember Loa (**Must be Mayor per H&S Code §4730**)

Alternate Director: Mayor Pro Tem Bishop

District No. 20

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Delegate: Councilmember Loa (**Must be Mayor per H&S Code §4730**)
Second Director: Councilmember Bettencourt
Alternate Director: Mayor Pro Tem Bishop

NORTH LOS ANGELES COUNTY TRANSPORTATION COALITION (NCTC)

The NCTC was assembled in 1995 to coordinate information and provide a forum for discussion on regional issues of mutual interest and concern among the cities of Lancaster, Palmdale, Santa Clarita, and the unincorporated areas of North Los Angeles County. NCTC Joint Powers Authority states, "The cities of Lancaster, Palmdale, and Santa Clarita shall have three representatives each: A City Councilmember, a business or community organization representative appointed by the City Council, and a representative at large appointed by the City Council."

Meetings are held as needed in rotating Palmdale, Lancaster, and Santa Clarita locations.

Delegate: Mayor Pro Tem Bishop
Alternate: Interim City Manager Mendez
Business Rep: Mayor Ohlsen
At-Large Rep: Councilmember Loa

PALMDALE RECYCLED WATER AUTHORITY (PRWA)

The PRWA was established in 2012 through a Joint Exercise of Powers Agreement between the City of Palmdale and the Palmdale Water District (PWD) to jointly study, promote, develop, distribute, construct, install, finance, use and manage recycled water resources created by the Los Angeles County Sanitation Districts Nos. 14 and 20 for any and all reasonable and beneficial uses, including irrigation and recharge, and to finance the acquisition and construction or installation of recycled water facilities, recharge facilities, and irrigation systems.

The First Amendment to the Joint Exercise of Powers Agreement provides for a five-member Authority Board wherein each entity appoints two members from their respective governing boards to serve on the Authority Board and jointly appoint the "Fifth Director" (Public Member Director). The City and PWD appoint the Fifth Director (and Authority Board ratifies the appointment. Under the PRWA, an alternate may be appointed.

Meetings are held on the third Monday of the month at 6:00 pm in the Palmdale Council Chamber, 38300 Sierra Highway, Suite B, Palmdale, CA.

Director: Mayor Pro Tem Bishop
Director: Councilmember Bettencourt
Alternate: Councilmember Loa
Public Member: Joe Pallon – Term expires January 2026. (The Directors are designated by the City Council and ratified by the TPAA pursuant to the TPAA by-laws.)

PALMDALE TOURISM IMPROVEMENT DISTRICT (PTID)

The City and local hoteliers developed the PTID to promote Palmdale's tourism and tourism business environment through the development and operation of the PTID. The Board consists of seven Directors; four representatives from the hotels that pay into the TID assessment; one City Councilmember, one City staff, and one public member, who may be a representative of a non-lodging hospitality or tourism sector in the City. The City Councilmember, staff person, and public members are appointed by the Council. Directors serve a three-year term and receive no compensation or reimbursement.

Meetings are held bi-annually and rotate locations between hotels.

Director: Mayor Pro Tem Bishop

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) GENERAL ASSEMBLY

The SCAG General Assembly approves the bylaws, ratifies election of officers, and SCAG's budget. The General Assembly Delegate Representative has the opportunity to propose any policy matter for determination by the General Assembly in the form of a proposed Resolution or revisions to the SCAG Bylaws. All proposed resolutions and/or bylaw revisions will be reviewed by SCAG's Bylaws and Resolutions Committee and the Regional Council before being considered at the General Assembly business meeting.

Delegate: Councilmember Loa
Alternate: Mayor Pro Tem Bishop

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) REGIONAL COUNCIL DISTRICT 43

The Regional Council has general authority to conduct the affairs of SCAG and implements the policy direction provided at the annual General Assembly of the membership. In addition, the Regional Council acts upon policy recommendations from SCAG policy committees and external agencies; appoints committees to study specific problems and programs; amends, decreases, or increases the proposed budget to be reported to the General Assembly; and directs the actions of the agency throughout the year.

The delegate of SCAG Council District 43 is a two-year term to expire in January 2027.

Delegate: Mayor Pro Tem Bishop

PALMDALE SISTER CITY ASSOCIATION

President Eisenhower initiated the United States/Mexico Sister City Program in 1956. The program works to develop one-on-one community relations with cities in other countries

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so that people can cross national boundaries, get to know each other personally and form mutual respect and understanding of other cultures. City officials and the Palmdale Sister City Association members exchange visits to each city to foster the Sister City Program relationship. The Council may appoint as many representatives as desired.

Palmdale Sister City Association meetings are held on the second and fourth Wednesdays of each month at 6:00 pm at Legacy Commons, 930 E Avenue Q-9, Palmdale, CA.

Delegate:	Mayor Pro Tem Bishop
Delegate:	Councilmember Loa
Alternate:	Councilmember Bettencourt
Alternate:	Mayor Ohlsen

CALIFORNIA STATE PRISON – LOS ANGELES COUNTY, CITIZENS ADVISORY COMMITTEE

The primary objective of the Citizen's Advisory Committee is to promote communication between the institution and the community. This includes building goodwill and support, allaying community fears, and increasing public awareness and support by receiving and sharing information about the prison and the Department's policies, regulations, and programs.

Meetings are held quarterly in the Warden's Conference Room at the prison.

Delegate:	Councilmember Bettencourt
Alternate:	Councilmember Loa

AUTO MALL AD HOC COMMITTEE

The general purpose of the Ad Hoc Committee is to collaborate with all stakeholders to ensure City actions create positive outcomes and opportunities that benefit the entire community.

Meetings are held as needed.

Delegate:	Mayor Pro Tem Bishop
Delegate:	Mayor Ohlsen

CITY MANAGER SELECTION AD HOC SUBCOMMITTEE

The committee's role is to provide guidance and input to staff during the City Manager recruitment process. Final hiring decisions will still be made by the full Council. The committee will be dissolved once the recruitment and appointment of a new City Manager is complete.

Meetings are held as needed.

Delegate: Mayor Pro Tem Bishop

Delegate: Councilmember Bettencourt

LITTLEROCK DAM RECREATIONAL PROJECT AD HOC SUBCOMMITTEE

This Ad Hoc Committee will review and provide recommendations pertaining to the Littlerock Dam Recreation Project in conjunction with the Palmdale Water District.

Delegate: Mayor Ohlsen

Delegate: Councilmember Loa

FISCAL IMPACT

\$0; There is no fiscal impact associated with this item.

STRATEGIC PLAN

Goal I: Maintain adequate public safety and protection for life, property, and the environment.

D. Strengthen regional, state, and national partnerships to enhance our legislative presence.

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

C. Involve and expand engagement to enhance public oversight and transparency.

Prepared by:

Certified as to availability of Funds:

Approved by:

Approved as to form:

Rochelle Scott, City Clerk

Janelle Samson, Director of Operations

Salvador Mendez, Interim City Manager

Alexandra Severino, City Attorney

**CITY OF PALMDALE
OFFICE OF THE CITY COUNCIL**

M E M O R A N D U M

TO: City Clerk

FROM: Austin Bishop, Mayor Pro Tem

SUBJECT: Monthly Informational Report – Events and Meetings

DATE: January 13, 2026

During the period December 1 through December 31, 2025, I attended the following meetings and events:

Dec. 1	Briefing re: Agenda Items
Dec. 1	DryTown Groundbreaking
Dec. 2	Tree Lighting Ceremony
Dec. 2	Regular Council Meeting
Dec. 4	City of Palmdale Staff Holiday Party
Dec. 6	AV Chambers Christmas Parade Lancaster Blvd.
Dec. 6	Jolly Holiday at Palmdale Amphitheater
Dec. 6	San Fernando Coffee Company Grand Opening
Dec. 6	Pines and Presents Tree Lighting Ceremony at Auto Mall
Dec. 11	LA County Sanitation Districts 14 and 20 Board of Directors Meeting
Dec. 16	AVAQMD Board of Directors Meeting
Dec. 17	AV EDGE Holiday Brunch
Dec. 18	Harley Davidson Grand Opening
Dec. 18	Alberts Burrito and Taco Grand Opening
Dec. 19	SAVES Holiday Toy Giveaway
Dec. 20	AVTA Holiday Drive Thru Grocery & Toy Giveaway
Dec. 22	Santa's Workshop of Wishes sponsored by Build-A-Bear

Dec.22

AV Brickhouse Bricks Women's Football League Recognition

**CITY OF PALMDALE
OFFICE OF THE CITY COUNCIL**

M E M O R A N D U M

TO: City Clerk

FROM: Laura Bettencourt, Councilmember

SUBJECT: Monthly Informational Report – Events and Meetings

DATE: January 13, 2026

During the period December 1 through December 31, 2025, I attended the following meetings and events:

Dec. 1	Briefing re: Agenda Items
Dec. 1	DryTown Groundbreaking
Dec. 2	Tree Lighting Ceremony
Dec. 2	Regular Council Meeting
Dec. 4	City of Palmdale Staff Holiday Party
Dec. 6	Jolly Holiday at Palmdale Amphitheater
Dec. 11	LA County Sanitation Districts 14 and 20 Board of Directors Meeting
Dec. 12	1 st Annual Toy Giveaway presented by Asm. Carrillo
Dec, 12	Holiday Movie Night at Poncitlán Square
Dec. 13	Palmdale School District Sparkling Season Parade
Dec. 16	AVAQMD Board of Directors Meeting
Dec. 17	AV Veterans Community Action Coalition Breakfast
Dec. 17	AV EDGE Holiday Brunch
Dec. 22	Santa’s Workshop of Wishes sponsored by Build-A-Bear
Dec.22	AV Brickhouse Bricks Women’s Football League Recognition
Dec. 23	True Memories Car Club Charities Toy Giveaway

**CITY OF PALMDALE
OFFICE OF THE CITY COUNCIL**

M E M O R A N D U M

TO: City Clerk

FROM: Eric Ohlsen, Mayor

SUBJECT: Monthly Informational Report – Events and Meetings

DATE: January 13, 2026

During the period December 1 through December 31, 2025, I attended the following meetings and events:

Dec. 1	Briefing re: Agenda Items
Dec. 1	DryTown Groundbreaking
Dec. 2	Tree Lighting Ceremony
Dec. 2	Regular Council Meeting
Dec. 4	City of Palmdale Staff Holiday Party
Dec. 6	AV Chambers Christmas Parade Lancaster Blvd.
Dec. 6	Jolly Holiday at Palmdale Amphitheater
Dec. 9	APWA Southern California Chapter BEST Award Luncheon
Dec. 10	Meeting with Director of AVUHSD Adult Education
Dec. 11	High Desert Mental Health Services Grand Opening
Dec. 12	1 st Annual Toy Giveaway presented by Asm. Carrillo
Dec, 12	Holiday Movie Night at Poncitlán Square
Dec. 13	Palmdale School District Sparking Season Parade
Dec. 17	AV EDGE Holiday Brunch
Dec. 18	Harley-Davidson Grand Opening
Dec. 18	Alberts Burrito and Taco Grand Opening
Dec. 19	SAVES Holiday Toy Giveaway

- Dec. 20 AVTA Holiday Drive Thru Grocery & Toy Giveaway
- Dec. 22 Santa's Workshop of Wishes sponsored by Build-A-Bear

**CITY OF PALMDALE
OFFICE OF THE CITY COUNCIL**

M E M O R A N D U M

TO: City Clerk

FROM: Richard Loa, Councilmember

SUBJECT: Monthly Informational Report – Events and Meetings

DATE: January 13, 2026

During the period December 1 through December 31, 2025, I attended the following meetings and events:

Dec. 1	Briefing re: Agenda Items
Dec. 2	Tree Lighting Ceremony
Dec. 2	Regular Council Meeting
Dec. 3	Sheriff's Booster Christmas Party & Deputy of the Year
Dec. 4	Rancho Vista Golf Course Christmas Tree Lighting
Dec. 6	AV Chambers Christmas Parade Lancaster Blvd.
Dec. 12	LA County Executive Committee for Regional Homeless Alignment
Dec. 13	Palmdale School District Sparkling Season Parade
Dec. 17	AV EDGE Holiday Brunch
Dec. 19	SAVES Holiday Toy Giveaway
Dec. 20	AVTA Holiday Drive Thru Grocery & Toy Giveaway