City of Santa Paula

City Council Regular

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VICE MAYOR JENNY CROSSWHITE
COUNCILMEMBER LESLIE CORNEJO
COUNCILMEMBER PEDRO A. CHAVEZ
COUNCILMEMBER GABRIELA ORNELAS

CITY COUNCIL REGULAR MEETING OF THE
SANTA PAULA CITY COUNCIL REGULAR

WEDNESDAY, NOVEMBER 18, 2026

6:30 PM - City Council Regular Meeting

SANTA PAULA CITY HALL
970 VENTURA STREET
SANTA PAULA, CA 93060

JULIE LATSHAW, CITY CLERK
DAN SINGER, CITY MANAGER
KELLAN MARTZ, INTERIM CITY ATTORNEY

CITY COUNCIL REGULAR MEETING

City Council Regular meetings are held the first and third Wednesday of each month, at 6:30 p.m. in the City of Santa Paula City Hall Council Chamber, 970 Ventura Street, Santa Paula, and occasionally at the City of Santa Paula Community Center at 530 W Main Street, Santa Paula. Special and Closed Sessions vary by date and time.

HOW TO PARTICIPATE IN PERSON DURING THE MEETING

If you wish to speak at a City Council meeting, please fill out a ***Public Comment Form*** noting your name and address and submit the form to the City Clerk. Providing your name, address, or other identifying information on the form is voluntary and requested to assist the City with orderly meeting administration and provide context to comments. Include the Agenda item number, when appropriate. ***Public comments are limited to 3 minutes.*** Speakers using a translator will be provided at least twice the allotted time, unless simultaneous translation equipment is available and used by the City.

HOW TO VIEW ON YOUR TELEVISION, COMPUTER, OR MOBILE DEVICE

Watch from home live on the local Channel 10, or view the live feed on the city website at the following link: https://www.spcity.org/523/Public-Meeting-Agendas.
NOTE: Special Meetings are generally not recorded, nor generally available on Channel 10 or live feed on the City website.

HOW TO PARTICIPATE BEFORE THE MEETING

Members of the public are encouraged to submit email correspondence on any agenda item by sending an email to cityclerk@spcity.org. All public correspondence received by 3:00 p.m. (PT) on the meeting date will be provided to the legislative body before the meeting. Public Comments received after 3:00 p.m. will be provided to the legislative body the next day.

Your participation in this meeting is in the public domain. Meetings are cablecast. Minutes of this meeting will reflect your participation in this meeting and are posted on the City's website.

HOW TO PROVIDE REMOTE PUBLIC COMMENT

Members of the public may attend the open portions of the meeting remotely using the two-way audiovisual platform and call-in option listed below:

Join Zoom Meeting

https://us02web.zoom.us/j/88518381767?pwd=ShIbFD2DNu9haZN82Z8hsgsnlaVcyb.1

Meeting ID: 885 1838 1767

Passcode: 129350

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If the platform includes automatic captioning, the City will activate that function during the

meeting. To provide remote oral public comment, use the platform's "raise hand" feature or press *9 by phone when the ite4m is called; press *6 to unmute when prompted. No advance email request is required to attend remotely or to provide remote oral public comment. However, the City asks that anyone wishing to provide remote public comment send an email to the City Clerk's office at cityclerk@spcity.org on the day of the meeting by 3:00 p.m. and include the item number in the email subject line. This will help the City better facilitate public comment. Remote public comments are subject to the same time limits as in-person public comments. For technical assistance before the meeting, contact the City Clerk at cityclerk@spcity.org or (805) 933-4208.

TRANSLATED AGENDAS; INTERPRETATION ASSISTANCE; REQUESTS
This agenda and instructions for joining the meeting and providing remote public comment are at the following link: https://www.spcity.org/523/Public-Meeting-Agendas. Members of the public may post additional translations of the agenda at City of Santa Paula City Hall, 970 Ventura Street, Santa Paula, California. Members of the public who wish to translate a meeting or receive interpretation from another member of the public may request reasonable assistance by contacting the City Clerk at cityclerk@spcity.org or (805) 933-4208. Assistance may include arranging space for interpreters, allowing additional time for interpretation, or allowing the use of personal equipment or facilities for commercially available interpretation services. To request meeting agendas or agenda documents by email or through the City's agenda management system, contact the City Clerk at cityclerk@spcity.org or use the following link: https://www.spcity.org/523/Public-Meeting-Agendas.

PLEASE NOTE

Be advised that if you bring a legal challenge to an action, you may be limited to raising only those issues you or someone else raised at the meeting described in this Agenda, or in written correspondence delivered to the City Council at or before the meeting. Any action is subject to the ninety-day time period set forth in Code of Civil Procedure § 1094.6.

In compliance with the ***Americans with Disabilities Act****, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate remotely or in person in this meeting, please contact the City Clerk at (805) 933-4208 or cityclerk@spcity.org. Notification 48 hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Requests will be received and resolved promptly, with any doubt resolved in favor of accessibility. (28 CFR 35, 102-35.104 ADA Title II).*

Written materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's office.

REGULAR MATTERS - COUNCIL CHAMBERS

1. **CALL TO ORDER**
   REMINDER: in order to minimize distractions during public meetings, all personal communication devices should be turned off or put in a non-audible mode.

2. **INVOCATION**

3. **FLAG SALUTE**

4. **ROLL CALL**

5. **PUBLIC COMMENT**

At this time, members of the public may comment on any item not appearing on the agenda that is within the subject-matter jurisdiction of the City Council. A Public Comment Form must be submitted to the City Clerk prior to the beginning of the Public Comment period in order to be recognized to speak. Individuals submitting Public Comment Forms after the beginning of the Public Comment period will not be allowed to speak at this time, but may be recognized to speak by the Mayor at the conclusion of the meeting. Individual Councilmembers may briefly respond to Public Comments or ask questions for clarification. The City Council may direct the City Manager to report to the City Council on the item at a later meeting. For items appearing on the Agenda, the public will be invited to make comments at the time the item comes up for City Council consideration. If a member of the public wishes to address a Consent Calendar item, please submit a Public Comment Form for that item. It may then be discussed separately by the Council, and the public will be invited to make comments at that time. At all times, please use the microphone and write your name and address on the Public Comment Form provided.

6. **PRESENTATIONS**

6.A RECOGNITION OF ISBELL MIDDLE SCHOOL VOLLEYBALL CHAMPIONS

6.B RETIREMENT RECOGNITION TO SANTA PAULA POLICE RESERVE OFFICERS

6.C ATHENS 2026 RECYCLING ALL STARS AWARDS

6.D VENTURA REGIONAL SANITATION DISTRICT PRESENTATION

6.E MUSEUM OF VENTURA COUNTY AGRICULTURE MUSEUM ANNUAL REPORT

7. **CITY COUNCIL REPORTS**

8. **CITY MANAGER REPORTS**

9. **CONSENT CALENDAR**

Background information has been provided to the City Council on all matters listed under the Consent Calendar and these items are considered to be routine by the City Council and are normally approved by one motion. If discussion is requested by a Councilmember on any item, or a member of the public wishes to comment on an item, that item may be removed from the Consent Calendar for separate action.

9.A **INVESTMENT POLICY UPDATE**

RECOMMENDATION:

Staff recommends the City Council approve the proposed Investment Policy updates to be in line with industry standards and new legislation.

9.B **AMERICAN RESCUE PLAN ACT (ARPA) UPDATE & FUNDING CONSIDERATIONS**

RECOMMENDATION:

Staff recommends City Council:

1. Review staff recommendations on ARPA items for interest allocation and other adjustments;

2. Approve the allocations requested to utilize interest revenue generated from the fund balance as noted in the attachment.

9.C **OCTOBER 2026 WARRANTS AND CERTIFICATIONS**

RECOMMENDATION:

Staff recommends that the City Council:

1. Review and accept the "Certification of Accounts Payable" for the accounts payable payment cycles for October 2026, starting check number 345622 and ending check number 346033.
2. Review and accept the "Certification of Salaries" for the pay period ending dates October 2nd, 2026, through October 16th, 2026.

9.D **APPROVAL OF MINUTES**

- **City Council Special Meeting October 28, 2026**
- **City Council Special Meeting November 4, 2026**
- **City Council Regular Meeting November 4, 2026**

RECOMMENDATION:

Staff recommends Council approve minutes.

9.E **APPROVAL AND ACCEPTANCE OF OFFICE OF TRAFFIC SAFETY STEP AND TRIP GRANT AGREEMENTS AND BUDGET APPROPRIATIONS FOR ENHANCED TRAFFIC SAFETY AND ENFORCEMENT**

RECOMMENDATION:

It is recommended that the City Council:

1. Approve and accept Selective Traffic Enforcement Program (STEP) grant PT27160 in the amount of $44,000 and Traffic Records Improvement Project (TRIP) grant TR27016 in the amount of $64,200 between the City of Santa Paula and the California Office of Traffic Safety (OTS), for the performance period October 1, 2026 through September 30, 2027, subject to full execution of the TRIP agreement by OTS, and
2. Approve new grant revenue and corresponding expenditure appropriations totaling $108,200, consisting of $44,000 for STEP and $64,200 for TRIP, in the OTS grant fund and separate grant accounting codes as described in the Fiscal Impacts section, in new revenue and matching expenditures from the State of California - Office of Traffic Safety (OTS) Fund 314; and
3. Authorize the City Manager or designee to administer the grants and

procure the budgeted supplies, LIDAR devices, traffic records interfaces, and mobile electronic citation printers within the approved grant amounts, subject to applicable City purchasing requirements, delegated authority, and grant conditions.

4. Approve use of NASPO ValuePoint Cooperative Purchasing Agreement and California Participating Addendum under Santa Paula Municipal Code section 41.11, in lieu of the separate informal bid process, and authorize purchase of LIDAR devices directly from Kustom Signals, Inc., for the applicable charges within the $5,200 STEP allocation.

10. ACTION ITEMS

10.A RESOLUTION OF SUPPORT FOR HOSPITAL SERVICES

RECOMMENDATION:

It is recommended that the Council:

1) Consider adopting Resolution No 7639, affirming Santa Paula's commitment to preserving local emergency medical care for the Santa Clara River Valley, and

2) Directing staff to return with a separate resolution establishing an Ad-hoc Council Committee on Hospital and Health Care Services, and

3) Committing up to $50,000 of City funds in support of these goals in order to hire a health care expert able to help navigate options and opportunities for health services.

Presentation by: Dan Singer, City Manager

10.B 2025/2026 YEAR END FISCAL REPORT & Q1 FY 2026/27 UPDATE

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt the recommended budget adjustments as noted in the fiscal impacts of this report.

Presented by: Christy Ramirez, Finance Director

10.C PURCHASE AND SALE AGREEMENT FOR SOUTH PALM AVENUE PROPERTY (APN 105-0-080-175)

RECOMMENDATION:

Staff recommends that the City Council:

1. Approve the Purchase and Sale Agreement and Joint Escrow Instructions with Farmers Irrigation Company, substantially in the form attached, for the purchase of the South Palm Avenue property identified as APN 105-0-080-175 for $2,350,000 (Agreement);

2. Authorize the City Manager, or designee, to execute the Agreement, subject to nonsubstantive changes approved by the City Attorney; administer the escrow and exercise the City's rights under the Agreement; accept the deed pursuant to Government Code section 27281; and take all other actions necessary to complete the acquisition in accordance with the Agreement; and

3. Find that the proposed action is not a project subject to the California Environmental Quality Act under CEQA Guidelines section 15378 (Project).

Presented by: Dan Singer, City manager

11. ITEMS FOR FUTURE AGENDAS

11.A FUTURE AGENDA ITEMS

RECOMMENDATION:

Staff recommends City Council review future agenda items.

12. ADJOURNMENT

State of California)-

County of Ventura)- ss

City of Santa Paula)-

I declare under penalty of perjury that I posted this City Council Agenda on the bulletin board near the front door of City Hall, 970 Ventura Street, Santa Paula, California.

On_____at_____Signed:_____

Julie Latshaw

City Clerk

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Christy Ramirez, Finance Director

Subject: INVESTMENT POLICY UPDATE

Date: November 18, 2026

Agenda Item: 9.A

RECOMMENDATION:

Staff recommends the City Council approve the proposed Investment Policy updates to be in line with industry standards and new legislation.

BACKGROUND:

On May 6, 2020, the City Council approved an investment policy in order to establish strategies, practices and procedures to be used in investing public funds in a prudent manner, which provided the maximum security while meeting daily cash flow needs and conforming to all statutes governing the investment of public funds. The policy also identified practices that enhanced opportunities for a prudent and systematic investment of public funds. The policy is intended to guide the investment of City funds toward the goals of safety, liquidity and yield.

ANALYSIS:

City staff and the City's investment advisory firm, Chandler Asset Management, reviewed the investment policy and recommend changes for the following reasons:

Code Changes – Authorized Investments

SB 1438, which will become effective January 1, 2027, includes the following revisions to California Government Code:

1. Reorganizes and renumbers California Government Code from Section 53600 to 53603
2. Explicitly authorizes the purchase of commercial paper issued by a federally or state-chartered bank or federally or state-licensed branch of a foreign bank
3. Removes the sunset dates on provisions allowing public agencies with at least $100 million in investable assets to invest up to 40% of the portfolio in commercial paper and for the purchase of securities issued or guaranteed by the US government with zero or negative-interest accruals during periods of negative interest rates
4. Adds the Inter-American Investment Corporation (IDB Invest) to the list of eligible supranational securities for California public agencies

ABS/MBS/CMO

SB 882 (2023): Clarified the Allowable Investments to differentiate between private and Federal Agency ABS and MBS limitations.

Commercial Paper

SB 858/595 (2025): Extends the CP maximum maturity to increase from 270 days to 397 days and went into effect on 01/01/2026.

SB 595 (2025): Extends the provision to allow up to 40% of a total portfolio in commercial paper through 2031.

SB 998 (2020). Eliminated 10% CP requirement and replaced with “Agencies may invest no more than 10% of its total investment assets in commercial paper and the medium-term notes of any single issuer.”

US Treasury

SB 595 (2025): Allows investment in zero- or negative interest rate accrual of US Treasury securities through 2031.

Code Change - Training

SB 827 (2026): Required training for qualifying individuals. It is included in the policy as a CMTA best practice.

The redline and clean version of the updated policy have been included as attachments to this staff report.

STRATEGIC PLAN:

While this item is not a direct goal or objective in City Council's two-year strategic plan, it is important to maintain fiscal policies updated to remain in compliance with industry standards and within state and federal regulations.

FISCAL IMPACTS:

There are no direct fiscal impacts related to the recommended action. Staff believes the updated Investment policy will serve in its goal to best guide the investment of City funds toward the goals of safety, liquidity and yield.

OPTIONS:

Council may reject the Investment Policy changes and/or provide further direction to staff.

ATTACHMENTS:

Santa_Paula_Investment_Policy_REDLINE2026.doc
Santa_Paula_Investment_Policy_Clean.doc
Whitepaper SB 1438 and SB 1439 102026.pdf



Investment Policy

Approved 11/18/2026

For Fiscal Year 2026/2027 or Calendar Year 2026

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1.0 Purpose

It is the purpose of the City's investment policy to establish strategies, practices and procedures to be used in investing public funds in a prudent manner, which will provide the maximum security while meeting daily cash flow needs and conforming to all statutes governing the investment of public funds.

Secondly, this document will identify policies that enhance opportunities for a prudent and systematic investment of public funds. This policy is intended to guide the investment of City funds toward the goals of safety, liquidity and yield.

This investment was adopted by City Council on November XX, 2026 and is effective January 1, 2027 and replaces any previous versions.

2.0 Policy

It is the policy of the City of Santa Paula, hereafter referred to as the "City", to invest public funds not required for immediate day-to-day operations, also referred to as idle funds, in safe and liquid investments having acceptable rates of return while conforming to all state statutes and this City's Investment Policy.

California Government Code Section 53646 (a)(2) states that the City Treasurer may annually submit an investment policy to the City Council for consideration at a public meeting. This investment policy conforms to all pertinent existing laws of the State of California, including California Government Code Sections 53600 et seq. Any conflict between this City Investment Policy and California Government Code Section 53600 et. seq., shall be interpreted in favor of the California Government Code.

3.0 Scope

This investment policy applies to all financial assets and investment activities of the City. These funds are reflected in the City's audited Comprehensive Annual Financial Report (CAFR). If the City invests funds on behalf of another agency and, if that agency does not have its own policy, the City's investment policy shall govern the agency's investments. Any additional funds that may be created from time to time shall also be administered within the provisions of this policy and comply with the California State Government Code. This policy covers the investment activities of idle funds under the direct authority of the City.

3.1 Funds Included by this Policy

- General Fund
- Enterprise Funds
- Special Revenue Funds

- Debt Service Funds
- Capital Project Funds
- Fiduciary Funds

3.2 Pooling of Funds

Except for cash in funds prohibited from pooling as described in Section 3.3, the City shall consolidate cash balances from all funds to maximize investment earnings. Investment income shall be allocated to various Cfunds in accordance with generally accepted accounting principles.

3.3 Investments Held Separately

In some instances, investments cannot be included in the City's investment pool. These may include investments of bond proceeds, CalPERS, OPEB trusts, and the investment of employees' deferred compensation funds invested pursuant to Government Code Section 53602(q). In such cases the funds will be held separately when required by law, contract or other authority.

4.0 Prudence

The City Treasurer is authorized to make investment decisions on behalf of the City investing public funds subject to the prudent investment standard. The Prudent Investor Standard of the California Government Code Section 53602(b) states, "when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated need of the [City], that a prudent person in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the [City]". The standard of prudence to be used by investment officials shall be applied in the context of managing the overall portfolio.

Trustees are those persons authorized to make investment decisions on behalf of a local agency. Trustees or City investment officials, acting in accordance with written procedures, the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk changes or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

5.0 Objectives

Section 53602(a) of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the City's investment activities shall be:

5.1 Safety

Safety of principal is the foremost objective of the investment program. Investments by the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio and reduce both credit and market risk. The type of investment instruments and diversification of investments are critical components to ensuring investment portfolio safety.

5.2 Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. Liquidity also refers to the ability to convert an investment to cash without loss of principal and minimal loss of interest.

5.3 Yield (Return on Investment)

The City's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the City's investment risk constraints identified in the Investment Policy and the cash flow characteristics of the portfolio. Return on investment becomes a consideration only after the basic requirements of safety and liquidity have been met.

The City Treasurer shall strive to maintain the level of investment of all idle funds as close to 100% as possible. While the objectives of safety and liquidity must first be met, it is recognized that investment assets represent a potential source of significant revenues. It is to the benefit of the City that these assets be managed to produce optimum revenues consistent with State statutes and local policies.

6.0 Delegation of Authority

Authority to manage the City's investment program is derived from the California Government Code Sections 53600 through 53604. The management of idle cash and the investment of funds identified in paragraph 3.1 is the responsibility of the City Treasurer (Treasurer). The Treasurer is an appointed position by the City Manager. Management responsibility for the investment program is hereby delegated to the Treasurer as directed by the City Council. Under this authority granted by the City Council, no person may engage in an investment transaction covered by the terms of this policy unless directed by the Treasurer.

In the execution of this delegated authority, the Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this policy.

Transactions, including wiring instructions, must be identified in advance and approved in writing by the Treasurer or designee. All investment transactions in excess of $250,000 (except for deposits or withdrawals from the Local Agency Investment Fund, Ventura County Investment Pool or Other Pools) shall also require the signature of the City Manager or his/her designee.

The City may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy. The City Council may renew the authority annually and may revoke the authority at any time.

7.0 Ethics and Conflicts of Interest

All participants in the City's investment process shall act responsibly as custodians of the public trust. Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and shall seek and follow the advice of the City Attorney and the Fair Political Practices Commission whenever there is a question of personal, financial or investment positions that could represent potential conflicts of interest.

Additionally, the Agency shall, in compliance with California Government Code Section 53238 et seq., ensure covered individuals complete required biennial training within six (6) months of assuming the qualifying responsibilities. Documentation of training completion shall be maintained in accordance with applicable law.

8.0 Authorized Financial Institutions and Broker/Dealers

Investments shall be purchased only through well-established, financially sound institutions. All financial institutions and broker/dealers who desire to become qualified vendors for investment transactions will be given a copy of the City's investment policy and certification form. The completion and submission of the

certification form by a broker-dealer or financial institution shall constitute proof that it has received the City's Statement of Investment Policy, read it, and intends to comply with it. Qualified financial institutions and Broker/dealers must provide current audited financial statements and meet the applicable criteria established in Sections 8.1 or 8.2 of this policy.

8.1 Authorized Financial Institutions

The City shall only deposit public monies in financial institutions that have: (1) at least $500 million in total assets; (2) a core capital-to-total assets ratio of at least five percent; (3) favorable ratings from a recognized financial institution rating service, as determined by the City Treasurer; (4) a federal or a state charter; or are eligible institutions per the California Government Code and (5) a branch office within Ventura County, and/or a 50 mile radius of the City.

Under no circumstances shall the City's deposits in a financial institution exceed the total shareholders' equity of that institution.

8.2 Authorized Broker/Dealers

The City will only utilize investment services of financial institutions and security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of California. These may include primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform new capital rule).

All financial institutions and broker-dealers for investment transactions must supply the following to the City as appropriate:

- Current audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification,
- Proof of State of California registration
- Trading resolution
- Completed City of Santa Paula broker-dealer questionnaire, which contains a certification of having read, understood and agreeing to comply with the City's Investment Policy and depository contracts

9.0 Authorized and Suitable Investments

All investments and deposits of the City shall be made in accordance with California Government Code, Sections 16429.1, 53600-53604, and 53630-53686 et seq., and as further limited in this policy.

The City is empowered by statute to invest in the following types of securities:

9.1 Authorized Investment Types

9.1.1 California State Treasurer's Local Agency Investment Fund (LAIF) as authorized by Gov. Code Section 16429.1(b).

9.1.2 Ventura County Investment Pool — Ventura County Treasurer's Investment Pool as authorized by Gov. Code Section 53684.

9.1.3 Shares of beneficial interest issued by a joint powers authority organized in the State of California pursuant to Gov. Code Section 6509.7 that invests in the securities and obligations authorized in Gov. Code Section 53603. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. Purchases are limited to those pools that seek to maintain a constant net asset value and are rated in the highest category by a nationally recognized statistical-rating organization (NRSRO). To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission; (2) the adviser has not less than five years of experience investing in the securities and obligations authorized in Gov. Code section 53603; and (3) the adviser has assets under management in excess of five hundred million dollars ($500,000,000). Gov. Code § 6509.7(a).

9.1.4 U.S. Government — United States Treasury bills, notes, & bonds, or certificates of indebtedness, or those for which the full faith and credit of the United States Government are pledged for the payment of principal and interest.

9.1.5 U.S. Agencies — Federal agency or United States government senior debt- sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 30% of the total portfolio may be invested in any single Agency/GSE issuer. The maximum percent of agency callable securities in the total portfolio will be 20%.

9.1.6 State Municipal Securities — Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department,

board, agency, or authority of any state. Securities eligible for investment under this paragraph shall be rated in the rating category of at least “AA” or “A-1” (for short-term securities), their respective equivalents, or higher by a NRSRO. A maximum of 30 percent of the City’s total portfolio may be invested in State and local municipal securities.

9.1.7 California Local Agency Municipal Securities — Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within the State of California, including debt securities issued by the City. Securities eligible for investment under this paragraph shall be rated in a rating categories at least “AA” or “A-1”, their respective equivalents, or higher by a NRSRO. A maximum of 30 percent of the City’s total portfolio may be invested in State and local municipal securities.

9.1.8 Non-Negotiable Certificates of Deposit (CDs) — Non-negotiable deposits in a state or national bank, savings association or federal association, federal or state credit union in the State of California as authorized by CGC Section 53652. In accordance with CGC Section 53635.2, to be eligible to receive City deposits, a financial institution shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities. CDs are required to be collateralized as specified under Gov. Code Section 53630 et seq. The Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Deposits in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) insured shall be secured pursuant to California Government Code Section 53651 and 53652. The City shall have a signed agreement with any depository accepting City funds per Gov. Code Section 53649. In accordance with CGC Section 53638, any deposit shall not exceed that total shareholder’s equity of any depository bank, nor shall the deposit exceed the total net worth of any institution. A maximum of 20 percent of the City’s total portfolio may be invested in CDs.

9.1.9 Negotiable Certificates of Deposit – Negotiable CDs issued by a nationally or state chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Negotiable CDs issued with maturities in excess of one year must be rated in a rating category of “A”, the equivalent or higher by a NRSRO.

Negotiable CDs with maturities under one year must be rated in a rating category of "A-1," the equivalent, or higher by a NRSRO. Purchases of negotiable CDs may not exceed 30 percent (in combination with CDs purchased through a deposit placement service) of the City's total portfolio.

9.1.10 Placement Service Deposits — The City may deposit a portion of its funds with commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of federally insured deposits. The selected depository for placement services must be: a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in California. Further, the selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the City's account. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the FDIC or the NCUA. The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the City's account. Under a provision sunsetting on January 1, 2031, no more than 50% of the portfolio may be invested in deposits through a placement service, including Certificates of Deposit.

9.1.11 Medium-Term Corporate Notes — Medium term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States that are rated in the rating category of "A" or its equivalent or better by at least one NRSRO. Purchases of medium term notes may not exceed 30 percent of the City's total portfolio.

9.1.12 Asset-Backed Security – Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment leaseback certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. Eligible securities must be rated in a rating category, by a NRSRO, of "AA", the equivalent or higher. No more than 20 percent of the City's total portfolio may be invested in this type of security for issuers not defined in sections 9.1.4 and 9.1.5 of this policy.

9.1.13 Commercial Paper — Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2) below:

1. The entity meets the following criteria: (A) is organized and operating in the United States as a general corporation. (B) has(h) total assets in excess of five hundred million dollars ($500,000,000). (C) has debt other than commercial paper, if any, that is rated in a rating category of “A”, the equivalent or higher by a NRSRO.

2. The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company, federally or state chartered bank, or federally or state-licensed branch of a foreign bank (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (c) Has commercial paper that is rated in a rating category of “A-1” or the equivalent or higher by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 397 days or less. No more than 25 percent of the City’s total portfolio may be invested in eligible commercial paper. No more than 40% of the total portfolio may be invested in Commercial Paper if the City’s investment assets under management are greater than $100,000,000.

9.1.14 Bankers’ Acceptances — Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. Eligible bankers' acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by a NRSRO. Purchases of bankers' acceptances shall have a maximum maturity of 180 days or less, and no more than 40 percent of the City's total portfolio.

9.1.15 Money Market and Mutual Funds — Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). Such funds must carry the highest rating of at least two of the three largest national rating agencies.

All such investments shall be placed only in money market or mutual funds intended to maintain constant net asset value and that invest solely in U.S. Treasuries and Federal Agency obligations and repurchase agreements invested in such obligations. Investment in Money Market or Mutual Funds shall not exceed 20% of the total portfolio. No more than 10% of the portfolio may be invested in shares of any one mutual fund and no more than 20% of the total portfolio may be invested in shares of any one money market fund.

9.1.16 Sweep account for the investment of overnight funds when the funds are swept into investments authorized by this policy.

9.1.17 Passbook accounts maintained solely to provide for ongoing operational needs shall be subject to the requirements of this policy.

9.1.18 Bonds, notes, or other forms of indebtedness issued by the City, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the local agency.

9.1.19 Supranationals: Issues are that are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, Inter-American Development Bank, or Inter-American Investment Corporation (“IDB Invest”). The securities are rated in a rating category of “AA” or its equivalent or better by a NRSRO. No more than 30% of the total portfolio may be invested in these securities. No more than 10% of the total portfolio may be invested in any single issuer.

9.2 Unauthorized Investments

- Investments not specifically authorized herein are disallowed. Additionally, Section 53602(i) of the California Government Code disallows the following: inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. Futures, options, all leveraged purchases, reverse repurchases, and speculations on interest rates are specifically not allowed by this policy. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited, except for securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted during and for the duration of a period of negative market interest rates are permitted. The purchase of securities with a forward settlement of longer than 45 days is prohibited.

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10.0 Investment Pools/Mutual Funds

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

11.0 Collateralization

Investments in certificates of deposit, sweep accounts and passport accounts shall be fully insured up to the limit set by the Federal Deposit Insurance Corporation or National Credit Union Administration. Investments in certificates of deposit, sweep accounts and passport accounts in excess of the FDIC or NCUA limit shall be properly collateralized as required by law.

12.0 Safekeeping and Custody

All security transactions entered by the City shall be conducted on a delivery-vs.-payment (DVP) basis. Securities owned by the City, (except the collateral for certificates of deposit in banks and/or savings and loans) shall be held by a third-party custodian/safekeeping account designated by the City Treasurer and evidenced by safekeeping receipts. Said securities shall be held in a manner that establishes the City's right of ownership. The only exception to the foregoing shall be depository accounts and security purchases made with: LAIF, time certificates of deposit and money market mutual funds held directly with issuing institution, since the purchased securities are not deliverable.

The third-party custodian/safekeeping account shall annually provide a copy of their most recent report of internal controls and provide periodic statements of

the securities owned by the City listing the specific instrument, rate, maturity and other pertinent information.

13.0 Diversification

The City recognizes that investment risks can result from the issuer defaults, market price changes, or various technical complications leading to temporary liquidity. To minimize the City's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments, and maturities. The Treasurer shall minimize default risk by prudently selecting only instruments and institutions, which at the time of placement have been evaluated for their financial viability and compliance with this policy. No individual transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

The portfolio instrument composition shall be diversified to the extent feasible to avoid incurring unreasonable and avoidable risks regarding specific security types indicated in Section 9 of this investment policy. No more than five percent (5%) of the value of the City's portfolio will be placed with any single issuer, except for the U.S. Treasury/Federal agency securities, authorized pools, mutual funds, Supranationals and collateralized investments.

14.0 Maximum Maturities

To the extent possible, the Treasurer will attempt to match investments with anticipated cash flow requirements and investments shall have a maturity no more than five (5) years from the date of purchase.

For the purpose of these investments, the compliance with the investment percentage(s), in regards to the total investment portfolio, shall be calculated on the date the investment is acquired. If the percentage is legally compliant on the date of purchase, then compliance with the law shall have been met.

15.0 Internal Control

The City Treasurer shall establish and maintain a system of appropriate internal controls to ensure compliance with policies and procedures. The controls should be designed to prevent losses of public funds arising from fraud, error, or imprudent actions by employees and officers of the City. The following procedures shall generally be followed:

- Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction.
- Timely bank reconciliation is conducted to ensure proper handling of all transactions
- The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Finance Department at a minimum on a quarterly basis.

16.0 Performance Standards

15.1 Investment Strategy

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences. If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the City Council.

15.2 Benchmark

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark. The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances.
. The benchmarks and investment performance will be reviewed by the Treasurer and City Manager as market conditions warrant or when the benchmarks are not met for a consecutive one-year period.

17.0 Investment Reporting

As suggested in California Government Code Section 53602(o), the investment report shall be submitted to the City Council on a quarterly basis by the Treasurer within 45 days of the end of the reporting period. The Treasurer shall review and render monthly and quarterly investment reports and include the following:

- The monthly report shall include an accounting of all receipts, disbursements and fund balances.
- The quarterly report shall include an itemized listing of portfolio investments by type, date of maturity, yield to maturity, issuer, par value, dollar amount invested, book value and current market value if applicable. The source of the market values will be cited.
- The quarterly report will include a statement of compliance of the portfolio with the City's investment policy or an explanation as to why the portfolio is not in compliance per California Government Code Section 53646(b)(2).
- The quarterly report shall include a statement of compliance that the investment portfolio has the ability to meet the City's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available, per California Government Code Section 53646 (b)(3).

18.0 Investment Policy Adoption

The City's investment policy shall be adopted by resolution by the City Council. The policy may be reviewed annually by the City Council and any modifications to the investment policy must be approved by the City Council.

19.0 Exceptions

Occasionally, exceptions to some of the requirements specified in this investment policy may occur for pooled investments because of events subsequent to the purchase of investment instruments. State law is silent as to how exceptions should be corrected. Exceptions may be temporary or more lasting; they may be self-correcting or require specific action. If specific action is required, the Treasurer should determine the course of action that would correct exceptions to move the portfolio into compliance with State law and City policy. Disclosure of exceptions lasting more than 183 days shall be done in the quarterly investment report immediately following the 183 days. Decisions to correct exceptions should not expose the assets of the portfolio to undue risk and should not impair the meeting of financial obligations as they fall due. Any subsequent investments should not extend existing exceptions.

20.0 Glossary

Asset-Backed Securities (ABS): Securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Banker's Acceptance: A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker-Dealer: A person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Buy and Hold Strategy: Investments in which management has the positive intent and ability to hold each issue until maturity.

Callable: A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

City Treasurer: The City Treasurer is appointed by the City Manager.

Collateralization: To secure a debt in part or in full by pledge of collateral, asset pledged as security to ensure payment or performance of an obligation. Also refers to securities pledged by a bank to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO: Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper: The short-term unsecured debt of corporations.

Coupon: The rate of return at which interest is paid on a bond.

Credit Risk: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current Yield: The interest paid on an investment expressed as a percentage of the current price of the security.

Custody: Safekeeping services offered by a bank, financial institution or trust company, referred to as the "custodian." Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement and market values.

Delivery versus Payment: A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or custodian. It ensures that securities are deposited in an eligible financial institution prior to the release of funds.

Disallowed Investments: Prohibited investments include any investments not specifically authorized within this policy, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages; futures, option, all leveraged purchases, reverse repurchases, and speculations on interest rates.

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

Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates means falling bond prices, while declining interest rates mean rising bond prices.

Federal Agency Obligation: A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Deposit Insurance Corporation (FDIC): The federal agency that insures bank deposits up to $250,000 per deposit at participating banking

institutions. To increase consumer confidence in the banking system, the previous $100,000 insurance limit was temporarily increased to $250,000 in 2008, extended to 2013, and then permanently increased on July 21, 2010 with the passage of the Wall Street Reform and Consumer Protection Act.

Federal Reserve System: The central bank of the United States which consists of a seven-member Board of Governors, 12 regional banks, and 5,700 commercial banks that are members.

Fiduciary. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interest ahead of their own as they are bound both legally and ethically to act in other's best interests.

Fiduciary Funds: Funds held in a trustee or agency capacity for outside parties.

Interest Rate: The annual yield earned on an investment, expressed as a percentage.

Liquidity: Refers to the ability to rapidly convert an investment into cash without a substantial loss of value.

Leverage: Investing with borrowed money with the exception that the interest earned on the investment will exceed the interest paid on the borrowed money.

Local Agency Investment Fund (LAIF): A voluntary investment program offering participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. Investment in LAIF, considered a short-term investment, is readily available for cash withdrawal daily.

Market Risk: Defined as market value fluctuations due to overall changes in the general level of interest rates. Adverse fluctuation possibilities shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis, and eliminating the need to sell securities prior to maturity. Also, avoiding the purchase of long-term securities for the sole purpose of short-term speculation mitigates market risk.

Market Value: The price at which a security is trading and could presumably be purchased or sold on a specific date.

Maturity: The date the principal or stated value of an investment becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.

Modified Duration: The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market Fund: A type of safe investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must maintain a stable net asset value (NAV) of $1 per share.

Mortgage Pass-Through Securities: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities: Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO).
A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

National Credit Union Administration (NCUA): An independent federal agency that insures deposits at federally insured credit unions, currently up to $250,000.

Negotiable Certificates of Deposit: Typically large-denomination Certificates of Deposit that can be transferred, bought, sold, or exchanged.

Non-Negotiable Certificates of Deposit: Certificates of Deposit that cannot be transferred, bought, sold, or exchanged.

Pooled Investments: Grouping of resources for the advantage of the participants.

Principal: The original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

Principal: (1) The face amount of par value of a debt instrument. (2) One who acts as a dealer buying or selling for his own account.

Prudent Investor Standard: An investment standard that all investments should be made with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City.

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

Secondary Market: A market is made for the purchase and sale of outstanding issues following the initial distribution.

Sweep Account: Short-term income fund into which all un-invested cash balances from the non-interest-bearing checking account are automatically transferred daily.

Supranational: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Third-Party Custodian: Corporate agent, usually a commercial bank, who, acting as trustee, holds securities under a written agreement for a corporate client and buys and sells securities when instructed. Custody service includes securities safekeeping, and collection of dividends and interest. The bank acts only as a transfer agent and makes no buy-sell recommendations.

Treasury Bills: 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 coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of from two to 10 years.

Trustee: (1) All governing bodies of local agencies or persons authorized (city investment officials) to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. (2) A financial institution with trust powers that acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Total Rate of Return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Agencies: Federal agency securities and/or Government-sponsored enterprises.

U.S. Government Securities: Securities issued by the U.S. Government and its agencies which are either directly or indirectly backed by the full faith and credit of the United States. U.S. Government securities include Treasury Bills, Notes and Bonds. Agency securities include those issued by the Federal National Mortgage Association, Federal Home Loan Bank, and similar agencies.

Yield to Maturity: The rate of annual income return on an investment expressed as a percentage, adjusted for any discounts, and spread over the period from the date of purchase to the date of maturity.



Investment Policy

Approved 11/18/2026

For Fiscal Year 2026/2027 or Calendar Year 2026

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1.0 Purpose

It is the purpose of the City's investment policy to establish strategies, practices and procedures to be used in investing public funds in a prudent manner, which will provide the maximum security while meeting daily cash flow needs and conforming to all statutes governing the investment of public funds.

Secondly, this document will identify policies that enhance opportunities for a prudent and systematic investment of public funds. This policy is intended to guide the investment of City funds toward the goals of safety, liquidity and yield.

This investment was adopted by City Council on November XX, 2026 and is effective January 1, 2027 and replaces any previous versions.

2.0 Policy

It is the policy of the City of Santa Paula, hereafter referred to as the "City", to invest public funds not required for immediate day-to-day operations, also referred to as idle funds, in safe and liquid investments having acceptable rates of return while conforming to all state statutes and this City's Investment Policy.

California Government Code Section 53646 (a)(2) states that the City Treasurer may annually submit an investment policy to the City Council for consideration at a public meeting. This investment policy conforms to all pertinent existing laws of the State of California, including California Government Code Sections 53600 et seq. Any conflict between this City Investment Policy and California Government Code Section 53600 et. seq., shall be interpreted in favor of the California Government Code.

3.0 Scope

This investment policy applies to all financial assets and investment activities of the City. These funds are reflected in the City's audited Comprehensive Annual Financial Report (CAFR). If the City invests funds on behalf of another agency and, if that agency does not have its own policy, the City's investment policy shall govern the agency's investments. Any additional funds that may be created from time to time shall also be administered within the provisions of this policy and comply with the California State Government Code. This policy covers the investment activities of idle funds under the direct authority of the City.

3.1 Funds Included by this Policy

- General Fund
- Enterprise Funds
- Special Revenue Funds

- Debt Service Funds
- Capital Project Funds
- Fiduciary Funds

3.2 Pooling of Funds

Except for cash in funds prohibited from pooling as described in Section 3.3, the City shall consolidate cash balances from all funds to maximize investment earnings. Investment income shall be allocated to various Cfunds in accordance with generally accepted accounting principles.

3.3 Investments Held Separately

In some instances, investments cannot be included in the City's investment pool. These may include investments of bond proceeds, CalPERS, OPEB trusts, and the investment of employees' deferred compensation funds invested pursuant to Government Code Section 53602(q). In such cases the funds will be held separately when required by law, contract or other authority.

4.0 Prudence

The City Treasurer is authorized to make investment decisions on behalf of the City investing public funds subject to the prudent investment standard. The Prudent Investor Standard of the California Government Code Section 53602(b) states, "when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated need of the [City], that a prudent person in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the [City]". The standard of prudence to be used by investment officials shall be applied in the context of managing the overall portfolio.

Trustees are those persons authorized to make investment decisions on behalf of a local agency. Trustees or City investment officials, acting in accordance with written procedures, the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk changes or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

5.0 Objectives

Section 53602(a) of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the City's investment activities shall be:

5.1 Safety

Safety of principal is the foremost objective of the investment program. Investments by the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio and reduce both credit and market risk. The type of investment instruments and diversification of investments are critical components to ensuring investment portfolio safety.

5.2 Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. Liquidity also refers to the ability to convert an investment to cash without loss of principal and minimal loss of interest.

5.3 Yield (Return on Investment)

The City's investment portfolio shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements should be commensurate with the City's investment risk constraints identified in the Investment Policy and the cash flow characteristics of the portfolio. Return on investment becomes a consideration only after the basic requirements of safety and liquidity have been met.

The City Treasurer shall strive to maintain the level of investment of all idle funds as close to 100% as possible. While the objectives of safety and liquidity must first be met, it is recognized that investment assets represent a potential source of significant revenues. It is to the benefit of the City that these assets be managed to produce optimum revenues consistent with State statutes and local policies.

6.0 Delegation of Authority

Authority to manage the City's investment program is derived from the California Government Code Sections 53600 through 53604. The management of idle cash and the investment of funds identified in paragraph 3.1 is the responsibility of the City Treasurer (Treasurer). The Treasurer is an appointed position by the City Manager. Management responsibility for the investment program is hereby delegated to the Treasurer as directed by the City Council. Under this authority granted by the City Council, no person may engage in an investment transaction covered by the terms of this policy unless directed by the Treasurer.

In the execution of this delegated authority, the Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this policy.

Transactions, including wiring instructions, must be identified in advance and approved in writing by the Treasurer or designee. All investment transactions in excess of $250,000 (except for deposits or withdrawals from the Local Agency Investment Fund, Ventura County Investment Pool or Other Pools) shall also require the signature of the City Manager or his/her designee.

The City may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy. The City Council may renew the authority annually and may revoke the authority at any time.

7.0 Ethics and Conflicts of Interest

All participants in the City's investment process shall act responsibly as custodians of the public trust. Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair or create the appearance of an impairment of their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and shall seek and follow the advice of the City Attorney and the Fair Political Practices Commission whenever there is a question of personal, financial or investment positions that could represent potential conflicts of interest.

Additionally, the Agency shall, in compliance with California Government Code Section 53238 et seq., ensure covered individuals complete required biennial training within six (6) months of assuming the qualifying responsibilities. Documentation of training completion shall be maintained in accordance with applicable law.

8.0 Authorized Financial Institutions and Broker/Dealers

Investments shall be purchased only through well-established, financially sound institutions. All financial institutions and broker/dealers who desire to become qualified vendors for investment transactions will be given a copy of the City's investment policy and certification form. The completion and submission of the

certification form by a broker-dealer or financial institution shall constitute proof that it has received the City's Statement of Investment Policy, read it, and intends to comply with it. Qualified financial institutions and Broker/dealers must provide current audited financial statements and meet the applicable criteria established in Sections 8.1 or 8.2 of this policy.

8.1 Authorized Financial Institutions

The City shall only deposit public monies in financial institutions that have: (1) at least $500 million in total assets; (2) a core capital-to-total assets ratio of at least five percent; (3) favorable ratings from a recognized financial institution rating service, as determined by the City Treasurer; (4) a federal or a state charter; or are eligible institutions per the California Government Code and (5) a branch office within Ventura County, and/or a 50 mile radius of the City.

Under no circumstances shall the City's deposits in a financial institution exceed the total shareholders' equity of that institution.

8.2 Authorized Broker/Dealers

The City will only utilize investment services of financial institutions and security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of California. These may include primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform new capital rule).

All financial institutions and broker-dealers for investment transactions must supply the following to the City as appropriate:

- Current audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification,
- Proof of State of California registration
- Trading resolution
- Completed City of Santa Paula broker-dealer questionnaire, which contains a certification of having read, understood and agreeing to comply with the City's Investment Policy and depository contracts

9.0 Authorized and Suitable Investments

All investments and deposits of the City shall be made in accordance with California Government Code, Sections 16429.1, 53600-53604, and 53630-53686 et seq., and as further limited in this policy.

The City is empowered by statute to invest in the following types of securities:

9.1 Authorized Investment Types

9.1.1 California State Treasurer's Local Agency Investment Fund (LAIF) as authorized by Gov. Code Section 16429.1(b).

9.1.2 Ventura County Investment Pool — Ventura County Treasurer's Investment Pool as authorized by Gov. Code Section 53684.

9.1.3 Shares of beneficial interest issued by a joint powers authority organized in the State of California pursuant to Gov. Code Section 6509.7 that invests in the securities and obligations authorized in Gov. Code Section 53603. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. Purchases are limited to those pools that seek to maintain a constant net asset value and are rated in the highest category by a nationally recognized statistical-rating organization (NRSRO). To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission; (2) the adviser has not less than five years of experience investing in the securities and obligations authorized in Gov. Code section 53603; and (3) the adviser has assets under management in excess of five hundred million dollars ($500,000,000). Gov. Code § 6509.7(a).

9.1.4 U.S. Government — United States Treasury bills, notes, & bonds, or certificates of indebtedness, or those for which the full faith and credit of the United States Government are pledged for the payment of principal and interest.

9.1.5 U.S. Agencies — Federal agency or United States government senior debt- sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 30% of the total portfolio may be invested in any single Agency/GSE issuer. The maximum percent of agency callable securities in the total portfolio will be 20%.

9.1.6 State Municipal Securities — Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department,

board, agency, or authority of any state. Securities eligible for investment under this paragraph shall be rated in the rating category of at least “AA” or “A-1” (for short-term securities), their respective equivalents, or higher by a NRSRO. A maximum of 30 percent of the City’s total portfolio may be invested in State and local municipal securities.

9.1.7 California Local Agency Municipal Securities — Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within the State of California, including debt securities issued by the City. Securities eligible for investment under this paragraph shall be rated in a rating categories at least “AA” or “A-1”, their respective equivalents, or higher by a NRSRO. A maximum of 30 percent of the City’s total portfolio may be invested in State and local municipal securities.

9.1.8 Non-Negotiable Certificates of Deposit (CDs) — Non-negotiable deposits in a state or national bank, savings association or federal association, federal or state credit union in the State of California as authorized by CGC Section 53652. In accordance with CGC Section 53635.2, to be eligible to receive City deposits, a financial institution shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities. CDs are required to be collateralized as specified under Gov. Code Section 53630 et seq. The Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Deposits in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) insured shall be secured pursuant to California Government Code Section 53651 and 53652. The City shall have a signed agreement with any depository accepting City funds per Gov. Code Section 53649. In accordance with CGC Section 53638, any deposit shall not exceed that total shareholder’s equity of any depository bank, nor shall the deposit exceed the total net worth of any institution. A maximum of 20 percent of the City’s total portfolio may be invested in CDs.

9.1.9 Negotiable Certificates of Deposit – Negotiable CDs issued by a nationally or state chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Negotiable CDs issued with maturities in excess of one year must be rated in a rating category of “A”, the equivalent or higher by a NRSRO.

Negotiable CDs with maturities under one year must be rated in a rating category of "A-1," the equivalent, or higher by a NRSRO. Purchases of negotiable CDs may not exceed 30 percent (in combination with CDs purchased through a deposit placement service) of the City's total portfolio.

9.1.10 Placement Service Deposits — The City may deposit a portion of its funds with commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of federally insured deposits. The selected depository for placement services must be: a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in California. Further, the selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States, for the City's account. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the FDIC or the NCUA. The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the City's account. Under a provision sunsetting on January 1, 2031, no more than 50% of the portfolio may be invested in deposits through a placement service, including Certificates of Deposit.

9.1.11 Medium-Term Corporate Notes — Medium term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States that are rated in the rating category of "A" or its equivalent or better by at least one NRSRO. Purchases of medium term notes may not exceed 30 percent of the City's total portfolio.

9.1.12 Asset-Backed Security – Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment leaseback certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. Eligible securities must be rated in a rating category, by a NRSRO, of "AA", the equivalent or higher. No more than 20 percent of the City's total portfolio may be invested in this type of security for issuers not defined in sections 9.1.4 and 9.1.5 of this policy.

9.1.13 Commercial Paper — Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2) below:

1. The entity meets the following criteria: (A) is organized and operating in the United States as a general corporation. (B) has(h) total assets in excess of five hundred million dollars ($500,000,000). (C) has debt other than commercial paper, if any, that is rated in a rating category of “A”, the equivalent or higher by a NRSRO.

2. The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company, federally or state chartered bank, or federally or state-licensed branch of a foreign bank (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (c) Has commercial paper that is rated in a rating category of “A-1” or the equivalent or higher by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 397 days or less. No more than 25 percent of the City’s total portfolio may be invested in eligible commercial paper. No more than 40% of the total portfolio may be invested in Commercial Paper if the City’s investment assets under management are greater than $100,000,000.

9.1.14 Bankers’ Acceptances — Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. Eligible bankers' acceptances are restricted to issuing financial institutions with short-term paper rated in the highest category by a NRSRO. Purchases of bankers' acceptances shall have a maximum maturity of 180 days or less, and no more than 40 percent of the City's total portfolio.

9.1.15 Money Market and Mutual Funds — Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). Such funds must carry the highest rating of at least two of the three largest national rating agencies.

All such investments shall be placed only in money market or mutual funds intended to maintain constant net asset value and that invest solely in U.S. Treasuries and Federal Agency obligations and repurchase agreements invested in such obligations. Investment in Money Market or Mutual Funds shall not exceed 20% of the total portfolio. No more than 10% of the portfolio may be invested in shares of any one mutual fund and no more than 20% of the total portfolio may be invested in shares of any one money market fund.

9.1.16 Sweep account for the investment of overnight funds when the funds are swept into investments authorized by this policy.

9.1.17 Passbook accounts maintained solely to provide for ongoing operational needs shall be subject to the requirements of this policy.

9.1.18 Bonds, notes, or other forms of indebtedness issued by the City, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the local agency.

9.1.19 Supranationals: Issues are that are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, Inter-American Development Bank, or Inter-American Investment Corporation (“IDB Invest”). The securities are rated in a rating category of “AA” or its equivalent or better by a NRSRO. No more than 30% of the total portfolio may be invested in these securities. No more than 10% of the total portfolio may be invested in any single issuer.

9.2 Unauthorized Investments

- Investments not specifically authorized herein are disallowed. Additionally, Section 53602(i) of the California Government Code disallows the following: inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. Futures, options, all leveraged purchases, reverse repurchases, and speculations on interest rates are specifically not allowed by this policy. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited, except for securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted during and for the duration of a period of negative market interest rates are permitted. The purchase of securities with a forward settlement of longer than 45 days is prohibited.

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10.0 Investment Pools/Mutual Funds

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

11.0 Collateralization

Investments in certificates of deposit, sweep accounts and passport accounts shall be fully insured up to the limit set by the Federal Deposit Insurance Corporation or National Credit Union Administration. Investments in certificates of deposit, sweep accounts and passport accounts in excess of the FDIC or NCUA limit shall be properly collateralized as required by law.

12.0 Safekeeping and Custody

All security transactions entered by the City shall be conducted on a delivery-vs.-payment (DVP) basis. Securities owned by the City, (except the collateral for certificates of deposit in banks and/or savings and loans) shall be held by a third-party custodian/safekeeping account designated by the City Treasurer and evidenced by safekeeping receipts. Said securities shall be held in a manner that establishes the City's right of ownership. The only exception to the foregoing shall be depository accounts and security purchases made with: LAIF, time certificates of deposit and money market mutual funds held directly with issuing institution, since the purchased securities are not deliverable.

The third-party custodian/safekeeping account shall annually provide a copy of their most recent report of internal controls and provide periodic statements of

the securities owned by the City listing the specific instrument, rate, maturity and other pertinent information.

13.0 Diversification

The City recognizes that investment risks can result from the issuer defaults, market price changes, or various technical complications leading to temporary liquidity. To minimize the City's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments, and maturities. The Treasurer shall minimize default risk by prudently selecting only instruments and institutions, which at the time of placement have been evaluated for their financial viability and compliance with this policy. No individual transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

The portfolio instrument composition shall be diversified to the extent feasible to avoid incurring unreasonable and avoidable risks regarding specific security types indicated in Section 9 of this investment policy. No more than five percent (5%) of the value of the City's portfolio will be placed with any single issuer, except for the U.S. Treasury/Federal agency securities, authorized pools, mutual funds, Supranationals and collateralized investments.

14.0 Maximum Maturities

To the extent possible, the Treasurer will attempt to match investments with anticipated cash flow requirements and investments shall have a maturity no more than five (5) years from the date of purchase.

For the purpose of these investments, the compliance with the investment percentage(s), in regards to the total investment portfolio, shall be calculated on the date the investment is acquired. If the percentage is legally compliant on the date of purchase, then compliance with the law shall have been met.

15.0 Internal Control

The City Treasurer shall establish and maintain a system of appropriate internal controls to ensure compliance with policies and procedures. The controls should be designed to prevent losses of public funds arising from fraud, error, or imprudent actions by employees and officers of the City. The following procedures shall generally be followed:

- Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction.
- Timely bank reconciliation is conducted to ensure proper handling of all transactions
- The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Finance Department at a minimum on a quarterly basis.

16.0 Performance Standards

15.1 Investment Strategy

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences. If a security owned by the City is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the City Council.

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the City Council.

15.2 Benchmark

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark. The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances.
. The benchmarks and investment performance will be reviewed by the Treasurer and City Manager as market conditions warrant or when the benchmarks are not met for a consecutive one-year period.

17.0 Investment Reporting

As suggested in California Government Code Section 53602(o), the investment report shall be submitted to the City Council on a quarterly basis by the Treasurer within 45 days of the end of the reporting period. The Treasurer shall review and render monthly and quarterly investment reports and include the following:

- The monthly report shall include an accounting of all receipts, disbursements and fund balances.
- The quarterly report shall include an itemized listing of portfolio investments by type, date of maturity, yield to maturity, issuer, par value, dollar amount invested, book value and current market value if applicable. The source of the market values will be cited.
- The quarterly report will include a statement of compliance of the portfolio with the City's investment policy or an explanation as to why the portfolio is not in compliance per California Government Code Section 53646(b)(2).
- The quarterly report shall include a statement of compliance that the investment portfolio has the ability to meet the City's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available, per California Government Code Section 53646 (b)(3).

18.0 Investment Policy Adoption

The City's investment policy shall be adopted by resolution by the City Council. The policy may be reviewed annually by the City Council and any modifications to the investment policy must be approved by the City Council.

19.0 Exceptions

Occasionally, exceptions to some of the requirements specified in this investment policy may occur for pooled investments because of events subsequent to the purchase of investment instruments. State law is silent as to how exceptions should be corrected. Exceptions may be temporary or more lasting; they may be self-correcting or require specific action. If specific action is required, the Treasurer should determine the course of action that would correct exceptions to move the portfolio into compliance with State law and City policy. Disclosure of exceptions lasting more than 183 days shall be done in the quarterly investment report immediately following the 183 days. Decisions to correct exceptions should not expose the assets of the portfolio to undue risk and should not impair the meeting of financial obligations as they fall due. Any subsequent investments should not extend existing exceptions.

20.0 Glossary

Asset-Backed Securities (ABS): Securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Banker's Acceptance: A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Broker-Dealer: A person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Buy and Hold Strategy: Investments in which management has the positive intent and ability to hold each issue until maturity.

Callable: A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

City Treasurer: The City Treasurer is appointed by the City Manager.

Collateralization: To secure a debt in part or in full by pledge of collateral, asset pledged as security to ensure payment or performance of an obligation. Also refers to securities pledged by a bank to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO: Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper: The short-term unsecured debt of corporations.

Coupon: The rate of return at which interest is paid on a bond.

Credit Risk: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current Yield: The interest paid on an investment expressed as a percentage of the current price of the security.

Custody: Safekeeping services offered by a bank, financial institution or trust company, referred to as the "custodian." Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement and market values.

Delivery versus Payment: A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or custodian. It ensures that securities are deposited in an eligible financial institution prior to the release of funds.

Disallowed Investments: Prohibited investments include any investments not specifically authorized within this policy, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages; futures, option, all leveraged purchases, reverse repurchases, and speculations on interest rates.

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

Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates means falling bond prices, while declining interest rates mean rising bond prices.

Federal Agency Obligation: A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Deposit Insurance Corporation (FDIC): The federal agency that insures bank deposits up to $250,000 per deposit at participating banking

institutions. To increase consumer confidence in the banking system, the previous $100,000 insurance limit was temporarily increased to $250,000 in 2008, extended to 2013, and then permanently increased on July 21, 2010 with the passage of the Wall Street Reform and Consumer Protection Act.

Federal Reserve System: The central bank of the United States which consists of a seven-member Board of Governors, 12 regional banks, and 5,700 commercial banks that are members.

Fiduciary. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interest ahead of their own as they are bound both legally and ethically to act in other's best interests.

Fiduciary Funds: Funds held in a trustee or agency capacity for outside parties.

Interest Rate: The annual yield earned on an investment, expressed as a percentage.

Liquidity: Refers to the ability to rapidly convert an investment into cash without a substantial loss of value.

Leverage: Investing with borrowed money with the exception that the interest earned on the investment will exceed the interest paid on the borrowed money.

Local Agency Investment Fund (LAIF): A voluntary investment program offering participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. Investment in LAIF, considered a short-term investment, is readily available for cash withdrawal daily.

Market Risk: Defined as market value fluctuations due to overall changes in the general level of interest rates. Adverse fluctuation possibilities shall be mitigated by limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis, and eliminating the need to sell securities prior to maturity. Also, avoiding the purchase of long-term securities for the sole purpose of short-term speculation mitigates market risk.

Market Value: The price at which a security is trading and could presumably be purchased or sold on a specific date.

Maturity: The date the principal or stated value of an investment becomes due and payable. An investment's term or remaining maturity is measured from the settlement date to final maturity.

Modified Duration: The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market Fund: A type of safe investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must maintain a stable net asset value (NAV) of $1 per share.

Mortgage Pass-Through Securities: A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities: Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund: An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO).
A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

National Credit Union Administration (NCUA): An independent federal agency that insures deposits at federally insured credit unions, currently up to $250,000.

Negotiable Certificates of Deposit: Typically large-denomination Certificates of Deposit that can be transferred, bought, sold, or exchanged.

Non-Negotiable Certificates of Deposit: Certificates of Deposit that cannot be transferred, bought, sold, or exchanged.

Pooled Investments: Grouping of resources for the advantage of the participants.

Principal: The original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

Principal: (1) The face amount of par value of a debt instrument. (2) One who acts as a dealer buying or selling for his own account.

Prudent Investor Standard: An investment standard that all investments should be made with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City.

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

Secondary Market: A market is made for the purchase and sale of outstanding issues following the initial distribution.

Sweep Account: Short-term income fund into which all un-invested cash balances from the non-interest-bearing checking account are automatically transferred daily.

Supranational: A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Third-Party Custodian: Corporate agent, usually a commercial bank, who, acting as trustee, holds securities under a written agreement for a corporate client and buys and sells securities when instructed. Custody service includes securities safekeeping, and collection of dividends and interest. The bank acts only as a transfer agent and makes no buy-sell recommendations.

Treasury Bills: 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 coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of from two to 10 years.

Trustee: (1) All governing bodies of local agencies or persons authorized (city investment officials) to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. (2) A financial institution with trust powers that acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Total Rate of Return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Agencies: Federal agency securities and/or Government-sponsored enterprises.

U.S. Government Securities: Securities issued by the U.S. Government and its agencies which are either directly or indirectly backed by the full faith and credit of the United States. U.S. Government securities include Treasury Bills, Notes and Bonds. Agency securities include those issued by the Federal National Mortgage Association, Federal Home Loan Bank, and similar agencies.

Yield to Maturity: The rate of annual income return on an investment expressed as a percentage, adjusted for any discounts, and spread over the period from the date of purchase to the date of maturity.

California Senate Bills 1438 and 1439:

A New Structure for Local Agency Investment Law

By Steve Huntley, CPFO, *Senior Portfolio Strategist*
Chandler Asset Management



Executive Summary

Effective January 1, 2027, the implementation of SB 1438 and 1439 will restructure significant parts of California Government Code (CGC or Code) related to local agency investing. Understanding the new organizational structure in these sections is vital to identifying which references should change in your agency's various policies and other documents so you can stay compliant. These changes will be more intensive than in past years because they require a comprehensive review of all documents that reference CGC. This whitepaper will serve as a resource to navigate the necessary policy revisions. Your investment adviser can also assist you with this process to help your agency understand changes and update your policy to align with the reorganized CGC.

Senate Bill 1438 substantially reorganizes the California Government Code (CGC) provisions governing local agency investments and deposits. The legislation centralizes definitions in Section 53600, retains the statewide-concern finding in Section 53601, consolidates governance requirements in Section 53602, relocates the eligible investment list to Section 53603, and moves deposit-placement services to Section 53604. Most core investment authorities remain intact, but the section numbers and many internal cross-references change. The bill also makes targeted substantive changes.

It expands qualifying commercial paper issuers to include federally or state-chartered banks and federally or state-licensed branches of foreign banks; adds the Inter-American Investment Corporation to the list of qualifying supranational issuers; removes the January 1, 2031 sunset for the higher commercial paper limit applicable to certain local agencies with at least $100 million in investment assets; and removes the sunset for the exception on zero-interest accruals for certain U.S. government securities during negative-rate periods.

Senate Bill 1439 serves primarily as a companion technical-corrections measure. For local agency investments, it updates and conforms statutory references affected by the SB 1438 reorganization and helps ensure that reporting requirements, cross-references, and related provisions remain consistent with the new statutory structure established by SB 1438, but it does not materially expand or restrict local investment authority. It does include language allowing certain qualifying institutions to use a letter of credit issued through the institution's regional Federal Home Loan Bank.

Accordingly, local agencies should review both SB 1438 and SB 1439 together, as SB 1438 contains the substantive reorganization and policy changes while SB 1439 contains companion conforming amendments necessary to fully implement the new statutory framework.



What changes under SB 1438 and SB 1439?

A reorganized statutory framework
Existing provisions formerly spread across Sections 53600 through 53610 are regrouped by function. This is more than a simple renumbering exercise because policies, delegation resolutions, procedures, reports, contracts, and cross-references may cite sections that are re-sequenced. ***See table 1 on the next page for organization changes.***

Commercial paper authority
Commercial paper authority moves from Section 53601(h) to Section 53603(h) and 53603(r). The issuer framework expands to include an entity organized as a federally or state-chartered bank or a federally or state-licensed branch of a foreign bank. The scheduled 2031 reduction from 40% to 25% for certain local agencies with at least $100 million in investment assets is now removed. The 2031 start date for allowing investments in commercial paper issued from public banks (as defined in section 57600) was removed and is eligible as of January 1, 2027.

Supranational obligations
The eligible supranational list moves from Section 53601(q) to Section 53603(q) and adds the Inter-American Investment Corporation, subject to the statutory conditions. This is the fourth supranational allowed as an eligible investment.

Zero-interest bond exception
The prohibition and exceptions formerly in Section 53601.6 move to Section 53602(i). The bill removes the January 1, 2031 sunset (now a permanent part of the law) for the exception of zero-interest accruals applicable to qualifying United States government securities during a period of negative market interest rates.

Deposits and collateral
Updates related cross-references and allows certain out-of-state headquartered eligible banks used by pooled public agencies to use a letter of credit drawn on the bank's regional Federal Home Loan Bank, subject to the statute.

The new statutory architecture

There are several changes to CGC because of these new bills, but it is the reorganization and resequencing of CGC that may be the most impactful. Understanding the new organizational structure will be important to understand what references should change in policies and other documents. The primary structure is detailed below; a line-by-line crosswalk is included in the Appendix.

New section	Primary purpose	Selected content
§ 53600	Definitions	Centralizes defined terms, including corporation, counterparty, local agency, repurchase agreement, securities lending agreement, and related terms.
§ 53601	Statewide concern	Retains the legislative finding regarding local-agency solvency, creditworthiness, deposits, and investments.
§ 53602	Governance	Consolidates safety, liquidity, and return objectives; fiduciary and prudent-investor duties; maturity and delivery rules; prohibited investments; delegation; safekeeping; and related administration.
§ 53603	Eligible investments	Houses the consolidated list of authorized investments.
§ 53604	Banking investments	Contains deposit-placement service authority formerly located in Section 53601.8.

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Recommended policy-review approach

Chandler Asset Management (Chandler) recommends a systematic approach to the potentially time-intensive project of addressing the re-sequenced section numbers. Actions include:

- Creating a complete inventory of citations to Sections 53600 through 53610 in the investment policy statement, delegation resolution, procedures, investment reports, custody documents, and related templates.
- Updating each citation using the consolidated crosswalk in Appendix A rather than relying on a blanket replacement. Several former sections are split among new subdivisions or combined with other provisions and re-using existing code section numbers.
- Separating substantive policy decisions from technical renumbering. The expanded commercial paper and supranational authorities are permissive. A local agency may continue to adopt limits that are more restrictive than CGC.
- Confirming that descriptions, concentration limits, maturity limits, credit standards, eligible issuers, and prohibited-investment language remain internally consistent after the section references change.
- Obtaining legal and compliance review before adoption, particularly when an agency is making substantive authority changes after evaluating step 3 above, rather than only updating statutory citations.

Best practices

An Investment Policy Statement should remain clear enough for staff, governing bodies, auditors, counterparties, and the public to understand the agency's objectives, authorities, limits, and controls. Chandler recommends reviewing the policy at least annually and whenever statutory changes affect eligible investments, governance requirements, reporting, delegation, or cross-references. Agencies should preserve policy restrictions that reflect their own liquidity needs, risk tolerance, and operational capabilities, even when state law permits broader authority.

Article Sources

- California Senate Bill 1438, Chapter 715, Statutes of 2026, chaptered September 27, 2026.
- California Legislative Counsel's Digest and chaptered bill text for SB 1438.

Disclosures

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Chandler does not determine whether any particular investment, investment policy provision, statutory authority, or course of action is legally permissible for a particular agency. Each agency is responsible for determining the legal requirements applicable to it and should consult its own legal counsel before adopting or amending an investment policy, resolution, procedure, or other governing document or relying upon any statutory interpretation discussed in this material.

The information contained herein is based on sources believed to be reliable as of the date of publication but may be incomplete or become outdated as laws, regulations, interpretations, or guidance change. Nothing herein constitutes an offer or solicitation to buy or sell a security or a recommendation concerning any particular security, investment strategy, or investment decision.

Questions? Please contact Chandler at info@chandlerasset.com or 800-317-4747 regarding investment management solutions for public entity investment programs.

Appendix A: Consolidated SB 1438 Crosswalk

New subdivision	Current location	Change	Description
§ 53600	§ 53600	Amended; retained	Centralized definitions.
§ 53602(b)	§ 53600.3	Repealed	Prudent-investor and fiduciary provisions.
§ 53602(a)	§ 53600.5	Renumbered	Safety, liquidity, and return objectives.
§ 53601	§ 53600.6	Renumbered	Statewide-concern finding.
§ 53603	§ 53601	Renumbered	Eligible investments; administration principally moves to § 53602.
§ 53603(s)	§ 53601.1	Repealed	Financial futures and options.
§ 53600(a)	§ 53601.2	Repealed	Corporation definition.
§ 53602(h)	§ 53601.5	Repealed	Permissible sources and counterparties.
§ 53602(i)	§ 53601.6	Repealed	Prohibited investments and zero-interest provisions.
§ 53604	§ 53601.8	Renumbered	Deposit-placement services.
§ 53602(j)	§ 53602	Repealed	Savings-bank rule and county exception.
§ 53602(k)	§ 53603	Repealed	Direct-purchase authority.
§ 53602(l)	§ 53604	Repealed	Sale, exchange, and reinvestment.
§ 53602(m)	§ 53605	Repealed	Sale when proceeds are needed.
§ 53602(n)	§ 53606	Repealed	Agency's own bonds.
§ 53602(o)	§ 53607	Repealed	Delegation and monthly reporting.
§ 53602(p)	§ 53608	Repealed	Safekeeping.
§ 53602(q)	§ 53609	Repealed	Deferred compensation.
§ 53600(d); § 53603(t)	§ 53610	Repealed	Proposition 1A definition and authority.

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Appendix B: Line-by-line SB 1438 Crosswalk

Definitions

New subdivision	Current location	Description
§ 53600(a)	§ 53601.2	"Corporation," including a limited liability company
§ 53600(b)	§ 53601 intro	"Counterparty"
§ 53600(c)	§ 53600	"Local agency"
§ 53600(d)	§ 53610(a)	"Proposition 1A receivable"
§ 53600(e)	§ 53601(j)	"Repurchase agreement"
§ 53600(f)	§ 53601(j)	"Reverse repurchase agreement"
§ 53600(g)	§§ 53601 and 53608	"Savings association or federal association"
§ 53600(h)	§ 53601(j)	"Securities" for repurchase purposes
§ 53600(i)	§ 53601(j)	"Securities lending agreement"
§ 53600(j)	§ 53601(j)	"Significant banking relationship"
§ 53600(k)	§ 53601(j)	"Spread"

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Local Government Concern

New subdivision	Current location	Description
§ 53601	§ 53600.6	Statewide-concern finding concerning local-agency solvency, creditworthiness, deposits, and investments

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Governance

New subdivision	Current location	Description
§ 53602(a)	§ 53600.5	Safety, liquidity, and return objectives
§ 53602(b)	§ 53600.3	Trustee, fiduciary, and prudent-investor standard
§ 53602(c)(1)	§ 53601 intro	Delivery of securities
§ 53602(c)(2)	§ 53601 intro	Book-entry and physical-delivery arrangements
§ 53602(d)	§ 53601 intro	Percentage limits measured at purchase
§ 53602(e)(1)	§ 53601 intro	Maturity measured settlement to final maturity; 45-day forward-settlement limit
§ 53602(e)(2)	§ 53601 intro	Five-year maturity limit and express-authority exception
§ 53602(f)	§ 53601(i)	Credit-union negotiable certificate of deposit conflict restriction
§ 53602(g)	§ 53601(j)	Local-agency pool base value
§ 53602(h)	§ 53601.5	Permissible sources or counterparties
§ 53602(i)(1)	§ 53601.6(a)	Prohibited inverse floaters, range notes, and mortgage-derived interest-only strips
§ 53602(i)(2)	§ 53601.6(b)	Zero-interest restriction and exceptions ***Change to law:*** *removes 2031 sunset*
§ 53602(j)	§ 53602	Savings-bank limitation and county exception
§ 53602(k)	§ 53603	Direct-purchase authority
§ 53602(l)	§ 53604	Sale, exchange, and reinvestment
§ 53602(m)	§ 53605	Sale when proceeds are needed
§ 53602(n)	§ 53606	Agency's own bonds
§ 53602(o)	§ 53607	One-year delegation and monthly reporting
§ 53602(p)	§ 53608	Deposit and safekeeping
§ 53602(q)	§ 53609	Deferred-compensation funds

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Appendix B: Line-by-line SB 1438 Crosswalk (cont.)

Eligible Investments

New subdivision	Current location	Description
§ 53603(a)	§ 53601(a)	Investing agency's bonds
§ 53603(b)	§ 53601(b)	United States Treasury and full-faith-and-credit obligations
§ 53603(c)	§ 53601(c)	California warrants, notes, and bonds
§ 53603(d)	§ 53601(d)	Other-state obligations
§ 53603(e)	§ 53601(e)	California local-agency obligations
§ 53603(f)	§ 53601(f)	Federal agency and government-sponsored enterprise obligations
§ 53603(g)	§ 53601(g)	Bankers' acceptances
§ 53603(h)	§ 53601(h)	Commercial paper; expanded issuers ***Changes to law:*** *Removes 2031 Sunset, Expanded to federal-chartered, state-chartered, or federally or state licensed branches of foreign banks*
§ 53603(i)	§ 53601(i)	Negotiable certificates of deposit
§ 53603(j)	§ 53601(j)	Repurchase, reverse repurchase, and securities-lending agreements
§ 53603(k)	§ 53601(k)	Medium-term notes
§ 53603(l)	§ 53601(l)	Mutual funds and money market mutual funds
§ 53603(m)	Existing § 53601(p)	Qualifying joint powers authority shares
§ 53603(n)	Existing § 53601(m)	Trustee or fiscal-agent investments
§ 53603(o)	Existing § 53601(n)	First-priority collateralized obligations
§ 53603(p)	Existing § 53601(o)	Mortgage pass-through, collateralized mortgage, and asset-backed securities
§ 53603(q)	§ 53601(q)	Supranationals ***Change to law:*** *Adds Inter-American Investment Corporation to eligible list*
§ 53603(r)	§ 53601(r)	Public-bank obligations ***Change to law:*** *Removes delayed effective date/sunset framework to immediately incorporate public-bank investments.*
§ 53603(s)	§ 53601.1	Financial futures and options
§ 53603(t)	§ 53610(b)-(c)	Proposition 1A receivables

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Banking Investments

New subdivision	Current location	Description
§ 53604	§ 53601.8	Deposit-placement services

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Sources and important considerations

- California Senate Bill 1438, Chapter 715, Statutes of 2026, chaptered September 27, 2026.
- California Legislative Counsel's Digest and chaptered bill text for SB 1438.

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Christy Ramirez, Finance Director

Subject: AMERICAN RESCUE PLAN ACT (ARPA) UPDATE & FUNDING CONSIDERATIONS

Date: November 18, 2026

Agenda Item: 9.B

RECOMMENDATION:

Staff recommends City Council:

1. Review staff recommendations on ARPA items for interest allocation and other adjustments;

2. Approve the allocations requested to utilize interest revenue generated from the fund balance as noted in the attachment.

BACKGROUND:

Like many municipalities across the country, Santa Paula has had a unique and unprecedented opportunity since 2021, to utilize Federal stimulus funds known as the American Rescue Plan Act (ARPA). As a part of the $1.9 trillion package passed by the U.S. Congress and Senate and signed by the President, some $65.1 billion were allocated to local jurisdictions, of which Santa Paula received a total of approximately $7.1 million dollars.

As a non-entitlement city with a population under 50,000, funds were disbursed to the City through the State and unlike FEMA funds, the City was not required to seek reimbursement.

Over the course of the past two years, Council has held numerous public meetings to review multiple requests as well as robust lists of projects, programs and partnerships to guide Council's discussion on proposed uses of ARPA funds.

Eligible Uses of ARPA Funds

Throughout this unprecedented process, the Department of Treasury released several guidance documents including the Final Rule, establishing clear guidelines on eligible uses for ARPA funds. The most notable guideline is that ARPA funds could be used to pay for government services. Government services generally include any service traditionally

provided by a government, including construction of roads and other infrastructure, provision of public safety and other services, and health and educational services. Funds spent under government services are subject to streamlined reporting and compliance requirements. In essence, this new allowance provided the City with much more flexibility and latitude than originally anticipated.

ANALYSIS:

In compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and the Final Rule regulated by the U.S. Department of the Treasury, recipients must obligate all funds by December 31, 2024 and expend funds by December 31, 2026. As we near the deadline to spend the funds, staff has adjusted the allocations as shown in the attached spreadsheet and described below

Previously Council authorized the ARPA allocation to the Police Department Remodel be increased by $1,067,254 but a matching decrease to other funds was not included. These decreases are shown in the column titled 'SPPD Adjustment'

Additional adjustments are being recommended to be able to fully utilize the funds by December 31st. These changes can be found in the column titled 'November Adjustments'

Lastly, the fund has gained over $514,000 in interest (adjusted for fair market value through FY 24/25). For the majority of these additional funds, staff will be requesting an allocation in a separate staff report, but the remainder is recommended for trailers for the barricades to assist in the purchase recommended by staff and supported by the Measure R Committee.

STRATEGIC PLAN:

Funding support for the projects and programs presented above will assist in moving several of Council's Strategic Goals forward.

FISCAL IMPACTS:

The final adjustments, shown in Attachment A, including one presented in the palm yard staff report, will utilize all anticipated remaining funds in the fund balance ahead of the Federal deadline.

OPTIONS:

City Council has the following options available:

1. Direct staff to return at a later time with recommendations on ARPA spending; however, this may result in not being able to spend all funds by year end and result in the City having to return the funds.

2. Accept staff's recommendations; or

3. Provide other direction as desired.

ATTACHMENTS:

ARP Allocations To Date Actuals as of 11.4.26.pdf

Account #	Description	Old Budget	SPPD Adj.	Nov Adj.	Interest Allocation	Final Budget	Spent to Date	Available
412-5-0501-129	Leadership Academy	4,184.26				4,184.26	4,184.26	-
412-5-0501-150	Union Oil Building Event	5,633.43		(400.00)		5,233.43	5,233.43	-
412-5-0501-207	CRM Software	750.00		(120.00)		630.00	630.00	-
412-5-0501-209	Lew Edwards Group	115,550.00		673.97		116,223.97	116,223.97	-
412-5-0501-241	Community Educational Materials	19,699.00		(36.21)		19,662.79	19,662.79	-
412-5-0501-323	City Council Event Support	6,000.00		465.95		6,465.95	6,465.95	-
412-5-0501-323	Special Event Sponsorship Program	30,000.00		1,500.00		31,500.00	31,500.00	-
412-5-0504-203	Districting Efforts	5,000.00		(5,000.00)		-	-	-
412-5-0511-209	Grant Writing/Lobbying Efforts	84,000.00		5,211.51		89,211.51	89,211.51	-
412-5-0511-209	Clean Power Alliance Study	10,000.00				10,000.00	10,000.00	-
412-5-0511-209	Pilot Program for Interpretation Services	8,362.00		38,209.52		46,571.52	46,571.52	-
412-5-0511-209	Façade Improvement Program	40,000.00	(15,000.00)	(25,000.00)		-	-	-
412-5-0511-209	Public Information/Marketing	3,996.40		(1,274.98)		2,721.42	2,721.42	-
412-5-0512-227	Internship Program	10,000.00				10,000.00	10,000.00	-
412-5-1501-123	Parks Comm Ctr /Sr Ctr	14,000.00		142.85		14,142.85	14,142.85	-
412-5-1501-179	DSW/Emergency Services Equipment	16,000.00				16,000.00	16,000.00	-
412-5-1501-209	American Bloom	40,000.00				40,000.00	40,000.00	-
412-5-1501-209	Senior Master Plan	15,000.00		(2,073.41)		12,926.59	12,926.59	-
412-5-1501-610	Mobile Activity Center	77,000.00		(4,742.01)		72,257.99	72,257.99	-
412-5-1501-660	Boys & Girls Club Building	100,000.00				100,000.00	100,000.00	-
412-5-1502-209	YARA Program	100,000.00	(25,000.00)			75,000.00	75,000.00	-
412-5-1502-209	Reduced/Waived Recreation Fees	25,000.00		(25,000.00)		-	-	-
412-5-1502-610	City Corps Start-up Equipment	14,889.35				14,889.35	14,889.35	-
412-5-1502-610	LED Portable Lighting System	15,000.00				15,000.00	15,000.00	-
412-5-1532-610	Parks Soccer Goal	11,104.81				11,104.81	11,104.81	-
412-5-1532-610	Parks Field Rentals	19,999.68		(303.89)		19,695.79	19,695.79	-
412-5-1532-610	Electric Landscaping Equipment	49,214.87		3,287.50		52,502.37	52,502.37	-
412-5-2002-209	User Fee / DIF Fee Study	84,285.00		(27,220.00)		57,065.00	57,065.00	-
412-5-3001-209	FICO Parcel Costs	5,575.00		(5,575.00)		-	-	-
412-5-3002-199	Downtown enhancements and beautifica	125,000.00				125,000.00	125,000.00	-
412-5-3002-199	Homeless Encampment and/or Assistanc	10,000.00		(1,550.00)		8,450.00	8,450.00	-
412-5-3002-209	Economic Development	50,000.00		(16,933.89)		33,066.11	12,142.91	20,923.20
412-5-3002-209	Code Compliance	0.00		1,500.00		1,500.00	1,500.00	-
412-5-3002-209	Heritage Valley Tourism	20,000.00				20,000.00	20,000.00	-
412-5-3002-209	Downtown Beautification	50,000.00	-			50,000.00	19,607.13	30,392.87
412-5-3002-209	Economic Dev & DT Enhancement	30,000.00				30,000.00	18,300.00	11,700.00
412-5-3002-209	Navigational Signage	50,000.00				50,000.00	38,859.45	11,140.55
412-5-3002-209	EnerGov Consultant	20,000.00		(20,000.00)		-	-	-
412-5-4501-610	Radio Upgrades and Key Mgmt. System	65,495.00				65,495.00	48,407.24	17,087.76
412-5-4501-610	Police Department CAD System	45,000.00	-			45,000.00	-	45,000.00
412-5-4501-610	Police Department CAD System	173,000.00				173,000.00	134,622.78	38,377.22
412-5-4502-610	Archer Anti-Vehicle Barriers	159,784.86				159,784.86	159,784.86	-
412-5-4502-610	Surveillance Cameras	35,000.00		6,826.36		41,826.36	41,826.36	-
412-5-5011-209	Public Relations	115,000.00		(7,271.50)		107,728.50	107,728.50	-
412-5-0511-227	Temp Personnel	10,000.00	-			10,000.00	-	10,000.00
412-5-5022-209	Bike Master Plan / Bike Assessment Stud	25,000.00	(25,000.00)			-	-	-
412-5-5022-225	Banner Program	17,500.00		115.91		17,615.91	17,615.91	-
412-5-5022-610	Multi Department Skip Loader	99,850.48				99,850.48	99,850.48	-
412-5-5028-209	Citywide FEMA Floodplain Re-Study	150,000.00	(117,557.50)	1,130.00		33,572.50	33,572.50	-
412-5-7501-199	Small Business Outreach	9,999.85		(0.03)		9,999.82	9,999.82	-
412-5-7501-199	Employee Enhancements	157,318.85		0.33		157,319.18	157,319.18	-
412-5-7501-199	Community Non Profits	250,000.00				250,000.00	250,000.00	-
412-5-7501-199	Farmer's Market	10,000.00				10,000.00	10,000.00	-
412-5-9299-660	MESA Tanks Replacement	1,500,000.00				1,500,000.00	1,500,000.00	-
412-5-9166-660	B&G Club Kitchen Remodel/Storm Impor	140,000.00	(116,713.00)			23,287.00	23,287.00	-
412-5-9323-290	City Hall Remodel	10,000.00		(1,986.88)		8,013.12	8,013.12	-
412-5-9323-660	City Hall Remodel	65,000.00		8,112.47		73,112.47	73,112.47	-
412-5-9324-660	Harvard Blvd Water and Sewer Improvement Project			-		-	-	-
412-5-9329-660	SPPD Remodel/Remediation Work	1,217,254.00	(290,851.10)			926,402.90	926,402.90	-
412-5-9330-660	Community Center Upgrades	100,000.00		(4,552.47)		95,447.53	95,447.53	-
412-5-9352-660	WRF Equipment	70,000.00		(4,544.69)		65,455.31	65,455.31	-
412-5-9364-660	Fleet Shop Insulation and Heating	33,000.00		(4,737.83)		28,262.17	28,262.17	-
412-5-9365-660	Eucalyptus Tree Removal & Tree Replace	200,000.00		(38,395.54)		161,604.46	161,604.46	-
412-5-9369-660	City Bikeway Project	25,000.00				25,000.00	-	25,000.00
412-5-9373-660	City Bldg Lighting Retrofit	74,000.00				74,000.00	74,000.00	-
412-5-9376-295	ADA Self Evaluation Transition Plan	47,025.00	(2,201.15)	6,201.15		51,025.00	51,025.00	-
412-5-9382-290	Harvard/Peck Traffic Design & Study	300,000.00	(221,921.25)			78,078.75	78,078.75	-
412-5-9382-660	Harvard/Peck Traffic Construction	253,010.00	(253,010.00)			-	-	-
412-5-9386-660	Harvard Blvd Project	1,500,000.00				1,500,000.00	1,500,000.00	-
412-5-9399-660	Safe Streets for All (SS4A) Grant	55,000.00				55,000.00	-	55,000.00
	8th street lighting		-	43,375.00		43,375.00	-	43,375.00
	Palm Yard Purchase				470,000.00	470,000.00	-	470,000.00
	Trailers for Barricade			79,965.81	44,879.09	124,844.90	-	124,844.90
		8,197,481.84	(1,067,254.00)	-	514,879.09	7,645,106.93	6,742,265.43	902,841.50
					Original Allocation	**7,130,228.00**		
					Current Interest and Fair Market Value Adjustments	**514,878.93**		
					Total amount to allocate	**7,645,106.93**		

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Beatriz Jimenez, Assistant Finance Director

Subject: OCTOBER 2026 WARRANTS AND CERTIFICATIONS

Date: November 18, 2026

Agenda Item: 9.C

RECOMMENDATION:

Staff recommends that the City Council:

1. Review and accept the "Certification of Accounts Payable" for the accounts payable payment cycles for October 2026, starting check number 345622 and ending check number 346033.
2. Review and accept the "Certification of Salaries" for the pay period ending dates October 2nd, 2026, through October 16th, 2026.

BACKGROUND:

This staff report certifies the separation of duties between the Preparer (Accounting and Payroll Specialist) and the Reviewer (Finance Director and Assistant Finance Director).
Presented in the attached documents:
a) CERTIFICATION OF ACCOUNTS PAYABLE CHECKS by check number range and dates. It also discloses any voided checks.
b) EXPENSE REPORTS showing the amount and funds accounts payable came from.
The "Check Report" depicts the following columns:
c) AP-ACCOUNTS PAYABLE for the vendors (non-City staff) by the vendor number, vendor name, payment date, payment amount and check number (entitled 'number').
d) PY-PAYROLL for benefit payments, insurance, retirement, etc. Benefits payable on behalf of City staff.
e) Bank Code Summary by payment type.
f) Fund Summary by fund the accounts payables utilized.
CERTIFICATION OF SALARIES
This is the certification (separation of duties between "preparer" and the "reviewer") of salaries and benefits (payroll checks) by fund. It lists salary (payroll) issued checks by beginning and ending check number, payroll ending dates October 2nd, 2026, through October 16th, 2026.

ANALYSIS:

See the attachment to this staff report for expense breakdown by respective fund.

STRATEGIC PLAN:

None.

FISCAL IMPACTS:

None.

OPTIONS:

As an alternative to staff's recommendation, the City Council may:
1. Decline to receive and file October 2026 Certifications of Accounts Payable Checks and Certifications of Salaries.

ATTACHMENTS:

October 20206 AP and PY Certifications.pdf

EXHIBIT A:
CERTIFICATION OF SALARIES

CERTIFICATION OF SALARIES

BEG. CHK #: **149263** **PAYROLL ENDING: 10/02/26**
ENDING CHK #: **149270** **PAY DATE: 10/09/26**

100	GENERAL FUND	423,175.60
104	GENERAL FUND-MEASURE T	111,882.53
108	GENERAL FUND-MEASURE R	18,756.78
206	STORMWATER PROGRAM	3,761.13
280	STATE GAS TAX FUND	20,358.95
405	AAA-AREA AGCY ON AG	1,944.58
610	SEWER ENTERPRISE FUND	14,238.12
620	WATER ENTERPRISE FUND	94,951.88
702	EQUIP. MAINT. FUND	12,329.67
	$	**701,399.24**

CERTIFICATION
ALLOWED BY THE CITY COUNCIL

11/9/2026
LAURIE MENCHACA - DEPUTY CITY CLERK DATED

PREPARED BY:

11/9/26
MARIA RENTERIA - PAYROLL SPECIALIST DATED

11/9/26
BEATRIZ JIMENEZ - ASSISTANT FINANCE DIRECTOR DATED

CITY OF SANTA PAULA INCORPORATED APRIL 22, 1902 VENTURA COUNTY, CA

Fund Summary

Fund	Units	Amount
100-GENERAL	6,820.93	423,175.60
104-GENERAL FUND-MEASURE T	1,913.29	111,882.53
108-GENERAL FUND - MEASURE R	499.94	18,756.78
206-STORMWATER PROGRAM	52.76	3,761.13
280-STATE GAS TAX	369.26	20,358.95
405-AAA (AREA AGCY ON AGING)	69.65	1,944.58
610-SEWER	217.00	14,238.12
620-WATER	1,669.92	94,951.88
702-EQUIPMENT MAINTENANCE	203.00	12,329.67
Grand Total:	**11,815.75**	**701,399.24**

CERTIFICATION OF SALARIES

BEG. CHK #: **149271** **PAYROLL ENDING: 10/16/26**
ENDING CHK #: **149279** **PAY DATE: 10/23/26**

100	GENERAL FUND	401,433.59
104	GENERAL FUND-MEASURE T	102,394.72
108	GENERAL FUND-MEASURE R	18,563.08
206	STORMWATER PROGRAM	3,759.73
280	STATE GAS TAX FUND	20,781.85
312	CA USED OIL BLOCK GRANT	294.10
405	AAA-AREA AGCY ON AG	1,914.98
610	SEWER ENTERPRISE FUND	15,947.59
620	WATER ENTERPRISE FUND	93,334.49
702	EQUIP. MAINT. FUND	15,520.43
	$	**673,944.56**

CERTIFICATION
ALLOWED BY THE CITY COUNCIL

11/9/2026
LAURIE MENCHACA - DEPUTY CITY CLERK DATED

PREPARED BY:

11/9/26
MARIA RENTERIA - PAYROLL SPECIALIST DATED

11/9/26
BEATRIZ JIMENEZ - ASSISTANT FINANCE DIRECTOR DATED

CITY OF SANTA PAULA INCORPORATED APRIL 22, 1902 VENTURA COUNTY, CA

Fund Summary

Fund	Units	Amount
100-GENERAL	7,194.96	401,433.59
104-GENERAL FUND-MEASURE T	2,014.76	102,394.72
108-GENERAL FUND - MEASURE R	413.00	18,563.08
206-STORMWATER PROGRAM	52.76	3,759.73
280-STATE GAS TAX	374.27	20,781.85
312-CA USED OIL BLOCK GRANT	4.00	294.10
405-AAA (AREA AGCY ON AGING)	68.40	1,914.98
610-SEWER	236.36	15,947.59
620-WATER	1,626.24	93,334.49
702-EQUIPMENT MAINTENANCE	257.00	15,520.43
Grand Total:	**12,241.75**	**673,944.56**

EXHIBIT B:

CERTIFICATION OF ACCOUNTS PAYABLES

CERTIFICATION OF ACCOUNTS PAYABLE CHECKS

CHECK NO.:	345622	THRU:	345745	DATED:	October 1, 2026
CHECK NO.:	345746	THRU:	345746	DATED:	October 5, 2026
CHECK NO.:	345747	THRU:	345748	DATED:	October 8, 2026
CHECK NO.:	345749	THRU:	345760	DATED:	October 9, 2026
CHECK NO.:	345761	THRU:	345761	DATED:	October 12, 2026
CHECK NO.:	345772	THRU:	345898	DATED:	October 15, 2026
CHECK NO.:	345899	THRU:	345899	DATED:	October 20, 2026
CHECK NO.:	345902	THRU:	345908	DATED:	October 23, 2026
CHECK NO.:	345909	THRU:	346033	DATED:	October 29, 2026
DRAFT:	992719	THRU:	992720	DATED:	October 9, 2026
DRAFT:	992721	THRU:	992724	DATED:	October 14, 2026
DRAFT:	992725	THRU:	992725	DATED:	October 7, 2026
DRAFT:	992726	THRU:	992726	DATED:	October 21, 2026
DRAFT:	992727	THRU:	992727	DATED:	October 19, 2026
DRAFT:	992728	THRU:	992730	DATED:	October 28, 2026
DRAFT:	992731	THRU:	992731	DATED:	October 30, 2026
DRAFT:	992732	THRU:	992733	DATED:	October 28, 2026
VOIDED CHECK NO.:	336470	THRU:	336470	DATED:	October 1, 2026
VOIDED CHECK NO.:	344529	THRU:	344529	DATED:	October 1, 2026
VOIDED CHECK NO.:	345705	THRU:	345705	DATED:	October 1, 2026
VOIDED CHECK NO.:	345900	THRU:	345901	DATED:	October 20, 2026
VOIDED CHECK NO.:	345981	THRU:	345981	DATED:	October 29, 2026

COUNCIL MEETING DATE: November 18, 2026

AMOUNT OF CERTIFICATION: $ 5,728,955.25

DISTRIBUTION BY FUND

100	GENERAL FUND	$1,005,268.34
103	CABLE TELEVISION FUND	$3,761.36
104	GENERAL FUND MEASURE - MEASURE T	$170,177.57
108	GENERAL FUND MEASURE - MEASURE R	$861,745.44
115	RECREATION PROGRAM	$31,987.66
206	STORMWATER PROGRAM	$224,525.04
207	UNION OIL BUILDING ENDOWMENT	$32,168.86
223	PUBLIC MEETING FACILITIES	$10,275.00
229	SVCS-DESIGN/STUDY	$6,133.88
280	STATE GAS TAX	$76,982.95
281	LOCAL TRANSPORTATION TAX/LTF/TDA	$6,212.50
282	LOCAL TRANSPORTATION-ART 3	$19,576.40
283	PROPOSITION 1B	$600,170.35
305	BEV CONTAINER RECYCLING	$35,595.53
312	CA USED OIL BLOCK GRANT	$72.90
405	AAA (AREA AGENCY ON AGING	$25,486.48
412	AMERICAN RESCUE PLAN	$63,125.47
500	HILLSBOROUGH OPEN SPACE MAINT	$3,363.90
503	GHAD-GEO HAZ ABATEMENT	$2,451.00
504	HARVEST CFD EA1	$31,115.46
505	PBID	$194.32
610	SEWER ENTERPRISE	$879,732.68
620	WATER ENTERPRISE	$1,229,941.89
702	EQUIPMENT MAINTENANCE FUND	$44,490.73
800	CASH DEPOSIT TRUST FUND	$352,494.21
803	HARDING PARK TRUST	$12,475.33
	TOTAL FUND DISTRIBUTION	$5,729,525.25

Variance of $570 due to voided checks.

PREPARED BY: Anairy Gonzalez
ANAIRY GONZALEZ
ACCOUNTING SPECIALIST

REVIEWED BY:
BEATRIZ JIMENEZ
ASSISTANT FINANCE DIRECTOR

ALLOWED BY CITY COUNCIL

DATE: November 6, 2026

EXCEPT: _____

CITY CLERK: _____
LAURIE MENCHACA, DEPUTY CITY CLERK

CITY OF SANTA PAULA INCORPORATED APRIL 22, 1902 VENTURA COUNTY, CA

Fund Summary

Fund	Payment Amount
100 - GENERAL	1,005,268.34
103 - CABLE TELEVISION	3,761.36
104 - GENERAL FUND-MEASURE T	170,177.57
108 - GENERAL FUND - MEASURE R	861,745.44
115 - GENERAL RECREATION PRO	31,987.66
206 - STORMWATER PROGRAM	224,525.04
207 - UNION OIL BULDING ENDOWMENT - OPERATING FU	32,168.86
223 - PUBLIC MEETING FACILITIES	10,275.00
229 - TRAFFIC IMPACT FEE	6,133.88
280 - STATE GAS TAX	76,982.95
281 - LOCAL TRANSPORTATION TDA	6,212.50
282 - LOCAL TRANS TDA ART 3	19,576.40
283 - ROAD MAINT & REHAB SB1	600,170.35
305 - BEV CONTAINER RECYCLING	35,595.53
312 - CA USED OIL BLOCK GRANT	72.90
405 - AAA (AREA AGCY ON AGING)	25,486.48
412 - AMERICAN RESCUE PLAN	63,125.47
500 - HILLSBOROUGH OPEN SPACE	3,363.90
503 - GHAD-GEO HAZ ABATE DIST	2,451.00
504 - HARVEST CFD EA1	31,115.46
505 - PROPERTY BUSINESS IMPROVEMENT DISTRICT	194.32
610 - SEWER	879,732.68
620 - WATER	1,229,941.89
702 - EQUIPMENT MAINTENANCE	44,490.73
800 - MISC DEPOSITS	352,494.21
803 - HARDING PARK TRUST	12,475.33
Grand Total:	**5,729,525.25**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP-ACCOUNTS PAYABLE						
015819	SOLIS, YVETTE	10/01/2026	Regular	0.00	-370.00	336470
017070	HERRERA, SUSANA	10/01/2026	Regular	0.00	-200.00	344529
010055	ACCUSOURCE INC	10/01/2026	Regular	0.00	305.01	345622
016170	AGUILAR, DON	10/01/2026	Regular	0.00	765.40	345623
015498	AMAZON CAPITAL SERVICES	10/01/2026	Regular	0.00	3,948.71	345624
015044	ARACO ENTERPRISES LLC DBA ATHENS ENVIRO	10/01/2026	Regular	0.00	22.83	345625
011738	AT&T CALNET 3	10/01/2026	Regular	0.00	508.44	345626
016808	AZUL FOUNDATION	10/01/2026	Regular	0.00	2,611.25	345627
016221	BANUELOS, NICHOLAS SANTOS	10/01/2026	Regular	0.00	1,000.00	345628
014680	BEST BEST & KRIEGER LLP	10/01/2026	Regular	0.00	2,395.20	345629
012620	BSN SPORTS, LLC	10/01/2026	Regular	0.00	2,065.92	345630
015398	BUNNIN CHEVROLET OF SANTA PAULA	10/01/2026	Regular	0.00	1,113.98	345631
011464	BUSINESS CARD	10/01/2026	Regular	0.00	1,886.62	345632
011464	BUSINESS CARD	10/01/2026	Regular	0.00	490.22	345633
011464	BUSINESS CARD	10/01/2026	Regular	0.00	379.60	345634
011464	BUSINESS CARD	10/01/2026	Regular	0.00	47.08	345635
011464	BUSINESS CARD	10/01/2026	Regular	0.00	1,784.43	345636
011464	BUSINESS CARD	10/01/2026	Regular	0.00	60.93	345637
011464	BUSINESS CARD	10/01/2026	Regular	0.00	101.97	345638
011088	CALIFORNIA NARCOTIC OFFICERS ASSOCIATION	10/01/2026	Regular	0.00	1,600.00	345639
011603	CALIFORNIA WOOD RECYCLING	10/01/2026	Regular	0.00	764.67	345640
012679	CAL-STATE AUTO PARTS	10/01/2026	Regular	0.00	566.22	345641
015593	CANNON CORPORATION	10/01/2026	Regular	0.00	16,956.79	345642
016811	CARRILLO, ALEXANDRO JESUS	10/01/2026	Regular	0.00	2,204.50	345643
013527	CARROT-TOP INDUSTRIES INC	10/01/2026	Regular	0.00	492.64	345644
015999	CHARTER COMMUNICATIONS HOLDING, LLC	10/01/2026	Regular	0.00	825.00	345645
016119	CHICAGO TITLE COMPANY	10/01/2026	Regular	0.00	250.00	345646
015236	CIVIC PLUS / PATTI CORPORATION	10/01/2026	Regular	0.00	69.19	345647
016764	CLP ENGINEERING, LLC	10/01/2026	Regular	0.00	56,971.00	345648
017145	CORDOVA BARRERA, SANDRA PRAXEL	10/01/2026	Regular	0.00	487.50	345649
011161	CRAGOE PEST SERVICES INC	10/01/2026	Regular	0.00	485.00	345650
011686	CROWN DODGE	10/01/2026	Regular	0.00	173.27	345651
014331	CULLIGAN WATER	10/01/2026	Regular	0.00	78.96	345652
016112	CUSHMAN CONTRACTING CORPORATION	10/01/2026	Regular	0.00	4,572.00	345653
012191	DATAPROSE, LLC	10/01/2026	Regular	0.00	6,358.17	345654
011210	DEPARTMENT OF JUSTICE	10/01/2026	Regular	0.00	32.00	345655
012948	DIAL SECURITY 2021	10/01/2026	Regular	0.00	44.40	345656
013975	DODOS DESIGN - GARCIA, DAVID	10/01/2026	Regular	0.00	5,785.22	345657
016949	ECOLOGY ENVIRONMENTAL, INC	10/01/2026	Regular	0.00	2,490.00	345658
016156	EFUEL LLC	10/01/2026	Regular	0.00	5,305.55	345659
015438	ENCOMPASS CONSULTANT GROUP	10/01/2026	Regular	0.00	12,460.25	345660
013360	ENGEO INCORPORATED	10/01/2026	Regular	0.00	2,451.00	345661
011777	ENVIRONMENTAL SYSTEMS RESEARCH INSTITU	10/01/2026	Regular	0.00	5,400.00	345662
016126	ENVISION VTA FD AUTO LLC	10/01/2026	Regular	0.00	1,585.60	345663
015739	EWING IRRIGATION PRODUCTS INC.	10/01/2026	Regular	0.00	177.92	345664
016010	EXPRESS SERVICES, INC.	10/01/2026	Regular	0.00	2,608.48	345665
010395	FAMCON PIPE & SUPPLY, INC.	10/01/2026	Regular	0.00	2,954.55	345666
014176	FAUSSET PRINTING	10/01/2026	Regular	0.00	3,215.86	345667
014348	FERRIS, SABRINA ZAN	10/01/2026	Regular	0.00	236.60	345668
010440	FGL ENVIRONMENTAL, INC	10/01/2026	Regular	0.00	4,589.00	345669
016934	FILLMORE AND PIRU BASINS GROUNDWATER S	10/01/2026	Regular	0.00	3,485.30	345670
015835	FLORES, ELIXEO	10/01/2026	Regular	0.00	175.46	345671
016393	FRANCO, MAURICIO	10/01/2026	Regular	0.00	4,900.00	345672
010432	FRANK'S PAINT & HARDWARE	10/01/2026	Regular	0.00	2,022.01	345673

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
010441	FRUIT GROWERS SUPPLY CO	10/01/2026	Regular	0.00	132.03	345674
010451	GARDEN MARKET	10/01/2026	Regular	0.00	619.25	345675
010797	GAS COMPANY, THE	10/01/2026	Regular	0.00	219.85	345676
016449	GAYTAN, CARLOS	10/01/2026	Regular	0.00	372.29	345677
017091	GOMEZ, ESTEBAN	10/01/2026	Regular	0.00	44,955.00	345678
015222	GOODSUITE	10/01/2026	Regular	0.00	16.39	345679
010481	GRAINGER	10/01/2026	Regular	0.00	1,163.72	345680
012800	GRANITE CONSTRUCTION COMPANY	10/01/2026	Regular	0.00	223.11	345681
014369	GSI WATER SOLUTIONS, INC.	10/01/2026	Regular	0.00	9,840.52	345682
017070	HERRERA, SUSANA	10/01/2026	Regular	0.00	200.00	345683
016127	HOMELAND LANGUAGE SERVICES LLC	10/01/2026	Regular	0.00	1,496.82	345684
010537	HOUSE SANITARY SUPPLY	10/01/2026	Regular	0.00	614.12	345685
015988	HOUSING OPPORTUNITIES MADE EASIER	10/01/2026	Regular	0.00	100.00	345686
014475	HUBER TECHNOLOGY	10/01/2026	Regular	0.00	10,079.61	345687
015640	HUITT-ZOLLARS, INC.	10/01/2026	Regular	0.00	5,735.00	345688
016023	HUNGRY MAN	10/01/2026	Regular	0.00	32,911.41	345689
016772	INK HEAD DESIGN & PRINTS	10/01/2026	Regular	0.00	263.58	345690
014719	INTERWEST CONSULTING GROUP	10/01/2026	Regular	0.00	5,742.00	345691
017037	JASON GREGORY INC	10/01/2026	Regular	0.00	19,000.00	345692
012750	JORDANO'S INC. AND SUBSIDIARIES	10/01/2026	Regular	0.00	513.46	345693
015796	KATOM RESTAURANT SUPPLY, INC	10/01/2026	Regular	0.00	8,338.42	345694
011796	LANDS' END BUSINESS OUTFITTERS	10/01/2026	Regular	0.00	131.17	345695
010017	LIEBERT CASSIDY WHITMORE	10/01/2026	Regular	0.00	297.50	345696
011807	LIVESCAN EXPRESS, INC.	10/01/2026	Regular	0.00	44.00	345697
010061	LOWE'S	10/01/2026	Regular	0.00	1,776.87	345698
015633	M6 CONSULTING, INC.	10/01/2026	Regular	0.00	46,825.40	345699
013591	MADLAND TOYOTA - LIFT	10/01/2026	Regular	0.00	520.67	345700
010129	MASAHISA, OTAGIRI	10/01/2026	Regular	0.00	682.05	345701
017149	MEARS, AMINAH	10/01/2026	Regular	0.00	111.80	345702
015989	MERCHANT MCINTYRE & ASSOCIATES, LLC	10/01/2026	Regular	0.00	5,000.00	345703
014436	MINER'S ACE HARDWARE	10/01/2026	Regular	0.00	2,120.46	345704
	Void	10/01/2026	Regular	0.00	0.00	345705
014436	MINER'S ACE HARDWARE	10/01/2026	Regular	0.00	10.91	345706
012895	MNS ENGINEERS, INC.	10/01/2026	Regular	0.00	125,436.98	345707
010180	MUNICIPAL MANAGEMENT ASSISTANTS OF SO	10/01/2026	Regular	0.00	725.00	345708
015848	NATIONAL LEAD FOR AMERICA, INC.	10/01/2026	Regular	0.00	7,500.00	345709
015860	NEW YORK LIFE INSURANCE AND ANNUITY COI	10/01/2026	Regular	0.00	2,304.65	345710
015436	NUTRIEN AG SOLUTIONS, INC.	10/01/2026	Regular	0.00	342.77	345711
016863	OAKRIDGE LANDSCAPE, INC.	10/01/2026	Regular	0.00	2,800.00	345712
016831	OLVERA, MICHAEL	10/01/2026	Regular	0.00	228.52	345713
012691	O'REILLY AUTOMOTIVE STORES, INC.	10/01/2026	Regular	0.00	2,894.38	345714
017139	PACE SUPPLY CORP	10/01/2026	Regular	0.00	20,593.85	345715
011613	PACIFIC COAST BUSINESS TIMES	10/01/2026	Regular	0.00	119.99	345716
017161	PARRA, GLORIA	10/01/2026	Regular	0.00	154.80	345717
015443	PASSPORT LABS, INC.	10/01/2026	Regular	0.00	1,214.61	345718
014663	PHOENIX CIVIL ENGINEERING, INC.	10/01/2026	Regular	0.00	66,090.29	345719
015637	PLAYGROUND GUARDIAN LLC	10/01/2026	Regular	0.00	720.00	345720
016935	PYRO SPECTACULARS INC	10/01/2026	Regular	0.00	25,000.00	345721
010520	RP RENTALS	10/01/2026	Regular	0.00	4,636.57	345722
016305	RUGERIO, JOSE LUIS PEREZ	10/01/2026	Regular	0.00	650.00	345723
014129	SAM HILL & SONS, INC	10/01/2026	Regular	0.00	2,846.77	345724
011203	SAN LUIS BUTANE DISTRIBUTORS, A CORP.	10/01/2026	Regular	0.00	59.57	345725
012477	SANTA PAULA ROTARY CLUB	10/01/2026	Regular	0.00	147.00	345726
010711	SANTA PAULA TIMES	10/01/2026	Regular	0.00	110.40	345727
015360	SCHAEFFER'S MFG. CO.	10/01/2026	Regular	0.00	2,213.82	345728
014880	SE&J FABRICATIONS, INC.	10/01/2026	Regular	0.00	821.46	345729
015368	SINGER, DAN	10/01/2026	Regular	0.00	292.40	345730
013909	SITEONE LANDSCAPE SUPPLY, LLC	10/01/2026	Regular	0.00	228.45	345731
010785	SMART & FINAL	10/01/2026	Regular	0.00	279.52	345732
015819	SOLIS, YVETTE	10/01/2026	Regular	0.00	370.00	345733
010795	SOUTHERN CALIFORNIA EDISON	10/01/2026	Regular	0.00	77,741.93	345734

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
016094	SOUTHERN CALIFORNIA PERMANENTE MEDICA	10/01/2026	Regular	0.00	515.00	345735
015809	STANDARD SITE RENTALS INC.	10/01/2026	Regular	0.00	864.23	345736
011144	STAPLES, INC.	10/01/2026	Regular	0.00	50.55	345737
017140	UNITED AIR HEATING & AIR CONDITIONING IN(	10/01/2026	Regular	0.00	8,665.00	345738
010891	UNITED RENTALS (NORTHAMERICA), INC.	10/01/2026	Regular	0.00	572.33	345739
017160	VAN BUREN EQUIPMENT, INC	10/01/2026	Regular	0.00	3,184.71	345740
010975	VENTURA REGIONAL SANITATION DISTRICT	10/01/2026	Regular	0.00	232,030.37	345741
010952	VENTURA TROPHY COMPANY	10/01/2026	Regular	0.00	37.72	345742
017114	VERITIV OPERATING COMPANY	10/01/2026	Regular	0.00	1,308.05	345743
013843	YOUNG, DUNCAN JAMES	10/01/2026	Regular	0.00	2,164.50	345744
016027	YUNEX LLC	10/01/2026	Regular	0.00	3,151.84	345745
011464	BUSINESS CARD	10/05/2026	Regular	0.00	1,396.00	345746
010378	ALBERTSON'S/SAFEWAY	10/08/2026	Regular	0.00	2,314.82	345747
014686	HASA, INC.	10/08/2026	Regular	0.00	3,817.50	345748
011617	ASCAP	10/12/2026	Regular	0.00	504.35	345761
017016	AGUILERA, ANDREA	10/15/2026	Regular	0.00	200.00	345772
015448	ALL CITY MANAGEMENT SERVICES, INC.	10/15/2026	Regular	0.00	34,956.60	345773
015498	AMAZON CAPITAL SERVICES	10/15/2026	Regular	0.00	4,535.62	345774
011363	ARROYO, ANNA	10/15/2026	Regular	0.00	112.83	345775
016808	AZUL FOUNDATION	10/15/2026	Regular	0.00	8,141.55	345776
015318	BADGER METER	10/15/2026	Regular	0.00	3,766.40	345777
014680	BEST BEST & KRIEGER LLP	10/15/2026	Regular	0.00	30,538.93	345778
014870	BOYD & ASSOCIATES	10/15/2026	Regular	0.00	489.00	345779
017162	BRITE STAR LIGHTING LLC	10/15/2026	Regular	0.00	10,000.00	345780
016682	CALPORTLAND COMPANY	10/15/2026	Regular	0.00	1,039.21	345781
012679	CAL-STATE AUTO PARTS	10/15/2026	Regular	0.00	311.45	345782
012390	CARDOZA, DANIEL HENRY	10/15/2026	Regular	0.00	480.00	345783
017118	CAZARES, VIANET ESQUIVEL	10/15/2026	Regular	0.00	662.40	345784
016444	CENDEJAS, ERIC	10/15/2026	Regular	0.00	450.00	345785
015999	CHARTER COMMUNICATIONS HOLDING, LLC	10/15/2026	Regular	0.00	280.47	345786
016140	CHAVEZ, PEDRO	10/15/2026	Regular	0.00	1,239.08	345787
011137	COPQUEST, INC.	10/15/2026	Regular	0.00	1,713.85	345788
015920	CORE & MAIN LP	10/15/2026	Regular	0.00	253.21	345789
015678	CORNEJO, LESLIE	10/15/2026	Regular	0.00	139.08	345790
011148	COUNTY OF VENTURA	10/15/2026	Regular	0.00	182.43	345791
010932	COUNTY OF VENTURA IT SERVICES	10/15/2026	Regular	0.00	1,403.24	345792
011161	CRAGOE PEST SERVICES INC	10/15/2026	Regular	0.00	1,255.00	345793
014331	CULLIGAN WATER	10/15/2026	Regular	0.00	168.96	345794
012191	DATAPROSE, LLC	10/15/2026	Regular	0.00	6,319.78	345795
017173	DIAZ, LESLEY	10/15/2026	Regular	0.00	200.00	345796
013724	DIRECT TV	10/15/2026	Regular	0.00	131.24	345797
013975	DODOS DESIGN - GARCIA, DAVID	10/15/2026	Regular	0.00	378.55	345798
016683	DON JAVI'S TREE SERVICE IN	10/15/2026	Regular	0.00	36,250.00	345799
016774	DUENAS, JEANNA	10/15/2026	Regular	0.00	200.00	345800
017119	DUNN-EDWARDS CORPORATION	10/15/2026	Regular	0.00	400.78	345801
016156	EFUEL LLC	10/15/2026	Regular	0.00	23,910.52	345802
011152	ELECTIONS DIVISION	10/15/2026	Regular	0.00	100.00	345803
010385	ENVIRONMENTAL HEALTH DIVISION	10/15/2026	Regular	0.00	2,551.36	345804
016126	ENVISION VTA FD AUTO LLC	10/15/2026	Regular	0.00	4,745.20	345805
017175	ESCOTO, OLIVIA	10/15/2026	Regular	0.00	200.00	345806
010187	F M PEARCE Company	10/15/2026	Regular	0.00	9,840.00	345807
010395	FAMCON PIPE & SUPPLY, INC.	10/15/2026	Regular	0.00	5,426.75	345808
010406	FERGUSON WATERWORKS #1084	10/15/2026	Regular	0.00	614.62	345809
010440	FGL ENVIRONMENTAL, INC	10/15/2026	Regular	0.00	2,588.00	345810
010432	FRANK'S PAINT & HARDWARE	10/15/2026	Regular	0.00	430.77	345811
014061	FRONTIER COMMUNICATIONS	10/15/2026	Regular	0.00	3,654.31	345812
010441	FRUIT GROWERS SUPPLY CO	10/15/2026	Regular	0.00	345.29	345813
016449	GAYTAN, CARLOS	10/15/2026	Regular	0.00	396.64	345814
010460	GIBBS INTERNATIONAL INC	10/15/2026	Regular	0.00	136.39	345815
017170	GONZALEZ, BRISEIDA	10/15/2026	Regular	0.00	200.00	345816
017169	GONZALEZ, JOSE	10/15/2026	Regular	0.00	200.00	345817

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
015222	GOODSUITE	10/15/2026	Regular	0.00	1,614.22	345818
010481	GRAINGER	10/15/2026	Regular	0.00	132.63	345819
017008	HANSEN-WELL DO-SERVICE, INC.	10/15/2026	Regular	0.00	4,878.38	345820
015916	HAPA VETERINARY GROUP, INC.	10/15/2026	Regular	0.00	167.11	345821
014686	HASA, INC.	10/15/2026	Regular	0.00	10,621.17	345822
017178	HELM LLC	10/15/2026	Regular	0.00	880.00	345823
016845	HERITAGE ELECTRIC	10/15/2026	Regular	0.00	1,047.00	345824
016127	HOMELAND LANGUAGE SERVICES LLC	10/15/2026	Regular	0.00	1,661.36	345825
010537	HOUSE SANITARY SUPPLY	10/15/2026	Regular	0.00	818.06	345826
014988	INFRASCALE INC.	10/15/2026	Regular	0.00	1,619.58	345827
010595	J & H ENGINEERING GENERAL CONTRACTOR, IN	10/15/2026	Regular	0.00	1,728,105.91	345828
012750	JORDANO'S INC. AND SUBSIDIARIES	10/15/2026	Regular	0.00	1,111.70	345829
013483	JUAREZ, CARLOS	10/15/2026	Regular	0.00	139.08	345830
015796	KATOM RESTAURANT SUPPLY, INC	10/15/2026	Regular	0.00	12,253.48	345831
010629	KIMBALL MIDWEST	10/15/2026	Regular	0.00	406.11	345832
013454	LEIBOLD MCCLENDON & MANN	10/15/2026	Regular	0.00	2,938.00	345833
015971	LEXISNEXIS COPLOGIC SOLUTIONS, INC	10/15/2026	Regular	0.00	1,018.46	345834
017166	LOVATO, CATHERINE	10/15/2026	Regular	0.00	200.00	345835
010061	LOWE'S	10/15/2026	Regular	0.00	1,797.15	345836
015633	M6 CONSULTING, INC.	10/15/2026	Regular	0.00	13,710.00	345837
015310	MAATSON TRUCKING SCHOOL	10/15/2026	Regular	0.00	4,410.00	345838
015894	MAGANA, ERICA	10/15/2026	Regular	0.00	200.00	345839
015442	MARIPOSA LANDSCAPES, INC.	10/15/2026	Regular	0.00	8,715.40	345840
016982	MARQUEZ, CAITLIN	10/15/2026	Regular	0.00	200.00	345841
010138	MC MASTER-CARR SUPPLY CO	10/15/2026	Regular	0.00	210.13	345842
017149	MEARS, AMINAH	10/15/2026	Regular	0.00	21.58	345843
017176	MENCHACA, LAURIE	10/15/2026	Regular	0.00	193.29	345844
015989	MERCHANT MCINTYRE & ASSOCIATES, LLC	10/15/2026	Regular	0.00	5,000.00	345845
014436	MINER'S ACE HARDWARE	10/15/2026	Regular	0.00	1,547.33	345846
010180	MUNICIPAL MANAGEMENT ASSISTANTS OF SO	10/15/2026	Regular	0.00	125.00	345847
017142	MUNICIPAL RESOURCE GROUP, LLC	10/15/2026	Regular	0.00	652.50	345848
011223	MUSCO SPORTS LIGHTING, LLC	10/15/2026	Regular	0.00	475.00	345849
015436	NUTRIEN AG SOLUTIONS, INC.	10/15/2026	Regular	0.00	867.44	345850
012691	O'REILLY AUTOMOTIVE STORES, INC.	10/15/2026	Regular	0.00	2,562.34	345851
017139	PACE SUPPLY CORP	10/15/2026	Regular	0.00	142,394.74	345852
017161	PARRA, GLORIA	10/15/2026	Regular	0.00	94.25	345853
014663	PHOENIX CIVIL ENGINEERING, INC.	10/15/2026	Regular	0.00	28,855.02	345854
014320	POLYDYNE, INC.	10/15/2026	Regular	0.00	25,747.66	345855
010289	PROUSYS, INC	10/15/2026	Regular	0.00	6,115.00	345856
016771	RAMIREZ, PORFIRIO G.	10/15/2026	Regular	0.00	1,875.00	345857
010326	RED WING SHOE STORE	10/15/2026	Regular	0.00	275.00	345858
017165	ROMAN, OSCAR	10/15/2026	Regular	0.00	428.00	345859
010520	RP RENTALS	10/15/2026	Regular	0.00	412.14	345860
016876	SAENZ, CYNTHIA L.	10/15/2026	Regular	0.00	600.00	345861
014129	SAM HILL & SONS, INC	10/15/2026	Regular	0.00	51,388.90	345862
017148	SAN DIEGO POLICE EQUIPMENT CO., INC	10/15/2026	Regular	0.00	1,165.16	345863
010711	SANTA PAULA TIMES	10/15/2026	Regular	0.00	436.80	345864
015368	SINGER, DAN	10/15/2026	Regular	0.00	63.08	345865
013909	SITEONE LANDSCAPE SUPPLY, LLC	10/15/2026	Regular	0.00	1,943.11	345866
010785	SMART & FINAL	10/15/2026	Regular	0.00	360.15	345867
010791	SOFT CHOICE CORPORATION	10/15/2026	Regular	0.00	38,089.46	345868
010795	SOUTHERN CALIFORNIA EDISON	10/15/2026	Regular	0.00	115,212.05	345869
016034	SPIRIT OF SANTA PAULA	10/15/2026	Regular	0.00	11,282.53	345870
011144	STAPLES, INC.	10/15/2026	Regular	0.00	140.10	345871
010823	SUN BADGE CO, INC	10/15/2026	Regular	0.00	478.20	345872
011871	SUNBELT RENTALS, INC.	10/15/2026	Regular	0.00	689.23	345873
015285	SUPERIOR PRINTING & GRAPHICS	10/15/2026	Regular	0.00	157.33	345874
014622	TARANTINO, TOM	10/15/2026	Regular	0.00	8.64	345875
015728	THE COUNSELING TEAM INTERNATIONAL	10/15/2026	Regular	0.00	2,200.00	345876
011974	T-MOBILE USA INC.	10/15/2026	Regular	0.00	45.63	345877
011974	T-MOBILE USA INC.	10/15/2026	Regular	0.00	50.00	345878

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
012696	TORO ENTERPRISES, INC.	10/15/2026	Regular	0.00	438,027.90	345879
016839	TRI-COUNTY LAUNDRY INC	10/15/2026	Regular	0.00	189.70	345880
011389	TYLER TECHNOLOGIES, INC	10/15/2026	Regular	0.00	5,720.34	345881
011891	ULINE SHIPPING SUPPLIES	10/15/2026	Regular	0.00	1,462.01	345882
017140	UNITED AIR HEATING & AIR CONDITIONING IN(	10/15/2026	Regular	0.00	10,775.00	345883
016437	UNITED STATES TREASURY	10/15/2026	Regular	0.00	105.23	345884
010903	USA BLUE BOOK	10/15/2026	Regular	0.00	559.81	345885
013736	V.C.T.C.	10/15/2026	Regular	0.00	605.00	345886
017164	VALDEZ, ALEESA	10/15/2026	Regular	0.00	200.00	345887
010920	VENTURA COUNTY AIR POLLUTION CONTROL D	10/15/2026	Regular	0.00	1,618.00	345888
010952	VENTURA TROPHY COMPANY	10/15/2026	Regular	0.00	26.94	345889
011539	VERIZON WIRELESS	10/15/2026	Regular	0.00	2,851.64	345890
016578	VITAL RECORDS HOLDINGS, LLC	10/15/2026	Regular	0.00	258.64	345891
010978	VULCAN MATERIALS COMPANY	10/15/2026	Regular	0.00	1,042.46	345892
013539	WAGE WORKS, INC.	10/15/2026	Regular	0.00	124.80	345893
017163	WAMPLER, KRISTENA	10/15/2026	Regular	0.00	200.00	345894
016864	WATERLY, INC.	10/15/2026	Regular	0.00	4,930.00	345895
013344	WEST COAST AIR CONDITIONING	10/15/2026	Regular	0.00	27,200.00	345896
014968	WILLDAN FINANCIAL SERVICES	10/15/2026	Regular	0.00	4,668.75	345897
014660	ZAMORA, GILBERT	10/15/2026	Regular	0.00	200.00	345898
011010	WILLDAN ENGINEERING	10/20/2026	Regular	0.00	73,594.25	345899
	Void	10/20/2026	Regular	0.00	0.00	345900
	Void	10/20/2026	Regular	0.00	0.00	345901
010055	ACCUSOURCE INC	10/29/2026	Regular	0.00	321.94	345909
015616	ACUANTIA INC.	10/29/2026	Regular	0.00	6,274.60	345910
015448	ALL CITY MANAGEMENT SERVICES, INC.	10/29/2026	Regular	0.00	12,054.00	345911
015498	AMAZON CAPITAL SERVICES	10/29/2026	Regular	0.00	21,183.11	345912
016588	AMERICAN AED, LLC.	10/29/2026	Regular	0.00	1,638.75	345913
015175	ANDERSON REFRIGERATION, INC.	10/29/2026	Regular	0.00	325.00	345914
011354	AT&T MOBILITY	10/29/2026	Regular	0.00	2,750.92	345915
016121	AT&T MOBILITY NATIONAL ACCOUNTS, LLC	10/29/2026	Regular	0.00	95.00	345916
016812	AT&T MOBILITY, LLC	10/29/2026	Regular	0.00	108.00	345917
016808	AZUL FOUNDATION	10/29/2026	Regular	0.00	7,832.50	345918
011253	BAY ALARM COMPANY	10/29/2026	Regular	0.00	250.50	345919
017035	BFS OPERATIONS LLC	10/29/2026	Regular	0.00	152.74	345920
011211	BNY MELLON	10/29/2026	Regular	0.00	3,250.00	345921
011094	BRAGG INVESTMENT COMPANY, INC.	10/29/2026	Regular	0.00	1,958.34	345922
016092	BULLOCK, TARA	10/29/2026	Regular	0.00	1,040.00	345923
015398	BUNNIN CHEVROLET OF SANTA PAULA	10/29/2026	Regular	0.00	220.14	345924
011464	BUSINESS CARD	10/29/2026	Regular	0.00	3,670.60	345925
011464	BUSINESS CARD	10/29/2026	Regular	0.00	3,442.08	345926
011464	BUSINESS CARD	10/29/2026	Regular	0.00	2,902.16	345927
011464	BUSINESS CARD	10/29/2026	Regular	0.00	2,693.54	345928
011151	C.O.R. PLUMBING SUPPLIES	10/29/2026	Regular	0.00	480.00	345929
016682	CALPORTLAND COMPANY	10/29/2026	Regular	0.00	1,395.65	345930
015593	CANNON CORPORATION	10/29/2026	Regular	0.00	32,083.25	345931
017180	CANO, MOISES	10/29/2026	Regular	0.00	280.00	345932
016444	CENDEJAS, ERIC	10/29/2026	Regular	0.00	1,850.00	345933
015874	CHANDLER ASSET MANAGEMENT, INC.	10/29/2026	Regular	0.00	2,745.94	345934
015999	CHARTER COMMUNICATIONS HOLDING, LLC	10/29/2026	Regular	0.00	627.34	345935
017184	CITY OF SANTA PAULA - UB	10/29/2026	Regular	0.00	1,882.84	345936
011133	CONSTRUCTION & RIGGING SUPPLY	10/29/2026	Regular	0.00	2,228.93	345937
017145	CORDOVA BARRERA, SANDRA PRAXEL	10/29/2026	Regular	0.00	397.15	345938
010418	CORELOGIC SOLUTIONS, LLC	10/29/2026	Regular	0.00	280.00	345939
011149	COSTCO WHOLESALE	10/29/2026	Regular	0.00	1,266.07	345940
011148	COUNTY OF VENTURA	10/29/2026	Regular	0.00	182.43	345941
010932	COUNTY OF VENTURA IT SERVICES	10/29/2026	Regular	0.00	1,564.44	345942
011160	CPS HR CONSULTING	10/29/2026	Regular	0.00	326.50	345943
011161	CRAGOE PEST SERVICES INC	10/29/2026	Regular	0.00	1,495.00	345944
011686	CROWN DODGE	10/29/2026	Regular	0.00	193.95	345945
014331	CULLIGAN WATER	10/29/2026	Regular	0.00	479.50	345946

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
011811	DE LAGE LANDEN	10/29/2026	Regular	0.00	3,964.87	345947
013975	DODOS DESIGN - GARCIA, DAVID	10/29/2026	Regular	0.00	1,020.27	345948
016156	EFUEL LLC	10/29/2026	Regular	0.00	15,731.29	345949
015438	ENCOMPASS CONSULTANT GROUP	10/29/2026	Regular	0.00	4,827.00	345950
016126	ENVISION VTA FD AUTO LLC	10/29/2026	Regular	0.00	2,474.42	345951
016010	EXPRESS SERVICES, INC.	10/29/2026	Regular	0.00	789.12	345952
010395	FAMCON PIPE & SUPPLY, INC.	10/29/2026	Regular	0.00	6,854.68	345953
010847	FARMERS IRRIGATION	10/29/2026	Regular	0.00	3,685.89	345954
010406	FERGUSON WATERWORKS #1084	10/29/2026	Regular	0.00	431.21	345955
014348	FERRIS, SABRINA ZAN	10/29/2026	Regular	0.00	182.00	345956
010440	FGL ENVIRONMENTAL, INC	10/29/2026	Regular	0.00	2,639.00	345957
015835	FLORES, ELIXEO	10/29/2026	Regular	0.00	139.95	345958
010432	FRANK'S PAINT & HARDWARE	10/29/2026	Regular	0.00	1,475.44	345959
010441	FRUIT GROWERS SUPPLY CO	10/29/2026	Regular	0.00	351.47	345960
010451	GARDEN MARKET	10/29/2026	Regular	0.00	405.00	345961
010797	GAS COMPANY, THE	10/29/2026	Regular	0.00	520.60	345962
016449	GAYTAN, CARLOS	10/29/2026	Regular	0.00	2,203.28	345963
010460	GIBBS INTERNATIONAL INC	10/29/2026	Regular	0.00	136.39	345964
015222	GOODSUITE	10/29/2026	Regular	0.00	32.53	345965
016906	GOVWELL TECHNOLOGIES INC.	10/29/2026	Regular	0.00	40,000.00	345966
010481	GRAINGER	10/29/2026	Regular	0.00	107.92	345967
012800	GRANITE CONSTRUCTION COMPANY	10/29/2026	Regular	0.00	4,705.71	345968
016596	HARBIN, MATT	10/29/2026	Regular	0.00	946.00	345969
015153	HINDERLITER DE LLAMAS & ASSOCIATES	10/29/2026	Regular	0.00	1,619.68	345970
010537	HOUSE SANITARY SUPPLY	10/29/2026	Regular	0.00	814.50	345971
013711	INDEPENDENT ORDER OF ODD FELLOWS	10/29/2026	Regular	0.00	3,060.48	345972
011546	INTEGRATED WASTE MANAGEMENT DIVISION	10/29/2026	Regular	0.00	3,022.83	345973
012750	JORDANO'S INC. AND SUBSIDIARIES	10/29/2026	Regular	0.00	1,215.10	345974
013544	LARRY WALKER ASSOCIATES, INC.	10/29/2026	Regular	0.00	2,878.00	345975
010061	LOWE'S	10/29/2026	Regular	0.00	184.41	345976
015633	M6 CONSULTING, INC.	10/29/2026	Regular	0.00	51,114.61	345977
010079	MADISON, CODY	10/29/2026	Regular	0.00	473.00	345978
015989	MERCHANT MCINTYRE & ASSOCIATES, LLC	10/29/2026	Regular	0.00	5,000.00	345979
014436	MINER'S ACE HARDWARE	10/29/2026	Regular	0.00	2,497.97	345980
	Void	10/29/2026	Regular	0.00	0.00	345981
012895	MNS ENGINEERS, INC.	10/29/2026	Regular	0.00	864.98	345982
010180	MUNICIPAL MANAGEMENT ASSISTANTS OF SO	10/29/2026	Regular	0.00	125.00	345983
017142	MUNICIPAL RESOURCE GROUP, LLC	10/29/2026	Regular	0.00	942.50	345984
017182	NORMAN'S NURSERY INC.	10/29/2026	Regular	0.00	627.41	345985
016863	OAKRIDGE LANDSCAPE, INC.	10/29/2026	Regular	0.00	13,872.15	345986
010241	OILFIELD ELECTRIC & MOTOR	10/29/2026	Regular	0.00	4,424.23	345987
012691	O'REILLY AUTOMOTIVE STORES, INC.	10/29/2026	Regular	0.00	2,083.16	345988
017139	PACE SUPPLY CORP	10/29/2026	Regular	0.00	49,752.45	345989
016746	PACIFIC ENERGY CONCEPTS, LLC	10/29/2026	Regular	0.00	39,948.00	345990
015443	PASSPORT LABS, INC.	10/29/2026	Regular	0.00	1,173.53	345991
017185	PEREZ, JONATHAN	10/29/2026	Regular	0.00	51.68	345992
014663	PHOENIX CIVIL ENGINEERING, INC.	10/29/2026	Regular	0.00	648.75	345993
010306	QUINN COMPANY	10/29/2026	Regular	0.00	15.74	345994
015399	ROBERT WILLIAM COMPANY, LLC	10/29/2026	Regular	0.00	1,852.68	345995
010520	RP RENTALS	10/29/2026	Regular	0.00	113.29	345996
014548	SAF-T-FLO WATER SERVICES GROUP, INC	10/29/2026	Regular	0.00	1,866.40	345997
014129	SAM HILL & SONS, INC	10/29/2026	Regular	0.00	26,981.39	345998
012477	SANTA PAULA ROTARY CLUB	10/29/2026	Regular	0.00	647.00	345999
016943	SCHOUTEN, MICHAEL A.	10/29/2026	Regular	0.00	3,500.00	346000
014880	SE&J FABRICATIONS, INC.	10/29/2026	Regular	0.00	540.00	346001
013909	SITEONE LANDSCAPE SUPPLY, LLC	10/29/2026	Regular	0.00	185.52	346002
010785	SMART & FINAL	10/29/2026	Regular	0.00	814.20	346003
010790	SOAP MAN	10/29/2026	Regular	0.00	174.69	346004
011524	SOLID WASTE SOLUTIONS	10/29/2026	Regular	0.00	1,100.00	346005
015819	SOLIS, YVETTE	10/29/2026	Regular	0.00	51.60	346006
010795	SOUTHERN CALIFORNIA EDISON	10/29/2026	Regular	0.00	33,673.29	346007

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
015016	SPL LANDSCAPE INC.	10/29/2026	Regular	0.00	8,800.00	346008
015809	STANDARD SITE RENTALS INC.	10/29/2026	Regular	0.00	864.23	346009
016130	STANEWICH III, JOHN	10/29/2026	Regular	0.00	400.00	346010
010823	SUN BADGE CO, INC	10/29/2026	Regular	0.00	762.00	346011
011871	SUNBELT RENTALS, INC.	10/29/2026	Regular	0.00	678.98	346012
016829	SUN'S ENTERPRISES, INC.	10/29/2026	Regular	0.00	45.87	346013
015001	SYNAGRO-WWT, INC.	10/29/2026	Regular	0.00	84,291.32	346014
016389	TINY MOBILE ROBOTS US LLC	10/29/2026	Regular	0.00	2,166.83	346015
012696	TORO ENTERPRISES, INC.	10/29/2026	Regular	0.00	329,416.77	346016
012070	TRAFFIC TECHNOLOGIES	10/29/2026	Regular	0.00	1,216.99	346017
011891	ULINE SHIPPING SUPPLIES	10/29/2026	Regular	0.00	261.56	346018
010885	UNDERGROUND SERVICE ALERT OF SOUTHERN	10/29/2026	Regular	0.00	527.82	346019
017140	UNITED AIR HEATING & AIR CONDITIONING IN(	10/29/2026	Regular	0.00	610.12	346020
010903	USA BLUE BOOK	10/29/2026	Regular	0.00	1,876.58	346021
015186	VENTURA COUNTY AUTO SUPPLY, INC.	10/29/2026	Regular	0.00	519.08	346022
010938	VENTURA COUNTY SHERIFF'S OFFICE	10/29/2026	Regular	0.00	4,551.00	346023
015375	VENTURA LOCKSMITHS	10/29/2026	Regular	0.00	2,670.93	346024
010975	VENTURA REGIONAL SANITATION DISTRICT	10/29/2026	Regular	0.00	223,687.69	346025
017114	VERITIV OPERATING COMPANY	10/29/2026	Regular	0.00	942.39	346026
010978	VULCAN MATERIALS COMPANY	10/29/2026	Regular	0.00	667.76	346027
014993	WATKINS, KATE	10/29/2026	Regular	0.00	215.00	346028
015847	WHITE RABBIT MAGIC LLC	10/29/2026	Regular	0.00	2,100.00	346029
014968	WILLDAN FINANCIAL SERVICES	10/29/2026	Regular	0.00	16,996.81	346030
017186	YARY SPORTS LTD	10/29/2026	Regular	0.00	1,000.00	346031
013843	YOUNG, DUNCAN JAMES	10/29/2026	Regular	0.00	2,164.50	346032
016027	YUNEX LLC	10/29/2026	Regular	0.00	3,369.06	346033
015506	PAYMENTUS GROUP, INC.	10/19/2026	Bank Draft	0.00	14,543.90	992727

Bank Code AP Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	1,046	379	0.00	5,160,386.84
Manual Checks	0	0	0.00	0.00
Voided Checks	0	6	0.00	-570.00
Bank Drafts	1	1	0.00	14,543.90
EFT's	0	0	0.00	0.00
	1047	**386**	**0.00**	**5,174,360.74**

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: PY-PAYROLL						
011688	CALIFORNIA STATE DISBURSEMENT UNIT	10/09/2026	Regular	0.00	662.76	345749
010553	ICMA RETIREMENT TRUST-457	10/09/2026	Regular	0.00	19,807.10	345750
010554	ICMA RETIREMENT TRUST-457 (PT)	10/09/2026	Regular	0.00	1,527.90	345751
010708	SANTA PAULA POLICE OFFICERS ASSOCIATION	10/09/2026	Regular	0.00	3,100.00	345752
010291	SEIU LOCAL 721	10/09/2026	Regular	0.00	718.10	345753
010898	UNITED WAY OF VENTURA COUNTY	10/09/2026	Regular	0.00	10.00	345754
011103	COLONIAL LIFE & ACCIDENT	10/09/2026	Regular	0.00	2,437.03	345755
016111	FIDELITY SECURITY LIFE INSURANCE COMPANY	10/09/2026	Regular	0.00	849.10	345756
010371	METLIFE SBC	10/09/2026	Regular	0.00	458.81	345757
014422	RELIANCE STANDARD LIFE INSURANCE	10/09/2026	Regular	0.00	5,325.72	345758
010331	RELIANCE STANDARD LIFE INSURANCE	10/09/2026	Regular	0.00	631.69	345759
010331	RELIANCE STANDARD LIFE INSURANCE	10/09/2026	Regular	0.00	6,185.09	345760
011688	CALIFORNIA STATE DISBURSEMENT UNIT	10/23/2026	Regular	0.00	1,081.71	345902
011228	CALIFORNIA, STATE OF	10/23/2026	Regular	0.00	920.38	345903
010553	ICMA RETIREMENT TRUST-457	10/23/2026	Regular	0.00	19,961.35	345904
010554	ICMA RETIREMENT TRUST-457 (PT)	10/23/2026	Regular	0.00	1,280.55	345905
010708	SANTA PAULA POLICE OFFICERS ASSOCIATION	10/23/2026	Regular	0.00	3,100.00	345906
010291	SEIU LOCAL 721	10/23/2026	Regular	0.00	701.35	345907
010898	UNITED WAY OF VENTURA COUNTY	10/23/2026	Regular	0.00	10.00	345908
010292	CALIF. PUBLIC EMPLOYEES' RETIREMENT SYSTE	10/09/2026	Bank Draft	0.00	700.00	992719
011024	CALIFORNIA PUBLIC EMPLOYEE RETIREMENT S'	10/09/2026	Bank Draft	0.00	112,589.06	992720
010420	INTERNAL REVENUE SERVICE	10/14/2026	Bank Draft	0.00	72,132.55	992721
011044	STATE OF CALIFORNIA - EDD EMPLOYMENT DE	10/14/2026	Bank Draft	0.00	23,494.46	992722
014872	STATE OF CALIFORNIA EDD - SDI	10/14/2026	Bank Draft	0.00	2,421.16	992723
010292	CALIF. PUBLIC EMPLOYEES' RETIREMENT SYSTE	10/14/2026	Bank Draft	0.00	89,753.18	992724
013539	WAGE WORKS, INC.	10/07/2026	Bank Draft	0.00	416.29	992725
013539	WAGE WORKS, INC.	10/21/2026	Bank Draft	0.00	52.97	992726
010420	INTERNAL REVENUE SERVICE	10/28/2026	Bank Draft	0.00	67,113.49	992728
011044	STATE OF CALIFORNIA - EDD EMPLOYMENT DE	10/28/2026	Bank Draft	0.00	21,674.16	992729
014872	STATE OF CALIFORNIA EDD - SDI	10/28/2026	Bank Draft	0.00	2,442.08	992730
013539	WAGE WORKS, INC.	10/30/2026	Bank Draft	0.00	3,433.37	992731
013539	WAGE WORKS, INC.	10/28/2026	Bank Draft	0.00	413.41	992732
010292	CALIF. PUBLIC EMPLOYEES' RETIREMENT SYSTE	10/28/2026	Bank Draft	0.00	89,189.69	992733

Bank Code PY Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	131	19	0.00	68,768.64
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	148	14	0.00	485,825.87
EFT's	0	0	0.00	0.00
	279	**33**	**0.00**	**554,594.51**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	1,177	398	0.00	5,229,155.48
Manual Checks	0	0	0.00	0.00
Voided Checks	0	6	0.00	-570.00
Bank Drafts	149	15	0.00	500,369.77
EFT's	0	0	0.00	0.00
	1326	**419**	**0.00**	**5,728,955.25**

Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH	10/2026	5,728,955.25
			5,728,955.25

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Tracy Grove, Administrative Assistant

Subject: APPROVAL OF MINUTES
- City Council Special Meeting October 28, 2026
- City Council Special Meeting November 4, 2026
- City Council Regular Meeting November 4, 2026

Date: November 18, 2026

Agenda Item: 9.D

RECOMMENDATION:

Staff recommends Council approve minutes.

BACKGROUND:

An account of all proceedings of the Legislative Body in open meetings shall be kept by the Clerk/Secretary. The Clerk/Secretary shall prepare an abbreviated record of the meeting proceedings for approval by the Legislative Body which when adopted by the Legislative Body shall be the official Minutes of the meeting. Amendment of the minutes may be made only as to factual accuracy and not as to a change of intent. The Minutes of the meeting need not be verbatim. Only the best and most complete available recording of the meeting shall constitute the official record of the Legislative Body, but the Minutes shall constitute the official record of the Legislative Body meeting where a verbatim record of the meeting is not available. Unless requested by a majority of the quorum, the minutes may be approved without reading.

ANALYSIS:

None.

STRATEGIC PLAN:

This item is not a goal or objective in the City Council's two-year Strategic Plan, however, the Minutes shall constitute the official record of the Legislative Body.

FISCAL IMPACTS:

There are no fiscal impacts for this item.

OPTIONS:

None.

ATTACHMENTS:

2026.10.28 City Council Special Minutes.pdf
2026.11.04 City Council Special Minutes.pdf
2026.11.04 City Council Regular Minutes.pdf

CITY OF SANTA PAULA
City Council Special Meeting
October 28, 2026, 6:00 PM
MINUTES

SPECIAL MEETING - COUNCIL CHAMBERS

1) CALL TO ORDER

Vice Mayor Crosswhite called the meeting to order at 6:08 pm.

2) FLAG SALUTE

Councilmember Chavez led the flag salute.

3) ROLL CALL

Members Present: Jenny Crosswhite, Leslie Cornejo, Pedro A Chavez, and Gabriela Ornelas

Members Absent: Carlos Juarez

5) ORDER OF BUSINESS

5.A) WORKSHOP ON SMOKING ORDINANCE

Ventura County Representatives Isabael Gomez and Vicky Gonzales provided a presentation on tobacco policies and regulations, covering the different types of tobacco products, the importance of addressing tobacco use, and the purpose and history of a tobacco ordinance. The presentation also included observations of tobacco-related litter, public opinion polling, California's overall tobacco control grade, Ventura County score details, City of Santa Paula score details, California state laws, and secondhand smoke protections.

City of Santa Paula Management Fellow Kyle Miranda presented an overview of the proposed smoking ordinance, including community concerns, public health assessments, the City's Strategic Plan, and feedback from the Council workshop. At the conclusion of the presentation, the public was informed of the ways to participate and provided with a ballot sheet to include their level of support for prohibiting smoking and vaping in public areas, including dining patios,

parks, recreation areas, sidewalks, shopping centers, bus stops, and public events.

Council members supported further work but raised questions about the ordinance's reach, enforcement, public communication and effects on smokers and businesses.

Councilmember Chavez urged a phased approach that starts with education and broader feedback. Councilmember Chavez proposed extending the survey through social media, the city website and newsletter, and coordinating outreach with the county. Councilmember Cornejo backed wider participation as both an educational step and a way to get more ideas. City Manager Dan Singer later summarized that the Council wanted the survey expanded beyond the 18 participants.

Councilmember Cornejo said smoke should not engulf downtown businesses and supported identifying smoking areas while protecting others. Councilmember Cornejo also called for disposal areas and visible signs with a carefully considered size, color and placement. Councilmember Chavez said the city should begin with existing state law and signage at parks and playgrounds, where cigarette butts are a concern.

Councilmember Cornejo said the effort should be presented as a positive campaign for community health, not as a judgment of people who smoke. Drawing on personal experience growing up with parents who smoked, the councilmember described smoking as an addiction and said smokers should not be treated as bad people. The Councilmember Cornejo cited designated smoking areas at the fairgrounds as an example of a large venue accommodating smokers while protecting others.

Councilmembers asked how rules would be enforced, which departments could respond and whether citations or fines would apply. They also raised possible effects on restaurants, outdoor dining on sidewalks and local bars, and asked whether smoking areas could be designated. City Attorney Kellan Martz said police can enforce state-law restrictions and any additional city smoking ban. The ordinance would need to grant authority to code enforcement or other departments if the city wanted them to handle violations. City Manager Dan Singer said education and clear signs can help rules enforce themselves, rather than relying on police after a smoker has left.

Vice Mayor Crosswhite supported signs around playground equipment to reflect the existing 25-foot state restriction and asked staff to check whether state law sets a distance for bus stops. Vice Mayor Crosswhite noted that people with mobility challenges may not be able to move away from a smoker at a stop. City Attorney Kellan Martz could not confirm the bus-stop rule at the workshop. A staff member said they would need to look further into state law affecting stadiums and large recreation areas.

Councilmembers asked for a survey of existing smoking policies at affordable and nonprofit housing developments and raised concerns

about flavored tobacco's appeal to children. They also asked about tobacco advertising visible in store windows near a school. City Manager Dan Singer said the city has sign restrictions but did not believe they specifically address tobacco; staff could check the commercial sign ordinance and consult the Community Development Department.

Councilmember Cornejo asked staff to identify which existing ordinances work well and which create problems, so Santa Paula could draw on tested examples rather than start from scratch. Councilmember Chavez asked that comparisons focus on Ventura County cities because residents move among them and share the same local environment.

City Attorney Kellan Martz summarized the direction as moving forward with a city smoking ordinance and returning with options and recommendations. Councilmember Chavez moved to pursue an ordinance that incorporates Councilmembers and the Santa Paula Community comments and return to the Council with recommendations. The motion was seconded by Councilmember Ornelas and passed by all. The council did not settle the ordinance's scope or restrictions. Staff were asked to bring back information on local examples, public feedback, housing policies, enforcement, restaurant and business perspectives, bus-stop rules and signs. The council also expressed interest in disposal bins and possible designated smoking locations.

Motion: Free Form It is recommended that the City Council:

Receive and discuss information regarding existing smoking regulations, public health findings, community concerns, and proposed local smoking ordinance provisions; and

Provide direction to staff regarding the scope, regulatory provisions, and enforcement considerations to guide the development of a draft smoking ordinance.
Moved by Pedro A Chavez, seconded by Gabriela Ornelas

Vote: Motion carried 4-0
Yes: Jenny Crosswhite, Leslie Cornejo, Pedro A Chavez, Gabriela Ornelas

4) <u>PUBLIC COMMENT</u>

Amalia Ochoa was called to speak on the importance of having a local Smoking Ordinance.

Natalie Ochoa was called to speak on the importance of having a local Smoking Ordinance.

Rafaela Resendiz was called to speak on the importance of having a local Smoking Ordinance and importance of signage of "No Smoking" at public parks and public areas.

Nancy Grass was called to speak on the Workshop on Smoking Ordinance and was grateful to the Council for taking on this issue and supports the next steps to move forward on a local Smoking Ordinance.

6) ADJOURNMENT

Vice Mayor Crosswhite adjourned the meeting at 7:30 pm.

ATTEST:

_____

Julie Latshaw, City Clerk

CITY OF SANTA PAULA
City Council Special Meeting
November 4, 2026, 5:30 PM
MINUTES

CITY COUNCIL SPECIAL MEETING CLOSED SESSION 5:30PM

1) CALL TO ORDER

Mayor Juarez called the meeting to order 5:30 pm.

2) ROLL CALL

Members Present: Carlos Juarez, Jenny Crosswhite, Leslie Cornejo, Pedro A Chavez, and Gabriela Ornelas

3) PUBLIC COMMENT

There were no public comments.

Recessed into Closed Session 5:31 pm.

4) CLOSED SESSION

4.A) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Government Code § 54956.9(d)(1), P.Z. v. City of Santa Paula, et al., Ventura County Superior Court Case No. 56-2023-00574258-CU-OE-VTA.

5) CLOSED SESSION REPORT

City Attorney Kellen Martz reported the City Council met at 5:31 pm to discuss agenda item 4.A) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Government Code § 54956.9(d)(1), P.Z. v. City of Santa Paula, et al., Ventura County Superior Court Case No. 56-2023-00574258-CU-OE-VTA. City Attorney Kellen Martz stated no reportable action from that meeting.

6) ADJOURNMENT

Mayor Juarez adjourned the meeting at 6:30 pm.

ATTEST:

Julie Latshaw, City Clerk

CITY OF SANTA PAULA
City Council Regular Meeting
November 4, 2026, 6:30 PM
MINUTES

CITY COUNCIL REGULAR MEETING

1) CALL TO ORDER

Mayor Juarez called the meeting to order at 6:33 pm.

2) INVOCATION

Deacon Al Guilin provided the Invocation.

3) FLAG SALUTE

Councilmember Cornejo led the flag salute.

4) ROLL CALL

Members Present: Carlos Juarez, Jenny Crosswhite, Leslie Cornejo, Pedro A Chavez, and Gabriela Ornelas

Councilmember Ornelas had to leave the meeting at 8:00 pm for an emergency family matter.

5) PUBLIC COMMENT

Amalia Ochoa was called to speak on the need for more retail stores in the City of Santa Paula for shopping.

Chris Inez was called to speak and announced that the Santa Paula High School PTSA was awarded a banner as a Unified Championship School in partnership with the Special Olympics of Southern California. The school's general education students will partner with the special needs students and compete in different sports. One of the sports chosen to compete in was Cornhole. Ms. Inez invited the community and Councilmembers to attend the Cornhole Tournament that will be held on March 13, 2027.

Joy Cummings was called to speak regarding the need for an additional grocery store in the City of Santa Paula and questioned why the former Rite Aid site was being used for another car wash rather than a grocery store.

Chris Espinosa was called to speak about addressing the needs of current residents by providing greater access to essential retail shopping and grocery stores rather than adding another car wash.

6) PRESENTATIONS

6.A) 76TH ANNUAL CHRISTMAS PARADE POSTER

Chris Ines presented the 76th Annual Christmas Parade Poster.

6.B) MEASURE T YEAR END PRESENTATION

Committee member Vanessa Olmos presented the Measure T Year End Financial Audit 2025/2026.

6.C) MEASURE R YEAR END PRESENTATION

Committee member Cheryl Monzon presented the Measure R Year End Financial Audit 2025/2026.

6.D) PARKS & RECREATION DEPARTMENT ACTIVITY REPORT

Management Analyst Michael A. Schouten presented the Parks & Recreation Department Report for the period of July 1st, 2026, through October 30, 2026.

Councilmember Chavez is recommending the Surplus Funds be used for more essential improvement projects.

7) CITY COUNCIL REPORTS

Councilmember Chavez:
Raised his concern about the City's deficiencies on the current Statement of Appeal process for decisions made by the Planning Commissions that are not readily available to the public. Councilmember Chavez stated the Councilmembers do not have any authority in general to override a decision made by the Planning Commissions unless it's initiated by an appeal. Councilmember Chavez acknowledged he would like to see an Economic Development Strategic Plan to attract more businesses.

Councilmember Cornejo:
Inquired if the Planning Commissions decisions can be included in Council packet for awareness and a hard look at our processes and priorities on Future Agenda Items; acknowledged Police Department Emergency Services Kate Watkins who worked with the Red Cross at Hillview Estates that arranged a Free Smoke Alarm Program; attended the Harding Park Advisory Board meeting; and the Commissions & Committees Oath swearing in.

Councilmember Ornelas:
Nothing to Report. Councilmember Ornelas had to leave the meeting at 8:00PM for an emergency family matter.

Vice Mayor Crosswhite:

Attended the de Colores art show held at Blanchard Library and Santa Paula Cellars; Halloween Carnival at the Santa Paula Community Center; local Business Round Table with Kate Watkins & the Ventura County of Emergency Services who shared a presentation on El Niño preparedness for local businesses; multiple Día de los Muertos events; the Finance Committee meeting; and the Southern California Association of Governments meeting.

Mayor Juarez:
Attended the Parks & Recreation Commissions meeting, a Zoom call with Mabel Lance a representative from the Nurse's Union regarding participation of the coalition formed in the Valley for Santa Paula Hospital; Halloween Employee Luncheon, Finance Committee meeting and the Santa Paula Chamber of Commerce Mixer, Santa Clara Valley Hospital Coalition; and announced the Nurse's Union is going to have a Town Hall at Palazzio Event Center on November 19th from 6:00-7:30PM and is providing free wellness checks from 4:00-8:00 pm for the public.

8) CITY MANAGER REPORTS

City Manager Dan Signer:
Attended the Measure R and T meetings; the Council Special Workshop on Smoking Ordinance; Business Roundtable hosted by the City of Santa Paula and Santa Paula Chamber and attended the Chamber Mixer that evening; Santa Clara Valley Hospital Coalition meeting; Commission & Committee members swearing in; and thanked the staff on updating the appeal form; announced an update on the Santa Paula Creek bridge which is now into its second phase and is 65% complete; and announced an update on Measure P provided by City Attorney Kellen Martz.

City Attorney Kellen Martz provided an update on Measure P:
Measure P documents were located last week in storage; there were two Measure P's that were drafted at that time, one is the one that actually took place and one is one that did not go into place but has been put together with those documents. City Attorney Martz and City of Santa Paula staff is working to separate those and stated his early analysis is that the vast majority of the current Mobile Home Rent Control Ordinance was enacted by Measure P, which will directly impact what can and cannot be done with a new ordinance.

9) CONSENT CALENDAR

9.A) AUTHORIZATION TO ADVERTISE FOR BIDS FOR POLICE STATION REMODEL PROJECT PHASE II

9.B) APPROVAL OF MINUTES

City Council Special Meeting October 21, 2026
City Council Regular Meeting October 21, 2026

Motion: Adjourn 9) CONSENT CALENDAR
Moved by Pedro A Chavez, seconded by Jenny Crosswhite

Vote: Motion carried 5-0

Yes: Carlos Juarez, Jenny Crosswhite, Leslie Cornejo, Pedro A Chavez, Gabriela Ornelas

10) ACTION ITEMS

10.A) RESOLUTION OF SUPPORT FOR FUTURE BLANCHARD COMMUNITY LIBRARY DEVELOPMENT IMPACT FUNDS

City Manager Dan Singer presented on the Resolution of Support for future Blanchard Community Library Development Impact Funds. Library Director, Justin Formanek also provided a presentation.

A consensus of Councilmembers directed the City Attorney Kellen Martz to work with the Blanchard Community Library Board to strengthen the language and return with a revised Resolution of support.

11) ITEMS FOR FUTURE AGENDAS

11.A) FUTURE AGENDA ITEMS

Councilmember Cornejo asked to remove completed past items on the Future Agenda Items.

12) ADJOURNMENT

Mayor Juarez adjourned the meeting at 9:05 pm.

ATTEST:

_____

Julie Latshaw, City Clerk

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Donald Aguilar, Police Chief

Subject: APPROVAL AND ACCEPTANCE OF OFFICE OF TRAFFIC SAFETY STEP AND TRIP GRANT AGREEMENTS AND BUDGET APPROPRIATIONS FOR ENHANCED TRAFFIC SAFETY AND ENFORCEMENT

Date: November 18, 2026

Agenda Item: 9.E

RECOMMENDATION:

It is recommended that the City Council:

1. Approve and accept Selective Traffic Enforcement Program (STEP) grant PT27160 in the amount of $44,000 and Traffic Records Improvement Project (TRIP) grant TR27016 in the amount of $64,200 between the City of Santa Paula and the California Office of Traffic Safety (OTS), for the performance period October 1, 2026 through September 30, 2027, subject to full execution of the TRIP agreement by OTS, and
2. Approve new grant revenue and corresponding expenditure appropriations totaling $108,200, consisting of $44,000 for STEP and $64,200 for TRIP, in the OTS grant fund and separate grant accounting codes as described in the Fiscal Impacts section, in new revenue and matching expenditures from the State of California - Office of Traffic Safety (OTS) Fund 314; and
3. Authorize the City Manager or designee to administer the grants and procure the budgeted supplies, LIDAR devices, traffic records interfaces, and mobile electronic citation printers within the approved grant amounts, subject to applicable City purchasing requirements, delegated authority, and grant conditions.

4. Approve use of NASPO ValuePoint Cooperative Purchasing Agreement and California Participating Addendum under Santa Paula Municipal Code section 41.11, in lieu of the separate informal bid process, and authorize purchase of LIDAR devices directly from Kustom Signals, Inc., for the applicable charges within the $5,200 STEP allocation.

BACKGROUND:

The Santa Paula Police Department (SPPD) has been awarded two (2) OTS grants totaling $108,200. The STEP grant supports targeted traffic enforcement, officer training objectives, and speed enforcement resources. The TRIP grant supports electronic crash and citation reporting to improve the quality and availability of traffic records. Both agreements cover October 1, 2026, through September 30, 2027.

The STEP grant agreement, attached as Exhibit A, was fully executed on September 30, 2026. The TRIP grant agreement, attached as Exhibit B, was fully executed on September 30,

2026. Grant-funded work and costs must comply with the agreements' start-date and full-execution requirements.

ANALYSIS:

The grants address both traffic collision prevention and the records systems/interfaces needed to identify risks and evaluate enforcement. The STEP grant targets impaired driving, unsafe speed, improper turning and lane changes, distracted driving, and pedestrian and bicycle safety. The TRIP grant improves the reporting workflow and makes crash and citation data available for analysis and operational planning.

Selective Traffic Enforcement Program PT27160

Schedule A identifies 25 DUI-involved crashes, four distracted-driving crashes, and 11 pedestrian and bicycle injury crashes, including one fatality, during October 2024 through September 2025. High-risk corridors include East Harvard Boulevard, Ojai Road, North and South 10th Street, and State Route 126 east of Hallock Drive. Enforcement will be directed toward locations and times supported by crash and enforcement data.

The $44,000 award funds overtime for two DUI/driver's license checkpoints, four DUI saturation patrols, four traffic enforcement operations, five distracted-driving operations, and two pedestrian/bicycle operations. It also provides $2,000 for in-state travel, $2,000 for checkpoint supplies, and $5,200 for two LIDAR devices.

SPPD proposes purchasing two LIDAR devices directly from Kustom Signals, Inc.for the STEP Grant, using NASPO ValuePoint Master Agreement 24823 and California Participating Addendum 7-24-70-56-03. The supplied agreement and signed California addendum and insurance addendum are identified as Exhibit C and Exhibit D, respectively. The State of Washington competitively solicited the master agreement for police radar/LIDAR speed enforcement and related products. The California addendum permits use by California local governments, including cities, and includes speed enforcement products. This cooperative purchasing agreement has been reviewed by the Finance Department.

Municipal Code Section 41.11 permits the Purchasing Agent to use a qualifying cooperative purchasing program when in the City's best overall interests, without following the preceding bid procedures. Staff recommends this authorized cooperative purchasing route for the LIDAR purchase.

Additional objectives include SFST training for three personnel, ARIDE training for two personnel, DUI Checkpoint Planning and Management training for one person, and participation in the traffic safety campaigns listed in the agreement. These objectives do not create additional budget allocations beyond Schedule B.

Traffic Records Improvement Project TR27016

SPPD's current reporting process requires duplicate entry of crash information into a fillable CHP 555 report and the department's Records Management System (RMS). Hand-drawn diagrams, inconsistent data entry, supervisory corrections, and station-based reporting delay report completion and submission to the California Highway Patrol's Statewide Integrated Traffic Records System (SWITRS). The TRIP agreement identifies SWITRS submission

delays of approximately one to two months.

The $64,200 award includes one traffic citation database system interface ($35,000), one traffic crash database system interface ($22,000), and four mobile printers with accessories, shipping, and taxes ($7,200). The interfaces will support electronic integration with the RMS, SWITRS, and the local court system where electronic citation data can be received. The project also requires completion of CHP security requirements and commencement of electronic crash report submissions.

Implementation will include defining system requirements, obtaining quotations under City procedures, selecting vendors, installation, training, and verification of electronic transmissions. Any software substitution, reallocation of savings, or change in printer quantities must receive required OTS approval before implementation. This report uses the attached agreement budgets.

Grant Administration

SPPD and Finance will coordinate grant implementation, purchase documentation, quarterly performance reporting, and reimbursement claims. Both agreements list reporting and claim deadlines of January 30, April 30, July 30, and October 30. The final quarterly performance report will include an evaluation of accomplishments and any objectives not completed. TRIP claims remain subject to the project-completion and electronic-transmission requirements described above.

Grant-related expenditures must remain within the approved scope and budget and comply with applicable purchasing and grant requirements. Grant acceptance does not independently approve a vendor selection or create an exemption from City purchasing procedures. Any required OTS budget or scope revisions will be obtained before the affected expenditure.

STRATEGIC PLAN:

While this item is not an objective in City Council’s two-year Strategic Plan, approval of this item supports Council's goal in Section C, Public Safety & Emergency Preparedness, by creating an environment within the City in which our residents feel safe and which promotes the City as a location of choice for living, working, visiting and recreating.

FISCAL IMPACTS:

The requested appropriation totals $108,200 in new revenue and an equal amount in expenditure authority. The grant budgets do not identify a required City matching contribution. Reimbursement is limited to eligible, documented costs within the grant budgets and performance period. Costs exceeding the awards or not eligible for reimbursement are not covered by these grants.

The City will incur eligible costs before receiving reimbursement. For TRIP, Schedule A specifically requires successful project completion and CHP confirmation of successful electronic collision report transmission before submitting invoice claims for OTS reimbursement. Finance and SPPD will coordinate cash-flow planning and maintain separate accounting for each grant.

A budget allocation for expenditures reflected below are requested:

STEP PT27160	**Quantity**	**Amount to increase**	**GL Account #**
DUI/DL checkpoints	2	$20,000	314-5-4502-003
DUI saturation patrols	4	$4,000	314-5-4502-003
Traffic enforcement operations	4	$3,876	314-5-4502-003
Pedestrian and bicycle operations	2	$1,924	314-5-4502-003
Distracted driving operations	5	$5,000	314-5-4502-003
In-state travel	Budget allocation	$2,000	314-5-4502-352
DUI checkpoint supplies	Budget allocation	$2,000	314-5-4502-124
LIDAR devices	2	$5,200	314-5-4502-173
STEP total		$44,000	

TRIP TR27016	**Quantity**	**Amount to increase**	**GL Account #**
Traffic citation database system interface	1	$35,000	314-5-4502-207
Traffic crash database system interface	1	$22,000	314-5-4502-207
Mobile printers including accessories, tax and shipping	4	$7,200	314-5-4502-172
TRIP total		$64,200	
Combined grant total		$108,200	

An budget allocation for revenues totaling the combined grant amount of $108,200 is requested in 314-4-4500-4277 Grant Funding.

The performance period spans City fiscal years 2026–27 and 2027–28. Finance will allocate and carry forward available grant appropriations as needed under the City's budget procedures, without increasing the total award amounts. Grant records must use separate tracking codes and may not duplicate costs charged to other grants.

OPTIONS:

As an alternative to staff's recommendation, the City Council has the following options:

1. Decline to approve staff's recommendation. If this item is not approved by Council, staff will not have the necessary funding to move forward with traffic safety and enforcement related programs in the community and the purchasing of equipment, thereby forfeiting the awarded grants funds; or
2. Provide staff with alternate direction.

ATTACHMENTS:

EXHIBT A GRANT AGREEMENT PT27160.pdf
EXIBT B GRANT AGREEMENT TR27016.pdf
EXHIBT C NASPO Cooperative_Purchasing Agreement 1of2.pdf
EXHIBT C NASPO Cooperative Purchasing Agreement 2of2.pdf

1. GRANT TITLE
Selective Traffic Enforcement Program (STEP)

2. NAME OF AGENCY
Santa Paula

3. **Grant Period**
From: 10/01/2026
To: 09/30/2027

4. AGENCY UNIT TO ADMINISTER GRANT
Santa Paula Police Department

5. GRANT DESCRIPTION
Best practice strategies will be conducted to reduce the number of persons killed and injured in crashes involving alcohol and other primary crash factors. The funded strategies may include impaired driving enforcement, enforcement operations focusing on primary crash factors, distracted driving, night-time seat belt enforcement, special enforcement operations encouraging motorcycle safety, enforcement and public awareness in areas with a high number of bicycle and pedestrian crashes, and educational programs. These strategies are designed to earn media attention thus enhancing the overall deterrent effect.

6. **Federal Funds Allocated Under This Agreement Shall Not Exceed: $44,000.00**
Allocation is contingent upon availability of federal funds.

7. TERMS AND CONDITIONS: The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement:
- Schedule A – Problem Statement, Goals and Objectives and Method of Procedure
- Schedule B – Detailed Budget Estimate and Sub-Budget Estimate (if applicable)
- Schedule B-1 – Budget Narrative and Sub-Budget Narrative (if applicable)
- Exhibit A – Certifications and Assurances
- Exhibit B* – OTS Grant Program Manual
- Exhibit C – Grant Electronic Management System (GEMS) Access

*The item shown with an asterisk (*), is hereby incorporated by reference and made a part of this agreement as if attached hereto. This document can be viewed at the OTS home web page under Grants: www.ots.ca.gov.

Use of OTS Grant Agreement template in lieu of the California Model Agreement (CMA)
The California Office of Traffic Safety (OTS) utilizes its standardized OTS Grant Agreement template for awards. The format, structure, and uniformity of the OTS Grant Agreement template allows for processing through Grant Electronic Management System (GEMS). OTS's approach to using the OTS Grant Agreement template is consistent with the California Model Agreement (CMA) developed by University of California Office of the President (UCOP) and directed by the Department of General Service (DGS). For more information, please review the OTS Grant Program Manual.

Pre-Agreement Work
No work shall commence and no costs shall be incurred prior to the grant start date or the grant agreement being fully signed and executed. Any such costs are incurred at the grantee's own risk and may not be reimbursed.

8. Approval Signatures

We, the officials named below, hereby swear under penalty of perjury under the laws of the State of California that we are duly authorized to legally bind the Grant recipient to the grant terms and conditions described herein.

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

A. Grant Director

NAME: Cody Madison
TITLE: Sergeant
EMAIL: cmadison@spcity.org
PHONE: (805) 525-4474 ext. 168
ADDRESS: 214 S. 10th Street
Santa Paula, CA 93060

Cody Madison
Cody Madison (Sep 21, 2026 08:38:48 PDT)

Sep 21, 2026

(Signature) *(Date)*

B. Authorizing Official

NAME: Don Aguilar
TITLE: Chief of Police
EMAIL: daguilar@spcity.org
PHONE: (805) 525-4474 x123
ADDRESS: 214 S. 10th Street
Santa Paula, CA 93060

Donald Aguilar (Sep 22, 2026 15:17:01 PDT)

Sep 22, 2026

(Signature) *(Date)*

C. Fiscal Official

NAME: Christy Ramirez
TITLE: Finance Director
EMAIL: cramirez@spcity.org
PHONE: (805) 933-4211 x204
ADDRESS: 970 E. Ventura Street
Santa Paula, CA 93060

Christy Ramirez
Christy Ramirez (Sep 21, 2026 14:48:51 PDT)

Sep 21, 2026

(Signature) *(Date)*

D. Authorizing Official of Office of Traffic Safety

NAME: Stephanie Dougherty
TITLE: Director
EMAIL: stephanie.dougherty@ots.ca.gov
PHONE: (916) 509-3030
ADDRESS: 2208 Kausen Drive, Suite 300
Elk Grove, CA 95758

Stephanie Dougherty

Sep 30, 2026

(Signature) *(Date)*

E. Accounting Officer of Office of Traffic Safety

NAME: Mary Khang
ADDRESS: 2208 Kausen Drive Suite 300
Sacramento, CA 95758

9. SAM Information

SAM #: TDLLJXMQYPJ9
REGISTERED ADDRESS: P.O. Box 569
CITY: Santa Paula
ZIP+4: 93061-0569

10. PROJECTED EXPENDITURES

FUND	CFDA	ITEM/APPROPRIATION	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
405e DDA-	20.616	0521-0890-101	2026	19/26	BA/26	$5,000.00
402PT-27	20.600	0521-0890-101	2026	19/26	BA/26	$13,000.00
164ID-27	20.608	0521-0890-101	2026	19/26	BA/26	$26,000.00
				AGREEMENT TOTAL		**$44,000.00**

I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above, notwithstanding allocations contingent on availability of federal funds.

OTS ACCOUNTING OFFICER'S SIGNATURE	DATE SIGNED
Mary Khang	Sep 24, 2026

AMOUNT ENCUMBERED BY THIS DOCUMENT
$44,000.00

PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT
$ 0.00

TOTAL AMOUNT ENCUMBERED TO DATE
$44,000.00

1. PROBLEM STATEMENT

Describe the city, county, or jurisdiction this grant will impact.
The City of Santa Paula is a small urban (4.71 square miles) community located in eastern Ventura County, California, with a population of approximately 33,000 residents. The city serves as a critical regional transportation corridor for **commuter, commercial, and agricultural traffic** traveling between the Cities of **Ventura, Fillmore, Piru, and inland communities**. Major roadways within the city include **State Route 126, State Route 150 (Ojai Road and North/South 10th Street)**, and several high-volume arterial streets such as **East/West Harvard Boulevard**. These corridors experience a constant mix of local traffic, regional commuters, freight vehicles, and pass-through motorists, which significantly increases exposure to speeding, impaired driving, and conflicts involving pedestrians and bicyclists.
Traffic volumes increase substantially during the spring and summer months due to seasonal tourism and recreational travel. **State Route 150 (Ojai Road)** serves as a primary access route and bypass to the City of Ojai, a popular tourist destination known for its resorts, outdoor recreation, and special events. This route is frequently used by motorcyclists, recreational riders, organized car clubs, and visiting tourists, particularly on weekends and holidays. The combination of increased traffic volume, higher speeds, unfamiliar drivers, and recreational vehicle use contributes to elevated crash risk along this corridor and adjacent roadways.
Santa Paula is also home to multiple hotels, restaurants, bars, and entertainment venues that generate evening and weekend traffic, increasing the potential for impaired driving incidents. In addition, the city contains numerous schools, parks, senior facilities, and residential neighborhoods located near high-speed roadways and arterial streets. These land-use characteristics create frequent interactions between vehicles and vulnerable road users, including pedestrians, bicyclists, children, and older adults.
The Santa Paula Police Department is the primary law enforcement agency responsible for traffic safety enforcement, DUI prevention, crash investigation, and public education within the city limits. Given Santa Paula's role as a regional traffic corridor, seasonal tourism impacts, and the concentration of high-risk road users and destinations, sustained funding through the Office of Traffic Safety is critical to support targeted enforcement, equipment modernization, officer training, and public outreach efforts designed to reduce traffic-related injuries and fatalities and improve overall roadway safety.

Describe the problem(s) to be addressed, supported by current and relevant crash data. (most recent calendar year data/stats).
The City of Santa Paula continues to experience significant traffic safety challenges involving impaired driving, distracted driving, speeding, and pedestrian and bicycle crashes. According to Santa Paula Police Department crash records for the most recent calendar year data **(October 2024 through September 2025)**:

- **DUI-involved crashes:** 25 crashes, representing a **19.5% increase** compared to the previous year
- **Distracted driving crashes:** 4 crashes, with mobile device use and driver inattention identified as contributing factors
- **Pedestrian and bicycle crashes:** 11 injury crashes, including **one fatality**
- **Speeding and aggressive driving:** Identified as major contributing factors, particularly along **East Harvard Boulevard, Ojai Road, North and South 10th Street, and State Route 126 east of Hallock Drive**

Analysis of Santa Paula Police Department crash and enforcement data identifies the top three Primary Crash Factors (PCFs) as unsafe speed (VC 22350), improper turning movements and unsafe lane changes (VC 22107), and driving under the influence (VC 23152). These factors consistently drive injury and fatal crashes and represent the most preventable threats to roadway safety in the city. Santa Paula Police Department records showed that **110** crash reports in 2022, **124** crash reports in 2023, and **149** crash reports in 2024.
Unsafe speed is prevalent along high-volume arterials such as East/West Harvard Boulevard, Ojai Road (SR 150), North and South 10th Street, and SR 126. Excessive speeds reduce driver reaction time, increase crash severity, and endanger pedestrians and bicyclists, particularly near schools and mixed-use areas. The Santa Paula Police Department found unsafe speed to be the PCF in **110** crashes in 2022, **125** crashes in

2023, and **151** crashes in 2024, and cited **13** drivers in 2023, **15** drivers in 2024. While the ratio of citations issued compared to reported traffic crashes appears disproportionate, this disparity is primarily attributable to expired traffic speed surveys. The expiration of these surveys temporarily limited the department's ability to issue speed-related citations in certain enforcement zones. The department is currently in the process of obtaining updated speed surveys, which will restore the ability to conduct proper speed enforcement in areas where unsafe speed is a predominant concern. Updated surveys will also support targeted enforcement in locations with elevated pedestrian activity, including areas near schools, parks, and other community gathering spaces

Improper turning and unsafe lane changes are common at intersections and congested corridors, often causing rear-end crashes and pedestrian/bicycle conflicts, especially during peak commute periods. In 2024, **27** crashes were related to improper turning or unsafe lane change, including 15 **injury crashes** resulting in **25 injuries and one fatality**. The Santa Paula Police Department found improper turning movements and unsafe lane changes to be the PCF in **30** crashes in 2022, **28** crashes in 2023, and **27 crashes** in 2024, and cited **11** drivers in 2023, **31** drivers in 2024.

Driving under the influence remains a major public safety concern. DUI-related crashes, most frequent at night and on weekends, are more likely to result in serious injury or death. While exact numbers are not available, the majority of DUI crashes in 2024 and 2025 involved alcohol impairment, though some crashes also involved drivers impaired by drugs and/or cannabis. In 2024, **17** crashes were DUI-related, including **3 injury crashes** resulting in **5 injuries**. The Santa Paula Police Department actively enforces DUI laws, having arrested **84** drivers in 2023, **148** in 2024, and **143** in 2025.

In addition to crash data, enforcement records further demonstrate the prevalence of high-risk driving behaviors that directly align with known Primary Crash Factors (PCFs). Between **September 2024 and July 2025**, Santa Paula officers issued **1,319 traffic-related citations**. The most frequently cited violations included:

- **Stop sign violations (VC 22450(a))** – 260 citations (19%)
- **Unlicensed driving (VC 12500(a))** – 193 citations (14%)
- **Registration violations (VC 4000(a)(1))** – 169 citations (12%)
- **Red-light violations (VC 21453(a)/(c))** – 58 citations (4%)
- **Mobile phone/texting violations (VC 23123/23123.5)** – 56 citations (4%)
- **Pedestrian right-of-way violations (VC 21950(a))** – 30 citations (2%)
- **Unsafe speed (VC 22350)** – 27 citations (2%)

Additional enforcement activity between **July 2025 and November 2025** resulted in **597 citations**, again dominated by violations involving failure to stop, unsafe speed, distracted driving, and right-of-way violations. Collectively, this data confirms a persistent pattern of hazardous driving behaviors that mirror the city's crash trends and contribute to preventable injuries and fatalities.

Effective enforcement in Santa Paula's high-crash corridors has been significantly hindered by resource limitations and aging traffic enforcement equipment. The Santa Paula Police Department does not maintain a dedicated traffic investigations or traffic enforcement bureau. Instead, traffic enforcement and crash prevention responsibilities are carried out through a combined effort involving the assigned traffic enforcement officer and on-duty patrol officers, including School Resource Officers (SROs), as part of their normal patrol and community safety responsibilities. As a result, traffic enforcement equipment is shared across multiple assignments and operational functions, increasing wear and tear, reducing availability, and limiting consistent deployment during targeted enforcement operations.

The department's existing LIDAR units have become increasingly **unreliable due to age**, **frequent repairs**, and **outdated technology,** which results in **equipment downtime** during critical enforcement periods. These limitations directly impact the department's ability to conduct sustained, data-driven traffic enforcement in high-crash areas, school zones, and pedestrian-heavy corridors.

Compounding these operational challenges, the Santa Paula Police Department experienced **significant staffing shortages** during the **prior** grant period (2023–2024) when multiple sworn officers lateraled to a neighboring agency within a short timeframe. This sudden reduction in personnel required remaining officers to work extensive mandatory overtime to maintain minimum patrol staffing and ensure continuity of essential public safety services. As a result, the department temporarily suspended ancillary assignments—including traffic enforcement details and the motor officer position—and reassigned personnel to core patrol functions. These necessary operational adjustments limited the department's capacity to conduct planned traffic safety operations and fully expend prior grant funding, despite an ongoing commitment to traffic safety objectives. Staffing levels have since stabilized, and the department has restored sufficient personnel to

support proactive traffic enforcement, training, and specialized assignments. With these staffing challenges resolved, the Santa Paula Police Department is fully prepared to implement the grant activities at the start of the grant cycle. Officers are available and scheduled for enforcement operations, training backfill has been accounted for, and supervisory oversight structures are in place to ensure compliance, timely reporting, and effective grant management.

Define the target population the grant intends to serve and how they are affected by the problem(s). This grant will serve **all roadway users within the City of Santa Paula**, including motorists, pedestrians, bicyclists, and transit users. Particular emphasis will be placed on protecting **at-risk populations** that are disproportionately impacted by traffic crashes and unsafe driving behaviors, including:

- **Youth and young drivers**, who are overrepresented in distracted driving and unlicensed driving violations
- **Older adults**, who face an increased risk of serious injury or fatality when involved in pedestrian or vehicle-related crashes
- **Pedestrians and bicyclists**, particularly those traveling near schools (six elementary schools, one middle school, two high schools, one college satellite campus, and adult ed programs), 11 parks, senior centers, and high-volume arterial corridors
- **Commuters and shift workers**, who travel during early morning, evening, and late-night hours when impaired driving, speeding, and fatigue-related crashes are more prevalent

High-visibility enforcement, DUI checkpoints, saturation patrols and pedestrian safety operations funding, this grant will directly target behaviors that place these populations at elevated risk. Enforcement and outreach efforts will be strategically deployed during high-risk times and at locations with documented crash patterns to maximize deterrence, improve compliance, and enhance safety for all roadway users.

2. PERFORMANCE MEASURES

A. Goals:

1. Reduce the number of persons killed in traffic crashes.
2. Reduce the number of persons injured in traffic crashes.
3. Reduce the number of pedestrians killed in traffic crashes.
4. Reduce the number of pedestrians injured in traffic crashes.
5. Reduce the number of bicyclists killed in traffic crashes.
6. Reduce the number of bicyclists injured in traffic crashes.
7. Reduce the number of persons killed in alcohol-involved crashes.
8. Reduce the number of persons injured in alcohol-involved crashes.
9. Reduce the number of persons killed in drug-involved crashes.
10. Reduce the number of persons injured in drug-involved crashes.
11. Reduce the number of persons killed in alcohol/drug combo-involved crashes.
12. Reduce the number of persons injured in alcohol/drug combo-involved crashes.
13. Reduce the number of motorcyclists killed in traffic crashes.
14. Reduce the number of motorcyclists injured in traffic crashes.
15. Reduce hit & run fatal crashes.
16. Reduce hit & run injury crashes.
17. Reduce nighttime (2100 - 0259 hours) fatal crashes.
18. Reduce nighttime (2100 - 0259 hours) injury crashes.

B. Objectives:	Target Number
1. Issue a news release announcing the kick-off of the grant by December 31st. The kick-off news releases and media advisories, alerts, and materials must be emailed to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 7 days prior to the issuance date of the release.	1
2. Participate and report data (as required) in the following campaigns; Quarter 1: National Pedestrian Safety Month, National Walk to School Day, National Teen Driver Safety Week, NHTSA Winter Mobilization; Quarter 3: National Distracted Driving Awareness Month, National Motorcycle Safety Month, National Bicycle Safety Month, National Click it or Ticket Mobilization; Quarter 4: National Speed Prevention Campaigns, NHTSA Summer Mobilization, National Child Passenger Safety Week, and California's Pedestrian Safety Month.	12

3. Develop (by December 31) and/or maintain a "DUI BOLO" program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. Updated DUI BOLOs should be distributed to patrol and traffic officers monthly. Report on the outcomes of the "DUI BOLO" program.	12
4. Send law enforcement personnel to the NHTSA Standardized Field Sobriety Testing (SFST) (minimum 16 hours) POST-certified training.	3
5. Send law enforcement personnel to the NHTSA Advanced Roadside Impaired Driving Enforcement (ARIDE) 16 hour POST-certified training.	2
6. Conduct DUI/DL Checkpoints. A minimum of 1 checkpoint should be conducted during the NHTSA Winter Mobilization and 1 during the Summer Mobilization. To enhance the overall deterrent effect and promote high visibility, it is recommended the grantee issue an advance press release and conduct social media activity for each checkpoint. For combination DUI/DL checkpoints, departments should issue press releases that mention DL's will be checked at the DUI/DL checkpoint. Signs for DUI/DL checkpoints should read "DUI/Driver's License Checkpoint Ahead." OTS does not fund or support independent DL checkpoints. Only on an exception basis and with OTS pre-approval will OTS fund checkpoints that begin prior to 1800 hours. When possible, DUI/DL Checkpoint screeners should be DRE- or ARIDE-trained.	2
7. Conduct DUI Saturation Patrol operation(s).	4
8. Conduct Traffic Enforcement operation(s), including but not limited to, primary crash factor violations.	4
9. Conduct highly publicized Distracted Driving enforcement operation(s) targeting drivers using hand held cell phones and texting.	5
10. Conduct highly publicized pedestrian and/or bicycle enforcement operation(s) in areas or during events with a high number of pedestrian and/or bicycle crashes resulting from violations made by pedestrians, bicyclists, and drivers.	2
11. Conduct Traffic Safety educational presentation(s) with an effort to reach community members. Note: Presentation(s) may include topics such as distracted driving, DUI, speed, bicycle and pedestrian safety, seat belts and child passenger safety.	2
12. Send law enforcement personnel to DUI Checkpoint Planning and Management training.	1

3. METHOD OF PROCEDURE

A. Phase 1 – Program Preparation (1st Quarter of Grant Year)

- The department will develop operational plans to implement the "best practice" strategies outlined in the objectives section.
- Conduct all training needed to implement the program, in the first quarter.
- Purchase all grant related supplies and materials to implement the program, in the first quarter.
- Items with a unit cost of $5,000 more (including tax and shipping) must comply with the Buy America Act.
- In order to develop/maintain the "DUI BOLOs," research will be conducted to identify repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The DUI BOLO may include the driver's name, last known address, DOB, description, current license status, and the number of times suspended or revoked for DUI. DUI BOLOs should be updated and distributed to traffic and patrol officers at least monthly.
- Implementation of the STEP grant activities will be accomplished by deploying personnel at high crash locations.

Media Requirements

Issue a news release approved by the OTS PIO announcing the kick-off of the grant by December 31 and after the grant is signed and executed, but no sooner than October 1, the start of the grant year. The kick-off release must be approved by the OTS PIO. If you are unable to meet the December 31 deadline to issue a kick-off press release, communicate the reasons to your OTS grant coordinator and OTS PIO.

B. Phase 2 – Program Operations (Throughout Grant Year)

Media Requirements

The following requirements are for all grant-related activities:

- Send all media advisories, alerts, videos, graphics, artwork, posters, radio/PSA/video scripts, storyboards, digital and/or print educational materials for grant-related activities to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS grant coordinator. Optimum lead time would be 7 days before the scheduled release but at least 3 business days prior to the scheduled release date for review and approval is appreciated.
- Send all PowerPoint presentations, online presentations and trainings for grant-related activities to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS grant coordinator. Certified training courses are EXEMPT from the approval process.
- The OTS PIO is responsible for the approval of the design and content of materials. The agency understands OTS PIO approval is not authorizing approval of budget expenditure or cost. Any cost approvals must come from the OTS grant coordinator.
- Pre-approval is not required when using any OTS-supplied template for media advisories, news releases, social media graphics, videos or posts, or any other OTS-supplied educational material. However, copy the OTS PIO at pio@ots.ca.gov and your OTS grant coordinator when any material is distributed to the media and public, such as a news release, educational material, or link to social media post.
- If an OTS-supplied template, educational material, social media graphic, post or video is substantially changed, the changes shall be sent to the OTS PIO at pio@ots.ca.gov for approval and copy your OTS grant coordinator.
- News releases, social media posts and alerts on platforms such as NextDoor and Nixle reporting immediate and time-sensitive grant activities (e.g. enforcement operations, day of event highlights or announcements, event invites) are EXEMPT from the OTS PIO approval process. The OTS PIO and your OTS grant coordinator should still be notified when the grant-related activity is happening (e.g. car seat checks, bicycle rodeos, community presentations, DUI checkpoints, etc.).
- Enforcement activities such as warrant and probation sweeps, court stings, etc. that are embargoed or could impact operations by publicizing in advance are EXEMPT from the PIO approval process. However, announcements and results of activities should still be copied to the OTS PIO at pio@ots.ca.gov and your OTS grant coordinator with the embargoed date and time or with "INTERNAL ONLY: DO NOT RELEASE" message in subject line of email.
- Any earned or paid media campaigns for TV, radio, digital or social media that are part of a specific grant objective, using OTS grant funds, or designed and developed using contractual services by a subgrantee, requires prior approval.
- Social media posts highlighting state or national traffic safety campaigns (Distracted Driving Month, Motorcycle Safety Awareness Month, etc.), enforcement operations (DUI checkpoints, etc.), or any other grant-related activity such as Bicycle rodeos, presentations, or events, are highly encouraged but do not require prior approval.
- Submit a draft or rough-cut of all digital, printed, recorded or video material (brochures, posters, scripts, artwork, trailer graphics, digital graphics, social posts connected to an earned or paid media campaign grant objective) to the OTS PIO at pio@ots.ca.gov and copy your OTS grant coordinator for approval prior to the production or duplication.
- Use the following standard language in all press, media, and printed materials, space permitting: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- Space permitting, include the OTS logo on all grant-funded print materials, graphics and paid or earned social media campaign grant objective; consult the OTS PIO and copy your OTS grant coordinator for specifics, format-appropriate logos, or if space does not permit the use of the OTS logo.
- Email the OTS PIO at pio@ots.ca.gov and copy your OTS grant coordinator at least 21 days in advance, or when first confirmed, a short description of any significant grant-related traffic safety event or program, particularly events that are highly publicized beforehand with anticipated media coverage so the OTS has sufficient notice to arrange for attendance and/or participation in the event. If unable to attend, email the OTS PIO at pio@ots.ca.gov and your OTS grant coordinator brief highlights and/or results, including any media coverage (broadcast, digital, print) of the event within 7 days following significant grant-related event or program. The OTS PIO and your

OTS grant coordinator should still be notified in advance when the grant-related activity is happening (e.g. car seat checks, bicycle rodeos, community presentations, DUI checkpoints, etc.).

- Any news releases, work plans, scripts, storyboards, artwork, graphics, videos or any educational or informational materials that received OTS PIO approval in a prior grant year must be resubmitted for approval in the current grant year.
- For additional guidance, refer to the OTS Grants Materials Approval Process Guidelines and FAQs .
- Email the OTS PIO at pio@ots.ca.gov or your OTS grant coordinator for consultation when changes from any of the above requirements might be warranted.

C. Phase 3 – Data Collection & Reporting (Throughout Grant Year)

1. Prepare and submit grant claim invoices (due January 30, April 30, July 30, and October 30)
2. Prepare and submit Quarterly Performance Reports (QPR) (due January 30, April 30, July 30, and October 30)

- Collect and report quarterly, appropriate data that supports the progress of goals and objectives.
- Provide a brief list of activity conducted, procurement of grant-funded items, and significant media activities. Include status of grant-funded personnel, status of contracts, challenges, or special accomplishments.
- Provide a brief summary of quarterly accomplishments and explanations for objectives not completed or plans for upcoming activities.
- Collect, analyze and report statistical data relating to the grant goals and objectives.

4. METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will complete the "Final Evaluation" section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant's accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

5. ADMINISTRATIVE SUPPORT

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION	TOTAL AMOUNT
405e DDA-27	20.616	Distracted Driving Awareness	$5,000.00
402PT-27	20.600	State and Community Highway Safety	$13,000.00
164ID-27	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	$26,000.00

COST CATEGORY	FUND NUMBER	UNIT COST OR RATE	UNITS	TOTAL COST TO GRANT
A. PERSONNEL COSTS				
Straight Time				$0.00
Overtime				
DUI/DL Checkpoints	164ID-27	$10,000.00	2	$20,000.00
DUI Saturation Patrols	164ID-27	$1,000.00	4	$4,000.00
Traffic Enforcement	402PT-27	$969.00	4	$3,876.00
Pedestrian and Bicycle Enforcement	402PT-27	$962.00	2	$1,924.00
Distracted Driving Enforcement	405e DDA-27	$1,000.00	5	$5,000.00
Category Sub-Total				$34,800.00
B. TRAVEL EXPENSES				
In State Travel	402PT-27	$2,000.00	1	$2,000.00
				$0.00
Category Sub-Total				$2,000.00
C. CONTRACTUAL SERVICES				
				$0.00
Category Sub-Total				$0.00
D. EQUIPMENT				
				$0.00
Category Sub-Total				$0.00
E. OTHER DIRECT COSTS				
DUI Checkpoint Supplies	164ID-27	$2,000.00	1	$2,000.00
Lidar Device	402PT-27	$2,600.00	2	$5,200.00
Category Sub-Total				$7,200.00
F. INDIRECT COSTS				
				$0.00
Category Sub-Total				$0.00
GRANT TOTAL				**$44,000.00**

BUDGET NARRATIVE
PERSONNEL COSTS
DUI/DL Checkpoints - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
DUI Saturation Patrols - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Traffic Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Pedestrian and Bicycle Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Distracted Driving Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
TRAVEL EXPENSES
In State Travel - Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds. Anticipated travel may include: OTS Traffic Safety Summit – November 2026 – San Diego, CA; OTS Traffic Safety Law Enforcement Forum, CA; GHSA Annual Meeting – August 2027 – Anaheim, CA
CONTRACTUAL SERVICES
-
EQUIPMENT
-
OTHER DIRECT COSTS
DUI Checkpoint Supplies - On-scene supplies needed to conduct sobriety checkpoints. Costs may include 28" traffic cones, MUTCD compliant traffic signs, MUTCD compliant high visibility vests (maximum of 10), traffic counters (maximum of 2), generator, gas for generators, lighting, reflective banners, electronic flares, PAS Device Supplies, PAS Calibration Supplies, heater, propane for heaters, fan, anti-fatigue mats, and canopies. Additional items may be purchased if approved by OTS. The cost of food and beverages will not be reimbursed.
Lidar Device - Light detection and ranging device used to measure the speed of motor vehicles. This device will be used for speed enforcement. Costs may include lidar devices, batteries, tax, and shipping.
INDIRECT COSTS
-
STATEMENTS/DISCLAIMERS
There will be no program income generated from this grant. Salaries may include wages, salaries, special compensations, or authorized absences such as annual leave and sick leave provided the cost for the individual employee is (a) reasonable for the services rendered, and (b) follows an appointment made in accordance with state or local laws and rules and meets federal requirements. Any non-grant funded vacancies created by reassignment to a grant-funded position must be filled at the expense of the grantee agency. Nothing in this agreement shall be interpreted as a requirement, formal or informal, that a particular law enforcement officer issue a specified or predetermined number of citations in pursuance of the goals and objectives here under.

The OTS grant funded activities must be separate from other grant funded program activities and maintained under separate accounting tracking codes (example: the same DUI checkpoint may not be funded by both the CHP Cannabis Tax Fund and the OTS).

Benefits for personnel costs can only be applied to straight time or overtime hours charged to the grant.

Appendix A to Part 1300—Certifications and Assurances for Highway Safety Grants
(23 U.S.C. Chapter 4 or Section 1906, Public Law 109-59, as amended by Section 25024, Public Law 117-58)

The officials named on the grant agreement, certify by way of signature on the grant agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies, and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include, but are not limited to, the following:

GENERAL REQUIREMENTS

The State will comply with applicable statutes and regulations, including but not limited to:

- 23 U.S.C. Chapter 4—Highway Safety Act of 1966, as amended;
- Sec. 1906, Public Law 109-59, as amended by Sec. 25024, Public Law 117-58;
- 23 CFR part 1300—Uniform Procedures for State Highway Safety Grant Programs;
- 2 CFR part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 2 CFR part 1201—Department of Transportation, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

NONDISCRIMINATION

(applies to subrecipients as well as States)

The State highway safety agency [and its subrecipients] will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:

- *Title VI of the Civil Rights Act of 1964* (42 U.S.C. 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- *49 CFR part 21* (entitled *Non-discrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964*);
- *28 CFR 50.3* (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);
- *The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970,* (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- *Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), and Title IX of the Education Amendments of 1972,* as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
- *Section 504 of the Rehabilitation Act of 1973,* (29 U.S.C. 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
- *The Age Discrimination Act of 1975,* as amended, (42 U.S.C. 6101 *et seq.*), (prohibits discrimination on the basis of age);
- *The Civil Rights Restoration Act of 1987*, (Pub. L. 100-209), (broadens scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the
Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
- *Titles II and III of the Americans with Disabilities Act* (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

GENERAL ASSURANCES

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity, for which the Recipient receives Federal financial assistance from DOT, including NHTSA."

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI of the Civil Rights Act of 1964 and other non-discrimination requirements (the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these nondiscrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

SPECIFIC ASSURANCES

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted Highway Safety Grant Program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in § 21.23(b) and (e) of 49 CFR part 21 will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with all Highway Safety Grant Programs and, in adapted form, in all proposals for negotiated agreements regardless of funding source:
   "The [name of Recipient], in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."
3. The Recipient will insert the clauses of appendix A and E of this Assurance (also referred to as DOT order 1050.2A) [1] in every contract or agreement subject to the Acts and the Regulations.
4. The Recipient will insert the clauses of appendix B of DOT Order 1050.2A, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form of, or for the acquisition of, real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in appendix C and appendix D of this DOT Order 1050.2A, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
   a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
   b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the

form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:

a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
b. the period during which the Recipient retains ownership or possession of the property.

9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, sub- grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the State highway safety agency also agrees to comply (and require any sub-recipients, sub-grantees, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing NHTSA's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by NHTSA. You must keep records, reports, and submit the material for review upon request to NHTSA, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The State highway safety agency gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the Highway Safety Grant Program. This ASSURANCE is binding on the State highway safety agency, other recipients, sub-recipients, sub-grantees, contractors, subcontractors and their subcontractors', transferees, successors in interest, and any other participants in the Highway Safety Grant Program. The person(s) signing below is/are authorized to sign this ASSURANCE on behalf of the Recipient.

THE DRUG-FREE WORKPLACE ACT OF 1988 (41 U.S.C. 8103)

The Subgrantee will provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
b. Establishing a drug-free awareness program to inform employees about:
    1. The dangers of drug abuse in the workplace;
    2. The grantee's policy of maintaining a drug-free workplace;
    3. Any available drug counseling, rehabilitation, and employee assistance programs;
    4. The penalties that may be imposed upon employees for drug violations occurring in the workplace;
    5. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
c. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—
    1. Abide by the terms of the statement;
    2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
d. Notifying the agency within ten days after receiving notice under subparagraph (c)(2) from an employee or otherwise receiving actual notice of such conviction;
e. Taking one of the following actions, within 30 days of receiving notice under subparagraph (c)(2), with respect to any employee who is so convicted—
    1. Taking appropriate personnel action against such an employee, up to and including termination;
    2. Requiring such employee to participate satisfactorily in a drug abuse assistance or

rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

f. Making a good faith effort to continue to maintain a drug-free workplace through implementation of all of the paragraphs above.

POLITICAL ACTIVITY (HATCH ACT)
(applies to subrecipients as well as States)

The State will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING
(applies to subrecipients as well as States)

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31,
U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

RESTRICTION ON STATE LOBBYING
(applies to subrecipients as well as States)

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (*e.g.,* "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION
(applies to subrecipients as well as States)

INSTRUCTIONS FOR PRIMARY TIER PARTICIPANT CERTIFICATION (STATES)

1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded,** as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website
(*https://www.sam.gov/*).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate the transaction for cause or default.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS—PRIMARY TIER COVERED TRANSACTIONS

1. The prospective primary tier participant certifies to the best of its knowledge and belief, that it and

its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

INSTRUCTIONS FOR LOWER TIER PARTICIPANT CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded,** as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website
(*https://www.sam.gov/*).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of

records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION—LOWER TIER COVERED TRANSACTIONS

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BUY AMERICA
(applies to subrecipients as well as States)

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

CERTIFICATION ON CONFLICT OF INTEREST
(applies to subrecipients as well as States)

GENERAL REQUIREMENTS

No employee, officer, or agent of a State or its subrecipient who is authorized in an official capacity to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting, or approving any subaward, including contracts or subcontracts, in connection with this grant shall have, directly or indirectly, any financial or personal interest in any such subaward. Such a financial or personal interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or personal interest in or a tangible personal benefit from an entity considered for a subaward. Based on this policy:

1. The recipient shall maintain a written code or standards of conduct that provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents.
    a. The code or standards shall provide that the recipient's officers, employees, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from present or potential subawardees, including contractors or parties to subcontracts.
    b. The code or standards shall establish penalties, sanctions, or other disciplinary actions for violations, as permitted by State or local law or regulations.
2. The recipient shall maintain responsibility to enforce the requirements of the written code or standards of conduct.

DISCLOSURE REQUIREMENTS

No State or its subrecipient, including its officers, employees, or agents, shall perform or continue to perform under a grant or cooperative agreement, whose objectivity may be impaired because of any related past, present, or currently planned interest, financial or otherwise, in organizations regulated by NHTSA or in organizations whose interests may be substantially affected by NHTSA activities. Based on this policy:

1. The recipient shall disclose any conflict of interest identified as soon as reasonably possible, making an immediate and full disclosure in writing to NHTSA. The disclosure shall include a description of the action which the recipient has taken or proposes to take to avoid or mitigate such conflict.
2. NHTSA will review the disclosure and may require additional relevant information from the recipient. If a conflict of interest is found to exist, NHTSA may (a) terminate the award, or (b) determine that it is otherwise in the best interest of NHTSA to continue the award and include appropriate provisions to mitigate or avoid such conflict.
3. Conflicts of interest that require disclosure include all past, present, or currently planned organizational, financial, contractual, or other interest(s) with an organization regulated by NHTSA or with an organization whose interests may be substantially affected by NHTSA activities, and which are related to this award. The interest(s) that require disclosure include those of any recipient, affiliate, proposed consultant, proposed subcontractor, and key personnel of any of the above. Past interest shall be limited to within one year of the date of award. Key personnel shall include any person owning more than a 20 percent interest in a recipient, and the officers, employees or agents of a recipient who are responsible for making a decision or taking an action under an award where the decision or action can have an economic or other impact on the interests of a regulated or affected organization.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE
(applies to subrecipients as well as States)

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE

In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the Network of Employers for Traffic Safety (NETS), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives at www.trafficsafety.org. The NHTSA website (www.nhtsa.gov) also provides information on statistics, campaigns, and program evaluations and references.

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or rented vehicles, Government-owned, leased or rented vehicles, or privately-owned vehicles when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

INSTRUCTIONS FOR ADDING OR UPDATING GEMS USERS

1. Each agency is allowed a total of **FIVE (5) GEMS Users**.
2. GEMS Users listed on this form will be authorized to login to GEMS to complete and submit Quarterly Performance Reports (QPRs) and reimbursement claims.
3. Complete the form if adding, removing or editing a GEMS user(s).
4. The Grant Director must sign this form and return it with the Grant Agreement.

GRANT DETAILS	
Grant Number:	PT27160
Agency Name:	Santa Paula Police Department
Grant Title:	Selective Traffic Enforcement Program (STEP)
Agreement Total:	$44,000.00
Authorizing Official:	Don Aguilar
Fiscal Official:	Christy Ramirez
Grant Director:	Cody Madison

CURRENT GEMS USER(S)

1. Cody Madison
Title: Sergeant
Phone: (805) 525-4474 ext. 168
Email: cmadison@spcity.org
Media Contact: Yes

Complete the below information if adding, removing or editing a GEMS user(s)

GEMS User 1 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 2 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 3 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 4 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 5 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
cmadison@spcity.org	8058262177
Email address	Phone number
Form completed by: Cody Madison Cody Madison (Sep 11, 2026 09:41:15 PDT)	Date: Sep 11, 2026

As a signatory I hereby authorize the listed individual(s) to represent and have GEMS user access.

Cody Madison Cody Madison (Sep 21, 2026 08:38:48 PDT)	Cody Madison
Signature	Name
Sep 21, 2026	Grant Director
Date	Title

Grant Agreement - PT27160

Final Audit Report 2026-09-30

Created:	2026-09-11
By:	Nicole Osuna (nicole.osuna@ots.ca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAYNFvv0JzDm2G4SDRM5LhlHpcNGJ_Tm7J

"Grant Agreement - PT27160" History

Document created by Nicole Osuna (nicole.osuna@ots.ca.gov)
2026-09-11 - 3:38:56 PM GMT

Document emailed to cmadison@spcity.org for signature
2026-09-11 - 3:39:04 PM GMT

Email viewed by cmadison@spcity.org
2026-09-11 - 4:40:50 PM GMT

Signer cmadison@spcity.org entered name at signing as Cody Madison
2026-09-11 - 4:41:13 PM GMT

Document e-signed by Cody Madison (cmadison@spcity.org)
Signature Date: 2026-09-11 - 4:41:15 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

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2026-09-21 - 3:38:46 PM GMT

Document e-signed by Cody Madison (cmadison@spcity.org)
Signature Date: 2026-09-21 - 3:38:48 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

Document emailed to cramirez@spcity.org for signature
2026-09-21 - 3:38:50 PM GMT

Email viewed by cramirez@spcity.org
2026-09-21 - 9:47:47 PM GMT

Signer cramirez@spcity.org entered name at signing as Christy Ramirez
2026-09-21 - 9:48:49 PM GMT

Document e-signed by Christy Ramirez (cramirez@spcity.org)
Signature Date: 2026-09-21 - 9:48:51 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

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Email viewed by Donald Aguilar (daguilar@spcity.org)
2026-09-22 - 10:16:02 PM GMT

Document e-signed by Donald Aguilar (daguilar@spcity.org)
Signature Date: 2026-09-22 - 10:17:01 PM GMT - Time Source: server - Signature Appearance Selected: DRAW

Document emailed to Mary Khang (mary.khang@ots.ca.gov) for signature
2026-09-22 - 10:17:03 PM GMT

Document e-signed by Mary Khang (mary.khang@ots.ca.gov)
Signature Date: 2026-09-24 - 11:43:39 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

Document emailed to Stephanie Dougherty (stephanie.dougherty@ots.ca.gov) for signature
2026-09-24 - 11:43:43 PM GMT

Document shared with asantiago@santapaula.gov by Moriah Martinez (moriah.martinez@ots.ca.gov)
2026-09-29 - 11:57:33 PM GMT

Document e-signed by Stephanie Dougherty (stephanie.dougherty@ots.ca.gov)
Signature Date: 2026-09-30 - 3:56:55 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

Agreement completed.
2026-09-30 - 3:56:55 PM GMT

1. **GRANT TITLE** **Traffic Records Improvement Project**	
2. **NAME OF AGENCY** **Santa Paula**	3. **Grant Period** From: 10/01/2026 To: 09/30/2027
4. **AGENCY UNIT TO ADMINISTER GRANT** **Santa Paula Police Department**	

5. **GRANT DESCRIPTION**

State and local agencies need timely, accurate, complete, uniform, integrated, and accessible traffic records to identify and prioritize traffic safety issues, to choose appropriate safety countermeasures and evaluate their effectiveness. Traffic records improvement grants provide traffic safety stakeholders with the ability to improve the quality of the State's crash and citation data through various efforts such as: purchasing equipment or software for electronic reporting of crash data, citation data reporting and collection, improving the compatibility of crash and/or citation data with the state and national data systems, enhancing the ability to analyze trends in crashes, crash outcomes, and contributing factors, etc.

6. **Federal Funds Allocated Under This Agreement Shall Not Exceed: $64,200.00**
Allocation is contingent upon availability of federal funds.

7. **TERMS AND CONDITIONS:** The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement:

- Schedule A – Problem Statement, Goals and Objectives and Method of Procedure
- Schedule B – Detailed Budget Estimate and Sub-Budget Estimate (if applicable)
- Schedule B-1 – Budget Narrative and Sub-Budget Narrative (if applicable)
- Exhibit A – Certifications and Assurances
- Exhibit B* – OTS Grant Program Manual
- Exhibit C – Grant Electronic Management System (GEMS) Access

*The item shown with an asterisk (*), is hereby incorporated by reference and made a part of this agreement as if attached hereto. This document can be viewed at the OTS home web page under Grants: www.ots.ca.gov.

Use of OTS Grant Agreement template in lieu of the California Model Agreement (CMA)
The California Office of Traffic Safety (OTS) utilizes its standardized OTS Grant Agreement template for awards. The format, structure, and uniformity of the OTS Grant Agreement template allows for processing through Grant Electronic Management System (GEMS). OTS's approach to using the OTS Grant Agreement template is consistent with the California Model Agreement (CMA) developed by University of California Office of the President (UCOP) and directed by the Department of General Service (DGS). For more information, please review the OTS Grant Program Manual.

Pre-Agreement Work
No work shall commence and no costs shall be incurred prior to the grant start date or the grant agreement being fully signed and executed. Any such costs are incurred at the grantee's own risk and may not be reimbursed.

8. Approval Signatures

We, the officials named below, hereby swear under penalty of perjury under the laws of the State of California that we are duly authorized to legally bind the Grant recipient to the grant terms and conditions described herein.

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

A. Grant Director

NAME: Cody Madison
TITLE: Sergeant
EMAIL: cmadison@spcity.org
PHONE: (805) 525-4474 ext. 168
ADDRESS: 214 S. 10th Street
Santa Paula, CA 93060

Cody Madison
Cody Madison (Sep 21, 2026 08:49:14 PDT) — Sep 21, 2026

(Signature) *(Date)*

B. Authorizing Official

NAME: Don Aguilar
TITLE: Chief of Police
EMAIL: daguilar@spcity.org
PHONE: (805) 525-4474 x123
ADDRESS: 214 S. 10th Street
Santa Paula, CA 93060

Donald Aguilar (Sep 28, 2026 08:34:02 PDT) — Sep 28, 2026

(Signature) *(Date)*

C. Fiscal Official

NAME: Christy Ramirez
TITLE: Finance Director
EMAIL: cramirez@spcity.org
PHONE: (805) 933-4211 x204
ADDRESS: 970 E. Ventura Street
Santa Paula, CA 93060

Christy Ramirez
Christy Ramirez (Sep 21, 2026 14:47:43 PDT) — Sep 21, 2026

(Signature) *(Date)*

D. Authorizing Official of Office of Traffic Safety

NAME: Stephanie Dougherty
TITLE: Director
EMAIL: stephanie.dougherty@ots.ca.gov
PHONE: (916) 509-3030
ADDRESS: 2208 Kausen Drive, Suite 300
Elk Grove, CA 95758

Stephanie Dougherty — Sep 30, 2026

(Signature) *(Date)*

E. Accounting Officer of Office of Traffic Safety

NAME: Mary Khang
ADDRESS: 2208 Kausen Drive Suite 300
Sacramento, CA 95758

9. SAM Information

SAM #: TDLLJXMQYPJ9
REGISTERED ADDRESS: P.O. Box 569
CITY: Santa Paula
ZIP+4: 93061-0569

10. PROJECTED EXPENDITURES

FUND	CFDA	ITEM/APPROPRIATION	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
405c TR-27	20.616	0521-0890-101	2026	19/26	BA/26	$64,200.00
				AGREEMENT TOTAL		**$64,200.00**

I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above, notwithstanding allocations contingent on availability of federal funds.

OTS ACCOUNTING OFFICER'S SIGNATURE	DATE SIGNED
Mary Khang	Sep 30, 2026

AMOUNT ENCUMBERED BY THIS DOCUMENT
$64,200.00

PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT
$ 0.00

TOTAL AMOUNT ENCUMBERED TO DATE
$64,200.00

1. PROBLEM STATEMENT

Describe the city, county, or jurisdiction this grant will impact.
The City of Santa Paula is a small community located in Ventura County, California. The Santa Paula Police Department (SPPD) is responsible for providing law enforcement services to a population of approximately 30,000 residents, as well as commuters and visitors who travel through the city via major arterial roadways. The department serves a diverse community that includes residential neighborhoods, commercial corridors, schools, and industrial areas, all of which contribute to varied traffic safety challenges.

Describe the problem(s) to be addressed, supported by current and relevant crash data. (most recent calendar year data/stats).
The Santa Paula Police Department currently relies on paper-based crash reporting and manual traffic citation processes, which significantly delay the collection, submission, integration, and analysis of traffic records data. During the most recent reporting periods, the department documented a steady increase in traffic crashes, with **1,199 crashes in 2022, 1,417 crashes in 2023, and 2,162 crashes in 2024**.
In addition to the growing number of crashes, the department issued a substantial volume of traffic citations during the same periods, further demonstrating the need for improved traffic records systems. In **2022, officers issued approximately 1,199 traffic citations; in 2023, approximately 1,417 citations; and in 2024, approximately 2,162 citations**. All citations were completed using paper-based methods, requiring manual data entry into multiple systems.
Current paper-based crash reporting procedures result in **significant delays in transmitting crash data to the California Highway Patrol's Statewide Integrated Traffic Records System (SWITRS), with submissions typically occurring one to two months after the crash**. These delays are largely attributable to inefficient reporting workflows that require officers to enter crash information multiple times. Crash data must first be manually entered into a fillable CHP 555 PDF and then re-entered into the department's Records Management System (RMS), duplicating effort and increasing the likelihood of errors. Additionally, crash diagrams are **hand-drawn**, further extending report completion time and contributing to inconsistencies in report quality and formatting. Variations in individual officer report-writing practices require extensive supervisory review, error checking, and follow-up to correct missing or inconsistent data fields. This process often requires tracking down officers to correct errors, further delaying report approval and submission.
The reliance on fillable PDF crash reports stored on **local hard drives** restricts report writing to fixed workstations within the police station. Officers are unable to complete crash reports in the field or remotely, resulting in additional delays in report writing, approval, and final submission. These limitations reduce efficiency, delay data availability, and impede timely access to accurate crash information for analysis and decision-making.
Similarly, paper-based citation reporting requires redundant manual entry, increasing administrative workload, delaying court submissions, and limiting the department's ability to analyze citation data alongside crash data to evaluate enforcement effectiveness.
Collectively, these limitations significantly reduce the department's ability to conduct timely, data-driven analysis of crash trends, identify high-risk locations, evaluate enforcement activity, and deploy targeted traffic safety strategies consistent with California Office of Traffic Safety priorities. Implementing integrated electronic crash and electronic citation reporting systems is essential to improving the **accuracy, timeliness, completeness, uniformity, accessibility, and integration** of traffic records data within the City of Santa Paula and to ensuring timely submission of crash data to SWITRS.

Define the target population the grant intends to serve and how they are affected by the problem(s).
The target population includes motorists, pedestrians, bicyclists, and commercial vehicle operators traveling within the City of Santa Paula. Particular emphasis is placed on vulnerable road users, including pedestrians, school-aged children, older adults, and bicyclists, who are disproportionately represented in serious and injury crashes.
By improving the accuracy, timeliness, completeness, and accessibility of both crash and citation data, this project will enable more effective identification of traffic safety risks, targeted enforcement strategies, and evidence-based safety interventions that directly benefit all road users within the community.

2. PERFORMANCE MEASURES

A. Goals:

1. Reduce the number of persons killed in traffic crashes.
2. Reduce the number of persons injured in traffic crashes.
3. To improve the timeliness, accuracy, completeness, uniformity, accessibility, and integration of the California Traffic Records System.

B. Objectives:	Target Number
1. Purchase and implement a new electronic crash reporting solution or upgrade an existing electronic crash reporting system to allow for submission of complete crash reports to the California Highway Patrol's Statewide Integrated Traffic Records System (SWITRS), and/or to a departmental records management system (RMS) as applicable.	1
2. Purchase and implement a new complete electronic citation reporting solution or upgrade an existing electronic citation reporting system that includes the capability of exporting data to both a departmental records management system (RMS) as well as to the local court records system, if and when the local court can receive electronic citation data.	1
3. To complete security requirement with the California Highway Patrol (CHP) for access to CHP data.	1
4. Begin electronic submission of crash reports to California Highway Patrol (CHP).	1

3. METHOD OF PROCEDURE

A. Phase 1 – Program Preparation (1st Quarter of Grant Year)

- Determine specific system traffic records (i.e., crash or citation) data system requirements.
- Determine specific equipment requirements.
- Request vendor price quotation per host agency requirements.
- Procure an electronic crash reporting system with the following functionalities:
  - System licensing with installation and training vendor.
  - GIS based mapping.
  - Segment crash diagraming tool.
  - Ability to create or import crash reports.
  - Ability to import and export agency RMS files.
  - Ability to perform complete analysis of crash reports.
  - Secure database accessibility by appropriate agency personnel.
  - Ability to electronically transfer complete crash report to the California Highway Patrol's Statewide Integrated Traffic Records System.
- Procure an electronic citation system with the following functionalities:
  - System licensing with installation and training.
  - Ability to electronically transfer and maintain the agency's citation data.
  - Ability to analyze of agency's citation reports.
  - Secure database accessibility by appropriate agency personnel.
  - Ability to export complete citation reports to the local county court.

B. Phase 2 – Program Operations (Throughout Grant Year)

- Select vendor for system development, implementation, and installation.
- Monitor and oversee progress of system/software development.
- Items with a unit cost of $5,000 or more (including tax and shipping) must comply with the Buy America Act.

C. Phase 3 – Data Collection & Reporting (Throughout Grant Year)

- Prepare and submit grant claims invoice (due January 30, April 30, July 30, and October 30).
  - Successful project completion and confirmation of successful electronic transmission of crash reports by the California Highway Patrol is required before submission of invoice claims seeking reimbursement from OTS.

- Prepare and submit quarterly performance reports (due January 30, April 30, July 30, and October 30).
    - Collect and report quarterly appropriate data that supports the progress of goals and objectives.
    - Provide a summary of quarterly accomplishments and explanations for objectives not completed.
    - Collect, analyze, and report statistical data relating to the grant goals and objectives.

4. METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will complete the "Final Evaluation" section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant's accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

5. ADMINISTRATIVE SUPPORT

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION	TOTAL AMOUNT
405c TR-27	20.616	State Traffic Safety Information System Improvements	$64,200.00

COST CATEGORY	FUND NUMBER	UNIT COST OR RATE	UNITS	TOTAL COST TO GRANT
A. PERSONNEL COSTS				
Straight Time				$0.00
Overtime				$0.00
Category Sub-Total				$0.00
B. TRAVEL EXPENSES				
				$0.00
				$0.00
Category Sub-Total				$0.00
C. CONTRACTUAL SERVICES				
				$0.00
Category Sub-Total				$0.00
D. EQUIPMENT				
Traffic Citation Database System Interface	405c TR-27	$35,000.00	1	$35,000.00
Traffic Crash Database System Interface	405c TR-27	$22,000.00	1	$22,000.00
Category Sub-Total				$57,000.00
E. OTHER DIRECT COSTS				
Mobile Printer	405c TR-27	$1,800.00	4	$7,200.00
Category Sub-Total				$7,200.00
F. INDIRECT COSTS				
				$0.00
Category Sub-Total				$0.00
GRANT TOTAL				**$64,200.00**

BUDGET NARRATIVE
PERSONNEL COSTS -
TRAVEL EXPENSES -
CONTRACTUAL SERVICES -
EQUIPMENT Traffic Citation Database System Interface - Computer programming required to interface citation database with other existing agency or court databases or Records Management Systems, allowing the systems to be electronically integrated for transfer of data.
Traffic Crash Database System Interface - Computer programming required to interface crash database with other existing agency, Records Management Systems, or CHP's Statewide Integrated Traffic Records System database allowing the systems to be electronically integrated for transfer of data.
OTHER DIRECT COSTS Mobile Printer - Mobile printers to be used with electronic citation devices for traffic officers to print the citation in the field. Costs include the purchase of the printer, accessories, and associated shipping and taxes.
INDIRECT COSTS -
STATEMENTS/DISCLAIMERS There will be no program income generated from this grant. Salaries may include wages, salaries, special compensations, or authorized absences such as annual leave and sick leave provided the cost for the individual employee is (a) reasonable for the services rendered, and (b) follows an appointment made in accordance with state or local laws and rules and meets federal requirements. Any non-grant funded vacancies created by reassignment to a grant-funded position must be filled at the expense of the grantee agency. Nothing in this agreement shall be interpreted as a requirement, formal or informal, that a particular law enforcement officer issue a specified or predetermined number of citations in pursuance of the goals and objectives here under. The OTS grant funded activities must be separate from other grant funded program activities and maintained under separate accounting tracking codes (example: the same DUI checkpoint may not be funded by both the CHP Cannabis Tax Fund and the OTS). Benefits for personnel costs can only be applied to straight time or overtime hours charged to the grant.

Appendix A to Part 1300—Certifications and Assurances for Highway Safety Grants (23 U.S.C. Chapter 4 or Section 1906, Public Law 109-59, as amended by Section 25024, Public Law 117-58)

The officials named on the grant agreement, certify by way of signature on the grant agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies, and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include, but are not limited to, the following:

GENERAL REQUIREMENTS

The State will comply with applicable statutes and regulations, including but not limited to:

- 23 U.S.C. Chapter 4—Highway Safety Act of 1966, as amended;
- Sec. 1906, Public Law 109-59, as amended by Sec. 25024, Public Law 117-58;
- 23 CFR part 1300—Uniform Procedures for State Highway Safety Grant Programs;
- 2 CFR part 200—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 2 CFR part 1201—Department of Transportation, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

NONDISCRIMINATION

(applies to subrecipients as well as States)

The State highway safety agency [and its subrecipients] will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:

- *Title VI of the Civil Rights Act of 1964* (42 U.S.C. 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- *49 CFR part 21* (entitled *Non-discrimination in Federally-Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964*);
- *28 CFR 50.3* (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);
- *The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970,* (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- *Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), and Title IX of the Education Amendments of 1972,* as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
- *Section 504 of the Rehabilitation Act of 1973,* (29 U.S.C. 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
- *The Age Discrimination Act of 1975,* as amended, (42 U.S.C. 6101 *et seq.*), (prohibits discrimination on the basis of age);
- *The Civil Rights Restoration Act of 1987*, (Pub. L. 100-209), (broadens scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
- *Titles II and III of the Americans with Disabilities Act* (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

GENERAL ASSURANCES

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity, for which the Recipient receives Federal financial assistance from DOT, including NHTSA."

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI of the Civil Rights Act of 1964 and other non-discrimination requirements (the Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these nondiscrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

SPECIFIC ASSURANCES

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted Highway Safety Grant Program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in § 21.23(b) and (e) of 49 CFR part 21 will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with all Highway Safety Grant Programs and, in adapted form, in all proposals for negotiated agreements regardless of funding source:
   "The [name of Recipient], in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."
3. The Recipient will insert the clauses of appendix A and E of this Assurance (also referred to as DOT order 1050.2A) [1] in every contract or agreement subject to the Acts and the Regulations.
4. The Recipient will insert the clauses of appendix B of DOT Order 1050.2A, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form of, or for the acquisition of, real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in appendix C and appendix D of this DOT Order 1050.2A, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
   a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
   b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the

form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:

a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
b. the period during which the Recipient retains ownership or possession of the property.

9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, sub- grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the State highway safety agency also agrees to comply (and require any sub-recipients, sub-grantees, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing NHTSA's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by NHTSA. You must keep records, reports, and submit the material for review upon request to NHTSA, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The State highway safety agency gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the Highway Safety Grant Program. This ASSURANCE is binding on the State highway safety agency, other recipients, sub-recipients, sub-grantees, contractors, subcontractors and their subcontractors', transferees, successors in interest, and any other participants in the Highway Safety Grant Program. The person(s) signing below is/are authorized to sign this ASSURANCE on behalf of the Recipient.

THE DRUG-FREE WORKPLACE ACT OF 1988 (41 U.S.C. 8103)

The Subgrantee will provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
b. Establishing a drug-free awareness program to inform employees about:
    1. The dangers of drug abuse in the workplace;
    2. The grantee's policy of maintaining a drug-free workplace;
    3. Any available drug counseling, rehabilitation, and employee assistance programs;
    4. The penalties that may be imposed upon employees for drug violations occurring in the workplace;
    5. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
c. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—
    1. Abide by the terms of the statement;
    2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
d. Notifying the agency within ten days after receiving notice under subparagraph (c)(2) from an employee or otherwise receiving actual notice of such conviction;
e. Taking one of the following actions, within 30 days of receiving notice under subparagraph (c)(2), with respect to any employee who is so convicted—
    1. Taking appropriate personnel action against such an employee, up to and including termination;
    2. Requiring such employee to participate satisfactorily in a drug abuse assistance or

rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

f. Making a good faith effort to continue to maintain a drug-free workplace through implementation of all of the paragraphs above.

POLITICAL ACTIVITY (HATCH ACT)
(applies to subrecipients as well as States)

The State will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING
(applies to subrecipients as well as States)

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

   This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31,
   U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

RESTRICTION ON STATE LOBBYING
(applies to subrecipients as well as States)

None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (*e.g.,* "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION
(applies to subrecipients as well as States)

INSTRUCTIONS FOR PRIMARY TIER PARTICIPANT CERTIFICATION (STATES)

1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded,** as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website
(*https://www.sam.gov/*).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate the transaction for cause or default.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS—PRIMARY TIER COVERED TRANSACTIONS

1. The prospective primary tier participant certifies to the best of its knowledge and belief, that it and

its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

INSTRUCTIONS FOR LOWER TIER PARTICIPANT CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms **covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded,** as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (*https://www.sam.gov/*).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of

records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION—LOWER TIER COVERED TRANSACTIONS

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BUY AMERICA
(applies to subrecipients as well as States)

The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

CERTIFICATION ON CONFLICT OF INTEREST
(applies to subrecipients as well as States)

GENERAL REQUIREMENTS

No employee, officer, or agent of a State or its subrecipient who is authorized in an official capacity to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting, or approving any subaward, including contracts or subcontracts, in connection with this grant shall have, directly or indirectly, any financial or personal interest in any such subaward. Such a financial or personal interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or personal interest in or a tangible personal benefit from an entity considered for a subaward. Based on this policy:

1. The recipient shall maintain a written code or standards of conduct that provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents.
    a. The code or standards shall provide that the recipient's officers, employees, or agents may neither solicit nor accept gratuities, favors, or anything of monetary value from present or potential subawardees, including contractors or parties to subcontracts.
    b. The code or standards shall establish penalties, sanctions, or other disciplinary actions for violations, as permitted by State or local law or regulations.
2. The recipient shall maintain responsibility to enforce the requirements of the written code or standards of conduct.

DISCLOSURE REQUIREMENTS

No State or its subrecipient, including its officers, employees, or agents, shall perform or continue to perform under a grant or cooperative agreement, whose objectivity may be impaired because of any related past, present, or currently planned interest, financial or otherwise, in organizations regulated by NHTSA or in organizations whose interests may be substantially affected by NHTSA activities. Based on this policy:

1. The recipient shall disclose any conflict of interest identified as soon as reasonably possible, making an immediate and full disclosure in writing to NHTSA. The disclosure shall include a description of the action which the recipient has taken or proposes to take to avoid or mitigate such conflict.
2. NHTSA will review the disclosure and may require additional relevant information from the recipient. If a conflict of interest is found to exist, NHTSA may (a) terminate the award, or (b) determine that it is otherwise in the best interest of NHTSA to continue the award and include appropriate provisions to mitigate or avoid such conflict.
3. Conflicts of interest that require disclosure include all past, present, or currently planned organizational, financial, contractual, or other interest(s) with an organization regulated by NHTSA or with an organization whose interests may be substantially affected by NHTSA activities, and which are related to this award. The interest(s) that require disclosure include those of any recipient, affiliate, proposed consultant, proposed subcontractor, and key personnel of any of the above. Past interest shall be limited to within one year of the date of award. Key personnel shall include any person owning more than a 20 percent interest in a recipient, and the officers, employees or agents of a recipient who are responsible for making a decision or taking an action under an award where the decision or action can have an economic or other impact on the interests of a regulated or affected organization.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE
(applies to subrecipients as well as States)

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE

In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the Network of Employers for Traffic Safety (NETS), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives at *www.trafficsafety.org*. The NHTSA website (*www.nhtsa.gov*) also provides information on statistics, campaigns, and program evaluations and references.

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING

In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or rented vehicles, Government-owned, leased or rented vehicles, or privately-owned vehicles when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

INSTRUCTIONS FOR ADDING OR UPDATING GEMS USERS

1. Each agency is allowed a total of **FIVE (5) GEMS Users**.
2. GEMS Users listed on this form will be authorized to login to GEMS to complete and submit Quarterly Performance Reports (QPRs) and reimbursement claims.
3. Complete the form if adding, removing or editing a GEMS user(s).
4. The Grant Director must sign this form and return it with the Grant Agreement.

GRANT DETAILS	
Grant Number:	TR27016
Agency Name:	Santa Paula Police Department
Grant Title:	Traffic Records Improvement Project
Agreement Total:	$64,200.00
Authorizing Official:	Don Aguilar
Fiscal Official:	Christy Ramirez
Grant Director:	Cody Madison

CURRENT GEMS USER(S)

1. Cody Madison
Title: Sergeant
Phone: (805) 525-4474 ext. 168
Email: cmadison@spcity.org
Media Contact: Yes

Complete the below information if adding, removing or editing a GEMS user(s)

GEMS User 1 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 2 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 3 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 4 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 5 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
cmadison@spcity.org	8058262177
Email address	Phone number
Form completed by: Cody Madison Cody Madison (Sep 11, 2026 09:40:26 PDT)	Date: Sep 11, 2026

As a signatory I hereby authorize the listed individual(s) to represent and have GEMS user access.

Cody Madison Cody Madison (Sep 21, 2026 08:49:14 PDT)	Cody Madison
Signature	Name
Sep 21, 2026	Grant Director
Date	Title

Grant Agreement - TR27016

Final Audit Report 2026-09-30

Created:	2026-09-11
By:	Nicole Osuna (nicole.osuna@ots.ca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAJJ-EQUzhcXBfRSVpuN3sk86GobmBKhgL

"Grant Agreement - TR27016" History

Document created by Nicole Osuna (nicole.osuna@ots.ca.gov)
2026-09-11 - 3:37:41 PM GMT

Document emailed to cmadison@spcity.org for signature
2026-09-11 - 3:37:50 PM GMT

Email viewed by cmadison@spcity.org
2026-09-11 - 4:38:24 PM GMT

Signer cmadison@spcity.org entered name at signing as Cody Madison
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Signer cramirez@spcity.org entered name at signing as Christy Ramirez
2026-09-21 - 9:47:41 PM GMT

Document e-signed by Christy Ramirez (cramirez@spcity.org)
Signature Date: 2026-09-21 - 9:47:43 PM GMT - Time Source: server - Signature Appearance Selected: TYPE

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Document shared with ASantiago@santapaula.gov by Moriah Martinez (moriah.martinez@ots.ca.gov)
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Document e-signed by Mary Khang (mary.khang@ots.ca.gov)
Signature Date: 2026-09-30 - 5:03:41 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

Document emailed to Stephanie Dougherty (stephanie.dougherty@ots.ca.gov) for signature
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Document e-signed by Stephanie Dougherty (stephanie.dougherty@ots.ca.gov)
Signature Date: 2026-09-30 - 9:25:31 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

Agreement completed.
2026-09-30 - 9:25:31 PM GMT

Washington State
DEPARTMENT OF
ENTERPRISE SERVICES

NASPO
ValuePoint

COOPERATIVE PURCHASING AGREEMENT

No. 24823

POLICE RADAR LIDAR SPEED ENFORCEMENT
&
ACCIDENT SCENE RECONSTRUCTION

For Use by Eligible Purchasing Entities

By and Between

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

and

Kustom Signals, Inc.

September 1, 2024

COOPERATIVE PURCHASING AGREEMENT

No. 24823

POLICE RADAR/LIDAR SPEED ENFORCEMENT & ACCIDENT SCENE RECONSTRUCTION

FOR

CONTRACT CATEGORY ONE, Group A2 – Speed Enforcement & Group B2 – Speed Advisory Systems

This Cooperative Purchasing Agreement ("Cooperative Purchasing Agreement") is made and entered into by and between Enterprise Services acting by and through the State of Washington ("Enterprise Services") and Kustom Signals, Inc., a Kansas Corporation, ("Contractor") and is dated and effective as of September 1, 2024.

RECITALS

A. CONTRACTS FOR GOODS AND/OR SERVICES. Pursuant to Legislative authorization, Enterprise Services, on behalf of the State of Washington, is authorized to develop, solicit, and establish contracts for goods and services to support Washington state agencies. *See* RCW 39.26.050(1). The Washington State Legislature has authorized Enterprise Services to make these contracts available, pursuant to agreement in which Enterprise Services ensures full cost recovery, to other local or federal government agency or entity, certain public benefit nonprofit organizations, or any tribes located in the State of Washington. *See* RCW 39.26.050(1) & (2).

B. COOPERATIVE PURCHASING. The Washington State Legislature also has authorized Enterprise Services, on behalf of the State of Washington, to participate in, sponsor, conduct, or administer certain cooperative purchasing agreements. *See* RCW 39.26.060(1). Such cooperative purchasing agreements are designed to function as cost-effective and efficient enterprise procurement solutions for Washington state agencies and other specified eligible purchasers, authorized by Enterprise Services, to procure goods and/or services from awarded contractors pursuant to a competitive solicitation process. *See* RCW 39.26.060(2).

C. COOPERATIVE PURCHASING – ENTERPRISE SERVICES' ROLE. In regard to cooperative purchasing, Enterprise Services' role and responsibility differs depending on whether Enterprise Services, on behalf of the State of Washington, is exercising its authority to participate in an established cooperative purchasing agreement (e.g., join an existing cooperative purchasing agreement and specify the scope of such joinder and eligible purchasers) or is exercising its authority to collaborate, for example, with one or more other states to develop, solicit, and award a cooperative purchasing agreement. *See* RCW 39.26.060(1).

D. COOPERATIVE PURCHASING – ENTERPRISE SERVICES' MULTI-STATE PROCUREMENT COLLABORATION THROUGH NASPO VALUEPOINT. One of the approaches that Enterprise Services utilizes to collaborate with other states to develop, solicit, and award a cooperative purchasing agreement, is NASPO ValuePoint. NASPO Cooperative Organization LLC, doing business as NASPO ValuePoint, is a nonprofit subsidiary of the National Association of State Procurement Officials (NASPO). The NASPO ValuePoint cooperative program is led by state procurement officers from member states. NASPO ValuePoint does not solicit, evaluate, or award cooperative purchasing agreements; rather, NASPO ValuePoint assists

states, for an administrative fee, in their multi-state procurement collaboration to design and implement competitively solicited and awarded cooperative purchasing agreements.

E. COOPERATIVE PURCHASING – NASPO VALUEPOINT COOPERATIVE MODEL. Pursuant to the NASPO ValuePoint cooperative model, a designated state serves as the 'lead state' to conduct a competitive procurement in compliance with the lead state's procurement laws and award a cooperative purchasing agreement with a contractor for the specified goods and/or services. States (including the District of Columbia and the organized territories of the United States), including the lead state, then may participate in the awarded cooperative purchasing agreement(s) by executing a participating addendum with the awarded contractor. Until a participating addendum is executed by the applicable state (a 'participating entity'), no agency or other eligible organization (a 'purchasing entity') may purchase any goods and/or services pursuant to the cooperative purchasing agreement. Under Washington law, at the time of the competitive solicitation, states may provide supplemental terms and conditions to inform such state's use of the resulting cooperative purchasing agreement. In addition, pursuant to their participating addendum, states may require certain administrative terms and conditions (e.g., a vendor management fee for sales within the state, state registration and reporting). Awarded contractors, however, have no obligation to condition execution of a participating addendum on substantive terms and conditions that were not competitively procured.

F. COMPETITIVE SOLICITATION FOR COOPERATIVE PURCHASING AGREEMENT(S). Enterprise Services, with administrative support from NASPO ValuePoint, issued Competitive Solicitation No. 24823 dated January 22, 2024, to solicit bids, by Contract Category and Group, for specified *Goods and/or Services* collectively referred to as Police Radar/Lidar Speed Enforcement & Accident Scene Reconstruction or Police Radar/Lidar. Pursuant to the Competitive Solicitation, bidders were able to bid for some or all of the specified Contract Categories and Groups that comprised the solicited *Goods and/or Services*. Nineteen (19) states indicated an intent to utilize the resulting cooperative purchasing agreement.

G. AWARDED CONTRACTOR FOR COOPERATIVE PURCHASING AGREEMENT. Enterprise Services and a multi-state stakeholder team consisting of representatives from Washington, California, Nevada, Oklahoma, and South Carolina, evaluated all responsive bids to the Competitive Solicitation and identified *Contractor* as an apparent successful bidder for the specified Contract Category(ies) and Group(s) identified above.

H. COOPERATIVE PURCHASING AGREEMENT. The purpose of this *Cooperative Purchasing Agreement* is to establish commercially reasonable contractual terms and conditions for authorized *Purchasing Entities* to purchase specified *Goods and/or Services* from *Contractor*, as set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth herein, the *Parties* agree as follows:

1. DEFINITIONS.

1.1. *COMPETITIVE SOLICITATION.* Competitive Solicitation No. 24823, issued by Enterprise Services, pursuant to Washington's Procurement Code for Goods/Services

(RCW 39.26) to conduct a competitive procurement process for *Cooperative Purchasing Agreement(s)* for *Goods and/or Services*.

1.2. *CONTRACTOR*. The entity identified above who, pursuant to a competitive solicitation process conducted by the *Lead State*, was awarded a *Cooperative Purchasing Agreement* and, as such, is authorized to enter into a *Participating Addendum* with any *Participating Entity* to enable such *Participating Entity* to authorize *Purchasing Entities* to purchase *Goods and/or Services* from this *Cooperative Purchasing Agreement*, as specified by the applicable *Participating Entity* in the *Participating Addendum*.

1.3. *COOPERATIVE PURCHASING AGREEMENT(S)*. This *Cooperative Purchasing Agreement* that was competitively solicited and awarded by the *Lead State* to *Contractor* and which, pursuant to a *Participating Addendum* between *Contractor* and *Participating Entity*, may be utilized by those *Purchasing Entities* specified by the applicable *Participating Entity* to purchase specified *Goods and/or Services*.

1.4. *ENTERPRISE SERVICES*. The Washington State Department of Enterprise Services, a Washington state governmental agency.

1.5. *GOODS AND/OR SERVICES*. The goods and/or services included within the scope of this *Cooperative Purchasing Agreement* and set forth in attached ***Exhibit B – Included Goods and/or Services & Pricing***.

1.6. *LEAD STATE*. The State of Washington acting by and through *Enterprise Services*.

1.7. *NASPO VALUEPOINT*. NASPO ValuePoint is a division of the National Association of State Procurement Officials ("NASPO"), a 501(c)(3) corporation. NASPO ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. NASPO ValuePoint is identified in the Cooperative Purchasing Agreement as the recipient of reports and may perform contract administration functions relating to collecting and receiving reports, as well as other contract administration functions as assigned by the Lead State.

1.8. *PARTICIPATING ADDENDUM*. A bilateral agreement executed by a Contractor and a Participating Entity incorporating this Cooperative Purchasing Agreement and any additional Participating Entity-specific language or other requirements (*e.g.*, ordering procedures specific to the Participating Entity, entity-specific terms and conditions, etc.).

1.9. *PARTICIPATING ENTITY(IES)*. A state (as well as the District of Columbia and US territories), city, county, district, other political subdivision of a State, or a nonprofit organization under the laws of some states properly authorized to enter into a Participating Addendum, that has executed a Participating Addendum.

1.10. *PARTIES*. *Contractor* and the State of Washington acting by and through *Enterprise Services*.

1.11. *PURCHASE ORDER(S)*. Any purchase order, sales order, contract or other document used by a Purchasing Entity to order the Products. .

1.12. *PURCHASING ENTITY(IES)*). A state (as well as the District of Columbia and US territories), city, county, district, other political subdivision of a State, or a nonprofit organization under the laws of some states if authorized by a Participating Addendum, that issues a Purchase Order against the Cooperative Purchasing Agreement and becomes financially committed to the purchase.

1.13. *WEBS.* The Washington Electronic Business Solutions system administered by *Enterprise Services*. *See* RCW 39.26.150.

2. TERM. The term of this *Cooperative Purchasing Agreement* is up to sixty (60) months. Initially, the term of this *Cooperative Purchasing Agreement* is thirty-six (36) months, commencing September 1, 2024 and ending August 31, 2027; *Provided*, however that, if *Contractor* is not in default and if, by May 1, 2027, in *Enterprise Services'* reasonable judgment, *Contractor* satisfactorily has met the performance-based metrics for extension, *Enterprise Services* shall extend the term of this *Cooperative Purchasing Agreement*, by written amendment, for up to twenty-four (24) additional months. Such term extension, if any, shall be on the same terms and conditions as set forth in this *Cooperative Purchasing Agreement*. To earn the performance-based term extension, *Contractor* must achieve the following performance-based metrics:

PERFORMANCE METRIC	PERFORMANCE REQUIREMENT FOR TERM EXTENSION
Insurance Endorsements:	*Contractor* timely provides at the designated address, without exception, annual insurance endorsements for the insurance coverages required by this *Cooperative Purchasing Agreement*. *See* ***Exhibit A – Insurance Requirements*** at § 15.
Administrative Fee Payments:	*Contractor* provides timely and accurate Administrative Fee payments as detailed in this *Cooperative Purchasing Agreement* and *Participating Addendums*. *See* § 12.
Reports:	*Contractor* provides timely and accurate reports as detailed in this *Cooperative Purchasing Agreement* and *Participating Addendums*. *See* § 12, 13.3, 14, and 16.

3. PARTICIPANTS AND SCOPE OF PARTICIPATION. This *Cooperative Purchasing Agreement* may be utilized pursuant to the following conditions:

3.1. PARTICIPATING ENTITIES. *Contractor* may not sell *Goods and/or Services* to a *Purchasing Entity* pursuant to this *Cooperative Purchasing Agreement* until the applicable *Participating Entity* for such *Purchasing Entity* has executed a *Participating Addendum* acceptable to *Participating Entity* and *Contractor* that authorizes purchases of such *Goods and/or Services* by *Purchasing Entity*. The terms and conditions set forth in this *Cooperative Purchasing Agreement* are applicable to any *Purchase Order* by any *Purchasing Entity*, except to the extent altered, modified, supplemented, or amended by a *Participating Addendum*; Provided, however, that no *Participating Addendum* shall be construed to diminish, modify, or otherwise derogate any provisions in this Cooperative Purchasing Agreement between the Lead State and Contractor, which terms and conditions were publicly solicited and procured pursuant to an open, transparent, fair, and competitive procurement process. By way of illustration and not limitation, *Participating Entities* may include in their applicable *Participating Addendum* unique administrative, delivery, and invoicing *Participating Entity* requirements, as well as *Participating Entity*-specific confidentiality requirements and similar *Participating Entity*-

specific administrative requirements in *Purchase Orders* utilizing this *Cooperative Purchasing Agreement*.

3.2. PARTICIPATING ADDENDUM. Obligations under this *Cooperative Purchasing Agreement* are limited to those *Participating Entities* who have signed a *Participating Addendum* and *Purchasing Entities* within the scope of those *Participating Addenda*. States or other entities permitted to participate may use an informal competitive or other process to determine which *Cooperative Purchasing Agreements* to participate in through execution of a *Participating Addendum*. *Participating Entities* incur no financial obligations on behalf of other *Purchasing Entities*. *Contractor* shall email a fully executed PDF copy of each *Participating Addendum* as instructed by the *Lead State* to support documentation of participation and posting in appropriate databases.

3.3. ENTITY RIGHTS. Except to the extent modified by a *Participating Addendum* in accordance with this *Cooperative Purchasing Agreement*, each *Participating Entity* (and their authorized *Purchasing Entities*) shall follow the terms and conditions of this *Cooperative Purchasing Agreement* and applicable *Participating Addendum* and shall have the same rights and responsibilities for their purchases as the Lead State has in this *Cooperative Purchasing Agreement*. Each *Purchasing Entity* shall be responsible for its own charges, fees, and liabilities. *Contractor* shall apply the charges and invoice to each *Purchasing Entity* individually.

3.4. PARTICIPATING ADDENDUM APPROVAL. Entities who are not states may, under some circumstances, sign their own *Participating Addendum* as a *Participating Entity*, subject to participation approval by the Chief Procurement Official of the state where such entity is located; Provided, however, that such entities shall, at a minimum, confirm in writing to the applicable Chief Procurement Official of the state where such entity is located that such entity has procurement authority to execute a *Participating Addendum*. Such entities shall coordinate participation requests through NASPO ValuePoint.

4. SCOPE OF COOPERATIVE PURCHASING AGREEMENT – INCLUDED GOODS AND/OR SERVICES & PRICE.

4.1. SCOPE. Pursuant to this *Cooperative Purchasing Agreement*, *Contractor* is authorized to sell only those *Goods and/or Services* in the Contract Category(ies) and group(s) stated above and specified in ***Exhibit B – Included Goods and/or Services and Pricing***. *Contractor* shall not represent to any *Participating Entity* or *Purchasing Entity* under this *Cooperative Purchasing Agreement* that *Contractor* has contractual authority to sell any goods and/or services beyond those *Goods and/or Services* in the Contract Category(ies) and group(s) stated above and specified in ***Exhibit B – Included Goods and/or Services and Pricing*** and posted on the NASPO ValuePoint website.

(a) *Goods*. For purposes of this *Cooperative Purchasing Agreement*, "Goods" means all equipment, materials, supplies, ancillary parts, accessories, components and other items purchased by *Purchasing Entity* pursuant to this *Cooperative Purchasing Agreement* and specified in ***Exhibit B – Included Goods and/or Services and Pricing*** and as identified in the *Purchase Order*.

(b) *Services*. For purposes of this *Cooperative Purchasing Agreement*, "Services" means all services of any nature ordered by *Purchasing Entity* pursuant to this *Cooperative Purchasing Agreement* and specified in

Exhibit B – Included Goods and/or Services and Pricing and as identified in the *Purchase Order*.

(c) *Specifications*. Where applicable, specifications for *Goods and/or Services* are detailed in this *Cooperative Purchasing Agreement* and the *Purchase Order*. Unless otherwise specified in the *Purchase Order*, all *Goods and/or Services* provided shall be new and unused of the latest model or design.

4.2. ABILITY TO MODIFY SCOPE OF COOPERATIVE PURCHASING AGREEMENT. Subject to mutual agreement of the *Parties*, *Enterprise Services*, acting as the *Lead State*, reserves the right to modify the *Goods and/or Services* included in this *Cooperative Purchasing Agreement*; Provided, however, that any such modification shall be effective only upon thirty (30) days advance written notice; and Provided further, that any such modification must be within the scope of the *Competitive Solicitation* for this competitively procured *Cooperative Purchasing Agreement*.

4.3. GOODS AND/OR SERVICES – PRODUCT UPDATES. Upon approval by *Enterprise Services*, *Contractor* may update, on a semi-annual basis a set forth below, their products included as *Goods and/or Services* specified in ***Exhibit B – Included Goods and/or Services and Pricing***. *Contractor* timely must submit to the *Enterprise Services'* Contract Administrator a proposed updated product list using Excel with each tab containing products per category/group separately as described below:

- All discontinued products must be struck through and highlighted;
- All product additions must include the MSRP, percentage discount, and contract price;
- All product changes must include an effective date of the change;
- A separate tab labeled "changes" may be created to show all changes;
- At no time during the term of the *Cooperative Purchasing Agreement* shall products be deleted from the products list;
- Product updates must be submitted for review and approval to the *Enterprise Services'* Contract Administrator thirty (30) days prior to the effective date of the change;
- All products shall be posted on the NASPO ValuePoint website for the entire term of the *Cooperative Purchasing Agreement*; and
- Product updates must be submitted, as described above, according to the Products and Pricing Update Schedule table below:

PRODUCTS AND PRICING UPDATE SCHEDULE		
SEMI-ANNUAL	SUBMITTED BY	EFFECTIVE DATE
January 1 – June 30	June 1	July 1
July 1 – December 31	December 1	January 1

4.4. PRICING CHANGES. All goods, services and related software are based on a percentage off Manufacturer Suggested Retail Price (MSRP). MSRP may be adjusted semi-annually, *Provided further*, that percentage discount remains the same for the entire contract term. The first

MSRP adjustment must be received by April 1, 2025, for an effective date of July 1, 2025, and semi-annually thereafter according to the Product/Pricing Update Schedule table above. Enterprise Services will review for accuracy to ensure the percentage discount remains unchanged prior to posting to the NASPO ValuePoint website.

4.5. PRICE CEILING. Although *Contractor* may offer lower prices, including volume discounts, to *Purchasing Entities*, during the term of this *Cooperative Purchasing Agreement*, *Contractor* guarantees to provide the *Goods and/or Services* at no greater than the prices set forth in ***Exhibit B – Included Goods and/or Services and Pricing*** (subject to adjustment as set forth above).

4.6. COOPERATIVE PURCHASING AGREEMENT INFORMATION. *Enterprise Services* shall maintain and provide to Purchasing Entities information regarding this *Cooperative Purchasing Agreement*, including scope, pricing, and lowest responsive, responsible bidder designation. In addition, *Enterprise Services* identifies awarded contractors who qualify as Washington Small Businesses, Certified Veteran-Owned Businesses, or that, pursuant to the *Cooperative Purchasing Agreement* provide *Goods and/or Services* that meet specified state procurement priorities as set forth in the Competitive Solicitation.

5. CONTRACTOR REPRESENTATIONS AND WARRANTIES. *Contractor* makes each of the following representations and warranties as of the effective date of this *Cooperative Purchasing Agreement* and at the time any *Purchase Order* is placed pursuant to this *Cooperative Purchasing Agreement*. If, at the time of any such *Purchase Order*, *Contractor* cannot make such representations and warranties, *Contractor* shall not process any *Purchase Orders* and shall, within three (3) business days notify *Enterprise Services*, in writing, of such breach.

5.1. QUALIFIED TO DO BUSINESS. *Contractor* represents and warrants that *Contractor* is (a) in good standing; (b) qualified to do business in the State of Washington; and (c) registered with the Washington State Department of Revenue and the Washington Secretary of State. *Contractor* further represents and warrants that, within fifteen (15) days of executing any *Participating Addendum* and prior to making any sales pursuant to such *Participating Addendum*, *Contractor* shall (a) be in good standing; (b) qualified to do business in such state; and (c) properly shall have registered to do business in such state.

5.2. QUALIFIED TO DO BUSINESS. *Contractor* represents and warrants that *Contractor* is (a) in good standing; (b) qualified to do business in the State of Washington; and (c) registered with the Washington State Department of Revenue and the Washington Secretary of State. *Contractor* further represents and warrants that, within fifteen (15) days of executing any *Participating Addendum* and prior to making any sales pursuant to such *Participating Addendum*, *Contractor* shall (a) be in good standing; (b) qualified to do business in such state; and (c) properly shall have registered to do business in such state.

5.3. TAXES. *Contractor* represents and warrants that *Contractor* is current, in full compliance, and has paid all applicable taxes owed to the State of Washington. *Contractor* further represents and warrants that, within fifteen (15) days of executing any *Participating Addendum* and prior to making any sales pursuant to such *Participating Addendum*, *Contractor* shall be current, in full compliance, and have paid all applicable taxes owed to such state.

5.4. LICENSES; CERTIFICATIONS; AUTHORIZATIONS; & APPROVALS. *Contractor* represents and warrants that *Contractor* possesses and shall keep current during the term of this *Cooperative Purchasing Agreement* all required licenses, certifications, permits, authorizations, and

approvals necessary for *Contractor's* proper performance of this *Cooperative Purchasing Agreement.*

5.5. SUSPENSION & DEBARMENT. *Contractor* represents and warrants that neither it nor its principals or affiliates presently are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any governmental contract by any governmental department or agency within the United States.

5.6. WAGE VIOLATIONS. *Contractor* represents and warrants as previously certified in *Contractor's* Bidder's Certification, that during the term of this *Cooperative Purchasing Agreement* and the three (3) year period immediately preceding the award of this *Cooperative Purchasing Agreement*, *Contractor* has not been determined, by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction, to be in willful violation of any provision of Washington state wage laws set forth in RCW 49.46, 49.48, or 49.52.

5.7. CIVIL RIGHTS. *Contractor* represents and warrants that *Contractor* complies with all applicable requirements regarding civil rights. Such requirements prohibit discrimination against individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.

5.8. EXECUTIVE ORDER 18-03 – WORKERS' RIGHTS. *Contractor* represents and warrants, as previously certified in *Contractor's* Bidder's Certification, that *Contractor* does NOT require its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers. *Contractor* further represents and warrants that, during the term of this *Cooperative Purchasing Agreement*, *Contractor* shall not, as a condition of employment, require its employees to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.

5.9. PUBLIC CONTRACTS AND PROCUREMENT FRAUD. *Contractor* represents and warrants that, within the three (3) year period prior to this *Cooperative Purchasing Agreement*, neither *Contractor* nor its principals or affiliates: (a) have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, local, or tribal) contract or purchase order under a public contract; (b) have been in violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; (c) have been indicted for or otherwise criminally or civilly charged by a government entity (federal, state, local, or tribal) with commission of any of the offense enumerated in subsection (b) of this provision; or (d) had one or more public contracts (federal, state, local, or tribal) terminated for cause or default.

5.10. PROCUREMENT ETHICS & PROHIBITION ON GIFTS. *Contractor* represents and warrants that *Contractor* complies fully with all applicable procurement ethics restrictions including, but not limited to, restrictions against *Contractor* providing gifts or anything of economic value, directly or indirectly, to *Purchasing Entities'* employees.

5.11. WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS). *Contractor* represents and warrants that *Contractor* is registered in Washington's Electronic Business Solution (WEBS), Washington's contract registration system and that, all of *Contractor's* information therein is current and

accurate and that throughout the term of this *Cooperative Purchasing Agreement*, *Contractor* shall maintain an accurate profile in WEBS. Washington's Electronic Business Solution (WEBS).

5.12. COOPERATIVE PURCHASING AGREEMENT PROMOTION; ADVERTISING AND ENDORSEMENT. *Contractor* represents and warrants that it shall use commercially reasonable efforts both to promote and market the use of this *Cooperative Purchasing Agreement* with eligible *Purchasing Entities* and to ensure that those entities that utilize this *Cooperative Purchasing Agreement* are eligible *Purchasing Entities*. *Contractor* understands and acknowledges that neither *Enterprise Services* nor *Purchasing Entities* are endorsing *Contractor's Goods and/or Services* or suggesting that such *Goods and/or Services* are the best or only solution to their needs. Accordingly, *Contractor* represents and warrants that it shall make no reference to *Enterprise Services*, any *Purchasing Entity*, or the State of Washington in any promotional material without the prior written consent of *Enterprise Services*.

5.13. CONTINGENT FEES. *Contractor* represents and warrants that no person or selling agent has been employed or retained to solicit or secure this *Cooperative Purchasing Agreement* upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established agents as defined in the Federal Acquisition Regulations.

5.14. FINANCIALLY SOLVENT. *Contractor* represents and warrants that *Contractor* has not commenced bankruptcy proceedings and that there are no judgment, liens, or encumbrances of any kind affecting title to any *Goods and/or Services* that are the subject of this *Cooperative Purchasing Agreement*.

5.15. OPERATIONAL CAPABILITY. *Contractor* represents and warrants, as previously certified in *Contractor's* Bidder's Certification, that *Contractor* has the operational and financial capability to perform this *Cooperative Purchasing Agreement*.

5.16. COOPERATIVE PURCHASING AGREEMENT TRANSITION. *Contractor* represents and warrants that, in the event this *Cooperative Purchasing Agreement* is transitioned to another contractor (e.g., *Cooperative Purchasing Agreement* expiration or termination), *Contractor* shall use commercially reasonable efforts to assist Enterprise Services and *Purchasing Entities* hereunder for a period of sixty (60) days to effectuate a smooth transition to another contractor to minimize disruption of service and/or costs to the State of Washington and such *Purchasing Entities*; Provided, however, that, if costs are incurred, *Contractor* shall be compensated for such costs consistent with the terms and conditions pertaining to this *Cooperative Purchasing Agreement* for the sixty (60) day period immediately before such transition.

6. QUALITY; WARRANTY; REMEDIES.

6.1. GOODS WARRANTY. *Contractor* warrants that, as of the invoice date sent to the Purchasing Entity, for a period of twenty-four (24) months after invoice date of the Goods ("Goods Warranty Period"), the Goods: (a) are free from defects in design, material, and workmanship; (b) are fit and safe for the intended purposes and appropriate for the specified application(s) (if any); (c) are consistent with recognized industry quality standards; (d) comply with the requirements, specifications, drawings, standards, and descriptions included in this Contract; and (e) are produced and delivered in full compliance with applicable law ("Goods Warranty"). *Contractor* further warrants that it has good and marketable title to the Goods and shall keep *Purchasing Entity's* property free of liens. If

Purchasing Entity receives notice of a lien caused by *Contractor*, *Purchasing Entity* may withhold any payment otherwise due *Contractor* until *Contractor* submits proof, in a form satisfactory to *Purchasing Entity*, that all lienable claims have been fully paid or waived.

The following events are excluded by the warranty: (a) misuse, negligence, incorrect installation, maintenance, connection or operation of the product with equipment other than the original equipment authorized by Contractor or insufficient maintenance, (b) non-compliance with operating instructions, (c) unauthorized attempts by the Purchasing Entity or a third person to open, repair or alter the Goods, or other reasons beyond the framework of the intended use, or (d) accident, fire and/or other reasons for which Contractor is not responsible.

6.2. GOODS REMEDY. If Goods do not comply with the Goods Warranty or any defects develop during the Goods Warranty Period under normal use, at *Purchasing Entity's* election, *Contractor* promptly shall remedy the defect by replacing any defective Goods. *Contractor's* Goods Warranty support shall include, at *Contractor's* sole expense, all technical support, parts, materials and equipment, and labor, including freight and "in/out" costs required to address the defect. If, in *Purchasing Entity's*, replacement is inadequate, or fails of its essential purpose, *Contractor* shall refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

6.3. SERVICES WARRANTY. *Contractor* warrants that: (a) Services shall be performed in a timely, efficient, and professional manner; (b) all *Contractor* personnel assigned to perform Services shall have the necessary skill and training; and (c) Services shall be performed in a manner consistent with the standard of care in the industry ("Services Warranty"). The Services Warranty shall survive for a period of twelve (12) months after the date when Services are completed ("Services Warranty Period").

6.4. SERVICES REMEDY. If Services do not comply with the Services Warranty or are in any manner found to be nonconforming during the Services Warranty Period, *Contractor* promptly shall remedy the non-conformance, or at *Purchasing Entity's* election, *Contractor* shall re-perform or correct the nonconforming Services at no additional cost to *Purchasing Entity* or refund the amounts paid for the Services.

6.5. IT WARRANTY. *Contractor* warrants at the time of delivery, that all hardware, software, and firmware associated with *Goods and/or Services* ("IT Goods" and "IT Services", respectively) shall not: (a) contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (i) damage, destroy, or alter any software or hardware; (ii) reveal, damage, destroy, or alter any data; (iii) disable any computer program automatically; or (iv) permit unauthorized access to any software or hardware; (b) contain any third party software (including software that may be considered free software or open source software) that (i) may require any software to be published, accessed, or otherwise made available without the consent of Purchasing Entity, or (ii) may require distribution, copying, or modification of any software free of charge; and (c) infringe on any patent, copyright, trademark, or other proprietary or intellectual property right of any third party or misappropriate any trade secret of any third party ("IT Warranty"). The IT Warranty shall expire twelve (12) months after the date IT Goods are delivered or IT Services are complete, as applicable.

6.6. IT REMEDY. If IT Goods or IT Services do not comply with the IT Warranty, or if any defect or non-conformance develops during the IT Warranty Period, *Contractor*, at *Purchasing Entity's* election, promptly shall: (a) remedy the defect by removing, repairing, correcting or replacing, and/or reinstalling any defective IT Goods; (b) re-perform or correct the non-conforming IT Services at no additional cost to *Purchasing Entity's*; or (c) refund the amounts paid for IT Services and IT Goods. The exclusive remedy for breach of the warranty against infringement is set forth in Section 17.3 (Indemnification – Intellectual Property).

6.7. FAILURE TO REMEDY. If *Contractor* does not remedy a defect or nonconformity within ten (10) calendar days after receipt of written notice from *Purchasing Entity*, or if an emergency exists rendering it impossible or impractical for *Purchasing Entity* to have *Contractor* provide a remedy, *Purchasing Entity* may, without prejudice to any other rights or remedies available to it, make or cause to be made required modifications, adjustments, or repairs, or may replace Goods, Services, IT Goods, or IT Services, in which case *Contractor* shall reimburse *Purchasing Entity* for its actual costs or, at *Purchasing Entity's* option, *Purchasing Entity* shall offset the costs incurred from amounts owing to *Contractor*.

6.8. TECHNICAL SUPPORT. During any applicable warranty period, *Contractor* shall provide all warranty service and telephone support, including after-hour technical support, at its own cost. *Contractor* shall maintain a technical support hotline to address breakdowns and safety incidents.

6.9. ADDITIONAL WARRANTY OPTIONS. *Contractor* may offer warranty terms beyond the minimum warranties set forth above. Such additional warranty options, if any, shall be as mutually agreed between *Contractor* and *Purchasing Entity* and consistent with the additional warranty options, if any, set forth in ***Exhibit B – Included Goods and/or Services and Pricing*** and *Contractor's* Products & Price list on the NASPO ValuePoint website.

7. SAFETY; SECURITY; CONTRACTOR REQUIREMENTS WHILE ON PURCHASING ENTITY'S PREMISES. *Contractor's* failure to comply with any of the requirements in this Section shall be cause for termination.

7.1. REGULATORY REQUIREMENTS/SAFETY. *Goods and/or Services* supplied by *Contractor* shall meet all applicable health and safety-related federal, state, and/or local regulatory requirements applicable to the *Goods and/or Services*.

7.2. MATERIAL SAFETY DATA SHEETS. As applicable, *Contractor* shall provide *Purchasing Entities* with all appropriate current Material Safety Data Sheets ("MSDS") at the time of delivery of each shipment of *Goods and/or Services* that requires such compliance and/or and for materials used by *Contractor* while, on *Purchasing Entity's* premises, performing this *Cooperative Purchasing Agreement*.

7.3. CLEAN-UP. If *Contractor*, its agents, employees, or subcontractors perform on-site services, *Contractor*, at its cost, shall remove all excess materials, equipment, packaging, and garbage within the scope of its performance of services and leave that portion of the premises in which the work was performed in a clean condition. Should *Contractor* fail to clean up a site after completion of work, *Purchasing Entity* shall have the right to remove the materials and set off the cost of clean up against amounts owed to *Contractor*.

7.4. ACCIDENT AND INJURY REPORTING. If *Contractor*, its agents, employees, or subcontractors are present at *Purchasing Entity's* premises, *Contractor* promptly shall report in writing all injuries, accidents, property damage, near-miss incidents, or any claims regarding damages or injury

involving *Contractor*, its agents, employees, or subcontractors occurring at such premises. *Contractor* agrees to cooperate and assist *Purchasing Entity* in any investigation of incidents.

7.5. ON-SITE REQUIREMENTS. While on *Purchasing Entity's* premises, *Contractor*, its agents, employees, or subcontractors shall comply, in all respects, with *Purchasing Entity's* physical, fire, access, safety, health, and security requirements and not interfere with *Purchasing Entity's* operations.

7.6. CONFIDENTIALITY; SAFEGUARDING OF INFORMATION. *Contractor* shall not use or disclose any information concerning *Enterprise Services*, the State of Washington or *Purchasing Entity's* which may be classified as confidential, for any purpose not directly connected with the administration of this *Cooperative Purchasing Agreement*, except with prior written consent of *Enterprise Services* (or the applicable *Purchasing Entity*), or as may be required by law.

7.7. CONFIDENTIAL INFORMATION; DATA SECURITY; NETWORK ACCESS

(a) CONFIDENTIAL INFORMATION. For purposes of this Cooperative Purchasing Agreement, "Confidential Information" includes, but is not limited to, information that is deemed confidential under federal or state law, personal information as defined in RCW 42.56.590, as well as any information identified, in writing, by Purchasing Entity as confidential or protected.

(b) PROTECTION OF CONFIDENTIAL INFORMATION. Notwithstanding any provision to the contrary, Contractor's use of Confidential Information will be in compliance with all applicable state and federal law. At a minimum, Contractor shall maintain records documenting: (i) the Confidential Information received pertaining to this Cooperative Purchasing Agreement; (ii) the purpose(s) for which the Confidential Information was received; (iii) who received and maintained the Confidential Information; and (iv) final disposition of the Confidential Information. Purchasing Entity reserves the right to monitor, audit, and/or investigate Contractor's use of Confidential Information used, collected, or acquired by Supplier pursuant to this Cooperative Purchasing Agreement.

(c) CONTRACTOR OBLIGATION – CONFIDENTIAL INFORMATION. If Confidential Information is collected, stored, or transmitted, Contractor shall: (i) hold Confidential Information in strictest confidence and not make use of Confidential Information for any purpose other than the performance of this Cooperative Purchasing Agreement; (ii) release Confidential Information only to authorized employees or agents requiring such information for the purpose of performing this Cooperative Purchasing Agreement and who have executed an appropriate nondisclosure agreement or data sharing agreement as approved by Purchasing Entity; (iii) implement and maintain physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information including, but not limited to, storing Confidential Information on secure servers with access to the data strictly controlled and limited to staff with appropriate training and clearance; and (iv) ensure that all Confidential Information is encrypted in transmission from and to Contractor, at rest in the data base or other data facility maintained or used by Contractor, and when transmitted to authorized recipients.

(d) CONTRACTOR OBLIGATION – DATA SECURITY. If the Cooperative Purchasing Agreement involves Purchasing Entity's Data and/or access to Purchasing Entity's IT network, Contractor, at its expense, will comply with the data security requirements set forth in *Attachment C – Data Security Requirements*.

(e) CONTRACTOR OBLIGATION – EXPIRATION OR TERMINATION. Upon expiration or termination of this Purchase Order, Contractor, at Purchasing Entity's direction, timely will: (i) Certify to Purchasing Entity that all Confidential Information has been destroyed; or (ii) return all Confidential Information to Purchasing Entity; or (iii) take whatever other actions Purchasing Entity requires of Contractor to protect such Confidential Information.

7.8. NETWORK ACCESS. During its performance of this Cooperative Purchasing Agreement, Contractor may be granted access to Purchasing Entity's computer and telecommunication networks ("Networks"). As a condition of Network use, Contractor shall: (a) use the Networks in compliance with all applicable laws, rules, and regulations; (b) use software, protocols, and procedures as directed by Purchasing Entity to access and use the Networks; (c) only access Network locations made available to Contractor by Purchasing Entity; (d) not interfere with or disrupt other users of the Networks; (e) assure the transmissions over the Networks by Contractor (i) do not contain any libelous, defamatory, profane, offensive, obscene, pornographic, or unlawful material, and (ii) are not used to perform any illegal activities, including but not limited to, encouraging, selling, or soliciting illegal drugs, gambling, pornography, prostitution, robbery, spreading computer worms or viruses, hacking into computer systems, or trafficking credit card codes; and (f) upon termination or expiration of the Cooperative Purchasing Agreement, relinquish all IP addresses or address blocks assigned to them on the Networks. Additionally, Contractor shall comply with Purchasing Entity's IT policies.

7.9. TREATMENT OF ASSETS. Title to all property furnished by any *Participating Entity* and/or *Purchasing Entity* shall remain with such *Participating State* and/or *Purchasing Entity*, as applicable. Any property of any *Participating Entity* and/or *Purchasing Entity* furnished to *Contractor* shall, unless otherwise provided herein or approved by such *Participating Entity* and/or *Purchasing Entity*, be used only for the performance of this *Cooperative Purchasing Agreement*. *Contractor* shall be responsible for damages as a result of any loss or damage to property of any *Participating Entity* and/or *Purchasing Entity* to the extent it results from the negligence of *Contractor* or to the extent it results from the failure on the part of *Contractor* to maintain, administer, and protect that property in a reasonable manner and to the extent practicable in all instances. If any such *Participating Entity* and/or *Purchasing Entity* property is lost, destroyed, or damaged, *Contractor* immediately shall notify such *Participating Entity* and/or *Purchasing Entity* and shall take all reasonable steps to protect the property from further damage. *Contractor* shall surrender to such *Participating Entity* and/or *Purchasing Entity* all property of such *Participating Entity* and/or *Purchasing Entity* prior to settlement upon completion or termination of the applicable *Purchase Order*. Title to all property furnished by *Contractor*, the cost for which the Contractor is entitled to be reimbursed as a direct item of cost under this *Cooperative Purchasing Agreement*, shall pass to and vest in the *Purchasing Entity* upon delivery of such property by *Contractor* and acceptance by the *Purchasing Entity*. Title to other property, the cost of which is reimbursable to *Contractor* under this *Cooperative Purchasing Agreement*, shall pass to and vest in the *Purchasing Entity* upon: (a) issuance for use of such property in the performance of this *Cooperative Purchasing Agreement*; (b) commencement of use of such property in the performance of this *Cooperative Purchasing Agreement;* or (c) reimbursement of the cost thereof by the *Purchasing Entity* in whole or in part, whichever first occurs. Title to software shall not pass to *Purchasing Entity* but shall be licensed.

8. SUBCONTRACTORS & CONTRACTOR RESPONSIBILITIES.

8.1. CONTRACTOR RESPONSIBILITY. Notwithstanding any provision to the contrary, in the event *Contractor* elects to utilize subcontractors to perform this *Cooperative Purchasing Agreement*, Contractor shall: (a) incorporate *Contractor's* responsibilities under this *Cooperative Purchasing Agreement* into its subcontracts; (b) be fully responsible for the performance of any such subcontractors (regardless of tier) and ensure that subcontractors comply with each and every *Contractor* obligation set forth in this *Cooperative Purchasing Agreement*; (c) be the sole point of contact for *Enterprise Services* and any *Purchasing Entities* regarding all contractual matters; (d) ensure that such subcontractors are registered in WEBS; and (e) defend, indemnify, and hold *Enterprise Services* and *Purchasing Entities* harmless in case of negligence, other tortious fault, or intentional misconduct by any such subcontractors (regardless of tier). Prior to utilizing any subcontractor to perform this *Cooperative Purchasing Agreement*, *Contractor* shall provide written notice to *Enterprise Services'* contract administrator. Such notice shall confirm that the subcontractor is registered in WEBS and provide the necessary information for *Enterprise Services'* contract administrator to include such subcontractor(s) in Washington's Purchasing Contract Management System (PCMS).

8.2. REPORTING. If *Contractor* is required to report to *Purchasing Entities* and/or *Enterprise Services*, such report(s) shall include subcontractor data, by subcontractor, for any data that *Contractor* is required to report as well as a consolidated 'rollup' report combining *Contractor* and subcontractor data.

8.3. SUBCONTRACTOR REPRESENTATIONS AND CERTIFICATIONS. Any *Contractor* representations or certifications set forth in this *Cooperative Purchasing Agreement* shall apply to subcontractors (at any tier) and *Contractor* shall not utilize any subcontractors (at any tier) who cannot provide such representations or certifications, excepting the certification to be registered with Washington's Statewide Payee Desk, unless *Purchasing Entities* shall pay such subcontractor directly.

8.4. CONTRACTOR RESPONSIBILITIES. *Contractor* shall be responsible for successful performance of the *Cooperative Purchasing Agreement* and for the successful performance of any and all of *Contractor's* partners. *Contractor* shall be the sole point of contact as applicable by *Cooperative Purchasing Agreement* with regard to contractual matters, payment of any and all charges resulting from the purchase of *Goods and/or Services* (including applicable warranties) for the term of the *Cooperative Purchasing Agreement*, unless otherwise specified by a *Participating Entity*, in a *Participating Addendum*, or the *Cooperative Purchasing Agreement*. *Contractor* shall be able to receive, process, and invoice Purchase Orders unless the *Participating Entity* has agreed to assign these functions to a partner. *Contractor* shall be responsible for compliance with requirements under the *Cooperative Purchasing Agreement*, even if requirements are delegated to partners. *Contractor* and its partners shall not in any way represent themselves in the name of the *Lead State*, NASPO ValuePoint or *Participating Entities*.

9. USING THE COOPERATIVE PURCHASING AGREEMENT – PURCHASES.

9.1. ORDERING REQUIREMENTS. *Purchasing Entities* shall order *Goods and/or Services* from this *Cooperative Purchasing Agreement*, consistent with the terms hereof and by using any ordering mechanism agreeable both to *Contractor* and *Purchasing Entity* but, at a minimum, including the use of a *Purchase Order*. The terms of this *Cooperative Purchasing Agreement* shall apply to any *Purchase Order*, and, in the event of any conflict, the terms of this

Cooperative Purchasing Agreement shall prevail. Notwithstanding any provision to the contrary, in no event shall any 'click-agreement,' software or web-based application terms and conditions, or other agreement modify the terms and conditions of this *Cooperative Purchasing Agreement*.

(a) All Purchase Orders must, at a minimum, reference

- This *Cooperative Purchasing Agreement* number;
- The place and requested time of delivery;
- A billing address;
- The name, phone number, and address of the *Participating Entity* representative;

(b) All communications concerning a *Purchasing Entity's Purchase Order(s)* shall be furnished solely to *Purchasing Entity's* authorized purchasing agent or to such other individual identified in writing in the *Purchase Order*.

(c) *Purchase Orders* shall be placed pursuant to this *Cooperative Purchasing Agreement* prior to expiration or termination of this *Cooperative Purchasing Agreement*; but such Purchase Orders may have a delivery date or performance period up to 120 days after expiration of this *Cooperative Purchasing Agreement* and, in such event, *Contractor* shall perform in accordance with the terms of such *Purchase Orders*.

(d) *Contractor* shall not honor any *Purchase Orders* that are: (1) placed after the expiration or termination of this *Cooperative Purchasing Agreement*; or (2) inconsistent with this *Cooperative Purchasing Agreement*. *Purchase Orders* from any separate indefinite quantity, task orders, or other form of indefinite delivery order arrangement priced against this *Cooperative Purchasing Agreement* may not be placed after the expiration or termination of this *Cooperative Purchasing Agreement*, notwithstanding the term of any such indefinite delivery order agreement.

9.2. DELIVERY REQUIREMENTS. *Contractor* must ensure that delivery of *goods and/or services* will be made as required by this *Cooperative Purchasing Agreement*, the *Purchase Order* used by *Purchasing Entities*, or as otherwise mutually agreed in writing between the *Purchasing Entity* and *Contractor*. The following apply to all deliveries:

(a) *Contractor* shall make all deliveries to the applicable delivery location specified in the *Purchase Order*. Such deliveries shall occur during *Purchasing Entity's* normal work hours and within the time period mutually agreed in writing between *Purchasing Entity* and *Contractor* at the time of *Purchase Order* placement. Deliveries to be off-loaded at *Purchasing Entity's* receiving dock or designated job site by *Contractor*.

With the exception of Group B Speed Advisory Systems (if included within the *Goods and/or Services*), *Contractor* shall ship all goods purchased pursuant to this *Cooperative Purchasing Agreement* freight charges prepaid by *Contractor*, FOB *Purchasing Entity's* specified destination, with all transportation and handling charges included. Freight charges for Group B Speed Advisory Systems (if included within the *Goods and/or*

Services) must be mutually agreed in writing and set forth in the *Purchase Order*. *Contractor* shall bear all risk of loss, damage, or destruction of any *Goods and/or Services* ordered hereunder that occurs prior to delivery, except loss or damage attributable to *Purchasing Entity's* fault or negligence.

(b) *Contractor* must deliver *Goods and/or Services* according to the ARO (After Receipt of Order) delivery days as indicated in *Contractor's* Products and Price list. Delivery days ARO must not exceed one-hundred eighty (180) days.

(c) All products must be delivered in the manufacturer's standard package. Costs shall include all packing and/or crating charges. Cases shall be of durable construction, good condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipping carton shall be marked with the commodity, brand, quantity, item code number and the *Purchasing Entity's Purchase Order* number.

(d) All packing lists, packages, instruction manuals, correspondence, shipping notices, shipping containers, and other written materials associated with this *Cooperative Purchasing Agreement* shall be identified by the *Cooperative Purchasing Agreement* number set forth on the cover of this *Cooperative Purchasing Agreement* and the applicable *Purchase Order* number. Packing lists shall be enclosed with each shipment and clearly identify all contents and any backorders.

(e) *Purchasing Entities* may return unopened or unused *Goods and/or Services* within thirty (30) days of receipt for full credit, minus any freight or reasonable restocking fee. *Contractor*, however, is responsible for shipping costs pertaining to *Purchasing Entity's* return of any defective *Goods and/or Services*.

9.3. RECEIPT AND INSPECTION OF GOODS AND/OR SERVICES. *Goods and/or Services* purchased under this *Cooperative Purchasing Agreement* are subject to *Purchasing Entity's* reasonable inspection, testing, and approval at *Purchasing Entity's* destination. Such inspection and approval shall be determined within thirty (30) days of delivery. *Purchasing Entity* reserves the right to reject and refuse acceptance of *Goods and/or Services* that are not in accordance with this *Cooperative Purchasing Agreement* and *Purchasing Entity's Purchase Order*. *Purchasing Entity* may charge *Contractor* for the cost of inspecting rejected non-conforming *Goods and/or Services*. If there are any apparent defects in the *Goods and/or Services* at the time of delivery, *Purchasing Entity* shall notify *Contractor* within five (5) business days. At *Purchasing Entity's* option, and without limiting any other rights, *Purchasing Entity* may require *Contractor*, consistent with the warranty terms, to replace any non-conforming *Goods and/or Services*, at Contractor's expense or, at *Purchasing Entity's* option, *Purchasing Entity* may note any damage to the *Goods and/or Services* on the receiving report, decline acceptance, and deduct the cost of rejected *Goods and/or Services* from payment. Payment for any *Goods and/or Services* under such *Purchase Order* shall not be deemed acceptance of the *Goods and/or Services*.

(a) All *Goods and/or Services* are subject to inspection at reasonable times and places before acceptance. *Contractor* shall provide right of access to the *Lead State*, or to any other authorized agent or official of the *Lead*

State or *Participating Entity* or *Purchasing Entity*, at reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance requirements under this *Cooperative Purchasing Agreement*. Any *Goods and/or Services* that do not meet specifications or requirements herein, may be rejected. Failure to reject upon receipt, however, does not relieve *Contractor* of liability for material (nonconformity that substantially impairs value) latent or hidden defects subsequently revealed when the *Goods and/or Services* are put to use. Acceptance of such *Goods and/or Services* may be revoked in accordance with the provisions of the applicable commercial code, and *Contractor* shall be liable for any resulting expense incurred by *Purchasing Entity* related to the preparation and shipping of any *Goods and/or Services* rejected and returned.

(b) If any *Goods and/or Services* do not conform to the specifications or requirements herein, *Purchasing Entity* may require *Contractor* to replace such non-conforming *Goods and/or Services*.

9.4. INSTALLATION. *Good and/or Services* requiring installation shall be performed by *Contractor* in a professional manner in accordance with industry standard best practices. *Purchasing Entity* reserves the right to require *Contractor* to repair any damage caused during installation or provide full compensation for such damage as determined by *Purchasing Entity*.

9.5. SOFTWARE LICENSE AGREEMENT. If any *Goods and/or Services* purchased pursuant to this *Cooperative Purchasing Agreement* require software or firmware to operate, *Contractor's* software license shall apply to such transaction. *Contractor's* software license agreement shall not conflict with the terms and conditions of this *Cooperative Purchasing Agreement* or specific security requirements of *Participating Entity*.

9.6. SUBSCRIPTION SERVICES AGREEMENT. If any *Goods and/or Services* purchased pursuant to this *Cooperative Purchasing Agreement* require subscription services to operate, *Contractor's* Subscription Services Agreement shall apply to such transaction. *Contractor's* Subscription Services Agreement shall not conflict with the terms and conditions of this *Cooperative Purchasing Agreement* or the specific security requirements of *Participating Entity*.

9.7. PRODUCT SUBSTITUTIONS. All product substitutions for *Goods and/or Services* must be mutually agreed between Contractor and Purchasing Entity prior to order delivery and must be for products included as *Goods and/or Services* pursuant to this *Cooperative Purchasing Agreement*.

9.8. CUSTOMER SERVICE. *Contractor* shall be available by telephone or email during regular business hours of operation between 8:00 a.m. to 5:00 p.m. in each time zone of the United States for which *Contractor* has executed a *Participating Addendum* with a *Participating Entity*. *Contractor* shall provide customer service representatives familiar with all products that Contractor sells that are included as *Goods and/or Services* pursuant to this *Cooperative Purchasing Agreement*. *Contractor* shall provide contact(s) available 24/7 in the event of an emergency.

10. INVOICING & PAYMENT.

10.1. CONTRACTOR INVOICE. *Contractor* shall submit to *Purchasing Entity's* designated invoicing contact properly itemized invoices. Such invoices shall itemize the following:

- *Cooperative Purchasing Agreement* No. 24823
- *Contractor* name, address, telephone number, and email address for billing issues (i.e., *Contractor* Customer Service Representative)
- *Contractor's* Federal Tax Identification Number
- Date(s) of delivery
- Applicable *Goods and/or Services*;
- Invoice amount; and
- Payment terms, including any available prompt payment discounts.

Contractor's invoices for payment shall reflect accurate *Cooperative Purchasing Agreement* prices, less discounts or lower negotiated costs. Invoices will not be processed for payment until receipt of a complete invoice as specified herein.

10.2. PAYMENT. Payment is the sole responsibility of, and will be made by, the *Purchasing Entity*. Payment is due within thirty (30) days of invoice. If *Purchasing Entity* fails to make timely payment(s), *Contractor* may invoice *Purchasing Entity* in the amount of one percent (1%) per month on the amount overdue or a minimum of $1. Payment will not be considered late if a check or warrant is mailed within the time specified.

10.3. OVERPAYMENTS. *Contractor* promptly shall refund to *Purchasing Entity* the full amount of any erroneous payment or overpayment. Such refunds shall occur within thirty (30) days of written notice to *Contractor*; Provided, however, that *Purchasing Entity* shall have the right to elect to have either direct payments or written credit memos issued. If *Contractor* fails to make timely payment(s) or issuance of such credit memos, *Purchasing Entity* may impose a one percent (1%) per month on the amount overdue thirty (30) days after notice to the *Contractor*.

10.4. ADVANCE PAYMENT PROHIBITED. Except as authorized by law, *Contractor* shall not request or receive advance payment for any *Goods and/or Services* supplied by *Contractor* pursuant to this *Cooperative Purchasing Agreement*; Provided, however, that the Parties agree that maintenance payments, if any, may be made on a quarterly basis at the beginning of each quarter.

10.5. NO ADDITIONAL CHARGES. Unless otherwise specified herein, *Contractor* shall not include or impose any additional charges including, but not limited to, handling, or payment processing.

10.6. TAXES/FEES. *Contractor* promptly shall pay all applicable taxes on its operations and activities pertaining to this *Cooperative Purchasing Agreement*. Failure to do so shall constitute breach of this Cooperative *Purchasing* Agreement. Unless otherwise agreed, *Purchasing Entity* shall pay applicable governmental sales tax on purchased *Goods and/or Services*. In regard to federal excise taxes, *Contractor* shall include federal excise taxes only if, after thirty (30) calendar days written notice to *Purchasing Entity*, *Purchasing Entity* has not provided *Contractor* with a valid exemption certificate from such federal excise taxes.

11. CONTRACT MANAGEMENT.

11.1. CONTRACT ADMINISTRATION & NOTICES. Except for legal notices, the *Parties* designate the following contract administrators as the respective single points of contact for purposes of this *Cooperative Purchasing Agreement*. *Enterprise Services'* contract administrator shall provide *Cooperative Purchasing Agreement* oversight. *Contractor's* contract administrator

shall be *Contractor's* principal contact for business activities under this *Cooperative Purchasing Agreement*. The *Parties* may change contractor administrators by written notice as set forth below.

Any notices required or desired shall be in writing and sent by U.S. mail, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the *Parties* may specify in writing:

Enterprise Services
Washington Dept. of Enterprise Services
Attn: Contract Administrator 24823
PO Box 41411
Olympia, WA 98504-1411
Tel: (360) 407-2218
Email: DESContractsTeamFir@des.wa.gov

Kustom Signals, Inc.
Attn: Jim Lindquist
Tel: 913 492 1400
Email: sales@kustomsignals.com

Notices shall be deemed effective upon date received, if mailed, or, if emailed, upon date of transmission to the designated email address.

11.2. CONTRACTOR CUSTOMER SERVICE REPRESENTATIVE. *Contractor* shall designate a customer service representative (and notify *Enterprise Services* of the same) who shall be responsible for addressing *Purchasing Entity* issues pertaining to this *Cooperative Purchasing Agreement*. *Contractor* shall notify *Enterprise Services*, as soon as practicable, regarding any changes to the designated *Contractor* customer service representative.

11.3. LEGAL NOTICES. Any legal notices required or desired shall be in writing and sent by U.S. mail, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the Parties may specify in writing:

Enterprise Services
Washington Dept. of Enterprise Services
Attn: Legal Services Manager
PO Box 41411
Olympia, WA 98504-1411
Email: greg.tolbert@des.wa.gov

Kustom Signals, Inc.
Attn: Chris Abel
Address: 10901 W 84th Terrace,
Suite 100
Lenexa, KS 66214
Email: sales@kustomsignals.com

Notices shall be deemed effective upon the earlier of receipt if mailed, or, if emailed, upon transmission to the designated email address of said addressee.

12. NASPO VALUEPOINT PROVISIONS. *NASPO ValuePoint* is not a party to this *Cooperative Purchasing Agreement*. The terms set forth in this section are for the benefit of *NASPO ValuePoint* as a third-party beneficiary of this *Cooperative Purchasing Agreement*.

12.1. ADMINISTRATIVE FEES

(a) NASPO VALUEPOINT FEE. *Contractor* shall pay to *NASPO ValuePoint*, or its assignee, a *NASPO ValuePoint* Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than sixty (60) days following the end of each calendar quarter. The *NASPO ValuePoint* Administrative Fee must be submitted quarterly and is based on all sales of *Goods and/or Services* under this *Cooperative Purchasing Agreement* (less any charges

for taxes or shipping). The *NASPO ValuePoint* Administrative Fee is not negotiable. This fee is included as part of Contractor's pricing submitted with its bid in response to the *Lead State's Competitive Solicitation*.

(b) STATE IMPOSED FEES. Some states may require an additional fee (e.g., administrative fee or contract management fee) be paid by *Contractor* directly to such state on purchases of *Goods and/or Services* pursuant to this *Cooperative Purchasing Agreement* made by *Purchasing Entities* within such state. For all such requests, the fee rate or amount, payment method, and schedule for such fee payments and reports shall be incorporated into the applicable *Participating Addendum* by the *Participating Entity*. Unless agreed to in writing by the *Participating Entity*, *Contractor* may not adjust the *Cooperative Purchasing Agreement* pricing to include such state fee for purchases of *Goods and/or Services* pursuant to this *Cooperative Purchasing Agreement* made by *Purchasing Entities* within the jurisdiction of such state. No such agreement shall affect the *NASPO ValuePoint* Administrative Fee percentage or the prices paid by *Purchasing Entities* outside the jurisdiction of such state requesting the additional fee.

12.2. NASPO VALUEPOINT REPORTING REQUIREMENTS

(a) SALES DATA REPORTING. In accordance with this section, *Contractor* shall report to *NASPO ValuePoint* all *Purchase Orders* under this *Cooperative Purchasing Agreement* for which *Contractor* has invoiced a *Purchasing Entity*("Sales Data"). Timely and complete reporting of Sales Data is a material requirement of this *Cooperative Purchasing Agreement*. Reporting requirements, including those related to the format, contents, frequency, or delivery of reports, may be updated by *NASPO ValuePoint* with reasonable notice to *Contractor* and without amendment to this *Cooperative Purchasing Agreement*. *NASPO ValuePoint* shall have exclusive ownership of any media on which reports are submitted and shall have a perpetual, irrevocable, non-exclusive, royalty free, and transferable right to display, modify, copy, and otherwise use reports, data, and information provided under this section.

(b) SUMMARY SALES DATA. "Summary Sales Data" is Sales Data reported as cumulative totals by state. *Contractor* shall, using the reporting tool or template provided by *NASPO ValuePoint*, report Summary Sales Data to *NASPO ValuePoint* for each calendar quarter no later than thirty (30) days following the end of the quarter. If *Contractor* has no reportable Sales Data for the quarter, *Contractor* shall submit a zero-sales report.

(c) DETAILED SALES DATA. "Detailed Sales Data" is Sales Data that includes for each *Purchase Order* all information required by this *Cooperative Purchasing Agreement* or by *NASPO ValuePoint*, including *Purchasing Entity* information, *Purchase Order* information, and line-item details. *Contractor* shall, using the reporting tool or template provided by *NASPO ValuePoint*, report Detailed Sales Data to *NASPO ValuePoint* for each calendar quarter no later than thirty (30) days following the end of the quarter. Detailed Sales Data shall be reported in the format provided in

this *Cooperative Purchasing Agreement* or provided by *NASPO ValuePoint*. The total sales volume of reported Detailed Sales Data shall be consistent with the total sales volume of reported Summary Sales Data.

(d) SALES DATA CROSSWALKS. Upon request by *NASPO ValuePoint*, *Contractor* shall provide to *NASPO ValuePoint* tables of customer and Product information and specific attributes thereof for the purpose of standardizing and analyzing reported Sales Data ("Crosswalks"). Customer Crosswalks must include a list of existing and potential *Purchasing Entities* and identify for each the appropriate customer type as defined by *NASPO ValuePoint*. Product Crosswalks must include *Contractor's* part number or SKU for each Product in *Contractor's* catalog and identify for each the appropriate *Cooperative Purchasing Agreement* category (and subcategory/group, if applicable), manufacturer part number, product description, eight-digit UNSPSC Class Level commodity code, and (if applicable) EPEAT value and Energy Star rating. Crosswalk requirements and fields may be updated by *NASPO ValuePoint* with reasonable notice to *Contractor* and without amendment to this *Cooperative Purchasing Agreement*. *Contractor* shall work in good faith with *NASPO ValuePoint* to keep Crosswalks updated as *Contractor's* customer lists and product catalog change.

(e) NASPO VALUEPOINT EXECUTIVE SUMMARY. *Contractor* shall, upon request by *NASPO ValuePoint*, provide *NASPO ValuePoint* with an executive summary that includes but is not limited to a list of states with an active *Participating Addendum*, states with which *Contractor* is in negotiations, and any *Participating Addendum* roll-out or implementation activities and issues. *NASPO ValuePoint* and *Contractor* will determine the format and content of the executive summary.

(f) REPORT OWNERSHIP. Timely submission of these reports is a material requirement of this *Cooperative Purchasing Agreement*. *Enterprise Services* and *NASPO ValuePoint* shall have a perpetual, irrevocable, non-exclusive, royalty free, transferable right to display, modify, copy, and otherwise use reports, data and information provided under this section.

13. NASPO VALUEPOINT COOPERATIVE PROGRAM MARKETING AND PERFORMANCE REVIEW

13.1. STAFF EDUCATION. *Contractor* shall work cooperatively with *NASPO ValuePoint* personnel. *Contractor* shall present plans to *NASPO ValuePoint* for the education of *Contractor's* contract administrator(s) and sales/marketing workforce regarding this *Cooperative Purchasing Agreement*, including the competitive nature of *NASPO ValuePoint* procurements, the cooperative purchasing agreement and participating addendum process, and the manner in which eligible entities can participate in this *Cooperative Purchasing Agreement*.

13.2. ONBOARDING PLAN. Upon request by *NASPO ValuePoint*, *Contractor* shall, as *Participating Addendums* are executed, provide plans to launch the program for the *Participating Entity*. Plans will include time frames to launch the agreement and confirmation that the *Contractor's* website has been updated to properly reflect the scope and terms of this *Cooperative Purchasing Agreement* as available to the *Participating Entity* and eligible *Purchasing Entities*.

13.3. ANNUAL SUPPLIER BUSINESS REVIEW. *Contractor* shall participate in an annual contract performance review with the *Lead State* and *NASPO ValuePoint*, which may at the discretion of the *Lead State* be held in person and which may include a discussion of marketing action plans, target strategies, marketing materials, *Contractor* reporting, and timeliness of payment of administration fees.

13.4. LOGOS. The NASPO ValuePoint logos may not be used by *Contractor* in sales and marketing until a separate logo use agreement is executed with *NASPO ValuePoint*.

13.5. MOST FAVORED CUSTOMER. *Contractor* shall, within thirty (30) days of their effective date, notify the *Lead State* and *NASPO ValuePoint* of any contractual most-favored-customer provisions in third-party contracts or agreements that may affect the promotion of this *Cooperative Purchasing Agreement* or whose terms provide for adjustments to future rates or pricing based on rates, pricing in, or *Purchase Orders* from this *Cooperative Purchasing Agreement*. Upon request of the *Lead State* or *NASPO ValuePoint*, *Contractor* shall provide a copy of any such provisions.

13.6. CANCELLATION. In consultation with NASPO ValuePoint, the Lead State may, in its discretion, cancel the Cooperative Purchasing Agreement or not exercise an option to renew, when utilization of Contractor's Cooperative Purchasing Agreement does not warrant further administration of the Cooperative Purchasing Agreement. The Lead State may also exercise its right to not renew the Cooperative Purchasing Agreement if the Contractor fails to record or report revenue for three consecutive quarters, upon 60-calendar day written notice to the Contractor. Cancellation based on nonuse or under-utilization will not occur sooner than two years after execution of the Cooperative Purchasing Agreement. This subsection does not limit the discretionary right of either the Lead State or Contractor to cancel the Cooperative Purchasing Agreement or terminate for default subject to the terms herein. This subsection also does not limit any right of the Lead State to cancel the Cooperative Purchasing Agreement under applicable laws.

13.7. ADDITIONAL AGREEMENT WITH NASPO. Upon request by NASPO ValuePoint, awarded Contractor shall enter into a direct contractual relationship with NASPO ValuePoint related to Contractor's obligations to NASPO ValuePoint under the terms of the Cooperative Purchasing Agreement, the terms of which shall be the same or similar (and not less favorable) than the terms set forth in the Cooperative Purchasing Agreement.

14. RECORDS RETENTION & AUDITS.

14.1. RECORDS RETENTION. *Contractor* shall maintain books, records, documents, and other evidence pertaining to this *Cooperative Purchasing Agreement* and *Purchase Orders* placed by *Purchasing Entities* under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. *Contractor* shall retain such records for a period of six (6) years following expiration or termination of this *Cooperative Purchasing Agreement* or final payment for any *Purchase Order* placed by a *Purchasing Entity* against this *Cooperative Purchasing Agreement*, whichever is later; Provided, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.

14.2. AUDIT. Upon reasonable advance written notice, *Enterprise Services* reserves the right to audit, or have a designated third-party audit, applicable records to ensure that *Contractor* has properly invoiced *Purchasing Entities* and that *Contractor* has paid all applicable fees

pertaining to this *Cooperative Purchasing Agreement*. Accordingly, *Contractor* shall permit *Enterprise Services*, any *Purchasing Entity*, and any other duly authorized agent of a governmental agency, to audit, inspect examine, copy and/or transcribe *Contractor's* books, documents, papers and records directly pertinent to this *Cooperative Purchasing Agreement* or *Purchase Orders* placed by a *Purchasing Entity* under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of six (6) years following expiration or termination of this *Cooperative Purchasing Agreement* or final payment for any *Purchase Order* placed by a *Purchasing Entity* against this *Cooperative Purchasing Agreement*, whichever is later; Provided, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.

14.3. OVERPAYMENT OF PURCHASES OR UNDERPAYMENT OF FEES. Without limiting any other remedy available to any *Purchasing Entity*, *Contractor* shall reimburse *Purchasing Entities* for any overpayments inconsistent with the terms of this *Cooperative Agreement* or *Purchase Orders*, at a rate of 125% of such overpayments, found as a result of the examination of the *Contractor's* records.

15. INSURANCE.

15.1. REQUIRED INSURANCE. During the term of this *Cooperative Purchasing Agreement*, *Contractor*, at its expense, shall maintain in full force and effect the insurance coverages set forth in *Exhibit A – Insurance Requirements*. All costs for insurance, including any payments of deductible amounts, shall be considered incidental to and included in the prices for *Goods and/or Services* and no additional payment shall be made.

15.2. WORKERS COMPENSATION. *Contractor* shall comply with applicable workers compensation statutes and regulations (e.g., Title 51 RCW, Industrial Insurance). If Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, *Enterprise Services* may terminate this *Cooperative Purchasing Agreement*. This provision does not waive any of the Washington State Department of Labor and Industries (L&I) rights to collect from *Contractor*. If *Contractor* performs services on behalf of a *Purchasing Entity* in the State of Washington, and only to the extent of claims against *Contractor* by *Purchasing Entity* under the indemnity obligations in this *Cooperative Purchasing Agreement*, *Contractor* expressly waives any immunity it may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Contractor's indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third-party under workers' compensation acts, disability benefit acts, or other employee benefit acts. The parties expressly acknowledge and certify that the waiver of immunity under Title 51 RCW was mutually negotiated and agreed upon.

15.3. INSURANCE CERTIFICATE. Prior to commencement of performance, *Contractor* shall provide to *Enterprise Services* a written endorsement to the *Contractor's* general liability insurance policy or other documentary evidence acceptable to *Enterprise Services* that: (a) names the State of Washington and *Enterprise Services* as additional insureds; (b) provides for written notice of cancellation delivered in accordance with the policy provisions; and (c) provides that the *Contractor's* liability insurance policy shall be primary, with any liability insurance of any *Participating Entity* as secondary and noncontributory. Unless otherwise agreed in any *Participating Addendum*, other state *Participating Entities'* rights and *Contractor's* obligations

are the same as those specified in the first sentence of this subsection except the endorsement is provided to the applicable state.

16. PUBLIC INFORMATION & PUBLIC RECORDS DISCLOSURE REQUESTS.

16.1. WASHINGTON'S PUBLIC RECORDS ACT. Unless statutorily exempt from public disclosure, this *Cooperative Purchasing Agreement* and all related records are subject to public disclosure as required by Washington's Public Records Act, RCW 42.56.

16.2. PARTICIPATING ADDENDUMS. *Participating Addendums* and related records shall be subject to public disclosure as required by applicable law pertaining to such *Participating Entity* or *Purchasing Entity*.

16.3. CONTRACTOR OBLIGATION. *Contractor* shall identify and mark the precise portion(s) of the relevant page(s) of any records provided to *Enterprise Services* that *Contractor* believes are statutorily exempt from disclosure and identify the precise statutory basis for exemption from disclosure. In addition, if, in *Contractor's* judgment, certain portions of such records are not statutorily exempt from disclosure but are sensitive because particular portions of *Contractor's* records (NOT including pricing) include highly confidential, proprietary, or trade secret information (or the equivalent) that *Contractor* protects through the regular use of confidentiality or similar agreements and routine enforcements through court enforcement actions, *Contractor* shall identify and mark the precise portion(s) of the relevant page(s) of any records that include such sensitive information.

16.4. ENTERPRISE SERVICES' OBLIGATION. In the event that *Enterprise Services* receives a public records disclosure request pertaining to records that *Contractor* has submitted and marked either as (a) statutorily exempt from disclosure; or (b) sensitive, *Enterprise Services*, prior to disclosure, shall do the following: *Enterprise Services'* Public Records Officer shall review any records marked by *Contractor* as statutorily exempt from disclosure. In those situations, where the designation comports with the stated statutory exemption from disclosure, *Enterprise Services* shall redact or withhold the record(s) as appropriate. For records marked 'sensitive' or for records where *Enterprise Services* determines that no statutory exemption to disclosure applies or is unable to determine whether the stated statutory exemption to disclosure properly applies, *Enterprise Services* shall notify Contractor, at the address provided in the Contract, of the public records disclosure request and identify the date that *Enterprise Services* intends to release that the record(s) (including records marked 'sensitive' or exempt from disclosure) to the requester unless *Contractor*, at *Contractor's* sole expense, timely obtains a court order enjoining Enterprise Services from such disclosure. In the event *Contractor* fails to timely file a motion for a court order enjoining such disclosure, *Enterprise Services* shall release the requested record(s) on the date specified. *Contractor's* failure properly to identify exempted or sensitive information or timely respond after notice of request for public disclosure has been given shall be deemed a waiver by *Contractor* of any claim that such records are exempt or protected from public disclosure.

17. CLAIMS.

17.1. ASSUMPTION OF RISKS; CLAIMS BETWEEN THE PARTIES. *Contractor* assumes sole responsibility and all risks of personal injury or property damage to itself and its employees and agents to the extent caused by its operations under this *Cooperative Purchasing Agreement*. *Enterprise Services* has made no representations regarding any factor affecting *Contractor's* risks. *Contractor* shall pay for all damage to any *Purchasing Entity's* property resulting directly or indirectly from *Contractor's* acts or omissions under this *Cooperative Purchasing Agreement*, to the extent attributable to negligence by *Contractor* or its agents.

17.2. THIRD-PARTY CLAIMS; INDEMNITY. To the fullest extent permitted by law, *Contractor* shall defend, indemnify, and hold *Enterprise Services*, any *Purchasing Entity*, and *NASPO ValuePoint* and their respective employees and agents harmless from and against all claims, demands, judgments, assessments, damages, penalties, fines, costs, liabilities, or losses including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees (collectively "Claims") to the extent arising out of *Contractor's* or its successors', agents', and/or subcontractors' negligence, other tortious fault, or intentional misconduct under this *Cooperative Purchasing Agreement*. Contractor shall take all steps needed to keep *Purchasing Entity's* property free of liens arising from *Contractor's* activities, and promptly obtain or bond the release of any such liens that may be filed. The *Parties* agree that this section is not subject to any limitations of liability in this *Cooperative Purchasing Agreement* or in any other document executed in conjunction with this *Cooperative Purchasing Agreement*.

17.3. INDEMNIFICATION – INTELLECTUAL PROPERTY. To the fullest extent permitted by law, *Contractor* shall defend, indemnify, and hold Enterprise Services, any *Purchasing Entity*, and *NASPO ValuePoint* and their employees and agents harmless from against any and all Claims resulting from allegations of infringement of any patents, copyrights, trade secret, or similar intellectual property rights covering the *Goods and/or Services* provided, or the use of the *Goods and/or Services* under this *Cooperative Purchasing Agreement*. If *Purchasing Entity's* use of *Goods and/or Services* provided by *Contractor* is enjoined based on an intellectual property infringement Claim, *Contractor* shall, at its own expense, either procure for *Purchasing Entity* the right to continue using the *Goods and/or Services* or, after consulting with *Purchasing Entity* and obtaining *Purchasing Entity's* consent, replace or modify the *Goods and/or Services* with substantially similar and functionally equivalent non-infringing *Goods and/or Services*.

17.4. CLAIM PROTOCOL. *Purchasing Entity* shall give *Contractor*: (i) prompt written notice of a claim pursuant to Section 17.2 or 17.3; and (ii) assistance and information reasonably requested by *Contractor*. Notwithstanding the foregoing, *Contractor* shall not be liable for any infringement arising from: (i) the integration or combination of the Goods together with other software, materials or products not integrated or combined by *Contractor*, if the infringement would have been avoided in the absence of such integration or combination; (ii) modifications to the Goods that were not authorized by *Contractor*; or (iii) *Purchasing Entity's* use of the Goods in a manner that does not comply with this the *Contractor's* software license agreement (pursuant to Section 9.5) and documentation.

18. DISPUTE RESOLUTION. The *Parties* shall cooperate to resolve any dispute pertaining to this *Cooperative Purchasing Agreement* efficiently, as timely as practicable, and at the lowest possible level with authority to resolve such dispute. If, however, a dispute persists and cannot be resolved, it may be

escalated within each organization. In such situation, upon notice by either party, each party, within five (5) business days shall reduce its description of the dispute to writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing. In the event that the *Parties* cannot then agree on a resolution of the dispute, the *Parties* shall schedule a conference between the respective senior managers of each organization to attempt to resolve the dispute. In the event the *Parties* cannot agree, either party may resort to court to resolve the dispute.

19. TERMINATION; EXPIRATION; SUSPENSION; & REMEDIES.

19.1. TERMINATION. This *Cooperative Purchasing Agreement* may be terminated:

(a) Upon the mutual written agreement of the *Parties*;

(b) By the non-breaching party where the breach is not cured within thirty (30) calendar days after written notice of breach is delivered to the breaching party, unless a different time for cure is otherwise stated in this *Cooperative Purchasing Agreement*; and

(c) As otherwise expressly provided for in this *Cooperative Purchasing Agreement.*

This *Cooperative Purchasing Agreement* shall terminate automatically and without further action if a party becomes insolvent or is placed in receivership, reorganization, liquidation, or bankruptcy. In addition to any other available remedies, the non-breaching party may terminate this *Cooperative Purchasing Agreement* as provided in subsection (b) above without further liability by written notice to the breaching party. A termination for breach will not affect rights or obligations accrued or owed before the effective date of the termination notice.

19.2. TERMINATION FOR WITHDRAWAL OF AUTHORITY. *Enterprise Services* may suspend or terminate this *Cooperative Purchasing Agreement* if, during the term hereof, *Enterprise Services'* procurement authority is withdrawn, reduced, or limited such that *Enterprise Services*, in its judgment, would lack authority to enter into this *Cooperative Purchasing Agreement*; Provided, however, that such suspension or termination for withdrawal of authority shall only be effective upon twenty (20) days prior written notice; and Provided further, that such suspension or termination for withdrawal of authority shall not relieve any *Participating Entity* or *Purchasing Entity* from payment for *Goods and/or Services* already ordered as of the effective date of such notice. Except as stated in this provision, in the event of such suspension or termination for withdrawal of authority, neither *Enterprise Services* nor any *Participating Entity* or *Purchasing Entity* shall have any obligation or liability to *Contractor*. *Contractor* shall be entitled to seek compensation to the extent *Contractor* provides documentary evidence that *Contractor* has incurred additional costs as a result of the suspension.

19.3. TERMINATION FOR PUBLIC CONVENIENCE. *Enterprise Services*, for public convenience, may terminate this *Cooperative Purchasing Agreement*; Provided, however, that such termination for public convenience must, in *Enterprise Services'* judgment, be in the best interest of the State of Washington; and Provided further, that such termination for public convenience shall only be effective upon sixty (60) days prior written notice; and Provided further, that such termination for public convenience shall not relieve any *Participating Entity* or *Purchasing Entity* from payment for *Goods and/or Services* already ordered as of the effective date of

such notice. Except as stated in this provision, in the event of such termination for public convenience, neither *Enterprise Services* nor any *Participating Entity* or *Purchasing Entity* shall have any obligation or liability to *Contractor*.

19.4. PURCHASING ENTITY OBLIGATIONS – EXPIRATION. Upon expiration of this *Cooperative Purchasing Agreement*, *Purchasing Entity* shall accept and take delivery of all outstanding and not yet fulfilled *Purchase Orders* and pay *Contractor* the price as set out in this *Cooperative Purchasing Agreement*. Notwithstanding any provision to the contrary, in no event shall a *Purchasing Entity's Purchase Order* pursuant to this *Cooperative Purchasing Agreement* that is executed prior to expiration of this *Cooperative Purchasing Agreement* allow for *Contractor* to provide *Goods and/or Services* more than twelve (12) months beyond the expiration date of the *Cooperative Purchasing Agreement*.

19.5. CONTRACTOR OBLIGATIONS – EXPIRATION OR TERMINATION. Upon expiration or termination of this *Cooperative Purchasing Agreement*, *Contractor* shall: (a) continue to fulfill its warranty obligations with respect to any *Goods and/or Services* sold hereunder and all provisions of the *Cooperative Purchasing Agreement* that, by their nature, would continue beyond the expiration, termination, or cancellation of the *Cooperative Purchasing Agreement* shall so continue and survive; and (b) promptly return to *Purchasing Entity* all keys, badges, and other materials supplied by *Purchasing Entity* for the performance of any *Purchase Order* entered into pursuant to this *Cooperative Purchasing Agreement*.

19.6. DEFAULT. Any of the following events shall constitute cause for *Enterprise Services* to declare *Contractor* in default of this *Cooperative Purchasing Agreement*:

(a) *Contractor* fails to perform or comply with any of the terms or conditions of this *Cooperative Purchasing Agreement*;

(b) *Contractor* fails to timely report sales required by this *Cooperative Purchasing Agreement* when due;

(c) *Contractor* fails to timely pay fees required by this *Cooperative Purchasing Agreement* when due;

(d) *Contractor* fails to maintain the insurance coverages specified herein or timely provide to *Enterprise Services* the Certificate of Insurance and updates thereto specified herein;

(e) *Contractor* breaches any representation or warranty provided herein; or

(f) *Contractor* enters into proceedings relating to bankruptcy, whether voluntary or involuntary.

19.7. SUSPENSION & TERMINATION FOR DEFAULT. *Enterprise Services* may suspend *Contractor's* operations under this *Cooperative Purchasing Agreement* immediately by written cure notice of any default. *Contractor* may be required to submit a written cure plan within five (5) business days of such suspension notification. Suspension shall continue until the default is remedied to *Enterprise Services'* reasonable satisfaction; Provided, however, that, if after thirty (30) days from such a suspension notice if Contractor has not completed all of the actions set forth in the written cure plan within the timeframe identified in the written cure plan, *Enterprise Services* may terminate *Contractor's* rights under this *Cooperative Purchasing Agreement*. All of Contractor's obligations to Enterprise Services and Purchasing Entities

survive termination of Contractor's rights under this Cooperative Agreement, until such obligations have been fulfilled.

19.8. REMEDIES FOR DEFAULT.

(a) *Enterprise Services'* rights to suspend and terminate *Contractor's* rights under this *Cooperative Purchasing Agreement* are in addition to all other available remedies.

(b) In the event of termination for default, *Enterprise Services* may exercise any remedy provided by law including, without limitation, the right to procure for all *Purchasing Entities* replacement *Goods and/or Services*. In such event, Contractor shall be liable to *Enterprise Services* for damages as authorized by law including, but not limited to, any price difference between the *Cooperative Purchasing Agreement* price and the replacement or cover price as well as any administrative and/or transaction costs directly related to such replacement procurement – e.g., the cost of the competitive procurement. *Enterprise Services* and *Purchasing Entities* shall mitigate damages and provide *Contractor* with detailed invoices substantiating the charges.

(c) Unless otherwise specified in the *Participating Addendum*, in the event of a default under a *Participating Addendum*, a *Participating Entity* shall provide a written notice of default as described in this section and have all of the rights and remedies under this section regarding its participation in the *Cooperative Purchasing Agreement*, in addition to those set forth in its *Participating Addendum*. Unless otherwise specified in a *Purchase Order*, a *Purchasing Entity* shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable *Participating Addendum* with respect to a *Purchase Order* placed by the *Purchasing Entity*. Nothing in this *Cooperative Purchasing Agreement* shall be construed to limit the rights and remedies available to *Purchasing Entity* under the applicable commercial code.

19.9. LIMITATION ON DAMAGES. Notwithstanding any provision to the contrary, the *Parties* agree that in no event shall any party or *Purchasing Entity* be liable to the other for exemplary or punitive damages and that each party's liability shall not exceed $2,000,000 per occurrence; Provided, however, that nothing contained in this section shall in any way exclude or limit: (a) a party's liability for all damages arising out of that party's intentional acts or omissions; (b) the operation of any *Goods and/or Services* warranty provided in this *Cooperative Purchasing Agreement*; or (c) damages subject to the Intellectual Property Indemnity section of this *Cooperative Purchasing Agreement*; (d) non-payment for delivered Goods and/or Services due ONLY by the receiving *Purchasing Entity* (see Section 3.2 & 3.3); and (e) infringement or misappropriation of the intellectual property rights of *Contractor*. Any limitation of either party's obligations under this *Cooperative Purchasing Agreement*, by delivery slips or other documentation is void.

19.10. SUSPENSION/TERMINATION PROCEDURE. Regardless of basis, in the event of suspension or termination (in full or in part), the *Parties* shall cooperate to ensure an orderly and efficient suspension or termination. Accordingly, *Contractor* shall deliver to *Purchasing Entities* all *Goods and/or Services* that are complete (or with approval from *Enterprise Services*, substantially complete) and *Purchasing Entities* shall inspect, accept, and pay for the same in accordance with this *Cooperative Purchasing Agreement* and the applicable *Purchase Order*.

Unless directed by *Enterprise Services* to the contrary, *Contractor* shall not process any *Purchase Orders* after notice of suspension or termination inconsistent therewith.

20. PURCHASE ORDER TERMINATION. *Purchase Orders* between *Purchasing Entities* and *Contractor* may be terminated as follows:

(a) upon the mutual written agreement of the parties to the *Purchase Order*;

(b) by the non-breaching party where the breach of the *Purchase Order* is not cured within thirty (30) calendar days after written notice of breach is delivered to the breaching party, unless a different time for cure is otherwise stated in the applicable *Purchase Order*; and

(c) as otherwise expressly provided for in the applicable *Purchase Order*.

Purchase Orders shall terminate automatically and without further action if a party to such *Purchase Order* becomes insolvent or is placed in receivership, reorganization, liquidation, or bankruptcy. In addition to any other available remedies, the non-breaching party may terminate the *Purchase Order* as provided in subsection (b) above without further liability by written notice to the breaching party. A termination for breach shall not affect rights or obligations accrued or owed before the effective date of the termination notice.

21. GENERAL PROVISIONS.

21.1. TIME IS OF THE ESSENCE. Time is of the essence for each and every provision of this *Cooperative Purchasing Agreement*.

21.2. COMPLIANCE WITH LAW. *Contractor* shall comply with all applicable laws. *Contractor* shall obtain all necessary permits and approvals and give all stipulations, certifications, and representations that may be required for it to perform this *Cooperative Purchasing Agreement*.

21.3. NONDISCRIMINATION.

(a) Nondiscrimination Requirement. During the term of this Cooperative Purchasing Agreement, Contractor, including any subcontractor, shall not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, Contractor, including any subcontractor, shall give written notice of this nondiscrimination requirement to any labor organizations with which Contractor, or subcontractor, has a collective bargaining or other agreement.

(b) Obligation to Cooperate. Contractor, including any subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that Contractor, including any subcontractor, has engaged in discrimination prohibited by this Cooperative Purchasing Agreement pursuant to RCW 49.60.530(3).

(c) Default. Notwithstanding any provision to the contrary, Enterprise Services may suspend Contractor, including any subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this Cooperative Purchasing Agreement, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until Enterprise Services receives notification that Contractor, including any subcontractor, is cooperating with the

investigating state agency. In the event Contractor, or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), Enterprise Services may terminate this Cooperative Purchasing Agreement in whole or in part, and Contractor, subcontractor, or both, may be referred for debarment as provided in RCW 39.26.200. Contractor or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement.

(d) Remedies for Breach. Notwithstanding any provision to the contrary, in the event of Cooperative Purchasing Agreement termination or suspension for engaging in discrimination, Contractor, subcontractor, or both, shall be liable for contract damages as authorized by law including, but not limited to, any cost difference between this Cooperative Purchasing Agreement and the replacement or cover contract and all administrative costs directly related to the replacement contract, which damages are distinct from any penalties imposed under Chapter 49.60, RCW. Enterprise Services and/or Purchasing Entities shall have the right to deduct from any monies due to Contractor or subcontractor, or that thereafter become due, an amount for damages Contractor or subcontractor will owe Enterprise Services and/or Purchasing Entities for default under this provision.

21.4. ENTIRE AGREEMENT. This *Cooperative Purchasing Agreement* constitutes the entire agreement and understanding of the *Parties* with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.

21.5. AMENDMENT OR MODIFICATION. Except as set forth herein, this *Cooperative Purchasing Agreement* may not be amended or modified except in writing and signed by a duly authorized representative of each party.

21.6. AUTHORITY. Each party to this *Cooperative Purchasing Agreement*, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this *Cooperative Purchasing Agreement* and that its execution, delivery, and performance of this *Cooperative Purchasing Agreement* has been fully authorized and approved, and that no further approvals or consents are required to bind such party.

21.7. NO AGENCY. The *Parties* agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this *Cooperative Purchasing Agreement*. Neither party is an agent of the other party nor authorized to obligate it.

21.8. ASSIGNMENT. *Contractor* may not assign its rights under this *Cooperative Purchasing Agreement* without *Enterprise Services'* prior written consent and *Enterprise Services* may consider any attempted assignment without such consent to be void; Provided, however, that, if *Contractor* (a) provides written notice to *Enterprise Services* within thirty (30) days of such event and (b) timely executes *Enterprise Services'* Assignment, Assumption and Consent Agreement. *Contractor* may assign its rights under this *Cooperative Purchasing Agreement* in full to any parent, subsidiary, or affiliate of *Contractor* that controls or is controlled by or under common control with *Contractor*, is merged or consolidated with *Contractor*, or purchases a majority or controlling interest in the ownership or assets of *Contractor*. Unless

otherwise agreed, *Contractor* guarantees prompt performance of all obligations under this *Cooperative Purchasing Agreement* notwithstanding any prior assignment of its rights.

21.9. BINDING EFFECT; SUCCESSORS & ASSIGNS. This *Cooperative Purchasing Agreement* shall be binding upon and shall inure to the benefit of the *Parties* hereto and their respective successors and assigns.

21.10. ASSIGNMENT OF ANTITRUST RIGHTS REGARDING PURCHASED GOODS/SERVICES. *Contractor* irrevocably assigns to *Enterprise Services*, on behalf of the State of Washington, any claim for relief or cause of action which the *Contractor* now has or which may accrue to the *Contractor* in the future by reason of any violation of state or federal antitrust laws in connection with any *Goods and/or Services* provided to *Purchasing Entities* in Washington for the purpose of carrying out *Contractor's* obligations under this *Cooperative Purchasing Agreement*, including, at *Enterprise Services'* option, the right to control any such litigation on such claim for relief or cause of action.

21.11. FEDERAL FUNDS. To the extent that any *Purchasing Entity* uses federal funds to purchase *Goods and/or Services* pursuant to this *Cooperative Purchasing Agreement*, such *Purchasing Entity* shall specify, with its *Purchase Order*, any applicable requirement or certification that must be satisfied by *Contractor* at the time the order is placed or upon delivery of such *Goods and/or Services* to *Purchasing Entity*.

21.12. SEVERABILITY. If any provision of this *Cooperative Purchasing Agreement* is held to be invalid or unenforceable, such provision shall not affect or invalidate the remainder of this *Cooperative Purchasing Agreement*, and to this end the provisions of this *Cooperative Purchasing Agreement* are declared to be severable. If such invalidity becomes known or apparent to the *Parties*, the *Parties* agree to negotiate promptly in good faith in an attempt to amend such provision as nearly as possible to be consistent with the intent of this *Cooperative Purchasing Agreement*.

21.13. WAIVER. Failure of either party to insist upon the strict performance of any of the terms and conditions hereof, or failure to exercise any rights or remedies provided herein or by law, or to notify the other party in the event of breach, shall not release the other party of any of its obligations under this *Cooperative Purchasing Agreement*, nor shall any purported oral modification or rescission of this *Cooperative Purchasing Agreement* by either party operate as a waiver of any of the terms hereof. No waiver by either party of any breach, default, or violation of any term, warranty, representation, contract, covenant, right, condition, or provision hereof shall constitute waiver of any subsequent breach, default, or violation of the same or other term, warranty, representation, contract, covenant, right, condition, or provision.

21.14. SURVIVAL. All representations, warranties, covenants, agreements, and indemnities set forth in or otherwise made pursuant to this *Cooperative Purchasing Agreement* shall survive and remain in effect following the expiration or termination of this *Cooperative Purchasing Agreement*, Provided, however, that nothing herein is intended to extend the survival beyond any applicable statute of limitations periods.

21.15. GOVERNING LAW.

(a) Cooperative Purchasing Agreement. The validity, construction, performance, and enforcement of this *Cooperative Purchasing Agreement* shall be governed by and construed in accordance with the

laws of the State of Washington, without regard to any choice of law principles that would provide for the application of the laws of another jurisdiction.

(b) Participating Addendum & Purchase Orders. The validity, construction, and effect of any *Participating Addendum* pertaining to the *Cooperative Purchasing Agreement* or *Purchase Order* placed pursuant to such *Participating Addendum* shall be governed by and construed in accordance with the laws of the *Participating Entity's* or *Purchasing Entity's* state without regard to any choice of law principles that would provide for the application of the laws of another jurisdiction.

21.16. JURISDICTION & VENUE.

(a) Cooperative Purchasing Agreement. In the event that any action is brought to enforce any provision of this *Cooperative Purchasing Agreement*, the *Parties* agree to exclusive jurisdiction in Thurston County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.

(b) Purchase Orders. Venue for any claim, dispute, or action concerning any *Purchase Order* placed against the *Cooperative Purchasing Agreement* or the effect of a *Participating Addendum* shall be in the Purchasing Entity's state.

21.17. SOVEREIGN IMMUNITY. In no event shall this *Cooperative Purchasing Agreement*, any *Participating Addendum*, or any *Purchase Order* issued thereunder, or any act of the *Lead State*, a *Participating Entity*, or *Purchasing Entity* be a waiver of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. This section applies to a claim brought against the *Participating Entities* who are states only to the extent Congress has appropriately abrogated the state's sovereign immunity and is not consent by the state to be sued in federal court.

21.18. ATTORNEYS' FEES. In the event of litigation or other action brought to enforce this *Cooperative Purchasing Agreement*, each party shall bear its own attorneys' fees and costs.

21.19. FAIR CONSTRUCTION & INTERPRETATION. The provisions of this *Cooperative Purchasing Agreement* shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this *Cooperative Purchasing Agreement*. Each party hereto and its counsel has reviewed and revised this *Cooperative Purchasing Agreement* and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be construed in the interpretation of this *Cooperative Purchasing Agreement*. Each term and provision of this *Cooperative Purchasing Agreement* to be performed by either party shall be construed to be both a covenant and a condition.

21.20. FURTHER ASSURANCES. In addition to the actions specifically mentioned in this *Cooperative Purchasing Agreement*, the Parties shall each do whatever may reasonably be necessary to accomplish the transactions contemplated in this *Cooperative Purchasing Agreement* including, without limitation, executing any additional documents reasonably necessary to effectuate the provisions and purposes of this *Cooperative Purchasing Agreement*.

21.21. EXHIBITS. All exhibits referred to herein are deemed to be incorporated in this *Cooperative Purchasing Agreement* in their entirety.

21.22. CAPTIONS & HEADINGS. The captions and headings in this *Cooperative Purchasing Agreement* are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this *Cooperative Purchasing Agreement* nor the meaning of any provisions hereof.

21.23. ELECTRONIC SIGNATURES. An electronic signature or electronic record of this *Cooperative Purchasing Agreement* or any other ancillary agreement shall be deemed to have the same legal effect as delivery of an original executed copy of this *Cooperative Purchasing Agreement* or such other ancillary agreement for all purposes.

21.24. COUNTERPARTS. This *Cooperative Purchasing Agreement* may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this *Cooperative Purchasing Agreement* at different times and places by the *Parties* shall not affect the validity thereof so long as all the *Parties* hereto execute a counterpart of this *Cooperative Purchasing Agreement*.

EXECUTED as of the date and year first above written.

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

By: Elena McGrew
Elena McGrew
Its: Procurement Manager

KUSTOM SIGNALS, INC.
A KANSAS CORPORATION

By: Chris Abel
Chris Abel
Its: President

INSURANCE REQUIREMENTS

1. **INSURANCE OBLIGATION.** During the term of this *Cooperative Purchasing Agreement*, *Contractor* shall possess and maintain in full force and effect, at *Contractor's* sole expense, the following insurance coverages:

   a. COMMERCIAL GENERAL LIABILITY INSURANCE. Commercial general liability insurance (and, if necessary, commercial umbrella liability insurance) covering bodily injury, property damage, products/completed operations, personal injury, and advertising injury liability on an 'occurrence form' that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) under the most recent version of form CG 00 01 in the amount of not less than $2,000,000 per occurrence and $4,000,000 general aggregate. This coverage shall include blanket contractual liability coverage. This coverage shall include a cross-liability clause or separation of insured condition.

   b. WORKERS' COMPENSATION INSURANCE. *Contractor* shall comply with applicable Workers' Compensation or Industrial Accident insurance providing benefits as required by law.

   c. EMPLOYERS' LIABILITY (STOP GAP) INSURANCE. Employers' liability insurance (and, if necessary, commercial umbrella liability insurance) with limits not less than $1,000,000 each accident for bodily injury by accident, $1,000,000 each employee for bodily injury by disease, and $1,000,000 bodily injury by disease policy limit.

   d. COMMERCIAL AUTOMOBILE LIABILITY INSURANCE (required if Contractor is accessing Purchasing Entity's premises). 'Symbol 1' commercial automobile liability coverage (and, if necessary, commercial umbrella liability insurance) including coverage for all owned, hired, and non-owned vehicles. The combined single limit per accident shall not be less than $1,000,000.

   The insurance coverage limits set forth herein are the minimum. *Contractor's* insurance coverage shall be no less than the minimum amounts specified. Coverage in the amounts of these minimum limits, however, shall not be construed to relieve *Contractor* from liability in excess of such limits. *Contractor* waives all rights against the State of Washington for the recovery of damages to the extent such damages are covered by any insurance required herein.

2. **INSURANCE CARRIER RATING.** Coverages provided by the *Contractor* must be underwritten by an insurance company deemed acceptable to the State of Washington's Office of Risk Management. Insurance coverage shall be provided by companies authorized to do business within the State of Washington and rated A- Class VII or better in the most recently published edition of Best's Insurance Rating. *Enterprise Services* reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

3. **ADDITIONAL INSURED.** When specified as a required insurance coverage (see § 1 – Insurance Obligation, above) Commercial General Liability, Commercial Automobile Liability, and Pollution Liability Insurance shall include the State of Washington and all authorized *Purchasing Entities* (and their agents, officers, and employees) as Additional Insureds evidenced by copy of the Additional Insured Endorsement attached to the Certificate of Insurance on such insurance policies.

4. **CERTIFICATE OF INSURANCE.** Prior to execution of the *Cooperative Purchasing Agreement*, *Contractor* shall furnish to *Enterprise Services*, as evidence of the insurance coverage required by this *Cooperative Agreement*, a certificate of insurance satisfactory to *Enterprise Services* that insurance, in the above-stated kinds and minimum amounts, has been secured. In addition, no less than ten (10) days prior to coverage expiration, *Contractor* shall furnish to *Enterprise Services* an updated or renewed certificate of insurance, satisfactory to *Enterprise Services*, that insurance, in the above-stated kinds and minimum amounts, has been secured. Failure to maintain or provide proof of insurance, as required, shall result in termination of this *Cooperative Purchasing Agreement*. **All policies**

and certificates of insurance shall include the *Cooperative Purchasing Agreement* number stated on the cover of this ***Cooperative Purchasing Agreement***. All certificates of Insurance and any related insurance documents shall be delivered to *Enterprise Services* via email sent to the email address set forth below :

Email: DESContractsTeamFir@des.wa.gov
Note: the Email Subject line must state:
Insurance Certificate: Cooperative Purchasing Agreement No. 24283 Police Radar/Lidar

5. **PRIMARY COVERAGE**. *Contractor's* insurance shall apply as primary and shall not seek contribution from any insurance or self-insurance maintained by, or provided to, the additional insureds listed above including, at a minimum, the State of Washington and/or any *Purchasing Entity*. All insurance or self-insurance of the State of Washington and/or *Purchasing Entities* shall be excess of any insurance provided by *Contractor* or subcontractors.

6. **SUBCONTRACTORS**. *Contractor* shall include all subcontractors as insureds under all required insurance policies. Alternatively, prior to utilizing any subcontractor, *Contractor* shall cause any such subcontractor to provide insurance that complies will all applicable requirements of the insurance set forth herein and shall furnish separate Certificates of Insurance and endorsements for each subcontractor. Each subcontractor must comply fully with all insurance requirements stated herein. Failure of any subcontractor to comply with insurance requirements does not limit *Contractor's* liability or responsibility.

7. **WAIVER OF SUBROGATION**. *Contractor* waives all rights of subrogation against the State of Washington and any *Purchasing Entity* for the recovery of damages to the extent such damages are or would be covered by the insurance specified herein.

8. **NOTICE OF CHANGE OR CANCELLATION**. There shall be no cancellation, material change, exhaustion of aggregate limits, or intent not to renew insurance coverage, either in whole or in part without at least thirty (30) days prior written legal notice by *Contractor* to *Enterprise Services*. Failure to provide such notice, as required, shall constitute default by *Contractor*. Any such written notice shall include the *Cooperative Purchasing Agreement* number stated on the cover of this *Cooperative Purchasing Agreement*.

9. **EXTENDED REPORTING PERIOD**. If any required insurance coverage is on a claims-made basis (rather than occurrence), *Contractor* shall maintain such coverage for a period of no less than three (3) years following expiration or termination of the *Cooperative Purchasing Agreement*.

* * * END OF INSURANCE REQUIREMENTS * * *

INCLUDED GOODS AND/OR SERVICES AND PRICING

GROUP A: SPEED ENFORCEMENT – 28% OFF MSRP

Line #	Product	Product ID	Contract Price	Delivery Days ARO
In-Car RADAR				
1.	Eagle II Single KA Band Radar	CRS 36	$ 1,501.63	30 days
2.	Eagle II Dual KA Band Radar	CRS 39	$ 1,917.66	30 days
3.	Golden Eagle II Single KA Band Radar	CRS 54	$ 1,877.56	30 days
4.	Golden Eagle II Dual KA Band Radar	CRS 57	$ 2,263.53	30 days
5.	Directional Golden Eagle II Single KA Band Radar	CRS 825	$ 2,388.84	30 days
6.	Directional Golden Eagle II Dual KA Band Radar	CRS 826	$ 2,794.85	30 days
7.	Raptor Single K Band Radar with Same Lane	CRS 831	$ 1,441.48	30 days
8.	Raptor Dual K Band Radar with Same Lane	CRS 833	$ 1,667.04	30 days
9.	Raptor Single KA Band Radar with Same Lane	CRS 847	$ 1,731.20	30 days
10.	Raptor Dual KA Band Radar with Same Lane	CRS 849	$ 2,142.22	30 days
11.	Eagle 3 Single KA Band Radar	CRS 3002	$ 2,088.09	30 days
12.	Eagle 3 Dual KA Band Radar	CRS 3003	$ 2,839.96	30 days
Handhelds				
13.	Falcon HR Stationary Radar with Fastest	CRS 7000	$ 814.91	45 days
14.	Directional Talon II Stationary Radar with Fastest	CRS 1670	$ 1,416.41	45 days
LASER Products				
15.	LaserCam 4 Lidar with Carrying Case	CRS 2100	$ 6,559.24	45 days
16.	ProLaser 4 Lidar with Carrying Case	CRS 2000	$ 2,328.69	45 days

GROUP B: SPEED ADVISORY SYSTEMS -28% OFF MSRP

Line #	Product	Product ID	Contract Price	Delivery Days ARO
Pole Mounted Displays				
1.	PMD 18	CRS 1806	$ 3,503.28	60 days
2.	PMD 12	CRS 5102	$ 3,083.49	60 days
3.	PMD 12 w/50W Solar	CRS 5104	$ 3,651.84	60 days
4.	PMD 12 w/ AC Power	CRS 5105	$ 3,065.38	30 days
RADAR Messaging Displays				
5.	VMS Model I Autonomous	CRS 1508	$ 17,543.75	60 days
6.	VMS Model II Autonomous	CRS 1509	$ 15,288.13	60 days
7.	VMS Model III Autonomous	CRS 1510	$ 14,430.99	60 days
8.	VMS Model IV Autonomous	CRS 1506	$13,830.49	60 days
9.	VMS HT Autonomous	CRS 1514	$ 16,636.49	60 days
10.	VMS Model I - No Solar	CRS 1511	$ 16,636.49	60 days
11.	VMS Model II - No Solar	CRS 1512	$ 15,288.13	60 days
12.	VMS Model III - No Solar	CRS 1513	$ 14,430.99	60 days
RADAR Speed Trailers				
13.	SMART 12 Trailer	CRS 5002	$ 5,764.38	75 days
14.	SMART 18 Trailer	CRS 1800	$ 9,241.35	75 days
15.	SMART 18+ Trailer	CRS 1801	$ 9,819.49	75 days
16.	SMART 18 HP+ Trailer	CRS 1805	$ 12,024.99	75 days
17.	SMART 18 Camera Ready Trailer	CRS 1802	$ 11,228.00	75 days
Traffic Data Collection				
18.	StealthStat II	CRS 5200	$ 2,902.24	45 days

DATA SECURITY REQUIREMENTS

(a) SECURITY COMPLIANCE. Where required, Contractor is responsible for establishing an information security program and maintaining physical, technical, administrative, and organizational safeguards, that comply with: (a) applicable industry standards and guidelines; (b) American Institute of Certified Public Accountants (AICPA) System and Organization Controls (SOC) 1; and (c) Washington State Office of Chief Information Officer (OCIO) Policy 141.10 – *Securing Information Technology Assets Standards* located at https://ocio.wa.gov/policy/securing-information-technology-assets-standards.

(b) ANNUAL SECURITY CERTIFICATIONS. Where required, Contractor will, at the commencement of this Contract and annually thereafter provide Enterprise Services the following reports and certifications: (a) AICPA Statement of Standards for Attestation Engagement (SSAE) No. 18 SOC 1 Type II fiscal year cycle audit report; (b) SOC 2 Type I report in accordance with AICPA AT 101; and (c) attestation that Contractor's Services are in compliance with OCIO Security Policy 141.10 – *Securing Information Technology Assets Standards*. Enterprise Services may accept, at its sole discretion, alterative reports, audits or reporting formats which Enterprise services determines to be equivalent or better to the reports and certifications described herein.

(c) DATA BREACH. Where required, Contractor must have an incident response process that follows National Institute of Standards and Technology (NIST) of Standards and Technology (NIST) standards and includes breach detection, breach notification and breach response. Upon discovery or reasonable belief of any access, destruction, loss, theft, use or disclosure of Enterprise Services' Data by an unauthorized party ("Data Breach"), Contractor shall notify Enterprise Services by the fastest means available and also in writing. Contractor shall provide such notification within forty-eight (48) hours after Contractor reasonably believes there has been such a Data Breach. Contractor's notification shall identify:

1) The nature of the Data Breach;
2) The Data accessed, used or disclosed;
3) The person(s) who accessed, used, disclosed and/or received Data (if known);
4) What Contractor has done or will do to quarantine and mitigate the Data Breach; and
5) What corrective action Contractor has taken or will take to prevent future Data Breaches.

Contractor shall quarantine the Data Breach, ensure secure access to Data, and restore Services as needed to comply with terms and conditions of this Contract. Contractor shall conduct an investigation of the Data Breach and shall share the report of the investigation with Enterprise Services.

In the event of the Data Breach, Contractor agrees to comply with all applicable state and federal statutory provisions, including but not limited to RCW 19.255.010 and RCW 42.56.590. Where notifications are required to the public or regulators, Contractor shall coordinate and cooperate with Enterprise Services in the development of a communication plan, and promptly and at no cost, provide advance copies of any notifications for Enterprise Services review before disseminating. If a Data Breach occurs and is found to be the result of Contractor's acts, omissions or negligence, Contractor shall assume complete responsibility for notification of affected parties, and be liable for all associated costs incurred by Enterprise Services in responding to or recovering from the Data Breach.

(d) TECHNICAL EXAMINATION AND AUDIT. Upon advance written request, Contractor agrees that Enterprise Services or its designated representative shall have reasonable access to Services purchased by Enterprise Services under this contract, its operational documentation, records and databases, including online inspections. The online inspection shall allow Enterprise Services, its authorized agents, or a mutually acceptable third party hired by Enterprise Services, to test that controls are in place and working as intended. Tests may include, but not be limited to, the following:

1) Operating system/network vulnerability scans;
2) Web application vulnerability scans;
3) Database application vulnerability scans; and

4) Any other scans to be performed by Enterprise Services or representatives on behalf of Enterprise Services.

Contractor shall allow Enterprise Services reasonable access to Services security logs, latency statistics, and other related Services security data that affect this Contract and Enterprise Services' Data, at no cost to Enterprise Services. After any significant Data loss, specific to data stored within the Services platform, or as a result of any disaster or catastrophic failure, Contractor will at its expense have an independent, industry-recognized third party perform an information security audit. This does not apply to data loss resulting from interruptions in the Services stemming from Enterprise Services' computers, network hardware, internet connectivity, or other elements owned or controlled by Enterprise Services that are reasonably required to use Services. The audit results shall be shared with Enterprise Services within seven (7) days of Contractor's receipt of such results. Upon Contractor receiving the results of the audit, Contractor will provide Enterprise Services with written evidence of planned remediation within thirty (30) days and promptly modify its security measures in order to meet its obligations under this Contract.

24823 Kustom Signals Coop. Purchasing Agreement

Final Audit Report 2024-08-06

Created:	2024-08-05
By:	Brad Strinfellow (Brad.Stringfellow@des.wa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAA4AD_VM4lKql0ub2yZWJPB-CforBnun_A

"24823 Kustom Signals Coop. Purchasing Agreement" History

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Adobe Acrobat Sign

KUSTOM SIGNALS INC®

NASPO COOPERATIVE PURCHASING AGREEMENT NO. 24823

POLICE RADAR LIDAR SPEED ENFORCEMENT & ACCIDENT SCENE RECONSTRUCTION

Price List September 2024

Click each product to learn more

Contact Sales

Group A Speed Enforcement -28% off MSRP

In-Car RADAR

Product	*Product ID*	*Selling Price (Includes shipping)*	*ARO*
Eagle II Single KA Band Radar	CRS 36	$ 1,501.63	30 days
Eagle II Dual KA Band Radar	CRS 39	$ 1,917.66	30 days
Golden Eagle II Single KA Band Radar	CRS 54	$ 1,877.56	30 days
Golden Eagle II Dual KA Band Radar	CRS 57	$ 2,263.53	30 days
Directional Golden Eagle II Single KA Band Radar	CRS 825	$ 2,388.84	30 days
Directional Golden Eagle II Dual KA Band Radar	CRS 826	$ 2,794.85	30 days
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Raptor Dual K Band Radar with Same Lane	CRS 833	$ 1,667.04	30 days
Raptor Single KA Band Radar with Same Lane	CRS 847	$ 1,731.20	30 days
Raptor Dual KA Band Radar with Same Lane	CRS 849	$ 2,142.22	30 days
Eagle 3 Single KA Band Radar	CRS 3002	$ 2,088.09	30 days
Eagle 3 Dual KA Band Radar	CRS 3003	$ 2,839.96	30 days

RADAR Speed Trailers

Product	Product ID	*Selling Price (Shipping not included)*	*ARO*
SMART 12 Trailer	CRS 5002	$ 5,764.38	75 days
SMART 18 Trailer	CRS 1800	$ 9,241.35	75 days
SMART 18+ Trailer	CRS 1801	$ 9,819.49	75 days
SMART 18 HP+ Trailer	CRS 1805	$ 12,024.99	75 days
SMART 18 Camera Ready Trailer	CRS 1802	$ 11,228.00	75 days

Traffic Data Collection

Product	Product ID	*Selling Price (Shipping not included)*	*ARO*
StealthStat II	CRS 5200	$ 2,902.24	45 days

STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NUMBER 7-24-70-56-03

Police Radar/Lidar Speed Enforcement & Accident Reconstruction
Washington NASPO ValuePoint Master Agreement Number 24823
Kustom Signals, Inc. (Contractor)

This Participating Addendum Number 7-24-70-56-03 is entered into between the State of California, Department of General Services (hereafter referred to as "State" or "DGS") and Kustom Signals, Inc. (hereafter referred to as "Contractor") under the lead state of Washington NASPO ValuePoint Master Agreement Number 24823.

1. SCOPE

A. This Participating Addendum covers the purchase of Police Radar/Lidar Speed Enforcement & Accident Reconstruction products under the Washington NASPO ValuePoint Master Agreement. The Washington NASPO ValuePoint Master Agreement is hereby incorporated by reference. Product categories included under this Participating Addendum are identified in Section 5 (Available Products and Services).

B. This Participating Addendum is available for use by California state agencies and local governments. A local government is defined as any city, county, city and county, district, or other local governmental body, school district or corporation empowered to expend public funds. The State Agency Listing (https://www.ca.gov/agencesall/) provides a comprehensive list of state agencies.

C. Each local government is to make its own determination whether this Participating Addendum and the Washington NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

2. TERM

A. The term of this Participating Addendum shall begin upon signature approval by the State and will end August 31, 2027, or upon termination by the State, whichever occurs first.

B. Lead state amendments to extend the NASPO ValuePoint Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.

C. Order placement and execution shall be on or before the expiration of this Participating Addendum. However, delivery of products or completion of services may be up to 120 days after the Participating Addendum expiration date.

3. TERMS AND CONDITIONS/INCORPORATION OF DOCUMENTS

A. Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum.

1) Information Technology – General Provisions Non-Cloud Goods & Services (GSPD-ITGP), effective 11/12/2024

B. Terms can be viewed on the DGS Procurement Division website (https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Required-Language-for-Solicitations-and-Contracts).

4. ORDER OF PRECEDENCE

A. In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:

1) California Participating Addendum Number 7-24-70-56-03
2) Washington NASPO ValuePoint Master Agreement Number 24823

5. AVAILABLE PRODUCTS AND SERVICES

A. The following product and service offerings from the Washington NASPO ValuePoint Master Agreement Number 24823 are allowed under this Participating Addendum:

1) Category One
   a. Group A – Speed Enforcement
   b. Group B – Speed Advisory Systems

6. RESTRICTIONS/DISALLOWED PRODUCTS AND SERVICES (STATE AGENCIES ONLY)

A. Product and service categories that are available on mandatory California statewide contracts cannot be purchased from this Participating Addendum by state agencies without an exemption. State agencies are responsible for obtaining a mandatory statewide contract exemption from DGS prior to issuing a purchase order.

7. PRICING

A. Contractor's pricing is outlined in the Washington NASPO ValuePoint Master Agreement Number 24823.

B. Contractor shall notify the State Contract Administrator of any amendments and pricing adjustments approved and executed by the state of Washington.

8. AUTHORIZED RESELLERS

Authorized Resellers will not be used for this Participating Addendum.

9. SUBCONTRACTORS

Subcontractors will not be used for this Participating Addendum.

10. ORDERING AGENCY RESPONSIBILITIES

A. State agency and local government use of this Participating Addendum is optional.

B. State agencies and local governments must follow the ordering procedures outlined within the User Instructions guide, administered by the State Contract Administrator, to execute orders against this Participating Addendum. User Instructions are posted on the State's Cal eProcure website.

C. All purchase orders executed under this Participating Addendum shall include the Participating Addendum Number 7-24-70-56-03.

11. STATE AGENCY BUY RECYCLED CAMPAIGN (SABRC)

A. State agencies are required to report purchases made within the eleven product categories in the California Department of Resources Recycling and Recovery's State Agency Buy Recycled Campaign (SABRC) per Public Contract Code sections 12200-12217.

B. Contractor will be required to complete and return a Recycled-Content Certification form (https://www.calrecycle.ca.gov/contracts/forms) upon request by the state agency.

12. DELIVERY

A. Delivery shall occur as negotiated between ordering agency and Contractor and included in the purchase order, or as otherwise stipulated in the NASPO ValuePoint Master Agreement.

B. Free On Board (F.O.B.) Destination, freight prepaid by the Contractor, to the ordering agency's receiving point with the exception of Group B Speed Advisory Systems. Freight charges for Group B must be mutually agreed in writing and set forth in the Purchase Order.

13. INVOICING AND PAYMENT

A. Payment will be made in accordance with General Provisions – Information Technology Non-Cloud Goods and Services Paragraph 15.2 (Required Payment Date).

B. Invoices shall be sent to the address identified in the ordering agency's purchase order. The Participating Addendum Number and ordering agency purchase order number shall appear on each invoice for all purchases placed under this Participating Addendum.

C. Contractor does not accept the State of California credit card (CAL-Card) for payment of invoices.

14. USAGE REPORTING

A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as Attachment A. The report is due even when there is no activity.

B. The State Contract Administrator reserves the right to modify Attachment A and require Contractor to provide additional order information during the course of this Participating Addendum.

C. The report shall be an Excel spreadsheet transmitted electronically to the DGS Cooperatives mailbox (PDCooperatives@dgs.ca.gov).

D. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five (5) business days of the date of written notification from the State.

E. Tax must not be included in the report, even if it is on the purchase order.

F. Reports are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

G. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this Participating Addendum.

H. Time extensions may be approved only if all due reports have been submitted to the State.

15. ADMINISTRATIVE FEE

A. Contractor is required to remit to DGS an administrative fee amount equal to 1.25% of the sales for the quarterly reporting period less freight, taxes, returned

products and credits. (For example, if the net sales for the reporting quarter totals $100,000.00, the incentive fee due to DGS would be $1,250.00.)

B. The administrative fee shall not be included as an adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.

C. The administrative fee shall not be invoiced or charged to the ordering agency.

D. Payment of the administrative fee is due irrespective of payment status from ordering agencies.

E. Payment may be made in the form of an electronic payment using the LPA Payment Portal website (https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Access-LPA-Payment-Portal) or by submitting a check payable to the State of California, Department of General Services.

F. Administrative fee payments made by check must include the Participating Addendum Number on the check and be submitted to the following address:

Department of General Services
Procurement Division
Attn: MAPS Payment Processing
707 Third Street, 2nd Floor
West Sacramento, CA 95605

G. Administrative fee payments are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this Participating Addendum.

16. CONTRACT MANAGEMENT

A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor	Contract Manager
Name:	Jim Lindquist
Phone:	(913) 492.1400

Contractor	Contract Manager
Email	sales@kustomsignals.com
Address:	Kustom Signals, Inc. Attn: Jim Lindquist 10901 W 84th Terrace, Suite 100 Lenexa, KS 66214

B. The State Contract Administrator for this Participating Addendum shall be as follows:

State	Contract Administrator
Name:	Kelly Xu
Phone:	(279) 799-4561
Email	Kelly.Xu@dgs.ca.gov
Address:	State of California Department of General Services Procurement Division 707 Third Street, 2nd Floor, MS 2-202 West Sacramento, CA 95605

C. Should the contact information for either party change, the party will provide written notice with updated information no later than ten (10) business days after the change.

17. TERMINATION OF AGREEMENT

The State may terminate this Participating Addendum at any time upon thirty (30) days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible, and intangible, as may facilitate the orderly, non-disrupted business continuation of each party. This provision shall not relieve the Contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

18. AMENDMENT

No amendment or variation of the terms of this Participating Addendum shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Participating Addendum is binding on any of the parties.

19. NEWS RELEASES

Unless otherwise exempted, news releases, endorsements, advertising, and social media content pertaining to this Participating Addendum shall not be made without prior written approval from the State.

20. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Participating Addendum. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least thirty (30) calendar days to provide a written response. Termination shall be at the sole discretion of the State.

21. GENERATIVE ARTIFICIAL INTELLIGENCE (GENAI) REPORTING

The State of California seeks to realize the potential benefits of GenAI, through the development and deployment of GenAI tools, while balancing the risks of these new technologies.

Upon request by an ordering agency, Contractor must complete a GenAI Reporting and Fact Sheet (STD 1000) to identify if their solution or service includes, or makes available, any GenAI including, GenAI from third parties or subcontractors.

During the term of the contract, Contractor must notify the State in writing if their services or any work under this contract includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors. Contractor shall immediately complete the GenAI Reporting and Factsheet (STD 1000) to notify the State of any new or previously unreported GenAI technology.

At the direction of the State, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology that materially impacts functionality, risk or contract performance, until use of such GenAI technology has been approved by the State.

Failure to disclose GenAI use to the State and submit the GenAI Reporting and Factsheet (STD 1000) may be considered a breach of the contract by the State at its sole discretion and the State may consider such failure to disclose GenAI and/or failure to submit the GenAI Reporting and Factsheet (STD 1000) as grounds for the

immediate termination of the contract. The State is entitled to seek any and all relief to which it may be entitled to as a result of such non-disclosure.

The State reserves the right to amend the contract, without additional cost, to incorporate GenAI Special Provisions into the contract at its sole discretion and/or terminate any contract that presents an unacceptable level of risk to the State.

If Contractor identifies GenAI in their solution, a copy of the STD 1000 must be submitted to the State Contract Administrator.

22. AGREEMENT

A. This Participating Addendum and the Master Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations, or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.

B. By signing this Participating Addendum, Contractor agrees to offer the same products/services available on the Washington NASPO ValuePoint Master Agreement Number 24823, at prices equal to or lower than the prices on that agreement.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

STATE OF CALIFORNIA

Department of General Services
Agency Name

Julie Matthews Digitally signed by Julie Matthews Date: 2024.12.06 09:20:02 -08'00' 12/6/2024
Authorized Signature *Date Signed*

Julie Matthews. MAU2 Supervisor
Printed Name/Title of Person Signing

707 Third Street
West Sacramento, CA 95605
Address

CONTRACTOR

Kustom Signals, Inc.
Contractor Name

11/25/24
Authorized Signature *Date Signed*

Chris Abel - President
Printed Name/Title of Person Signing

10901 W 84th Terrace Ste 100,
Lenexa, Kansas 66214
Address

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Dan Singer, City Manager

Subject: RESOLUTION OF SUPPORT FOR HOSPITAL SERVICES

Date: November 18, 2026

Agenda Item: 10.A

RECOMMENDATION:

It is recommended that the Council:

1) Consider adopting Resolution No 7639, affirming Santa Paula's commitment to preserving local emergency medical care for the Santa Clara River Valley, and

2) Directing staff to return with a separate resolution establishing an Ad-hoc Council Committee on Hospital and Health Care Services, and

3) Committing up to $50,000 of City funds in support of these goals in order to hire a health care expert able to help navigate options and opportunities for health services.

Presentation by: Dan Singer, City Manager

BACKGROUND:

Following community concerns expressed over the future of the Santa Paula Hospital, Ventura County initiated a Blue-Ribbon Healthcare Advisory Committee in July of 2019 at the urging of Supervisor Kelly Long. Because of costs, the County determined it would not retrofit the hospital to conform with California siesmic safety standards, resulting in the facility's closure at the end of 2029. The City Council appointed two members to serve on the Blue RibbonTask Force.

Numerous County studies and presentations have ensued, leading up to a presentation to the Board of Supervisors on August 18, 2026. At the hearing, the County Board of Supervisors voted unanimously to pursue a healthcare model that would replace Santa Paula Hospital with a medical office building and expanded access care center, rather than build a replacement hospital with a 24-hour emergency department.

Since that time, a broad coalition of concerned organizations, lead by Latino Town Hall, have been meeting and working on a multi-pronged strategic initiative in support of continued emergency room and health care services for the Santa Clara River Valley. City staff and the two members of the Blue Ribbon Committee have been actively participating in these

meetings.

ANALYSIS:

One of the requests coming out of the coalition meeting and supported by the Council's two representatives, Councilmembers Cornejo and Juarez, is for the City of Santa Paula to adopt a resolution of support, similar to a resolution passed by the City of Fillmore City Council on October 13, 2026. Also at that time, Fillmore formed an ad hoc committee composed of Councilmember Christina Villaseñor and Mayor Albert Mendez to represent the City in ongoing regional discussions and advocacy regarding this issue and the broader topics of health and hospital services in this Valley.

RESOLUTION

The proposed resolution (attached) expresses the City of Santa Paula's commitment to preserving locally accessible, 24-hour emergency medical care for residents of the Santa Clara River Valley, including Santa Paula, Fillmore, and Piru.

The resolution establishes several key priorities:

1. Preserve 24-hour emergency care: Make maintaining a locally accessible, licensed emergency department a high priority for the Santa Clara River Valley.

2. Evaluate all alternatives: Encourage Ventura County to continue exploring all financially and operationally viable options for maintaining local emergency services, beyond the three models initially considered.

3. Explore financial partnerships: Investigate public-private partnerships, nonprofit health care providers, grants, state and federal funding, philanthropy, alternative governance structures, and other funding opportunities.

4. Advocate regionally and legislatively: Direct the City to work with Ventura County, the Blue Ribbon Task Force, VCOG, state and federal legislators, health care providers, and other regional partners.

5. Consider community needs: Ask the County to recognize the geographic, transportation, socioeconomic, and health care access challenges facing Santa Paula, Fillmore, Piru, and surrounding communities.

6. Promote transparency and public involvement: Ensure residents receive timely information about proposed health care changes, costs, timelines, emergency access, and opportunities for public participation.

In addition, the Resolution establish a City Council Ad Hoc Committee to create a local liaison and information hub to coordinate with the County, Blue Ribbon Task Force, regional partners, and residents, and to report back to the full City Council as appropriate.

The resolution formally positions the City of Santa Paula in support of preserving a 24-hour, locally accessible, licensed emergency department, rather than relying solely on the County's proposed expanded outpatient and urgent-care model.

Importantly, it does not reject the MOB/EACC proposal or expanded outpatient services. Instead, it argues that improved outpatient health care and maintaining local emergency services should be pursued together.

It also establishes a framework for continued political advocacy, financial exploration, regional collaboration, and community engagement to preserve emergency medical access in the Santa Clara River Valley.

FINANCIAL SUPPORT

While the Coalition involves passionate and concerned residents and organizations, including many members with experience in the field of health services, there is an absence of neutral professional experts, similar to the firm the County hired to perform their analysis. In order for the City and the Coalition to effectively analyze the changing landscape of public and private emergency care, hospital and health care services, it is recommended the City hire outside assistance. City staff do not have the background, experience, or capacity to perform such an analysis or to help frame and shape the discussion.

The Council's Blue Ribbon committee appointees therefor request Council support to consider investing up to $50,000 to pursue such expertise. While Fillmore has not committed funding to this cause, there are members of the Coalition who have indicated a willingness to provide some financial support. Santa Paula's financial committment would send a strong statement that this is a matter of great importance to the future of our Valley and may set the stage for other entities to contribute to the cause.

STRATEGIC PLAN:

This action is consistent with the City's adopted Strategic Plan, section B.2, which has an objective to "advocate and collaborate with Ventura County on a Medical Center/Hospital."

FISCAL IMPACTS:

The funding for support of the hospital in the amount of $50,000 has been included in the Fiscal Review Report and will utilize existing fund balance in the General Fund.

OPTIONS:

The Council is under no obligation to adopt this resolution and can direct other action be taken on this topic. Adopting the resolution and establishing an ad-hoc committee will strengthen the collaboration with local concerned entities and with the City of Fillmore.

ATTACHMENTS:

SP CC_HEALTH_CARE_RESOLUTION.docx

RESOLUTION NO. 7639

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA PAULA, CALIFORNIA AFFIRMING ITS COMMITMENT TO PRESERVING LOCAL ACCESS TO 24-HOUR EMERGENCY MEDICAL CARE IN THE SANTA CLARA RIVER VALLEY; SUPPORTING CONTINUED EVALUATION OF FINANCIALLY SUSTAINABLE HOSPITAL AND HEALTH CARE DELIVERY MODELS; AND DIRECTING REGIONAL, LEGISLATIVE, INTERGOVERNMENTAL, AND COMMUNITY ADVOCACY

WHEREAS, the Santa Clara River Valley ("SCRV"), including the communities of Fillmore, Santa Paula, Piru, and surrounding areas, is currently home to approximately 55,000 residents, with extensive population growth on the horizon, and depends upon a regional network of hospital, emergency, primary, specialty, diagnostic, behavioral health, public health, and other medical services; and

WHEREAS, Santa Paula Hospital has served the Santa Clara River Valley for decades and has operated as part of the Ventura County health care system since 2005, providing a locally based 24-hour emergency department, inpatient medicine, ambulatory surgery, specialty surgery, diagnostic, and other health care services; and

WHEREAS, the existing Santa Paula Hospital facility cannot continue operating as an acute-care hospital beyond December 31, 2029 without satisfying applicable State seismic requirements, and the County of Ventura has determined not to pursue the seismic improvements necessary to continue acute-care operations at the existing facility; and

WHEREAS, the Ventura County Health Care Agency and Health Management Associates evaluated three potential future service models for the Santa Clara River Valley: (1) a micro-hospital with a licensed 24-hour emergency department and observation capacity; (2) a Medical Office Building and Expanded Access Care Center ("MOB/EACC") providing higher-capability urgent and moderate-acuity care, diagnostics, and other services during extended hours but closed from 11 pm to 7 am; and (3) an urgent care model; and

WHEREAS, on August 18, 2026, the Ventura County Board of Supervisors directed County staff to proceed with further development of the MOB/EACC alternative while directing staff to return with additional information regarding costs, services, and a potential implementation timeline; and

WHEREAS, the City Council recognizes the significant benefits associated with expanded access to preventive, primary, specialty, diagnostic, imaging, laboratory, pharmacy, chronic-care, and urgent-care services and supports efforts to improve such services for Santa Clara River Valley residents; and

WHEREAS, the City recognizes the inherent value to the local economy, job opportunities, and quality of life, by having emergency and hospital services within the community, helping lift up the strength and stability of the local economy, and

WHEREAS, the MOB/EACC model, as presently contemplated, would not constitute a licensed emergency department, would not operate as a hospital, would not contain inpatient or observation beds, would not accept ambulance transports and unlike hospital emergency rooms, would not have a legal mandate under the Emergency Medical Treatment and Labor Act (EMTALA) to give every patient a medical screening nor treat patients with a true medical emergency until they are stable; and

WHEREAS, the City Council believes that expanded outpatient and preventive health care services and preservation of locally accessible emergency medical care should not be viewed as mutually exclusive objectives, and that a long-term regional health care strategy should seek to address both; and

WHEREAS, Santa Paula Hospital continues to experience substantial emergency department utilization even as inpatient demand has declined, demonstrating that the need for local emergency access is distinct from the demand for traditional inpatient hospitalization; and

WHEREAS, the City Council recognizes that timely access to emergency medical evaluation, stabilization, and transfer can be critical to patient outcomes and that geographic distance and transportation time are important considerations when planning emergency medical services for the Santa Clara River Valley; and

WHEREAS, the Santa Clara River Valley community profile identifies economic insecurity, transportation and coverage barriers, and preventive-care gaps that further support the need for a health care delivery system designed around local access and the unique needs of Valley residents; and

WHEREAS, exorbitant costs of transport forces the sick and injured to make difficult decisions on using emergency transport based on cost rather than what is best for their care, therefore increasing the distance to emergency medical services will have a material deleterious impact on our residents, and

WHEREAS, the County's community profile reports that 14.4 percent of Santa Paula residents live below the poverty line, compared with 9.4 percent countywide, and identifies the population served by Santa Paula Hospital as younger, predominantly Hispanic/Latino, with larger households and greater economic insecurity than Ventura County overall; and

WHEREAS, potential avenues for further evaluation may include public-private partnerships, nonprofit or health-system partnerships, alternative hospital configurations, shared-service arrangements, special State or Federal designations where legally available, philanthropic investment, grants, State and Federal appropriations, regional funding strategies, health care district or other governance structures, land and facility strategies, and other innovative models that may improve financial sustainability while preserving access; and

WHEREAS, the City acknowledges and appreciates the County's commitment to dedicate the assets associated with the Santa Paula Hospital, or the value of the land and improvements should it be sold, to the capital and service needs of the Santa Clara River Valley, and

WHEREAS, the Santa Paula Hospital Blue Ribbon Health Care Advisory Committee has provided an important forum for regional stakeholders and community representatives to discuss the future of hospital and health care services in the Santa Clara River Valley, and now the City Council has the opportunity to establish an ad hoc committee to participate in and advance those discussions; and

WHEREAS, the City Council desires that its advocacy extend beyond participation in the Blue Ribbon Task Force and include direct engagement with the Ventura County Board of Supervisors, Ventura County Health Care Agency, Ventura Council of Governments (VCOG), State and Federal legislative representatives, health care providers and systems, community organizations, potential funding and operating partners, and other appropriate governmental and nongovernmental entities; and

WHEREAS, the City Council believes residents deserve meaningful opportunities to participate in decisions affecting the future of their health care and timely, understandable, and transparent information regarding proposed services, emergency access, timelines, costs, funding, transportation impacts, and alternatives; and

WHEREAS, the City Council intends for its Santa Paula Hospital/Santa Clara River Valley Health Care Ad Hoc Committee, together with the full City Council and City staff, to serve as a local hub for information, advocacy, and community engagement concerning the future of health care services in the Santa Clara River Valley.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA PAULA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The recitals above are true and correct and incorporated herein by this reference.

SECTION 2. Commitment to Local Emergency Care. The City Council declares that maintaining reliable, locally accessible 24-hour emergency medical care, including a licensed emergency department capable of receiving appropriate EMS transports, screening of every patient and stabilizing of every patient with a true medical emergency, regardless of their ability to pay, and providing or arranging timely transfer to higher levels of care, is a high priority for the City of Fillmore and the Santa Clara River Valley.

SECTION 3. Support for a Comprehensive Health Care System. The City Council supports development of a comprehensive and financially sustainable health care system for the Santa Clara River Valley that strengthens primary, preventive, specialty, diagnostic, behavioral health, urgent, and moderate-acuity care while also pursuing viable means of preserving locally accessible emergency-department capability.

SECTION 4. Continued Evaluation of All Viable Alternatives. The City Council urges the Ventura County Board of Supervisors and Ventura County Health Care Agency to continue evaluating and remain open to all financially, legally, and operationally viable alternatives for maintaining around the clock hospital and emergency medical services within the Santa Clara River Valley, including alternatives or partnerships that may not have been fully evaluated in the County's initial three-model analysis.

SECTION 5. Financial Sustainability. The City Council recognizes that any long-term hospital or emergency-care model must demonstrate a credible path toward financial and operational sustainability. The City supports further analysis of capital financing, payer mix, projected utilization, reimbursement, staffing, operating costs, public subsidies, partnerships, grants, philanthropy, State and federal funding, governance structures, shared services, and other revenue or cost-sharing opportunities that could materially improve the feasibility of maintaining local emergency care.

SECTION 6. Regional and Legislative Advocacy. The City Council authorizes and supports advocacy concerning Santa Clara River Valley health care through the Santa Paula Hospital Blue Ribbon Task Force/Committee, VCOG, the Ventura County Board of Supervisors, appropriate State and federal legislative representatives and agencies, regional organizations, health care systems and providers, and other entities capable of assisting with policy, funding, partnerships, or implementation.

SECTION 7. Communication with the Ventura County Board of Supervisors. The City Council adamantly requests the Ventura County Board of Supervisors take into consideration the geographic, transportation, socioeconomic, and health-access needs of Piru, Fillmore, Santa Paula, and the surrounding Santa Clara River Valley when making future decisions concerning the Santa Paula Hospital and objects to the reduction of our regional health care delivery system, including the consequences of eliminating our locally based licensed emergency facilities.

SECTION 8. Community Engagement and Transparency. The City Council commits to continued public engagement and transparency regarding this matter and supports providing residents with timely information concerning County actions, service-model development, emergency-care implications, timelines, financial information, funding opportunities, and opportunities for public participation.

SECTION 9. Role of the City Council Ad Hoc Committee. The City's designated ad hoc committee shall serve as a liaison and information hub between the City Council, residents, the Blue Ribbon Task Force/Committee, Ventura County, regional partners, and other stakeholders; participate in regional discussions; gather and communicate relevant information; identify advocacy and partnership opportunities; and report to the full City Council as appropriate.

SECTION 10. Distribution. The City Clerk is directed to transmit this Resolution to the Ventura County Board of Supervisors, Ventura County Health Care Agency, Ventura Council of Governments, City of Santa Paula, appropriate State and federal legislative representatives, and such other agencies and organizations as the City Council or City Manager determines appropriate to advance the purposes of this Resolution.

SECTION 11. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2026.

ATTEST:

_____

City

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Christy Ramirez, Finance Director

Subject: 2025/2026 YEAR END FISCAL REPORT & Q1 FY 2026/27 UPDATE

Date: November 18, 2026

Agenda Item: 10.B

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt the recommended budget adjustments as noted in the fiscal impacts of this report.

Presented by: Christy Ramirez, Finance Director

BACKGROUND:

The purpose of this report is to review the unaudited year end activity of FY 2025/26. The Fourth Quarter (Year-End) Financial Review is intended to provide the City Council the opportunity to review the City's Annual FY 2025/26 Operating Budget, which was adopted on June 30, 2025, and then amended throughout the fiscal year, and to report on the un-audited year-end financial activity. This is an overview of the revenue and expenditure activity in the General Fund, as well as the City's Special Funds. The first section of this report is a summary of the financial activity for the City's most significant fund, the General Fund, as of June 30, 2026. When necessary, staff may also include discussion on other miscellaneous funds and Capital Improvement Program (CIP) projects. The figures presented here are un-audited and may change upon the conclusion of the independent year-end audit that is currently underway.

ANALYSIS:

GENERAL FUNDS -

The General Fund is the general operating fund of the City and accounts for activities and services traditionally associated with general municipal services. When discussing the General Fund in this report, included is the sub funds such as Measure T, Measure R, and Recreation Program funds.

Overall, expenditures for the General Fund came in under budget, while many revenue categories exceeded budget projections. Details regarding revenue and expenditure performances and previous Council approved budget appropriations incurred this fiscal year are further outlined in this report.

General Fund Revenue Analysis:

The tables and summary information below provide additional detail on the revenue activity to date on a budget to actual comparison.

Current Budget to Actuals

All General Funds	Budget	Actuals	Variance
Charges for Service	2,016,973	2,727,864	35.2%
Licenses & Permits	1,920,241	2,966,340	54.5%
Fines & Penalties	66,000	65,109	-1.4%
Other Revenue	49,306	94,843	92.4%
Intergovernmental Revenues	648,000	679,571	4.9%
Property Related	6,487,331	6,737,324	3.9%
Sales Tax	12,150,000	12,786,994	5.2%
Other Taxes	374,260	357,878	-4.4%
TOT	80,000	34,121	-57.3%
Business License	144,500	142,649	-1.3%
Real Property Transfer Tax	149,760	94,275	-37.0%
Franchise Fee	995,000	1,450,035	45.7%
Investments & Rents	150,000	386,257	157.5%
Transfers	2,237,071	3,437,071	53.6%
TOTALS	27,094,182	31,689,288	17.0%

Original Budget to Actuals

All General Funds	Budget	Actuals	Variance
Charges for Service	1,289,711	2,727,864	111.5%
Licenses & Permits	2,220,241	2,966,340	33.6%
Fines & Penalties	66,000	65,109	-1.4%
Other Revenue	27,500	94,843	244.9%

Intergovernmental Revenues	505,000	679,571	34.6%
Property Related	6,267,542	6,737,324	7.5%
Sales Tax	12,250,000	12,786,994	4.4%
Other Taxes	374,260	357,878	-4.4%
TOT	80,000	34,121	-57.3%
Business License	144,500	142,649	-1.3%
Real Property Transfer Tax	149,760	94,275	-37.0%
Franchise Fee	995,000	1,450,035	45.7%
Investments & Rents	150,000	386,257	157.5%
Transfers	2,237,071	3,437,071	53.6%
TOTALS	26,382,325	31,689,288	20.1%

Charges for Services ended the fiscal year much higher than both the current budget, but more importantly than the original budget. Multiple adjustments were made throughout the year as additional information was acquired regarding ongoing development projects. However, it was communicated that the revenues should not be considered a 'surplus' as it was simply accelerated from revenue that was anticipated in FY 26/27. Over $1.18m in plan checks and inspection fees will not be received in the second year of the budget. The remaining overage was a reimbursement from the school district for expenses that had already occurred.

Licenses and Permits appear to be over budget by a million dollars, however in reality the amount over the original budget is closer to $721,000, as the budget had been decreased due to an anticipated shortfall throughout the year. This overage is revenue, like charges for services, related to development activity that will no longer be realized in FY 26/27.

Other Revenues encompasses all other revenues not otherwise mentioned throughout this section. Unexpected revenue of $35,000 in escheatment funds and over $15,000 in workers compensation are considered one time revenue.

The **Intergovernmental Revenue** category came in over budget due to a surplus of $21,000 in **Prop 172 sales tax** (sales tax for public safety activities) and school district reimbursement of expenses that already occurred.

The **Property Tax** category is composed of two payment types - the “Traditional” Property Tax, which are received in large part during the months of December and April, and the Property Tax in Lieu of Motor Vehicle License Fees (MVLF) which is received in two payments during January and May. Traditional property taxes ended the year about $314,000 above budget and MVLF revenues came in $139,000 above the original budgeted figures.

The annual **Sales Tax** budgeted figure of $12.15m is comprised of twelve (12) monthly

payments for the traditional Sales Tax line item, as well as an equal amount of payments for the Measure T 1% Sales Tax and now Measure R 1% Sales Tax. Both Measure T and Measure R came in over budget due to what is expected to be short term increases related to gas prices, with an excess of $336,000 and $241,000 for Measure T and Measure R, respectively. The General Fund original budget was decreased throughout the year, which makes it appear as if the final figure was over budget, when in reality there was a shortfall of $40,000 compared to the original budget.

Other Taxes consists of three subcategories including **Transient Occupancy Tax (TOT), Business License, and Real Property Transfer Tax. TOT** actual revenues ended below budgeted figures primarily due to the Transient Occupancy Tax shortfall previously communicated to Council related to decreased activity for migrant work housing, but there also appears to be a delay in receipt of revenue that staff has begun auditing. An actual decrease of $55,000 was also experienced in Real Property Deed Transfer Tax which varies year over year. While staff utilizes past year trends to budget, a more conservative approach will be taken in future year budgets.

The City collects **Franchise Fees** from five main service provider sources (Cable, Electric, Gas, Pipeline, Solid Waste). Each provider of these services has a different payment schedule. Electric and Gas providers make annual payments in April. The Cable provider is on a quarterly payment plan, while Pipeline franchise fees are collected twice a year. This category also includes the Commercial Refuse Hauler, or Trash Hauler Franchise Fees, The Year End totals appear to be over projections by $455,000 due to the AB 939 5% fee being placed in the General Fund, which will be transferred at year end.

Investments & Income appears to be over budget by more than $200,000 but in reality it is closer to half of that amount, as year end entries are completed and trued up. Still, the City continues to see additional investment revenues due to increased interest rates providing a greater return on investment.

Overhead/Transfers In are revenues provided by other funds to offset costs in the General Fund and were charged as expected. It appears as though there is an overage of $1.2 million in transfers but that is due to the transfers to reserve for General Fund ($300,000) and Measure R ($900,000).

General Fund Expenditure Analysis:

The General Fund expenditures budget (Fund 100 only) came in $2.85 million under budget, however $2.23m is set aside for CIP carryovers and $200,356 is set aside for special project carryovers. The remainder of the savings comes from salary savings due to staffing shortages.

General Fund Surplus Recommendation

A true fund surplus totaling over $3.3million is expected for the General Fund (100). This does not include the overage of $1.8 million in development activity revenue that was anticipated in FY 26/27 but came in FY 25/26. Staff recommends utilizing that 'excess revenue' to address the anticipated shortfall in FY 26/27. A shortfall of $2.7 million in development related activity is possible in FY 26/27. The excess revenue, along with the anticipated surplus of $900,000 in fiscal year 26/27 will offset this shortfall (the excess was anticipated in the development activity as well so it will essentially cancel itself out). The $3.3 million surplus is also not

inclusive of the $401,680 of AB 939 revenue which will be transferred out of the General Fund

This is inclusive of a surplus in the prior year of $800,000 which had not been utilized due to the prior two years having had decreased development activity related revenues in the amount of $1m in both years. It also includes a salary true up from multiple prior years for Measure T, totaling nearly $970,000. It's also inclusive of the salary savings expenses ($300,000), and multiple revenue increases above the original budget ($139,000 property tax in lieu, $320,000 reimbursements, $102,000 in interest, $214,000 property tax secured/unsecured, etc.). As always, surplus funds should only be committed to projects, purchases or programs that are of a one-time nature.

Staff recommends utilizing the surplus as follows:

Amount	GL Account	Description
$60,000	100-5-9330-660	Community Center CIP
$50,000	100-5-9374-660	Facilities Re-key CIP
$10,000	100-5-9323-660	City Hall Improvements - Council Chamber and Foray upgrades
$120,000	100-5-9323-660	City Hall Improvements - Fascia, rain gutters, paint
$13,000	100-5-1502-156	Special Events - 4th of July expenses
$5,111	100-5-1531-001	Increase from MW I to MW II - hits various line items - full cost 6,814
$2,190	100-5-1532-001	Increase from MW I to MW II - hits various line items - full cost 2920
$40,000	100-5-0511-209	Professional Services relating to the Employee Engagement Survey follow-up activities
$238,000	100-5-7501-280	Unbudgeted Utilities - Electricity
$850,000	100-5-7501-701	Transfer to reserves, per Finance Committee recommendation, to move the City from a 20% reserve level to a 25% level of ongoing expenses
$360,000	100-5-7501-280	Expansion of solar street lighting along portions of Palm Court and Santa Paula Street
$120,000	100-5-0514-209	Legal expenses related to ongoing litigation
$50,000	100-5-0501-323	Support to other agencies - Hospital
$1,000,000	100-5-xxxx-xxx	Telegraph Road widening and Roundabout project (partial funding)

Measure T Surplus Recommendation

The Measure T Fund also has a surplus of over $618,427 due to an overage in revenues of $336,110 and prior year carryovers that were no longer needed.

Staff recommends utilizing the surplus as follows:

Amount	GL Account	Description
$346,777	104-5-9359-660	City Wide Street Maintenance - PMP
$15,000	104-5-5022.124	Bike Trail Lighting
$25,000	104-5-5022-124	Street Sweeping Sign Replacement
$50,000	104-5-5011-610	Carpool Vehicle for PW Admin/Eng
$6,650	104-5-5041-610	AC Recovery Charge
$15,000	104-5-4502-207	Traffic Data Collection
$160,000	104-5-9365-290	Fagan Barranca Project Design & Eng.

Measure R Surplus Recommendation

The Measure R Fund also has a surplus of over $386,779 due to an overage in revenues of $241,621 for sales tax and unused expense allocations

Amount	GL Account	Description
$20,000	108-5-5022-124	Street Sign Replacements
$20,000	108-5-5022-124	Freeway Underpass Lighting Retrofit
$71,000	108-5-5022-610	Street Roller
$100,000	108-5-4502-610	Street Barricades
$75,779	108-5-9359-660	City Wide Street Maintenance - PMP
$100,000	108-5-9403-660	Wayfinding signage

CAPITAL IMPROVEMENT PROGRAM AND OTHER FUNDS:

On a budget basis, the various grant type funds are balanced with revenues matching expenditures. However, on an actual basis, funds are reimbursed after they are expended. The reimbursement requests for grant expenditures are submitted in a timely manner either on a monthly or quarterly basis by the staff responsible for the project reimbursements. Any negative balances are the result of timing of revenues. Revenue projections are reviewed on a quarterly basis and recommended adjustments are made when necessary.

Stormwater Program Fund (206)

Council previously supported the total cost of $400,000 for catch basin excluders spread over four years. This formally adopts the budget for year two of that four year plan, $100,000 in FY 26/27.

Sewer Fund (610)

The following adjustments are recommended for work being done by MKN. This will be paid using existing fund balance.

- Task Group 100 – WRF Operations Support: $803,721

- Task Group 200 – WRF Advanced Treatment System: $1,546,595
- Task Group 300 – Water Program Support $146,585
- Task Group 400 – Water Program Support: $202,562

Water Fund (620)
Staff would like to augment the Water Main Replacement Capital Improvement Program (620-5-9108-660) by decreasing the Emergency Generators budget (620-5-9355-660) in the amount of $400,000 to address a small but high-priority water main replacement on Ojai Rd. Based on our current review of the Water Master Plan and existing generator needs, transferring these funds will not affect the City's ability to address the current generator needs. A budget request to increase the generator budget will be included in the next two year budget cycle and has been identified in the water and sewer rate study currently underway.

STRATEGIC PLAN:

This item is not a goal or objective in City Council's two-year Strategic Plan, however it is important to communicate the City's fiscal status to the Council and the public to maintain operational excellence.

FISCAL IMPACTS:

The following adjustments noted in the analysis above are requested for FY 26/27.

Staff will return at midyear to decrease the revenue line items related to development activity in the amount of $2.7 million, or as needed, as discussed in the revenue analysis above.

General Fund Surplus Recommendation

Amount to Increase	GL Account	Description
$60,000	100-5-9330-660	Community Center CIP
$50,000	100-5-9374-660	Facilities Re-key CIP
$10,000	100-5-9323-660	City Hall Improvements - Council Chamber and Foray upgrades
$120,000	100-5-9323-660	City Hall Improvements - Fascia, rain gutters, paint
$13,000	100-5-1502-156	Special Events - 4th of July expenses
$5,111	100-5-1531-001	Increase from MW I to MW II - hits various line items - full cost 6,814
$2,190	100-5-1532-001	Increase from MW I to MW II - hits various line items - full cost 2920
$40,000	100-5-0511-209	Professional Services relating to the Employee Engagement Survey follow-up activities
$238,000	100-5-7501-280	Utilities - Electricity

$850,000	100-5-7501-701	Transfer to reserve to reach 25% of ongoing expenses
$360,000	100-5-9412-660	Solar Street Lighting Upgrades – Santa Paula St & Palm Court
$120,000	100-5-0514-209	Legal expenses related to litigation
$50,000	100-5-0501-323	Support to other agencies - Hospital
$750,000	100-5-9384-660	Telegraph Widening CIP
$250,000	100-5-9385-660	Telegraph Roundabout CIP

Measure T Surplus Recommendation

Amount to Increase	GL Account	Description
$346,777	104-5-9359-660	City Wide Street Maintenance
$15,000	104-5-5022.124	Bike Trail Lighting
$25,000	104-5-5022-124	Street Sweeping Sign Replacement
$50,000	104-5-5011-610	Carpool Vehicle for PW Admin/Eng
$6,650	104-5-5041-610	AC Recovery Charge
$15,000	104-5-4502-207	Traffic Data Collection
$160,000	104-5-9365-290	Fagan Park Barranca

Measure R Surplus Recommendation

Amount to Increase	GL Account	Description
$20,000	108-5-5022-124	Street Sign Replacements
$20,000	108-5-5022-124	Freeway Underpass Lighting Retrofit
$71,000	108-5-5022-610	Street Roller
$100,000	108-5-4502-610	Street Barricades
$75,779	108-5-9359-660	City Wide Street Maintenance
$100,000	108-5-9403-660	Wayfinding signage

Other Funds using Existing Fund Balance

Amount to Increase	Amount to Decrease	GL Account	Description
$100,000		206-5-5026-610	Catch Basin Excluders
$400,000		620-5-9108-660	Water Meter Replacement
	$400,000	620-5-9355-660	Emergency Generators

$161,220		610-5-9383-660	WRF Operations Support
$361,153		610-5-9336-290	WRF Operations Support
$57,475		610-5-9397-290	WRF Operations Support
$13,551		610-5-9409-290	WRF Operations Support
$35,306		610-5-9408-290	WRF Operations Support
$18,008		610-5-9396-290	WRF Operations Support
$157,009		610-5-5061-209	WRF Operations Support
$1,546,595		610-5-9227-660	WRF Advanced Treatment System
$146,582		205-5-5027-209	Water Program Support
$202,562		620-5-5072-209	Water Program Support

OPTIONS:

1. The Council may reject staff's recommendations and provide additional guidance on reserve transfers and budget allocations.

ATTACHMENTS:

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Kellan Martz, Interim City Attorney

Subject: PURCHASE AND SALE AGREEMENT FOR SOUTH PALM AVENUE PROPERTY (APN 105-0-080-175)

Date: November 18, 2026

Agenda Item: 10.C

RECOMMENDATION:

Staff recommends that the City Council:

1. Approve the Purchase and Sale Agreement and Joint Escrow Instructions with Farmers Irrigation Company, substantially in the form attached, for the purchase of the South Palm Avenue property identified as APN 105-0-080-175 for $2,350,000 (Agreement);

2. Authorize the City Manager, or designee, to execute the Agreement, subject to nonsubstantive changes approved by the City Attorney; administer the escrow and exercise the City's rights under the Agreement; accept the deed pursuant to Government Code section 27281; and take all other actions necessary to complete the acquisition in accordance with the Agreement; and

3. Find that the proposed action is not a project subject to the California Environmental Quality Act under CEQA Guidelines section 15378 (Project).

Presented by: Dan Singer, City manager

BACKGROUND:

The property is located on South Palm Avenue and is identified as Ventura County Assessor's Parcel Number 105-0-080-175. The property includes the land, existing improvements, and well facilities located on the site. For some time, the City has been leasing the property as its primary storage, office, and corporate yard for all Water Enterprise operations. A portion of the property (approximately 20%) is utilized for emergency preparedness supplies and equipment, downtown decoration storage, and other city and police department storage. Current lease payments from the City to Farmers Irrigation Company (FICO), owners of the property, amount to $42,000 per year.

On October 2, 2026, the City submitted a written offer to FICO to purchase the property for $2.35 million. On October 20, 2026, FICO notified the City that its Board of Directors had unanimously accepted the offer. The proposed Purchase Agreement is attached for the City Council's consideration.

ANALYSIS:

The Purchase Agreement (attached) provides for the City to purchase the property and its improvements for $2.35 million. The parties will generally share escrow costs equally.

The City will have 30 days to review the property's physical and environmental condition, title, zoning, permits, improvements, and other matters affecting the property. The City may terminate the Agreement during that period if the results are not satisfactory. Closing is scheduled for 15 days after the due diligence period, resulting in an anticipated 45-day escrow, subject to any extensions permitted by the Agreement.

The property contains existing wells. During the due diligence period, the City may identify any well that it wants FICO to abandon. FICO would be responsible for completing the requested abandonment work at its cost and in accordance with applicable requirements within one year, unless otherwise agreed by the City.

Approval of the Agreement would authorize the acquisition of the property but would not commit the City to a particular future use or development.

The acquisition of the property, without approval of or a commitment to a specific development plan, will not itself result in a direct or reasonably foreseeable physical change to the environment and is not a project subject to CEQA under CEQA Guidelines section 15378. Any future use or development of the property will be reviewed separately under CEQA, as applicable.

The Purchase Agreement has not been finalized, as FICO is still reviewing the document and may have recommended adjustments. Should that occur, staff will bring a final revised version to the Council prior to the meeting.

STRATEGIC PLAN:

This action is not anticipated in the City's adopted Strategic Plan as it came about when FICO made an offer to sell the property to the City.

FISCAL IMPACTS:

The purchase price is $2.35 million. The City would also be responsible for one-half of the escrow fees, its due diligence costs, and any additional title coverage or endorsements requested by the City. As the property is primarily - but not exclusively - utilized by the Water Enterprise, it is recommended that 80% of the purchase, or $1,880,000 be funded by the Water Enterprise Fund excess fund balance. The remaining 20%, or $470,000, is recommended to be paid from ARPA interest earnings, which were not anticipated or budgeted.

Ownership of the land will result in a substantial decrease in lease payments, although ownership will necessitate other maintenance and upkeep obligations.

The following budget adjustments are needed

GL Account	Amount to Increase	Description

620-5-9411-606	$1,880,000	Acquisition - Land
420-5-9411-606	$ 470,000	Acquisition - Land

Both allocations will be paid for by existing fund balance.

OPTIONS:

In addition to the recommended action, the City Council may:

1. Decline to approve the Agreement or seek to alter or amend it; or
2. Provide other direction to staff.

ATTACHMENTS:

Attachment - Santa Paula - FICO PSA (APN_ 105-0-080-175)-c1.docx

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "**Agreement**") is made and entered into as of _____, 2026 (the "**Effective Date**"), by and between CITY OF SANTA PAULA, a California municipal corporation ("**Buyer**" or "**City**"), and FARMERS IRRIGATION COMPANY, a California nonprofit corporation ("**Seller**").

IN CONSIDERATION of the respective agreements hereinafter set forth, Seller and Buyer hereby agree as follows:

1. Purchase and Sale of Property. Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following (collectively, the "**Property**"):

(a) That certain real property located in the City of Santa Paula, County of Ventura, State of California, commonly referred to as 180 Santa Paula, California 93060 (APN: 105-0-080-175), all as more fully described in **Exhibit A** (the "**Land**"), together with all rights, privileges, easements, appurtenances, buildings, fixtures, and improvements to or affecting the Land (collectively, the "**Appurtenances**"). The Land contains certain well facilities and equipment which shall be subject to Section 13 below.

2. Purchase Price; Deposit.

(a) The purchase price for the Property ("**Purchase Price**") shall be Two Million Three Hundred Fifty Thousand Dollars and 00/100 cents ($2,350,000).

(b) The Purchase Price shall be paid as follows:

(i) Within three (3) business days following the Effective Date, Seller and Buyer shall open an escrow in connection herewith ("**Escrow**") at ***INCLUDE ESCROW CONTACT*** ("**Escrow Holder**"), and Buyer shall deposit into Escrow the amount of _____ Dollars ($_____) ("**Deposit**") in cash or other immediately available funds. Escrow Holder shall invest the Deposit in government insured interest-bearing accounts satisfactory to Seller and Buyer, shall not commingle the Deposit with any funds of Escrow Holder or others, and shall promptly provide Buyer and Seller with confirmation of the investments made. Such account shall have no penalty for early withdrawal. All interest earned on the Deposit shall become a part of the Deposit.

(ii) On or before the Closing, if this Agreement has not been earlier terminated, Buyer shall deposit into Escrow cash or other immediately available funds in the amount of the balance of the Purchase Price, less any credits due Buyer hereunder (the "**Closing Amount**"). The Closing Amount shall be applied towards the Purchase Price at the Closing.

3. Title to the Property. At the Closing, Seller shall cause to be conveyed to Buyer fee simple title to the Property by duly executed and acknowledged grant deed substantially in the form attached hereto as **Exhibit B** and incorporated herein by this reference (the "**Deed**"). As used in this Agreement, Closing (the "**Closing**") shall be deemed to occur upon the recording of the Deed on the Closing Date. Evidence of delivery of fee simple title shall be the issuance by ***Lawyers Title*** ("**Title Company**") to Buyer of an ALTA standard coverage owner's policy of title insurance in the amount of the Purchase Price, insuring fee simple title to the Property in Buyer, subject only to such exceptions as Buyer shall have approved as provided below (the "**Title Policy**").

(a) The Title Policy shall provide full coverage against mechanics' and materialmen's liens and shall contain such special endorsements as Buyer may reasonably require, including, without limitation, any endorsements required as a condition to Buyer's approval of any title exceptions (the "**Endorsements**").

(b) Within five (5) business days following the opening of Escrow, Buyer shall order the issuance of a preliminary title report with respect to the Property, together with copies of all underlying documents referenced therein and a map containing a plotting of all easements capable of being plotted (collectively, the "**Preliminary Report**"), to be prepared by the Title Company and delivered to Buyer and Seller. No later than fifteen (15) business days after receipt of the Preliminary Report, Buyer shall give written notice to Seller ("**Buyer's Disapproval Notice**") of any items contained in the Preliminary Report which Buyer disapproves ("**Disapproved Items**"). Failure of Buyer to timely give Seller Buyer's Disapproval Notice shall be deemed to be an approval by Buyer of such Disapproved Items. In any event, Buyer need not disapprove, and Seller covenants to remove as exceptions to title prior to the Closing, any mortgages, deeds of trust, and other monetary encumbrances (collectively, "**Disapproved Liens**") shown on the Preliminary Report except for real property taxes not delinquent. Seller shall notify Buyer ("**Title Cure Notice**") no later than five (5) business days after receipt of Buyer's Disapproval Notice ("**Title Cure Notice Period**") whether it elects to discharge, satisfy or otherwise remove the Disapproved Items specified in Buyer's Disapproval Notice. Failure by Seller to give a Title Cure Notice before the expiration of the Title Cure Notice Period will be deemed to be Seller's election not to discharge, satisfy or otherwise remove such Disapproved Items. Buyer shall have five (5) Business Days after receipt of the Title Cure Notice or expiration of the Title Cure Notice Period, whichever is the first to expire, with respect to all Disapproved Items that Seller did not elect to discharge, satisfy or otherwise remove in the Title Cure Notice (or is deemed to have elected not to discharge, satisfy or otherwise remove), by written notice given to Seller and Escrow Holder to:

(1) Waive such Disapproved Items and proceed with Closing, accepting title to the Property subject to such Disapproved Exception(s), or

(2) Terminate this Agreement, in which case both Buyer and Seller shall be relieved of all further obligations and liabilities to each other under this Agreement, except for such as have accrued prior to the date of termination or are expressly stated to survive the termination of this Agreement, and all the funds and documents deposited with Escrow Holder shall be promptly refunded or returned, as the case

may be, by Escrow Holder to the depositing party, except that Buyer and Seller shall each be responsible for one-half of any Escrow termination charges.

(c) Buyer shall have five (5) business days after receipt of any supplemental Preliminary Report and supporting documents to disapprove any new or materially modified title exception. Any such disapproval shall be subject to the same Seller response and Buyer election procedures provided above. The Closing Date shall be extended to the extent necessary to allow completion of those procedures.

4. Investigations; Seller's Deliveries.

(a) Investigations. From the Effective Date until 5:00 p.m. Pacific Time on the date that is thirty (30) days thereafter (the "**Investigation Period**"), Buyer may conduct, at its sole cost, such investigations, inspections, studies, and tests of the Property as Buyer deems necessary or advisable, including without limitation title, survey, environmental, physical, and land use/zoning reviews, and engineering evaluations of the mechanical, electrical, HVAC and other systems in the Property, and review and verification of financial and other information provided by Seller concerning operation of the Property (collectively, "**Investigations**"). Buyer and its representatives shall also have the right of access to the Property during reasonable business hours to conduct its investigation of the physical condition of the Property.

(i) If a Phase I environmental site assessment recommends further environmental investigation or testing of the Property, Buyer may, by written notice delivered to Seller before expiration of the Investigation Period, extend the Investigation Period for up to thirty (30) additional days to complete such investigation or testing, including any Phase II environmental site assessment, and review the results. The Closing Date shall be extended correspondingly. Buyer shall retain all approval, termination and Deposit refund rights under this Agreement throughout the extended Investigation Period.

(ii) Prior to any entry on the Property, Buyer or its consultant shall obtain a policy of liability insurance with a combined single limit in an amount not less than One Million Dollars ($1,000,000), naming Seller as an additional insured on said policy; and Buyer or its consultants shall furnish to Seller a certificate of insurance confirming such coverage upon Seller's request.

(iii) Buyer may terminate this Agreement for any reason or no reason by delivering written notice to Seller on or before expiration of the Investigation Period. If Buyer timely terminates, such termination shall be on the terms and have the effect set forth in Section 3(b)(2) above. Buyer may satisfy the insurance requirements of this subsection through equivalent self-insurance or pooled risk coverage.

(iv) If Buyer does not timely terminate, the Investigation Period shall lapse, the Deposit shall become non-refundable to Buyer except in the event of Seller default or the failure of any express condition precedent to Closing set forth in this Agreement, and the parties shall proceed to Closing.

(b) Seller Deliveries. Within five (5) business days following the Effective Date, Seller shall deliver to Buyer copies of all documents in Seller's possession or control, or to which Seller has access or possession that are material to the ownership, operation, or condition of the Property (collectively, the "**Seller's Deliveries**"). Seller's Deliveries shall include, to the extent within Seller's possession or control, environmental reports, including the Sespe Phase I Environmental Assessment and update; well records and abandonment proposals; plans and permits; and leases, licenses and contracts affecting the Property. If Seller's material deliveries are late, Buyer may, by written notice delivered before expiration of the Investigation Period, extend the Investigation Period by the number of days of such delay, with a corresponding extension of the Closing Date.

5. Seller's Conditions Precedent to Closing. Seller's obligations hereunder, including, but not limited to, its obligation to consummate the purchase transaction provided for herein, are subject to the satisfaction of each of the following conditions, each of which is for the sole benefit of Seller and may be waived by Seller in writing in Seller's sole and absolute discretion:

(a) Buyer shall not be in default under this Agreement.

(b) Each representation and warranty made in this Agreement by Buyer shall be true and correct in all material respects at the time as of which the same is made and as of the Closing.

(c) Buyer shall have complied with all of Buyer's duties and obligations contained in this Agreement and all of Buyer's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing.

6. Buyer's Conditions Precedent to Closing. The following are conditions precedent to Buyer's obligation to purchase the Property (the "**Conditions Precedent**"). The Conditions Precedent are intended solely for the benefit of Buyer and may be waived only by Buyer in writing in Buyer's sole and absolute discretion. In the event any Condition Precedent is not satisfied, Buyer may, in its sole and absolute discretion, terminate this Agreement and such termination shall be on the terms and have the effect set forth in Section 3(b)(2) of this Agreement.

(a) Buyer's inspection, review and approval, of the Investigations and Seller's Deliveries;

(b) The Title Company shall be unconditionally committed to issue the Title Policy to Buyer upon the Closing in the form and with such exceptions and endorsements as have been approved, or are deemed approved, by Buyer as provided in Section 3 above; and

(c) Seller shall have complied with all of Seller's duties and obligations contained in this Agreement and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date.

7. Defaults and Remedies

(a) Seller Default. If Seller defaults and fails to cure within five (5) business days after written notice from Buyer, Buyer may terminate this Agreement, receive return of the Deposit, and pursue recovery of its actual damages, including reasonable transaction expenses, or seek specific performance and such incidental damages as are permitted by law. Buyer may extend the Closing Date as necessary to accommodate the cure period. Seller shall pay Escrow cancellation charges resulting from Seller's default. The foregoing liquidated damages limitation applies only to Buyer's default.

(b) Buyer Default; Liquidated Damages. IF THE SALE OF THE PROPERTY PURSUANT TO THIS AGREEMENT IS NOT CONSUMMATED SOLELY BECAUSE OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF BUYER, THE DEPOSIT SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE PARTIES HAVE AGREED THAT SELLER'S ACTUAL DAMAGES, IN THE EVENT OF A DEFAULT BY BUYER, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE DEPOSIT HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF BUYER. SELLER HEREBY WAIVES ANY AND ALL BENEFITS IT MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 3389. FURTHERMORE, THE PAYMENT AND RETENTION OF SUCH DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 AND 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. UPON BUYER'S DEFAULT, SELLER MAY TERMINATE THIS AGREEMENT BY WRITTEN NOTICE TO BUYER AND ESCROW HOLDER. ESCROW HOLDER SHALL DISBURSE THE DEPOSIT TO SELLER ONLY PURSUANT TO JOINT WRITTEN INSTRUCTIONS OF BUYER AND SELLER OR A FINAL COURT ORDER.

INITIALS: Seller _____ Buyer _____

8. Escrow; Closing, Prorations.

(a) Upon mutual execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with Escrow Holder and this Agreement shall serve as instructions to Escrow Holder for consummation of the purchase contemplated hereby. Seller and Buyer shall execute such supplemental Escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement, provided such supplemental Escrow instructions are not in conflict with this Agreement as it may be amended in writing from time to time. In the event of any conflict between the provisions of this Agreement and any supplementary Escrow instructions signed by Buyer and Seller, the terms of this Agreement shall control.

(b) The Closing shall take place (the "**Closing Date**") fifteen (15) calendar days after the expiration of the Investigation Period, unless otherwise mutually agreed by the Parties in writing.

(c) At or before the Closing, Seller shall deliver to Escrow Holder the following:

(i) the duly executed and acknowledged Deed for the Property (**Exhibit B**);

(ii) Seller's non-foreign certification;

(iii) Form 593;

(iv) evidence reasonably acceptable to Escrow Holder and Title Company that the documents delivered by Seller have been duly authorized and executed on behalf of Seller and constitute valid and binding obligations of Seller;

(v) any other documents which the Escrow Holder or Title Company may reasonably require from Seller in order to close Escrow which do not increase Seller's liability or obligations hereunder;

(vi) a closing statement in form and content satisfactory to Buyer and Seller (the "**Closing Statement**") duly executed by Seller; and

(vii) any other instruments, records or correspondence called for hereunder which have not previously been delivered.

(d) At or before the Closing, Buyer shall deliver to Escrow Holder the following:

(i) the Closing Statement, duly executed by Buyer;

(ii) the Closing Amount; and

(iii) evidence reasonably acceptable to Escrow Holder and Title Company that the documents delivered by Buyer have been duly authorized and executed on behalf of Buyer and constitute valid and binding obligations of Buyer.

(e) Seller and Buyer shall each deposit such other instruments as are reasonably required by Escrow Holder or Title Company or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms hereof.

(f) The following are to be paid by Buyer or Seller or apportioned as of the Closing Date, as follows:

(i) Costs and expenses of Escrow incurred in this transaction shall be paid as follows:

(1) Seller shall pay all costs for recording fees (if any), transfer taxes (if any) and the premium for a standard ALTA coverage owner's policy of title insurance and the cost of any title endorsements obtained by Seller in order to discharge, satisfy or otherwise remove Disapproved Items;

(2) Buyer shall pay the premium for any extended ALTA coverage of other title endorsements obtained by it if desired;

(3) Seller and Buyer shall each pay one-half (1/2) of the Escrow fees and related expenses;

(4) all other costs of escrow shall be paid equally by Buyer and Seller.

(ii) The provisions of this Subparagraph (i) shall survive the Closing and any termination of this Agreement.

9. Representations, Warranties and Covenants of Seller. As of the date hereof and again as of Closing, Seller represents and warrants to Buyer as follows:

(a) Authority. Seller is a California nonprofit corporation organized under the laws of the State of California. This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are and at the time of Closing will be duly authorized, executed and delivered by Seller, are and at the time of Closing will be legal, valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms. Seller has obtained all necessary authorizations, approvals and consents to the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) No Action. No litigation, attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against Seller or the Property, nor are any such proceedings contemplated by Seller.

(c) Title. Seller is the sole owner of fee title to the Property and, at Closing, Seller shall convey good and marketable fee title to Buyer, free and clear of all liens, encumbrances, leases, licenses, rights of possession, and other exceptions created by, through, or under Seller, except for the permitted exceptions approved by Buyer in writing.

(d) Notices of Violation. Seller has not received any written notice of any violation of law, zoning regulation, building code, fire code, environmental law, or other governmental requirement affecting the Property that remains uncured, and Seller has not received any written notice of default under any contract, permit, or agreement affecting the Property that remains uncured.

(e) Hazardous Materials. Neither Seller nor any other present or former owner of the Property has used, handled, stored, transported, released or disposed of any Hazardous Materials on, under or from the Property in violation of any environmental law. Seller has not received any written notice from any governmental agency or third party alleging any release of

hazardous materials on, at, under, or from the Property, or any violation of environmental law affecting the Property, that remains unresolved. "**Hazardous Materials**" means any substance regulated as hazardous or toxic under applicable federal, state or local environmental law, including petroleum and petroleum products, asbestos and polychlorinated biphenyls.

(f) Possession. Buyer shall receive title to the Property at Closing, free and clear of any other occupants and free of personal property not included in the Property and debris, except items Buyer agrees in writing may remain. Seller shall repair damage caused by removal of its belongings and shall not remove included fixtures or improvements except as expressly permitted by this Agreement or approved by Buyer in writing. Buyer may inspect the Property during the three (3) business days preceding Closing to confirm compliance.

(g) Contracts. Except as expressly disclosed to Buyer in writing, there are no service contracts, management agreements, maintenance agreements, brokerage agreements, leasing arrangements, or other contracts affecting the Property that will bind Buyer or survive Closing.

(h) Changed Circumstances. Seller shall promptly notify Buyer in writing of any fact or event occurring after the Effective Date that would make any representation or warranty untrue or misleading in any material respect.

10. Representations, Warranties and Covenants of Buyer. Buyer hereby represents and warrants to Seller as follows:

(a) Buyer is a California municipal corporation duly organized and validly existing under the laws of the State of California. This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are and at the time of Closing will be duly authorized, executed and delivered by Buyer, are and at the time of Closing will be legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms, and do not and at the time of Closing will not violate any provision of any agreement or judicial order to which Buyer is subject. Buyer has obtained all necessary authorizations, approvals and consents to the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

11. Prorations. Subject to the other provisions of this Section 11, all receipts and disbursements of the Property will be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date. Not less than five business days prior to the Closing, Seller shall submit to Buyer for its approval a tentative prorations schedule showing the categories and amounts of all prorations proposed, including all operating expenses. The parties shall agree on a final prorations schedule prior to the Closing and shall deliver the same to Escrow Holder. If following the Closing either party discovers an error in the prorations statement, it shall notify the other party and the parties shall promptly make any adjustment required. Seller shall remain responsible for all expenses attributable to the period before the Closing Date. Bills unavailable at Closing shall be allocated and adjusted consistently with this Section 11. Any request by Seller for reimbursement of amounts properly allocable to Buyer must be delivered within forty-five (45) days after Closing, or Seller waives such reimbursement. No adjustment shall shift Seller's preclosing expenses to Buyer.

_____

SELLER INITIALS

(a) Capital Expenditures and Accounts Payable. All capital and other improvements (including labor and material) which have been performed or contracted for, by or on behalf of Seller prior to the Closing, and all sums due for accounts payable which have been incurred with respect to the Property prior to the Closing shall be paid by Seller. Such Seller obligation to pay such costs incurred prior to Closing shall survive Closing. Buyer shall furnish to Seller for payment any bills for such period received after the Closing, and Buyer shall have no further obligation with respect thereto.

(b) Property Taxes. General real estate taxes, water sewer, and other utility rates and charges (if not metered) shall be governed by Section 11(c). Taxes on personal property taxes, or any other governmental tax or charge levied or assessed against the Property (collectively, the "**Taxes**"), relating to the Property and payable during the year in which Closing occurs shall not be prorated between Seller and Buyer in Escrow. Upon recordation of the Grant Deed, Buyer will request cancellation of the real property taxes for the Property pursuant to California Revenue and Taxation Code Section 4986. If current taxes have not yet been paid as of the Closing Date, then at Closing Seller shall pay through Escrow or out of Seller's proceeds, the full amount of the installment applicable for the period of Seller's ownership in which Closing occurs. If Seller has already paid the entire installment for such period, Seller shall be entitled to a refund from the taxing authority (but not Buyer) of any excess payment made to such authority on account of the Property, including any taxes paid by Seller and applicable to any period from and after the Closing Date. The taxing authority will notify Seller of any refund due Seller resulting from the subject acquisition after a review and any subsequent proration of the property tax assessment by the county assessor. Seller retains the right, following close of escrow, to apply to the appropriate governmental authority/ies for refund of real property taxes pursuant to Revenue and Taxation Code Section 5096.7 (or such other applicable law), and Buyer shall reasonably cooperate with Seller's efforts to obtain said refund.

(c) Utility Charges. All utility charges shall be prorated as of the Closing Date and Seller shall obtain a final billing therefor. All utility security deposits, if any, shall be retained by Seller.

12. Continuation and Survival. All representations, warranties and covenants by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall be deemed made as of the date of this Agreement or such writing and again at the Closing, shall be deemed to be material, and unless expressly provided to the contrary shall survive the execution and delivery of this Agreement, the Deed and the Closing, as well as any termination of this Agreement.

13. Other Covenants and Contingencies. Seller shall comply with the covenants contained in this Article 13 from the Effective Date through the Closing Date unless Buyer consents otherwise in writing or as otherwise provided below. Buyer may grant or withhold any such consent requested by Seller in Buyer's sole discretion.

(a) Insurance. Seller shall maintain or cause to be maintained in full force and effect its present insurance policies for the Property.

(b) Transfer. Seller shall not sell, encumber or otherwise transfer any interest in all or any portion of the Property, or agree to do so.

(c) Best Efforts. Seller shall use its best efforts to cause the conditions set forth in Section 6 to be satisfied by the Closing Date, and Seller shall not take or permit any action that would result in any of the representations and warranties set forth in Article 9 becoming false or incorrect.

(d) Well Abandonment. Upon written notice delivered by Buyer before expiration of the Investigation Period, Seller shall, at its sole cost and expense, cause any wells on the Property designated by Buyer to be properly abandoned and destroyed in compliance with applicable laws and permits. Seller shall obtain required permits, use appropriately licensed contractors, restore areas disturbed by the work, and deliver to Buyer copies of permits, inspection approvals and completion reports before Closing. Completion of the requested work and delivery of such documentation shall be conditions precedent to Buyer's obligation to close. If those conditions are not satisfied by the Closing Date, Buyer may extend the Closing Date for up to thirty (30) days by written notice or terminate this Agreement pursuant to Section 3(b)(2), without limiting Buyer's remedies for Seller default. Seller's obligations under this subsection shall survive Closing unless expressly waived by Buyer in writing. Seller shall, at its sole cost and expense, comply with, and cause its contractors and subcontractors of every tier to comply with, all applicable requirements of California Labor Code sections 1720 et seq. and 1770 et seq. and implementing regulations (collectively, the "**Prevailing Wage Laws**") in connection with the well abandonment, removal and related work required under this Section 13(d). Such compliance shall include, as applicable, payment of prevailing wages, Department of Industrial Relations registration, certified payroll recordkeeping and submission, apprenticeship requirements, hours of labor, and prohibitions against using debarred contractors or subcontractors. Seller shall incorporate these requirements into its contracts for the work and require their inclusion in all subcontracts, and shall furnish evidence of compliance upon City's reasonable request. To the fullest extent permitted by law, Seller shall defend, indemnify and hold harmless City and its elected officials, officers, employees and agents from all claims, liabilities, damages, unpaid wages, penalties, interest, costs and expenses, including reasonable attorneys' fees, arising from Seller's or any contractor's or subcontractor's failure or alleged failure to comply with the Prevailing Wage Laws. This subsection shall survive Closing or termination of this Agreement.

(e) Maintenance. Seller shall maintain the Property in substantially its condition as of the Effective Date through Closing, ordinary wear and tear excepted, and shall not enter into or modify any contract that would bind Buyer or the Property after Closing without Buyer's prior written consent.

These covenants shall survive the Closing.

14. Professional Fees. In the event legal action is commenced to enforce or interpret any of the terms or provisions of this Agreement, the prevailing party in such action shall be entitled to an award of reasonable attorney's fees and costs incurred in connection with the

prosecution or defense of said action. In addition, the prevailing party shall be entitled to recover any actual accounting, engineering or other professional fees reasonably incurred in said action or proceeding.

15. Publicity and Confidentiality. Buyer and Seller each agree that prior to the Closing, the terms of the transaction contemplated by this Agreement, the identity of each party and all information made available by the parties to each other, shall be maintained in strict confidence and prior to the Closing, no disclosure of such information will be made by Buyer or Seller, except to such attorneys, accountants, investment advisors, lenders and others as is reasonably required to evaluate and consummate this transaction or except as may be mutually agreed by Buyer and Seller. Buyer and Seller each further agree that nothing in this Section 15 shall prevent Buyer or Seller from disclosing or accessing any information otherwise deemed confidential under this Section (a) in connection with that party's enforcement of its rights hereunder; (b) pursuant to any legal requirement, any statutory reporting requirement or any accounting or auditing disclosure requirement; (c) in connection with performance by either party of its obligations under this Agreement (including, but not limited to, the delivery and recordation of instruments, notices or other documents required hereunder); or (d) to potential lenders, investors, participants or assignees in or of the transaction contemplated by this Agreement or such party's rights therein. Notwithstanding the foregoing, Seller acknowledges that the City is a public agency subject to the Ralph M. Brown Act and other applicable laws requiring public disclosure and approval of public transactions. Accordingly, nothing in this Section shall prevent or restrict City from agendizing, discussing, approving, or disclosing this Agreement and the transaction contemplated herein as required by law.

16. Miscellaneous.

(a) Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, (ii) one business day after being deposited with Federal Express or another reliable overnight courier service for next business day delivery, (iii) upon facsimile transmission (except that if the date of such transmission is not a business day or if such transmission is made after 5:00 p.m. on a business day, then such notice shall be deemed to be given on the first business day following such transmission), (iv) five business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows, or (v) upon transmission by email to the applicable email addresses designated below, provided the sender receives no automated delivery failure notice; provided, however, that an email transmitted after 5:00 p.m. Pacific Time or on a nonbusiness day shall be deemed received on the next business day (or such other address as either party may from time to time specify in writing to the other in accordance herewith):

If to Buyer: City of Santa Paula
Attn.: City Manager
970 E Ventura St,
Santa Paula, CA 93060
Phone: (805) 933-4225
Email: DSinger@santapaula.gov

With a copy to: Best Best & Krieger LLP
Attn: Kellan Martz
300 South Grand Ave., 25th Floor
Los Angeles, CA 90071
Phone: (213) 617-7490
E-Mail: Kellan.Martz@bbklaw.com

If to Seller: Farmers Irrigation
Attn: Barney Caudill
133 N. 10th Street
Santa Paula, CA 93060
Phone: : 805-525-5993
Email: Barney@farmersirrigation.org

With a copy to: _____
Attn:
_____
_____
Phone:
Email:
_____

To Escrow Holder: _____
Attn: _____
_____
_____
Phone: _____
Email _____

(b) Successors and Assigns. Buyer shall have the right to assign this Agreement to any entity controlling, controlled by or under common control with Buyer without Seller's consent or approval, and otherwise Buyer shall have the right to assign this Agreement to any entity subject to Seller's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. Any such assignee shall assume all obligations of Buyer hereunder; however, Buyer shall remain liable for all obligations hereunder. Seller may not assign this Agreement or its obligations hereunder without Buyer's prior written consent, which Buyer may withhold in its sole discretion. Except as otherwise permitted by this paragraph, neither this Agreement nor the rights of either party hereunder may be assigned by either party. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

(c) Amendments. This Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(e) Construction. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. Unless otherwise indicated, all references to Sections and subparagraphs are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference.

(f) No Joint Venture. This Agreement shall not create a partnership or joint venture relationship between Buyer and Seller.

(g) Merger of Prior Agreements. This Agreement and the exhibits attached hereto constitute the entire agreement between the parties and supersede all prior agreements and understandings between the parties relating to the subject matter hereof, including without limitation, any letters of intent previously executed or submitted by either or both of the parties hereto, which shall be of no further force or effect upon execution of this Agreement.

(h) Time of the Essence. Time is of the essence of this Agreement.

(i) Business Day. As used in this Agreement, a "business day" shall mean a day which is not a Saturday, Sunday or recognized federal or state holiday. If any deadline or the expiration of any period under this Agreement falls on a day that is not a business day, it shall be extended to the next business day. Any subsequent deadline or period measured from that deadline or expiration date shall be calculated from the date as extended.

(j) Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

(k) Further Assurances. Each of the parties shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the parties.

(l) Captions. The captions appearing at the commencement of the sections and paragraphs hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the section at the head of which it appears, the section and paragraph and not such caption shall control and govern in the construction of this Agreement.

(m) No Obligation To Third Parties. Execution and delivery of this Agreement shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, nor obligate either of the parties hereto to, any person or entity other than each other.

(n) Waiver. The waiver by any party to this Agreement of the breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach, whether of the same or another provision of this Agreement.

(o) Interpretation. This Agreement has been negotiated at arm's length and between persons (or their representatives) sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, any rule of law (including California Civil Code § 1654 and

any successor statute) or legal decision that would require interpretation of any ambiguities against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this Agreement.

(p) Commissions, Indemnity, Disclosure. Each party represents to the other party that there is no broker representing such party in the current transaction, and that the representing party has incurred no liability for any brokerage commission or finder's fee arising from or relating to the transactions contemplated by this Agreement. Seller shall be responsible for any broker commission associated with this purchase. Each party hereby indemnifies and agrees to protect, defend and hold harmless the other party from and against all liability, cost, damage or expense (including without limitation attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which the indemnifying party has agreed to pay or which is claimed to be due as a result of the actions of the indemnifying party. This Section 16(p) is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement

(q) Counterparts/Facsimile/.PDF Signatures. This Agreement may be executed in counterparts and when so executed by the Parties, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument that shall be binding upon the Parties, notwithstanding that the Parties may not be signatories to the same counterpart or counterparts. The Parties may integrate their respective counterparts by attaching the signature pages of each separate counterpart to a single counterpart. In order to expedite the transaction contemplated herein, facsimile or .pdf signatures may be used in place of original signatures on this Agreement. Seller and Buyer intend to be bound by the signatures on the facsimile or .pdf document, are aware that the other party will rely on the facsimile or .pdf signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

[*Signatures on following page*]

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

BUYER:

CITY OF SANTA PAULA,
a California municipal corporation

By: _____
Dan Singer, City Manager

Attest: _____
City Clerk

Approved as to Form:

By:_____
City Attorney

SELLER:

Farmers Irrigation Company,
a California nonprofit corporation

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

FORM OF DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

City of Santa Paula
Attn. City Clerk
970 E Ventura St,
Santa Paula, CA 93060

EXEMPT FROM RECORDING FEES PURSUANT TO GOVERNMENT CODE SECTION 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The Undersigned Grantor(s) Declare(s):
DOCUMENTARY TRANSFER TAX $___**0**_____; CITY TRANSFER TAX $___**0**_____; SURVEY MONUMENT FEE $ ____**0**____

[ ] computed on the consideration or full value of property conveyed, OR
[ ] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
[ ] unincorporated area; [**X**] City of Santa Paula and

GRANT DEED

FOR VALUE RECEIVED, FARMERS IRRIGATION COMPANY, a California nonprofit corporation ("**Grantor**"), grants to CITY OF SANTA PAULA, a California municipal corporation ("**Grantee**"), all that certain real property situated in the County of Ventura, State of California, described herein (the "**Property**"):

SEE ATTACHED EXHIBIT A.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2026.

GRANTOR:

FARMERS IRRIGATION COMPANY, a California nonprofit corporation

By: [exhibit only – do not execute]
Name:
Its:

Exhibit A to Grant Deed

Property Legal Description

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

Pursuant to Section 27281 of the
California Government Code

This is to certify that the interest in real property conveyed by the Grant Deed dated _____, 2026, from FARMERS IRRIGATION COMPANY, a California nonprofit corporation , to the CITY OF SANTA PAULA, a California municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of Santa Paula, pursuant to the authority conferred by Resolution No. _____, adopted by the City Council of the City of Santa Paula on _____, 2026 and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2026

CITY OF SANTA PAULA,
a California municipal corporation

By: _____
Dan Singer, City Manager

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council Regular

From: Dan Singer, City Manager

Subject: FUTURE AGENDA ITEMS

Date: November 18, 2026

Agenda Item: 11.A

RECOMMENDATION:

Staff recommends City Council review future agenda items.

BACKGROUND:

The attached Future Agenda Items forecast identifies anticipated agenda items for upcoming Council meetings as well as Study Session topics and long-range discussion items. Placing this forecast on the agenda affords the Council and the public the opportunity to discuss such topics and to make any recommendations. It should be noted this is only a forecast and may change over the course of time or based on feedback by the Mayor and City Manager during review of future agendas.

ANALYSIS:

Should a member of the City Council wish to introduce a future agenda topic, it should be done in compliance with the Council's adopted Manual of Procedural Guidelines, Section 5.1. Items introduced by a member of the Council during a Council meeting requires a second and should be reserved for time-sensitive matters needing attention within the proceeding 45 day period.

STRATEGIC PLAN:

FISCAL IMPACTS:

OPTIONS:

ATTACHMENTS:

12.8.2026_Future_Agenda_Items.docx

Santa Paula City Council Tentative Agenda Schedule

	Regular Meeting Tuesday, December 8th - 6:30 pm	
P&R	Visitor from the North Pole	
Admin	Recognition of SP Mountain Monogram – CalNRG and Limoneira	
Admin	Recognition of Plane Crash Hero's & Investigator of the Year	
Clerk	Declaring Results of Election	
Clerk	Mayor and Vice Mayor Selection	
Clerk	2027 Council Calendar	
	Regular Meeting Wednesday, December 16th - 6:30 pm	
PD	Police Department Report	
CDD	Community Development Department Report	
PW	Supplement Law Enforcement Funding	
PW	Final Design Approval of Telegraph Road Expansion & Roundabout *	
P&R	Summer Camp MOU	
PW	Caltrans Cooperative Agreement	
Admin	VRSD Agreement	
Admin	Allocation of Façade Improvement Program Funding	
Clerk	Mayor's Standing Committee	
	STUDY SESSION TOPICS	
Finance	Development Impact Fees (DIF)*	1st Qtr.
CDD	Use of Triangle Property on Housing	
CDD	Mobile Home Rent Control Ordinance	1st Qtr.
CDD	RV Ordinance Review Workshop	4th Qtr.
P&R	Park Host Program	
	FUTURE AGENDA ITEMS	
Legal	Fire MOU Amendment for Station 26	2nd Qtr.
Admin	Electric Bike/Scooter Ordinance Options	1st Qtr.
CDD	Remnant Parcel Annexation*	1st Qtr.
PW	Plans and Specifications for Peck/Calpipe Street Improvement	4th Qtr.
PW	Final Design Approval of Bike Trail Extension *	1st Qtr.
PW/Finance	Water/Sewer Rate Study	1st Qtr.
Legal	Nitric Oxide Restrictions Discussion	1st Qtr..
HR	Labor Agreements w/outside Unions	4th Qtr.
CDD	Central Business District Live Entertainment Introduction	1st Qtr.
CDD	Downtown Vacancy Update	1st Qtr.
Admin	Smoking Ordinance*	1st Qtr.

Activities associated with the Council's Strategic Plan*