



**NOTICE OF THE SPECIAL MEETING**  
of the  
**March Joint Powers Commission**  
of the  
**March Joint Powers Authority**  
and the  
**March Inland Port Airport Authority**  
and the  
**Successor Agency - March Joint Powers Authority**  
of the  
**Former March Joint Powers Redevelopment Agency**  
City of Moreno Valley • City of Riverside • City of Perris • Riverside County  
and the  
**March Joint Powers Commission**  
of the  
**March Joint Powers Utilities Authority**  
City of Moreno Valley • City of Riverside • City of Perris  
to the  
**Public and Members of the March Joint Powers Commission**

Notice is hereby given that the Special Meeting of the **March Joint Powers Commission of the March Joint Powers Authority** will be held at **Riverside County Administration Center - Board Chambers, 4080 Lemon Street, Riverside, California 92501** on **Wednesday, October 15, 2025 at 3:00 p.m.**

This Notice was posted on 10/10/2025 at the following locations:

March Inland Port Airport Authority  
March Joint Powers Authority  
17405 Heacock Street  
Moreno Valley, CA 92551

Riverside County Administration Center  
4080 Lemon Street  
Riverside, CA 92501

On October 10, 2025, Notice was sent to each member of the March Joint Powers Commission.

I hereby certify that the foregoing Notice is a full, true, and correct copy of the Notice posted for the March Joint Powers Authority Commission Meeting.

*Cindy Camargo*

Cindy Camargo, Clerk  
March Joint Powers Authority Commission

**SPECIAL MEETING**  
of the  
**March Joint Powers Commission**  
of the  
**March Joint Powers Authority**  
and the  
**March Inland Port Airport Authority**  
and the  
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City of Moreno Valley • City of Riverside • City of Perris • Riverside County  
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of the  
**March Joint Powers Utilities Authority**  
City of Moreno Valley • City of Riverside • City of Perris

***Wednesday, October 15, 2025 - 3:00 PM***

**March Joint Powers Authority Commission**  
**Meeting Location:**  
Riverside County Administration Center, Board Chambers  
4080 Lemon Street  
Riverside, CA 92501

**ALL MEETINGS ARE OPEN TO THE PUBLIC.**

Interested persons are encouraged to participate in the activities of the JPA. Anyone wishing to speak on an agenda item or on an issue of general concern should complete a “Speaker’s Request Form” available in the Meeting Room.

You may view the meeting at <https://rivcotv.org/>

**ADA:** If you require special accommodations during your attendance at a meeting, please contact the JPA at (951) 656-7000 at least 24 hours in advance of the meeting time.

March Joint Powers Authority  
14205 Meridian Parkway, Suite 140 Riverside, CA 92518  
Phone: (951) 656-7000 Fax: (951) 653-5558 [www.MarchJPA.com](http://www.MarchJPA.com)

**THE MARCH JOINT POWERS COMMISSION**  
of the  
**MARCH JOINT POWERS AUTHORITY**  
and the  
**MARCH INLAND PORT AIRPORT AUTHORITY**  
and the  
**SUCCESSOR AGENCY - MARCH JOINT POWERS AUTHORITY**  
of the  
**FORMER MARCH JOINT POWERS REDEVELOPMENT AGENCY**  
City of Moreno Valley • City of Riverside • City of Perris • County of Riverside  
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**MARCH JOINT POWERS COMMISSION**  
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**MARCH JOINT POWERS UTILITIES AUTHORITY**  
City of Moreno Valley • City of Riverside • City of Perris

**Wednesday, October 15, 2025 - 3:00 PM**

*Riverside County Administrative Center  
Board Chambers  
4080 Lemon Street  
Riverside, CA 92501*

**SPECIAL MEETING AGENDA**

- 1. Call to Order**
- 2. Roll Call**
- 3. Invocation**
- 4. Pledge of Allegiance**
- 5. Matters Subsequent to Posting Agenda**  
*Approval of Agenda Additions or Corrections, as Necessary.*
- 6. Public Comments**  
*Any person may address the Commission on any subject pertaining to March Joint Powers Authority, March Inland Port Airport Authority, Successor Agency/former March Joint Powers Redevelopment Agency, and March Joint Powers Utilities Authority business not listed on the Agenda during this portion of the Meeting. A limitation of three (3) minutes shall be set for each person desiring to address the Commission.*
- 7. Approval of Minutes for Regular Meeting held on September 3, 2025 – Page 7**

## **8. Consent Calendar**

### **MJPA – Operations**

- 1) Report: Receive and file Financial Status Reports – Page 12
- 2) Action: Approve July and August 2025 Disbursements – Page 27
- 3) Action: Approve a Professional Services Agreement with Horizon Realty Group for property management services for March Joint Powers Authority Green Acres community and authorize the Chief Executive Officer to execute the agreement – Page 42
- 4) Action: Approve an amendment to the construction contract with Danny Ryan Precision on the demolition of Building No. 962 and Building No. 976 in the Northeast Corner Planning area, to extend the life of the contract an additional 42 days, and authorize the Chief Executive Officer to execute the amendment – Page 66
- 5) Action: Adopt Resolution JPA 25-26 a resolution of the March Joint Powers Commission approving the amended and restated March Joint powers Authority Personnel and Rules and Regulations – Page 68
- 6) Action: Approve a Usage Driven Site within Foreign Trade Zone No. 244 for Bridge Logistics Properties located in Riverside, CA – Page 164
- 7) Action: Approve Amendment No. 1 to the Professional Services Agreement with Mariposa Landscapes, Inc. and authorize the Chief Executive Officer to execute the agreement – Page 173

## **9. Reports, Discussions and Action Items**

### **MJPA - Operations**

- 1) Action: Adopt Resolution JPA 25-27 approving an Amended Stipend Policy for the March Joint Powers Commission Members and Alternate Members serving on behalf of March Joint Powers Authority – Page 177  
*Dr. Grace Martin, Chief Executive Officer*
- 2) Report: Receive and file the 2024 Audit of March Joint Powers Authority – Page 184  
*Jonathan Foster, Davis Farr LLP*
- 3) Report/Action: Receive and file a report for Foreign Trade Zone No. 244 – Page 274  
*Dr. Grace Martin, Chief Executive Officer*

## **10. Consent Calendar**

### **MIPAA - Operations**

- 1) Report: Receive and file Financial Status Reports – Page 275
- 2) Action: Approve July and August 2025 Disbursements – Page 278
- 3) Action: Approve FAA grants 3-06-0201-019-2025; 3-60-0201-020-2025; and 3-06-0201-21-2025, totaling six million two hundred sixty-nine thousand seven hundred three dollars (\$6,269,703) for apron reconstruction phases 14 and 15, and the AP-5 crack seal project, and approve the September 12, 2025, execution of grants by the CEO and MIPAA legal counsel – Page 281
- 4) Action: Approve an award of contract for the March Airfield Operations Readiness Report with Converge Strategies and authorize the Chief Executive Officer to execute the contract – Page 397
- 5) Action: Approve C&S Companies Scope of Work for the Apron Reconstruction Phase 13 Project and authorize MIPAA to contribute \$1,951.00 towards the Design, Bidding and Awarding of the Project – Page 398



**11. Reports, Discussion and Action Items**

**MIPAA - Operations**

- 1) Report/Action: Approve a sublease consent related to the reuse of former office and storage space between the Metrea Strategic Mobility Inc. and Alameda BC, LLC; approve an associated parking agreement for five (5) preferential aircraft parking spaces and authorize the Chief Executive Officer to execute the agreement; and direct staff to file a Notice of Exemption – Page 409  
*Dr. Grace Martin, Chief Executive Officer*  
*Slim Morgan, President, Metrea Strategic Mobility*
- 2) Report: Receive and file the 2024 Audit of March Inland Port Airport Authority – Page 484  
*Jonathan Foster, Davis Farr LLP*
- 3) Report/Action: Approve Resolution MIPAA 25-07 in support of updating the March Air Reserve Base/Inland Port Airport Land Use Compatibility Plan (March ARB ALUCP) – Page 508  
*Simon Housman, Project Director*

**12. Consent Calendar**

**MJPUA – Operations**

- 1) Report: Receive and file Financial Status Report – Page 513
- 2) Action: Approve July and August 2025 Disbursements – Page 516

**13. Reports, Discussion and Action Items**

**MJPUA - Operations**

- 1) Report/Action: Receive and file the 2024 Audit of March Joint Powers Utility Authority – Page 519  
*Jonathan Foster, Davis Farr LLP*

**14. Commission Members Oral Reports/Announcements**

**15. Staff Oral Reports/Announcements**

**16. Calendaring of Future Agenda Items**

*Future agenda items may be scheduled by JPC Members or staff.*

**17. Closed Session**

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: Chief Executive Officer

**CONFERENCE WITH LABOR NEGOTIATORS**

Agency Designated Representative: Chair, General Counsel, or other designee

Unrepresented Employee: Chief Executive Officer

**18. Adjournment**

In accordance with Government Code section 65009, anyone wishing to challenge any action taken by the Commission of any of the entities listed in this agenda above in court may be limited to raising only those issues raised at the public hearings described in the notice or raised in written correspondence delivered to the hearing body, at or prior to the public hearing. Any written correspondence submitted to one or more of the March JPA Commissioners regarding a matter on this Agenda shall be carbon copied to the Commission Clerk and the project planner, if applicable, at or prior to the meeting date first referenced above.

Copies of the staff reports or other written documentation relating to each item of business described above are on file in the office of Clerk of the March Joint Powers Authority (JPA), 17405 Heacock Street, Moreno Valley, California and are available for public inspection during regular office hours (8:00 a.m. to 5:30 p.m., Monday through Thursday, Friday 8:00am to 4:30pm). Written materials distributed to the March Joint Powers Commission within 72 hours of the March Joint Powers Commission meeting are available for public inspection immediately upon distribution in the Clerk's office at the JPA offices at 17405 Heacock Street, Moreno Valley, California (Government Code Section 54957.5(b)(2)). Copies of staff reports and written materials may be purchased for \$0.20 per page. In addition, staff reports can be reviewed online at [www.marchjpa.com](http://www.marchjpa.com). Pursuant to State law, this agenda was posted at least 72 hours prior to the meeting.

**ADA: If you require special accommodations during your attendance at a meeting, please contact the JPA at (951) 656-7000 at least 24 hours in advance of the meeting time.**

I hereby certify under penalty of perjury, under the laws of the State of California, the foregoing agenda was posted in accordance with the applicable legal requirements.

Dated: October 10, 2025

Signed: Cindy Camargo

Cindy Camargo, Clerk of the March Joint Powers Authority Commission

March Joint Powers Authority  
17405 Heacock Street, Moreno Valley, CA 92518  
Phone: (951) 656-7000 [www.MarchJPA.com](http://www.MarchJPA.com)

**THE MARCH JOINT POWERS COMMISSION**  
of the  
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**SUCCESSOR AGENCY - MARCH JOINT POWERS AUTHORITY**  
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**Wednesday, September 3, 2025 - 3:00 PM**

*Riverside County Administrative Center  
Board Chambers  
4080 Lemon Street  
Riverside, CA 92501*

**REGULAR MEETING MINUTES**

**1. Call to Order**

Chair Vargas called the meeting to order at 3:07 p.m.

**2. Roll Call**

Present: Medina, Nava, Perry, Delgado, Vargas

Absent: Cabrera, Conder, Gutierrez

**3. Invocation**

Pastor Diane Gardner provided the invocation.

**4. Pledge of Allegiance**

Chair Vargas led the group in the pledge.

**5. Matters Subsequent to Posting Agenda**

*Approval of Agenda Additions or Corrections, as Necessary.*

Dr. Martin stated agenda items 11 (1) and 11 (2) were pulled by the operators for further discussions.

**6. Public Comments**

*Any person may address the Commission on any subject pertaining to March Joint Powers Authority, March Inland Port Airport Authority, Successor Agency/former March Joint Powers Redevelopment Agency, and March Joint Powers Utilities Authority business not listed on the Agenda during this portion of the Meeting. A limitation of three (3) minutes shall be set for each person desiring to address the Commission.*

The following person(s) provided public comment(s):

1. Debbie Walsh

**7. Approval of Minutes for Special Meetings held on June 11, 2025 and June 30, 2025 – Page 7**

No questions or comments. No public request to speak.

Motion to approve the JPC Special Meeting Minutes for the meetings held on June 11, 2025 and June 30, 2025.

Motion: Perry

Second: Delgado

Ayes: Medina (2 votes), Nava, Perry (2 votes), Delgado (2 votes), Vargas

Noes: None

Absent: Cabrera, Conder, Gutierrez

Abstain: None

**8. Consent Calendar**

**MJPA – Operations**

- 1) Report: Receive and file Financial Status Reports – Page 21
- 2) Action: Approve May and June 2025 Disbursements – Page 69
- 3) Action: Adopt Resolution JPA 25-24 approving the 2025 March Joint Powers Authority local guidelines for implementing the California Environmental Quality Act (CEQA) – Page 80
- 4) Action: Approve a contract for the Green Acres Community gas meter relocation project to Arizona Pipeline Company and authorize the Chief Executive Officer to execute the contract – Page 296
- 5) Action: Approve a revocable license for use of real property granted to the March Joint Powers Authority by the U.S. Department of Veterans Affairs for the Continued Operation and Maintenance of General Old Golf Course and Authorize the March JPA Chief Executive Officer to execute the Agreement.297
- 6) Action: Approve a Usage Driven Site within Foreign Trade Zone No. 244 for DP Tech US LLC located in Perris, CA – Page 315
- 7) Action: Approve a Usage Driven Site within Foreign Trade Zone No. 244 for Hino Motors Manufacturing USA Inc. located in Mira Loma, CA – Page 325
- 8) Action: Approve an amendment to the contract for construction with Danny Ryan Precision on the demolition of Building No. 962 and Building No. 976 in the Northeast Corner Planning area, to allow for two change orders in an amount not to exceed One Hundred Thirty-One Thousand Seven Hundred Dollars (\$131,700), and to extend the life of the contract an additional 120 days, and authorize the Chief Executive Officer to execute the work orders – Page 338
- 9) Action: Approve a 9/80 alternative work schedule and direct staff to schedule updates to personnel rules and regulations for the Commission’s consideration at their next scheduled meeting – Page 348

No questions or comments. No public request to speak.

Motion to approve Consent Calendar MJPA – Operations, Items 8 (1-9).

Motion: Perry

Second: Medina

Ayes: Medina (2 votes), Nava, Perry (2 votes), Delgado (2 votes), Vargas

Noes: None

Absent: Cabrera, Conder, Gutierrez

Abstain: None

## **9. Reports, Discussions and Action Items**

### **MJPA - Operations**

- 1) Report: Receive and file the monthly Technical Advisory Committee (TAC) report for August 25, 2025 – Page 349

*Juan Perez, TAC Member*

Dr. Martin stated Juan Perez is unable to attend today's meeting and provided a brief update for the TAC meeting.

## **10. Consent Calendar**

### **MIPAA - Operations**

- 1) Report: Receive and file Financial Status Reports – Page 350
- 2) Action: Approve May and June 2025 Disbursements – Page 361
- 3) Action: Approve an On-Call Planning and Engineer Contract with C&S Engineering and authorize the Chief Executive Officer to execute the contract – Page 364
- 4) Action: Authorize a Request for Proposals for technical contractor for the March Airfield Operations Readiness Report and Action Plan pursuant to the 2025 Office of Local Defense Community Cooperation (OLDCC) grant for mission readiness at March – Page 365
- 5) Action: Adopt Resolution MIPAA 25-05 adopting an Operating Reserve Funds Policy for the March Inland Port Airport Authority – Page 366
- 6) Action: Adopt Resolution MIPAA 25-06 adopting a Capital Reserve Funds Policy for the March Inland Port Airport Authority – Page 372

No questions or comments. No public request to speak.

Motion to approve Consent Calendar MIPAA – Operations, Items 10 (1-6).

Motion: Nava

Second: Delgado

Ayes: Medina (2 votes), Nava, Perry (2 votes), Delgado (2 votes), Vargas

Noes: None

Absent: Cabrera, Conder, Gutierrez

Abstain: None

## **11. Reports, Discussion and Action Items**

### **MIPAA - Operations**

- 1) Report/Action: Approve an Operating Agreement between the March Inland Port Airport Authority and Metrea, (DOD refueler) and authorize the Chief Executive Officer to execute

the agreement; and 2) Direct Staff to File a Notice of Exemption per March JPA's Local CEQA Guidelines – Page 378

*Dr. Grace Martin, Chief Executive Officer*

*Slim Morgan, President, Metrea Strategic Mobility*

Item 11 (1) pulled.

- 2) Report/Action: Approve an Operating Agreement between the March Inland Port Airport Authority and Omega (DOD refueler) and authorize the Chief Executive Officer to execute the agreement; and 2) Direct Staff to File a Notice of Exemption per March JPA's Local CEQA Guidelines – Page 404

*Dr. Grace Martin, Chief Executive Officer*

Item 11 (2) pulled.

- 3) Report/Action: Receive and file a draft 2024 Airport Capital Improvement Plan (ACIP) in preparation of a September meeting with the FAA — Page 428

*Dr. Grace Martin, Chief Executive Officer*

Dr. Martin introduced Kenneth Gethers, C&S Companies to provide the update.

Mr. Gethers provided the draft 5-year ACIP for March Inland Port Airport. Phases 14 and 15 of the apron rehab project are near complete. The proposed ACIP illustrates airport projects from 2026 through 2031. The meeting with FAA scheduled for September 11<sup>th</sup> is to discuss future planning. FAA support of the ACIP is required for future grant funding.

No questions or comments from the Commission. Item received and filed.

- 4) Report/Action: Receive and file a report on the March Airfield Operations Readiness Report and Action Plan pursuant to the 2025 Office of Local Defense Communities Cooperation (OLDCC) grant award for mission readiness at March – Page 431

*Dr. Grace Martin, Chief Executive Officer*

Dr. Martin introduced Steve Bonner, SONRI to provide the update.

The grant received from OLDCC (Office of Local Defense Community Cooperation) is for the March Inland Port Airport Authority and March Air Reserve Base Installation Readiness Plan. The March JPA was awarded the OLDCC Grant in June and the grant was signed in August. The grant match is 90/10, so 10% match for March JPA. Below are the Grant Particulars.

Total Funding: \$719,190.00 (March JPA: \$69,033; OLDCC: \$650,157)

Period of Performance: August 1, 2025 – November 30, 2026

There will be a tabletop exercise to include March Air Reserve Base, local governments, pertinent industry, if needed, all working together to review what is needed.

No questions or comments from the Commission. Item received and filed.

## **12. Consent Calendar**

### **MJPUA – Operations**

- 1) Report: Receive and file Financial Status Report – Page 432
- 2) Action: Approve May, June and July 2025 Disbursements – Page 439

No questions or comments. No public request to speak.

Motion to approve Consent Calendar MIPAA – Operations, Items 10 (1-6).

Motion: Perry  
Second: Delgado  
Ayes: Perry (2 votes), Delgado, (2 votes), Nava, Vargas  
Noes: None  
Absent: Cabrera, Conder  
Abstain: None

**13. Commission Members Oral Reports/Announcements**

None.

**14. Staff Oral Reports/Announcements**

OLDCC kickoff meeting is scheduled for September 17<sup>th</sup> at 10:00am

**15. Calendaring of Future Agenda Items**

*Future agenda items may be scheduled by JPC Members or staff.*

None.

**16. Closed Session**

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Property: March Inland Port Airport/March Air Reserve Base, Joint Use Flying  
Facilities

Agency Negotiator: Dr. Grace Martin, Chief Executive Officer

Negotiating Parties: U.S. Air Force, March Air Reserve Base

Under Negotiation: Price and Terms of Joint Use Agreement

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: *Ilaisha Allyce Hale et al. v. March Joint Powers Authority*, Superior Court of California, County of Riverside, Case No. TBD

Closed session began: 3:38 p.m.

Closed session ended: 4:07 p.m.

Reportable Actions: None

**17. Adjournment**

The meeting was adjourned at 4:07 p.m.

March Joint Powers Authority  
17405 Heacock Street, Moreno Valley, CA 92518  
Phone: (951) 656-7000 [www.MarchJPA.com](http://www.MarchJPA.com)

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA Operations - Consent Calendar***  
***Agenda Item No. 8 (1)***

**Meeting Date:** October 15, 2025

**Report:** **RECEIVE AND FILE FINANCIAL STATUS REPORTS**

**Motion:** Move to receive and file the Financial Status Reports or take other actions as deemed appropriate by the Commission.

**Background:**

The monthly Financial Status Reports are a summary of operational income and expenses for the month of July and August 2025 and for the fiscal year to date. It provides a summary of the March Joint Powers Authority's (March JPA's) ongoing activities related to the March JPA's approved FY 2025/26 budget.

**Attachment(s):** 1) Financial Status Reports for July and August 2025



## *March Joint Powers Authority*

### **Balance Sheet General Fund As of July 31, 2025**

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#### **ASSETS**

|                              |               |
|------------------------------|---------------|
| Cash In Bank                 | \$ 864,577.71 |
| Petty Cash                   | 300.00        |
| Investment Account           | 7,963,296.33  |
| Meridian Drainage Fee Acct   | 2,535,573.52  |
| CalPERS Benefit Trust        | 12,312,260.04 |
| County Fire Facilities Fund  | 1,879,774.16  |
| Accounts Receivable          | 6,467,654.76  |
| Accounts Receivable - Leases | 1,349,157.70  |
| Loans Receivable             | 1,913,926.60  |
| MIP Loan Receivable          | 2,687,896.35  |
| MJPUA Loan Receivable        | 450,000.00    |
| Due From Other Funds         | 426,540.74    |
| Interest Receivable          | 1,776,866.67  |
| Insurance Deposits           | 1,283.00      |

|              |                         |
|--------------|-------------------------|
| Total Assets | <u>\$ 40,629,107.58</u> |
|--------------|-------------------------|

#### **LIABILITIES**

|                                        |              |
|----------------------------------------|--------------|
| County Fire Facility                   | 1,824,540.34 |
| Meridian Drainage Fees                 | 1,699,830.45 |
| Lifecare Campus Drainage Fees          | 82,243.53    |
| Meridian–St. F Sgnl Fair Share         | 637,826.15   |
| MARB Heacock Project Funds             | 666.72       |
| Deferred Inflows - Unavailable Revenue | 1,200,000.00 |
| Deferred Inflows - Leases              | 1,349,157.70 |

|                   |                     |
|-------------------|---------------------|
| Total Liabilities | <u>7,243,111.63</u> |
|-------------------|---------------------|

#### **FUND BALANCE**

|                                                           |                     |
|-----------------------------------------------------------|---------------------|
| Fund Balance, Beginning of Fiscal Year                    | 30,059,844.29       |
| Change in Fund Balance for the month ending July 31, 2025 | <u>3,326,151.66</u> |

|                                    |                      |
|------------------------------------|----------------------|
| Ending Fund Balance, July 31, 2025 | <u>33,385,995.95</u> |
|------------------------------------|----------------------|

|                                    |                         |
|------------------------------------|-------------------------|
| Total Liabilities and Fund Balance | <u>\$ 40,629,107.58</u> |
|------------------------------------|-------------------------|

## *March Joint Powers Authority*

### **Balance Sheet Meridian LLMD # 1 – Fund 120 As of July 31, 2025**

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#### **ASSETS**

|                     |                               |
|---------------------|-------------------------------|
| Cash In Bank        | \$ 2,039,883.20               |
| Accounts Receivable | <u>32,241.39</u>              |
| Total Assets        | <u><u>\$ 2,072,124.59</u></u> |

#### **LIABILITIES**

|                              |                   |
|------------------------------|-------------------|
| Accounts Payable             | 251,422.57        |
| LLMD #1 Modification Deposit | 6,930.80          |
| Damage Repair Deposits       | <u>7,193.17</u>   |
| Total Liabilities            | <u>265,546.54</u> |

#### **FUND BALANCE**

|                                                           |                               |
|-----------------------------------------------------------|-------------------------------|
| Fund Balance, Beginning of Fiscal Year                    | 1,822,080.90                  |
| Change in Fund Balance for the month ending July 31, 2025 | <u>(15,502.85)</u>            |
| Ending Fund Balance, July 31, 2025                        | <u>1,806,578.05</u>           |
| Total Liabilities and Fund Balance                        | <u><u>\$ 2,072,124.59</u></u> |

## *March Joint Powers Authority*

### **Balance Sheet**

#### **March Lifecare Campus CFD 2013 – Fund 140**

**As of July 31, 2025**

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#### **ASSETS**

|                                |    |               |
|--------------------------------|----|---------------|
| Cash In Bank                   | \$ | 101,172.46    |
| Accounts Receivable            |    | 39,069.02     |
| Allowance for Doubtful Account |    | (38,721.27)   |
| Accounts Receivable, Net       |    | <u>347.75</u> |

|              |    |                   |
|--------------|----|-------------------|
| Total Assets | \$ | <u>101,520.21</u> |
|--------------|----|-------------------|

#### **LIABILITIES**

|                     |  |                  |
|---------------------|--|------------------|
| Payroll Liabilities |  | 45,545.34        |
| Total Liabilities   |  | <u>45,862.40</u> |

#### **FUND BALANCE**

|                                                           |  |                   |
|-----------------------------------------------------------|--|-------------------|
| Fund Balance, Beginning of Fiscal Year                    |  | 62,483.56         |
| Change in Fund Balance for the month ending July 31, 2025 |  | <u>(6,825.75)</u> |

|                                    |  |                  |
|------------------------------------|--|------------------|
| Ending Fund Balance, July 31, 2025 |  | <u>55,657.81</u> |
|------------------------------------|--|------------------|

|                                    |    |                   |
|------------------------------------|----|-------------------|
| Total Liabilities and Fund Balance | \$ | <u>101,520.21</u> |
|------------------------------------|----|-------------------|

## *March Joint Powers Authority*

### **Balance Sheet**

#### **Green Acres Enterprise Fund – Fund 300**

**As of July 31, 2025**

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#### **ASSETS**

|                             |                                    |
|-----------------------------|------------------------------------|
| Cash In Bank                | \$ 2,541,798.10                    |
| Investment Account          | 3,281,623.26                       |
| Accounts Receivable         | (39,063.91)                        |
| Land and Buildings          | 16,198,934.85                      |
| Infrastructure              | 874,866.98                         |
| Equipment                   | 59,514.25                          |
| Deferred Outflows - Pension | 164,970.24                         |
| Deferred Outflows - OPEB    | 44,860.00                          |
| Accumulated Depreciation    | <u>(10,298,016.30)</u>             |
| <br>Total Assets            | <br><u><u>\$ 12,829,487.47</u></u> |

#### **LIABILITIES**

|                            |                         |
|----------------------------|-------------------------|
| Accounts Payable           | 457.56                  |
| Payroll Liabilities        | 374,972.52              |
| Security Deposits          | 181,651.16              |
| Net Pension Liability      | 370,893.96              |
| OPEB Liability             | 12,045.00               |
| Compensated Absences       | 45,703.35               |
| Deferred Inflows - Pension | 48,084.48               |
| Deferred Inflows - OPEB    | <u>28,597.00</u>        |
| <br>Total Liabilities      | <br><u>1,062,405.03</u> |

#### **FUND BALANCE**

|                                                           |                                    |
|-----------------------------------------------------------|------------------------------------|
| Net Position, Beginning of Fiscal Year                    | 11,645,053.98                      |
| Change in Fund Balance for the month ending July 31, 2025 | <u>122,028.46</u>                  |
| <br>Ending Fund Balance, July 31, 2025                    | <br><u>11,767,082.44</u>           |
| <br>Total Liabilities and Net Position                    | <br><u><u>\$ 12,829,487.47</u></u> |

## *March Joint Powers Authority*

### **Balance Sheet Repairs & Maintenance – Fund 301 As of July 31, 2025**

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#### **ASSETS**

|              |                      |
|--------------|----------------------|
| Cash In Bank | \$ 319,162.50        |
| Total Assets | <u>\$ 319,162.50</u> |

#### **LIABILITIES**

|                   |          |
|-------------------|----------|
| Accounts Payable  | <u>-</u> |
| Total Liabilities | <u>-</u> |

#### **FUND BALANCE**

|                                                           |                      |
|-----------------------------------------------------------|----------------------|
| Net Position, Beginning of Fiscal Year                    | 328,579.07           |
| Change in Fund Balance for the month ending July 31, 2025 | <u>(9,416.57)</u>    |
| Ending Fund Balance, July 31, 2025                        | <u>319,162.50</u>    |
| Total Liabilities and Net Position                        | <u>\$ 319,162.50</u> |

## *March Joint Powers Authority*

### **Balance Sheet RORF Fund – Fund 750 As of July 31, 2025**

---

#### **ASSETS**

|                     |                               |
|---------------------|-------------------------------|
| Cash In Bank        | 1,109,368.22                  |
| Accounts Receivable | <u>15,050.25</u>              |
| Total Assets        | <u><u>\$ 1,124,418.47</u></u> |

#### **LIABILITIES**

|                   |                  |
|-------------------|------------------|
| Accounts Payable  | <u>15,050.25</u> |
| Total Liabilities | <u>15,050.25</u> |

#### **FUND BALANCE**

|                                                           |                               |
|-----------------------------------------------------------|-------------------------------|
| Net Position, Beginning of Fiscal Year                    | 1,109,368.22                  |
| Change in Fund Balance for the month ending July 31, 2025 | <u>-</u>                      |
| Ending Fund Balance, July 31, 2025                        | <u>1,109,368.22</u>           |
| Total Liabilities and Net Position                        | <u><u>\$ 1,124,418.47</u></u> |

## *March Joint Powers Authority*

### **Balance Sheet Debt Service Fund – Fund 740 As of July 31, 2025**

---

#### **ASSETS**

|                              |                        |
|------------------------------|------------------------|
| Cash In Bank                 | \$ 1,118,988.55        |
| Deferred Charge on Refunding | 6,227,348.61           |
| Prepaid Bond Insurance       | <u>210,259.62</u>      |
| Total Assets                 | <u>\$ 7,556,596.78</u> |

#### **LIABILITIES**

|                              |                      |
|------------------------------|----------------------|
| Accounts Payable             | -                    |
| Interest Payable             | 451,476.00           |
| Bonds Payable - Series 2016A | 26,630,000.00        |
| Bonds Premium - Series 2016A | 2,972,495.00         |
| Due to Other Funds           | <u>426,540.74</u>    |
| Total Liabilities            | <u>30,480,511.74</u> |

#### **FUND BALANCE**

|                                                           |                        |
|-----------------------------------------------------------|------------------------|
| Net Position, Beginning of Fiscal Year                    | (21,333,622.08)        |
| Change in Fund Balance for the month ending July 31, 2025 | <u>(1,590,292.88)</u>  |
| Ending Fund Balance, July 31, 2025                        | <u>(22,923,914.96)</u> |
| Total Liabilities and Net Position                        | <u>\$ 7,556,596.78</u> |

## *March Joint Powers Authority*

### **Balance Sheet General Fund As of August 31, 2025**

---

#### **ASSETS**

|                              |                   |
|------------------------------|-------------------|
| Cash In Bank                 | \$ (1,626,997.87) |
| Petty Cash                   | 300.00            |
| Investment Account           | 7,963,296.33      |
| Meridian Drainage Fee Acct   | 2,535,573.52      |
| CalPERS Benefit Trust        | 12,312,260.04     |
| County Fire Facilities Fund  | 1,879,774.16      |
| Accounts Receivable          | 6,537,815.70      |
| Accounts Receivable - Leases | 1,349,157.70      |
| Loans Receivable             | 1,913,926.60      |
| MIP Loan Receivable          | 2,687,896.35      |
| MJPUA Loan Receivable        | 450,000.00        |
| Due From Other Funds         | 426,540.74        |
| Interest Receivable          | 1,776,866.67      |
| Insurance Deposits           | 1,283.00          |

|              |                         |
|--------------|-------------------------|
| Total Assets | <u>\$ 38,207,692.94</u> |
|--------------|-------------------------|

#### **LIABILITIES**

|                                        |              |
|----------------------------------------|--------------|
| Accounts Payable                       | 37,757.91    |
| Deposits in Trust                      | 305,735.15   |
| County Fire Facility                   | 1,824,540.34 |
| Meridian Drainage Fees                 | 1,699,830.45 |
| Lifecare Campus Drainage Fees          | 82,243.53    |
| Meridian–St. F Sgnl Fair Share         | 637,826.15   |
| MARB Heacock Project Funds             | 666.72       |
| Deferred Inflows - Unavailable Revenue | 1,200,000.00 |
| Deferred Inflows - Leases              | 1,349,157.70 |

|                   |                     |
|-------------------|---------------------|
| Total Liabilities | <u>7,137,757.95</u> |
|-------------------|---------------------|

#### **FUND BALANCE**

|                                                             |                     |
|-------------------------------------------------------------|---------------------|
| Fund Balance, Beginning of Fiscal Year                      | 30,059,844.29       |
| Change in Fund Balance for the month ending August 31, 2025 | <u>1,010,090.70</u> |

|                                      |                      |
|--------------------------------------|----------------------|
| Ending Fund Balance, August 31, 2025 | <u>31,069,934.99</u> |
|--------------------------------------|----------------------|

|                                    |                         |
|------------------------------------|-------------------------|
| Total Liabilities and Fund Balance | <u>\$ 38,207,692.94</u> |
|------------------------------------|-------------------------|

\*Negative cash is due to pending transfer between funds for payroll related expenses.



## *March Joint Powers Authority*

### **Balance Sheet Meridian LLMD # 1 – Fund 120 As of August 31, 2025**

---

#### **ASSETS**

|                     |                               |
|---------------------|-------------------------------|
| Cash In Bank        | \$ 1,994,148.36               |
| Accounts Receivable | <u>32,241.39</u>              |
| Total Assets        | <u><u>\$ 2,026,389.75</u></u> |

#### **LIABILITIES**

|                              |                   |
|------------------------------|-------------------|
| Accounts Payable             | 199,956.49        |
| LLMD #1 Modification Deposit | 6,930.80          |
| Damage Repair Deposits       | <u>7,193.17</u>   |
| Total Liabilities            | <u>214,080.46</u> |

#### **FUND BALANCE**

|                                                             |                               |
|-------------------------------------------------------------|-------------------------------|
| Fund Balance, Beginning of Fiscal Year                      | 1,822,080.90                  |
| Change in Fund Balance for the month ending August 31, 2025 | <u>(9,771.61)</u>             |
| Ending Fund Balance, August 31, 2025                        | <u>1,812,309.29</u>           |
| Total Liabilities and Fund Balance                          | <u><u>\$ 2,026,389.75</u></u> |

## *March Joint Powers Authority*

### **Balance Sheet**

**March Lifecare Campus CFD 2013 – Fund 140**

**As of August 31, 2025**

---

#### **ASSETS**

|                                |    |               |
|--------------------------------|----|---------------|
| Cash In Bank                   | \$ | 100,855.40    |
| Accounts Receivable            |    | 39,069.02     |
| Allowance for Doubtful Account |    | (38,721.27)   |
| Accounts Receivable, Net       |    | <u>347.75</u> |

|              |    |                   |
|--------------|----|-------------------|
| Total Assets | \$ | <u>101,203.15</u> |
|--------------|----|-------------------|

#### **LIABILITIES**

|                     |  |                  |
|---------------------|--|------------------|
| Payroll Liabilities |  | 45,545.34        |
| Total Liabilities   |  | <u>45,545.34</u> |

#### **FUND BALANCE**

|                                                             |  |                   |
|-------------------------------------------------------------|--|-------------------|
| Fund Balance, Beginning of Fiscal Year                      |  | 62,483.56         |
| Change in Fund Balance for the month ending August 31, 2025 |  | <u>(6,825.75)</u> |

|                                      |  |                  |
|--------------------------------------|--|------------------|
| Ending Fund Balance, August 31, 2025 |  | <u>55,657.81</u> |
|--------------------------------------|--|------------------|

|                                    |    |                   |
|------------------------------------|----|-------------------|
| Total Liabilities and Fund Balance | \$ | <u>101,203.15</u> |
|------------------------------------|----|-------------------|

## *March Joint Powers Authority*

### **Balance Sheet**

#### **Green Acres Enterprise Fund – Fund 300**

**As of August 31, 2025**

---

#### **ASSETS**

|                             |                                    |
|-----------------------------|------------------------------------|
| Cash In Bank                | \$ 2,550,549.97                    |
| Investment Account          | 3,281,623.26                       |
| Land and Buildings          | 16,198,934.85                      |
| Infrastructure              | 874,866.98                         |
| Equipment                   | 59,514.25                          |
| Deferred Outflows - Pension | 164,970.24                         |
| Deferred Outflows - OPEB    | 44,860.00                          |
| Accumulated Depreciation    | <u>(10,298,016.30)</u>             |
| <br>Total Assets            | <br><u><u>\$ 12,877,303.25</u></u> |

#### **LIABILITIES**

|                            |                         |
|----------------------------|-------------------------|
| Accounts Payable           | 18,219.11               |
| Payroll Liabilities        | 384,915.59              |
| Security Deposits          | 180,121.16              |
| Net Pension Liability      | 370,893.96              |
| OPEB Liability             | 12,045.00               |
| Compensated Absences       | 45,703.35               |
| Deferred Inflows - Pension | 48,084.48               |
| Deferred Inflows - OPEB    | <u>28,597.00</u>        |
| <br>Total Liabilities      | <br><u>1,088,579.65</u> |

#### **FUND BALANCE**

|                                                             |                                    |
|-------------------------------------------------------------|------------------------------------|
| Net Position, Beginning of Fiscal Year                      | 11,645,053.98                      |
| Change in Fund Balance for the month ending August 31, 2025 | <u>143,669.62</u>                  |
| <br>Ending Fund Balance, August 31, 2025                    | <br><u>11,788,723.60</u>           |
| <br>Total Liabilities and Net Position                      | <br><u><u>\$ 12,877,303.25</u></u> |

## *March Joint Powers Authority*

### **Balance Sheet Repairs & Maintenance – Fund 301 As of August 31, 2025**

---

#### **ASSETS**

|              |                      |
|--------------|----------------------|
| Cash In Bank | \$ 318,172.50        |
| Total Assets | <u>\$ 318,172.50</u> |

#### **LIABILITIES**

|                   |          |
|-------------------|----------|
| Accounts Payable  | <u>-</u> |
| Total Liabilities | <u>-</u> |

#### **FUND BALANCE**

|                                                             |                      |
|-------------------------------------------------------------|----------------------|
| Net Position, Beginning of Fiscal Year                      | 328,579.07           |
| Change in Fund Balance for the month ending August 31, 2025 | <u>(10,406.57)</u>   |
| Ending Fund Balance, August 31, 2025                        | <u>318,172.50</u>    |
| Total Liabilities and Net Position                          | <u>\$ 318,172.50</u> |

## *March Joint Powers Authority*

### **Balance Sheet RORF Fund – Fund 750 As of August 31, 2025**

---

#### **ASSETS**

|                     |                               |
|---------------------|-------------------------------|
| Cash In Bank        | 1,109,368.22                  |
| Accounts Receivable | <u>15,050.25</u>              |
| Total Assets        | <u><u>\$ 1,124,418.47</u></u> |

#### **LIABILITIES**

|                   |                  |
|-------------------|------------------|
| Accounts Payable  | <u>15,050.25</u> |
| Total Liabilities | <u>15,050.25</u> |

#### **FUND BALANCE**

|                                                             |                               |
|-------------------------------------------------------------|-------------------------------|
| Net Position, Beginning of Fiscal Year                      | 1,109,368.22                  |
| Change in Fund Balance for the month ending August 31, 2025 | <u>-</u>                      |
| Ending Fund Balance, August 31, 2025                        | <u>1,109,368.22</u>           |
| Total Liabilities and Net Position                          | <u><u>\$ 1,124,418.47</u></u> |

## *March Joint Powers Authority*

### **Balance Sheet Debt Service Fund – Fund 740 As of August 31, 2025**

---

#### **ASSETS**

|                              |                        |
|------------------------------|------------------------|
| Cash In Bank                 | \$ 1,118,921.05        |
| Deferred Charge on Refunding | 6,227,348.61           |
| Prepaid Bond Insurance       | <u>210,259.62</u>      |
| Total Assets                 | <u>\$ 7,556,529.28</u> |

#### **LIABILITIES**

|                              |                      |
|------------------------------|----------------------|
| Accounts Payable             | -                    |
| Interest Payable             | 451,476.00           |
| Bonds Payable - Series 2016A | 26,630,000.00        |
| Bonds Premium - Series 2016A | 2,972,495.00         |
| Due to Other Funds           | <u>426,540.74</u>    |
| Total Liabilities            | <u>30,480,511.74</u> |

#### **FUND BALANCE**

|                                                             |                        |
|-------------------------------------------------------------|------------------------|
| Net Position, Beginning of Fiscal Year                      | (21,333,622.08)        |
| Change in Fund Balance for the month ending August 31, 2025 | <u>(1,590,360.38)</u>  |
| Ending Fund Balance, August 31, 2025                        | <u>(22,923,982.46)</u> |
| Total Liabilities and Net Position                          | <u>\$ 7,556,529.28</u> |

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA Operations - Consent Calendar***  
***Agenda Item No. 8 (2)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE JULY AND AUGUST 2025**  
**DISBURSEMENTS**

**Motion:** Move to approve the check disbursements for the months of July and August 2025 or take other actions as deemed appropriate by the Commission.

**Background:**

This item is an action approving the expenses (checks) that were incurred in the months of July and August 2025 for the March JPA; Landscaping & Lighting Maintenance District (LLMD) No. 1; Community Facility District (CFD); Green Acres; and the Successor Agency to the former Redevelopment Agency. A listing of those checks is attached and will be reported in the minutes as an action item.

**Attachment(s):** Listing of checks disbursed in July and August 2025 for the March JPA, LLMD, CFD, Green Acres, and the Successor Agency.

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 8/21/2025 10:59 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No | Vendor No | Vendor Name                           | Check Date | Check Amount |
|----------|-----------|---------------------------------------|------------|--------------|
| ACH      | CabreraU  | Ulises Cabrera                        | 07/03/2025 | 100.00       |
| ACH      | Computer  | California Computer Options, Inc.     | 07/03/2025 | 7,112.07     |
| ACH      | ConderJr  | Charles Conder Jr.                    | 07/03/2025 | 714.00       |
| ACH      | Delgado   | Edward Delgado                        | 07/03/2025 | 500.00       |
| ACH      | DTS       | Daley Technology Systems              | 07/03/2025 | 750.00       |
| ACH      | Gutierre  | Yxstian Gutierrez                     | 07/03/2025 | 614.00       |
| ACH      | MedinaJ   | Jose Medina                           | 07/03/2025 | 300.00       |
| ACH      | NavaM     | Marisela Nava                         | 07/03/2025 | 300.00       |
| ACH      | VargasM   | Michael Vargas                        | 07/03/2025 | 914.00       |
| ACH      | Computer  | California Computer Options, Inc.     | 07/24/2025 | 20,971.59    |
| ACH      | RSG       | RSG, Inc.                             | 07/24/2025 | 11,822.50    |
| ACH      | AlbertA   | Albert A. Webb Associates             | 07/31/2025 | 1,849.50     |
| ACH      | Computer  | California Computer Options, Inc.     | 07/03/2025 | 780.63       |
| ACH      | DPETER1   | David Peterson Abatement Services,LLC | 07/24/2025 | 4,620.00     |
| ACH      | Paychex   | Paychex of New York LLC               | 07/23/2025 | 216.50       |
| ACH      | Paychex   | Paychex of New York LLC               | 07/23/2025 | 191.78       |
| ACH      | Computer  | California Computer Options, Inc.     | 07/03/2025 | 2,414.67     |
| ACH      | Computer  | California Computer Options, Inc.     | 07/03/2025 | 619.99       |
| ACH      | IvanBold  | Ivan Bolden & Associates LLC          | 07/03/2025 | 3,125.00     |
| ACH      | AVINSM    | Aviation Insurance Mangers Inc.       | 07/24/2025 | 9,591.53     |
| ACH      | Computer  | California Computer Options, Inc.     | 07/24/2025 | 4,894.70     |
| ACH      | RSG       | RSG, Inc.                             | 07/24/2025 | 135.00       |
| 3484     | Bettenco  | Brenda Bettencourt                    | 07/02/2025 | 15,242.97    |
| 3485     | Corona1   | Roxanne Corona                        | 07/02/2025 | 24,455.88    |
| 3486     | Roscher   | Timothy Roscher                       | 07/02/2025 | 16,915.73    |
| 3487     | NINAS     | Nina Schumacher                       | 07/02/2025 | 36,703.76    |
| 3488     | Sotelo    | Lauren Sotelo                         | 07/02/2025 | 26,335.31    |
| 1018161  | SDRMA     | SDRMA                                 | 07/01/2025 | 86.16        |
| 1018162  | HARTFORD  | THE HARTFORD                          | 07/01/2025 | 650.94       |
| 1018163  | BARRY     | Barry Security Service, Inc.          | 07/03/2025 | 7,150.00     |
| 1018164  | BESTBE    | Best Best & Krieger, LLP              | 07/03/2025 | 105,734.50   |
| 1018165  | ESA       | ESA                                   | 07/03/2025 | 7,007.00     |
| 1018166  | FEDEX     | FedEx                                 | 07/03/2025 | 392.69       |
| 1018167  | GRAINGER  | Grainger                              | 07/03/2025 | 314.76       |
| 1018168  | LOWES     | Lowe's Business Account               | 07/03/2025 | 77.77        |
| 1018169  | WILLDANS  | Willdan                               | 07/03/2025 | 15,158.97    |
| 1018170  | CGResour  | CG Resource Management & Engineering, | 07/03/2025 | 19,095.00    |
| 1018171  | UNDER2    | Underground Service Alert /SC         | 07/03/2025 | 57.00        |
| 1018172  | AyalaA    | Amelia Ayala                          | 07/03/2025 | 11,423.75    |
| 1018173  | Camargo   | Cindy Camargo                         | 07/03/2025 | 414.00       |
| 1018174  | DunnE     | Dunn Edwards Corporation              | 07/03/2025 | 886.01       |
| 1018175  | RivSh-TR  | County of Riverside Sheriff Dept      | 07/03/2025 | 980.34       |
| 1018177  | PROMELI   | Promeli Media LLC                     | 07/03/2025 | 15,861.80    |
| 1018178  | RobertHa  | Robert Half                           | 07/03/2025 | 2,615.42     |
| 1018179  | RIVCTYSH  | Riverside County Sheriff Department   | 07/03/2025 | 13,296.20    |
| 1018180  | William2  | Grace Martin                          | 07/10/2025 | 414.00       |
| 1018181  | BARRY     | Barry Security Service, Inc.          | 07/24/2025 | 3,646.00     |



| Check No                  | Vendor No | Vendor Name                         | Check Date | Check Amount |
|---------------------------|-----------|-------------------------------------|------------|--------------|
| 1018182                   | FEDEX     | FedEx                               | 07/24/2025 | 324.09       |
| 1018183                   | MGS       | M.G.S.                              | 07/24/2025 | 16,375.00    |
| 1018184                   | Minutema  | Minuteman Press                     | 07/24/2025 | 177.87       |
| 1018185                   | PHILLIPS  | Phillips 66-CO./SYNCB               | 07/24/2025 | 292.47       |
| 1018186                   | StaplesA  | Staples Business Credit             | 07/24/2025 | 474.86       |
| 1018187                   | WILLDANS  | Willdan                             | 07/24/2025 | 7,878.75     |
| 1018188                   | SABOREE   | Saboree Catering & Events           | 07/24/2025 | 2,268.22     |
| 1018189                   | RivSh-TR  | County of Riverside Sheriff Dept    | 07/24/2025 | 420.98       |
| 1018190                   | FARR      | Davis Farr                          | 07/24/2025 | 20,000.00    |
| 1018191                   | HBS       | Husch Blackwell Strategies LLC      | 07/24/2025 | 8,000.00     |
| 1018192                   | PRIMO     | Primo Brands                        | 07/24/2025 | 334.60       |
| 1018193                   | RobertHa  | Robert Half                         | 07/24/2025 | 2,990.54     |
| 1018194                   | CanonF    | Canon Financial Services, Inc.      | 07/24/2025 | 3,137.29     |
| 1018195                   | RIVCTYSH  | Riverside County Sheriff Department | 07/24/2025 | 20,196.18    |
| 1018196                   | SQUIRE    | SQUIRE PATTON BOGGS LLP             | 07/24/2025 | 27,766.94    |
| 1018197                   | BankofAm  | Bank Of America                     | 07/24/2025 | 19,989.58    |
| 1018198                   | FRONTIER  | Frontier Communications             | 07/31/2025 | 219.09       |
| 1018199                   | Mariposa  | Mariposa Tree Management Inc,       | 07/31/2025 | 2,568.14     |
| Report Total (65 checks): |           |                                     |            | 530,868.02   |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 8/21/2025 11:00 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                  | Vendor No | Vendor Name                             | Check Date | Check Amount |
|---------------------------|-----------|-----------------------------------------|------------|--------------|
| 2003976                   | SCE4      | Southern California Edison              | 07/03/2025 | 11,071.19    |
| 2003977                   | WMWD2     | Western Municipal Water District        | 07/03/2025 | 8,641.01     |
| 2003978                   | MGS       | M.G.S.                                  | 07/24/2025 | 1,334.28     |
| 2003979                   | PHILLIPS  | Phillips 66-CO./SYNCB                   | 07/24/2025 | 128.56       |
| 2003981                   | SCE4      | Southern California Edison              | 07/24/2025 | 10,053.27    |
| 2003982                   | Willdan2  | Willdan Financial Services              | 07/24/2025 | 9,000.00     |
| 2003983                   | SoCANews  | Southern California News Group          | 07/24/2025 | 475.86       |
| 2003984                   | BRIGHT    | BrightView Landscape Services, Inc.     | 07/24/2025 | 123,386.00   |
| 2003985                   | TEAM      | Team Sweep                              | 07/24/2025 | 4,620.00     |
| 2003986                   | WMWD2     | Western Municipal Water District        | 07/24/2025 | 18,975.74    |
| 2003987                   | RIVTLMA   | TLMA Administration- County Of Riversid | 07/28/2025 | 868.33       |
| 2003989                   | RIVTLMA   | TLMA Administration- County Of Riversid | 07/28/2025 | 2,000,000.00 |
| 2003990                   | FRONTIER  | Frontier Communications                 | 07/31/2025 | 13.69        |
| 2003991                   | SCE4      | Southern California Edison              | 07/31/2025 | 7,507.91     |
| 2003992                   | WMWD2     | Western Municipal Water District        | 07/31/2025 | 2,359.26     |
| Report Total (15 checks): |           |                                         |            | 2,198,435.10 |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 8/21/2025 11:02 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                 | Vendor No | Vendor Name                         | Check Date | Check Amount |
|--------------------------|-----------|-------------------------------------|------------|--------------|
| 4000212                  | SCE4      | Southern California Edison          | 07/24/2025 | 1,203.76     |
| 4000213                  | Willdan2  | Willdan Financial Services          | 07/24/2025 | 5,000.00     |
| 4000214                  | BRIGHT    | BrightView Landscape Services, Inc. | 07/24/2025 | 2,500.00     |
| Report Total (3 checks): |           |                                     |            | 8,703.76     |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 8/21/2025 11:02 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                 | Vendor No | Vendor Name                         | Check Date | Check Amount |
|--------------------------|-----------|-------------------------------------|------------|--------------|
| 4000212                  | SCE4      | Southern California Edison          | 07/24/2025 | 1,203.76     |
| 4000213                  | Willdan2  | Willdan Financial Services          | 07/24/2025 | 5,000.00     |
| 4000214                  | BRIGHT    | BrightView Landscape Services, Inc. | 07/24/2025 | 2,500.00     |
| Report Total (3 checks): |           |                                     |            | 8,703.76     |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 8/21/2025 11:01 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                  | Vendor No | Vendor Name                         | Check Date | Check Amount |
|---------------------------|-----------|-------------------------------------|------------|--------------|
| 3009856                   | Leafwise  | Leafwise Landscape LLC              | 07/03/2025 | 15,660.63    |
| 3009857                   | MGS       | M.G.S.                              | 07/03/2025 | 374.13       |
| 3009858                   | Montg     | Montgomery Plumbing                 | 07/03/2025 | 280.00       |
| 3009859                   | WestCoas  | West Coast Arborists, Inc           | 07/03/2025 | 1,504.00     |
| 3009860                   | SouthCou  | South County Pest Control, Inc.     | 07/03/2025 | 326.00       |
| 3009861                   | DunnE     | Dunn Edwards Corporation            | 07/03/2025 | 1,338.69     |
| 3009862                   | EWING     | Ewing Irrigation Products, Inc.     | 07/03/2025 | 348.41       |
| 3009863                   | JanPro    | Commerical Cleaning Solutions, Inc. | 07/03/2025 | 200.00       |
| 3009864                   | ALPINE    | Robert Vernieri                     | 07/03/2025 | 5,205.00     |
| 3009865                   | Automate  | Automated Gate Services, Inc.       | 07/24/2025 | 139.00       |
| 3009866                   | Leafwise  | Leafwise Landscape LLC              | 07/24/2025 | 15,660.63    |
| 3009867                   | MGS       | M.G.S.                              | 07/24/2025 | 7,140.88     |
| 3009868                   | PHILLIPS  | Phillips 66-CO./SYNCB               | 07/24/2025 | 282.70       |
| 3009869                   | SouthCou  | South County Pest Control, Inc.     | 07/24/2025 | 69.00        |
| 3009870                   | CoreEnv   | Core Environmental Solutions        | 07/24/2025 | 19,655.23    |
| 3009871                   | WMWD      | Western Municipal Water District    | 07/24/2025 | 58,134.95    |
| 3009872                   | HOMEDE    | Home Depot Credit Services          | 07/24/2025 | 529.08       |
| 3009873                   | Automate  | Automated Gate Services, Inc.       | 07/31/2025 | 864.00       |
| 3009874                   | FRONTIER  | Frontier Communications             | 07/31/2025 | 27.39        |
| 3009875                   | MGS       | M.G.S.                              | 07/31/2025 | 1,349.57     |
| 3009876                   | Montg     | Montgomery Plumbing                 | 07/31/2025 | 2,415.00     |
| 3009877                   | WestCoas  | West Coast Arborists, Inc           | 07/31/2025 | 1,035.00     |
| 3009878                   | SouthCou  | South County Pest Control, Inc.     | 07/31/2025 | 515.00       |
| 3009879                   | SCE4      | Southern California Edison          | 07/31/2025 | 909.26       |
| 3009880                   | WASTEM    | WM Corporate Services, Inc.         | 07/31/2025 | 1,346.77     |
| 3009881                   | TomHeat   | Tom Heating and Air                 | 07/31/2025 | 5,350.00     |
| Report Total (26 checks): |           |                                     |            | 140,660.32   |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:14 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                  | Vendor No | Vendor Name                             | Check Date | Check Amount |
|---------------------------|-----------|-----------------------------------------|------------|--------------|
| 2003976                   | SCE4      | Southern California Edison              | 07/03/2025 | 11,071.19    |
| 2003977                   | WMWD2     | Western Municipal Water District        | 07/03/2025 | 8,641.01     |
| 2003978                   | MGS       | M.G.S.                                  | 07/24/2025 | 1,334.28     |
| 2003979                   | PHILLIPS  | Phillips 66-CO./SYNCB                   | 07/24/2025 | 128.56       |
| 2003981                   | SCE4      | Southern California Edison              | 07/24/2025 | 10,053.27    |
| 2003982                   | Willdan2  | Willdan Financial Services              | 07/24/2025 | 9,000.00     |
| 2003983                   | SoCANews  | Southern California News Group          | 07/24/2025 | 475.86       |
| 2003984                   | BRIGHT    | BrightView Landscape Services, Inc.     | 07/24/2025 | 123,386.00   |
| 2003985                   | TEAM      | Team Sweep                              | 07/24/2025 | 4,620.00     |
| 2003986                   | WMWD2     | Western Municipal Water District        | 07/24/2025 | 18,975.74    |
| 2003987                   | RIVTLMA   | TLMA Administration- County Of Riversid | 07/28/2025 | 868.33       |
| 2003989                   | RIVTLMA   | TLMA Administration- County Of Riversid | 07/28/2025 | 2,000,000.00 |
| 2003990                   | FRONTIER  | Frontier Communications                 | 07/31/2025 | 13.69        |
| 2003991                   | SCE4      | Southern California Edison              | 07/31/2025 | 7,507.91     |
| 2003992                   | WMWD2     | Western Municipal Water District        | 07/31/2025 | 2,359.26     |
| Report Total (15 checks): |           |                                         |            | 2,198,435.10 |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:15 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                 | Vendor No | Vendor Name                         | Check Date | Check Amount |
|--------------------------|-----------|-------------------------------------|------------|--------------|
| 4000212                  | SCE4      | Southern California Edison          | 07/24/2025 | 1,203.76     |
| 4000213                  | Willdan2  | Willdan Financial Services          | 07/24/2025 | 5,000.00     |
| 4000214                  | BRIGHT    | BrightView Landscape Services, Inc. | 07/24/2025 | 2,500.00     |
| Report Total (3 checks): |           |                                     |            | 8,703.76     |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:16 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                  | Vendor No | Vendor Name                         | Check Date | Check Amount |
|---------------------------|-----------|-------------------------------------|------------|--------------|
| 3009856                   | Leafwise  | Leafwise Landscape LLC              | 07/03/2025 | 15,660.63    |
| 3009857                   | MGS       | M.G.S.                              | 07/03/2025 | 374.13       |
| 3009858                   | Montg     | Montgomery Plumbing                 | 07/03/2025 | 280.00       |
| 3009859                   | WestCoas  | West Coast Arborists, Inc           | 07/03/2025 | 1,504.00     |
| 3009860                   | SouthCou  | South County Pest Control, Inc.     | 07/03/2025 | 326.00       |
| 3009861                   | DunnE     | Dunn Edwards Corporation            | 07/03/2025 | 1,338.69     |
| 3009862                   | EWING     | Ewing Irrigation Products, Inc.     | 07/03/2025 | 348.41       |
| 3009863                   | JanPro    | Commerical Cleaning Solutions, Inc. | 07/03/2025 | 200.00       |
| 3009864                   | ALPINE    | Robert Vernieri                     | 07/03/2025 | 5,205.00     |
| 3009865                   | Automate  | Automated Gate Services, Inc.       | 07/24/2025 | 139.00       |
| 3009866                   | Leafwise  | Leafwise Landscape LLC              | 07/24/2025 | 15,660.63    |
| 3009867                   | MGS       | M.G.S.                              | 07/24/2025 | 7,140.88     |
| 3009868                   | PHILLIPS  | Phillips 66-CO./SYNCB               | 07/24/2025 | 282.70       |
| 3009869                   | SouthCou  | South County Pest Control, Inc.     | 07/24/2025 | 69.00        |
| 3009870                   | CoreEnv   | Core Environmental Solutions        | 07/24/2025 | 19,655.23    |
| 3009871                   | WMWD      | Western Municipal Water District    | 07/24/2025 | 58,134.95    |
| 3009872                   | HOMEDE    | Home Depot Credit Services          | 07/24/2025 | 529.08       |
| 3009873                   | Automate  | Automated Gate Services, Inc.       | 07/31/2025 | 864.00       |
| 3009874                   | FRONTIER  | Frontier Communications             | 07/31/2025 | 27.39        |
| 3009875                   | MGS       | M.G.S.                              | 07/31/2025 | 1,349.57     |
| 3009876                   | Montg     | Montgomery Plumbing                 | 07/31/2025 | 2,415.00     |
| 3009877                   | WestCoas  | West Coast Arborists, Inc           | 07/31/2025 | 1,035.00     |
| 3009878                   | SouthCou  | South County Pest Control, Inc.     | 07/31/2025 | 515.00       |
| 3009879                   | SCE4      | Southern California Edison          | 07/31/2025 | 909.26       |
| 3009880                   | WASTEM    | WM Corporate Services, Inc.         | 07/31/2025 | 1,346.77     |
| 3009881                   | TomHeat   | Tom Heating and Air                 | 07/31/2025 | 5,350.00     |
| Report Total (26 checks): |           |                                     |            | 140,660.32   |



# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:11 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No | Vendor No | Vendor Name                           | Check Date | Check Amount |
|----------|-----------|---------------------------------------|------------|--------------|
| ACH      | BASharaf  | BA Sharaf, LLC                        | 08/14/2025 | 22,699.30    |
| ACH      | Computer  | California Computer Options, Inc.     | 08/14/2025 | 9,289.41     |
| ACH      | ConderJr  | Charles Conder Jr.                    | 08/14/2025 | 500.00       |
| ACH      | TRILAK    | TRI Lake Consultants Inc.             | 08/14/2025 | 1,700.00     |
| ACH      | VargasM   | Michael Vargas                        | 08/14/2025 | 500.00       |
| ACH      | TRILAK    | TRI Lake Consultants Inc.             | 08/14/2025 | 2,650.00     |
| ACH      | SDRMA     | SDRMA                                 | 08/14/2025 | 2.48         |
| ACH      | Computer  | California Computer Options, Inc.     | 08/14/2025 | 7,220.43     |
| ACH      | AlbertA   | Albert A. Webb Associates             | 08/21/2025 | 3,965.50     |
| ACH      | DTS       | Daley Technology Systems              | 08/21/2025 | 636.00       |
| ACH      | IvanBold  | Ivan Bolden & Associates LLC          | 08/21/2025 | 3,125.00     |
| ACH      | BASharaf  | BA Sharaf, LLC                        | 08/28/2025 | 1,699.46     |
| ACH      | Computer  | California Computer Options, Inc.     | 08/28/2025 | 3,990.00     |
| ACH      | Computer  | California Computer Options, Inc.     | 08/21/2025 | 394.70       |
| ACH      | DTS       | Daley Technology Systems              | 08/21/2025 | 1,545.00     |
| ACH      | RSG       | RSG, Inc.                             | 08/21/2025 | 3,051.25     |
| ACH      | Computer  | California Computer Options, Inc.     | 08/28/2025 | 5,953.97     |
| ACH      | DTS       | Daley Technology Systems              | 08/28/2025 | 1,493.00     |
| ACH      | IvanBold  | Ivan Bolden & Associates LLC          | 08/28/2025 | 3,125.00     |
| ACH      | CalPERS   | CalPERS                               | 08/28/2025 | 28,586.58    |
| ACH      | RSG       | RSG, Inc.                             | 08/21/2025 | 67.50        |
| 3492     | STCOMPFD  | State Compensation Ins. Fund          | 08/28/2025 | 1,828.08     |
| 1018200  | BARRY     | Barry Security Service, Inc.          | 08/14/2025 | 10,392.19    |
| 1018201  | BESTBE    | Best Best & Krieger, LLP              | 08/14/2025 | 29,378.25    |
| 1018202  | FRONTIER  | Frontier Communications               | 08/14/2025 | 414.27       |
| 1018203  | PHILLIPS  | Phillips 66-CO./SYNCB                 | 08/14/2025 | 358.80       |
| 1018204  | WILLDANS  | Willdan                               | 08/14/2025 | 39,670.23    |
| 1018205  | UNDER2    | Underground Service Alert /SC         | 08/14/2025 | 30.00        |
| 1018206  | CANONB    | Canon Solutions America, Inc.         | 08/14/2025 | 367.50       |
| 1018207  | AyalaA    | Amelia Ayala                          | 08/14/2025 | 3,250.00     |
| 1018208  | BLUHVAC   | BLU Heating & Air, Inc                | 08/14/2025 | 11,500.00    |
| 1018209  | Camargo   | Cindy Camargo                         | 08/14/2025 | 815.10       |
| 1018210  | Rivers    | Rivers & Lands Conservancy            | 08/14/2025 | 2,975.60     |
| 1018211  | CrossW    | CrossWord Christian Church            | 08/14/2025 | 8,317.60     |
| 1018212  | RogersAn  | Rogers ,Anderson, Malody & Scott, LLP | 08/14/2025 | 45,567.33    |
| 1018213  | PettyCas  | PettyCash                             | 08/14/2025 | 46.71        |
| 1018214  | PRIMO     | Primo Brands                          | 08/14/2025 | 20.00        |
| 1018215  | CanonF    | Canon Financial Services, Inc.        | 08/14/2025 | 25.00        |
| 1018216  | RIVCTYSH  | Riverside County Sheriff Department   | 08/14/2025 | 18,844.72    |
| 1018217  | RIVCTYSH  | Riverside County Sheriff Department   | 08/14/2025 | 5,901.46     |
| 1018218  | RIVCTYSH  | Riverside County Sheriff Department   | 08/14/2025 | 6,126.96     |
| 1018219  | BARRY     | Barry Security Service, Inc.          | 08/21/2025 | 6,901.50     |
| 1018220  | FEDEX     | FedEx                                 | 08/21/2025 | 32.39        |
| 1018221  | MGS       | M.G.S.                                | 08/21/2025 | 9,600.00     |
| 1018222  | MissRepr  | Mission Reprographics                 | 08/21/2025 | 100.05       |
| 1018223  | VERIZ2    | Verizon Wireless                      | 08/21/2025 | 136.74       |
| 1018224  | WILLDANS  | Willdan                               | 08/21/2025 | 1,312.50     |

| Check No                  | Vendor No | Vendor Name                        | Check Date | Check Amount |
|---------------------------|-----------|------------------------------------|------------|--------------|
| 1018225                   | Brickl    | Brickley Construction Company Inc. | 08/21/2025 | 7,900.00     |
| 1018226                   | Court     | Courtney Inc.                      | 08/21/2025 | 43,592.08    |
| 1018227                   | HBS       | Husch Blackwell Strategies LLC     | 08/21/2025 | 1,600.00     |
| 1018228                   | RRSE      | Riverside Rubber Stamp & Engraving | 08/21/2025 | 20.06        |
| 1018229                   | CanonF    | Canon Financial Services, Inc.     | 08/21/2025 | 25.00        |
| 1018230                   | BankofAm  | Bank Of America                    | 08/21/2025 | 5,791.08     |
| 1018231                   | BARRY     | Barry Security Service, Inc.       | 08/28/2025 | 3,497.08     |
| 1018232                   | BESTBE    | Best Best & Krieger, LLP           | 08/28/2025 | 21,604.80    |
| 1018233                   | FEDEX     | FedEx                              | 08/28/2025 | 63.10        |
| 1018234                   | RobertHa  | Robert Half                        | 08/28/2025 | 759.06       |
| 1018235                   | SQUIRE    | SQUIRE PATTON BOGGS LLP            | 08/28/2025 | 1,071.00     |
|                           |           |                                    |            | <hr/>        |
|                           |           |                                    |            | <hr/>        |
| Report Total (58 checks): |           |                                    |            | 392,030.82   |
|                           |           |                                    |            | <hr/>        |
|                           |           |                                    |            | <hr/>        |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:07 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                 | Vendor No | Vendor Name                             | Check Date | Check Amount |
|--------------------------|-----------|-----------------------------------------|------------|--------------|
| 2003993                  | RIVTLMA   | TLMA Administration- County Of Riversid | 08/14/2025 | 1,811.32     |
| 2003994                  | SCE4      | Southern California Edison              | 08/14/2025 | 6,583.09     |
| 2003995                  | BRIGHT    | BrightView Landscape Services, Inc.     | 08/14/2025 | 34,069.85    |
| 2003996                  | WESTC     | West Coast Lights and Sirens            | 08/21/2025 | 6,351.82     |
| Report Total (4 checks): |           |                                         |            | 48,816.08    |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:08 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                 | Vendor No | Vendor Name                      | Check Date | Check Amount |
|--------------------------|-----------|----------------------------------|------------|--------------|
| 4000215                  | WMWD2     | Western Municipal Water District | 08/14/2025 | 317.06       |
| Report Total (1 checks): |           |                                  |            | 317.06       |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:09 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                  | Vendor No | Vendor Name                         | Check Date | Check Amount |
|---------------------------|-----------|-------------------------------------|------------|--------------|
| 3009882                   | AR-Bles   | Timothy Blesse, Executor            | 08/14/2025 | 1,280.00     |
| 3009883                   | ALPINE    | Robert Vernieri                     | 08/21/2025 | 990.00       |
| 3009884                   | JanPro    | Commerical Cleaning Solutions, Inc. | 08/21/2025 | 200.00       |
| 3009885                   | WASTEM    | WM Corporate Services, Inc.         | 08/21/2025 | 857.57       |
| 3009886                   | HOMEDE    | Home Depot Credit Services          | 08/21/2025 | 2,134.25     |
| 3009887                   | SCE4      | Southern California Edison          | 08/21/2025 | 738.63       |
| 3009888                   | SouthCou  | South County Pest Control, Inc.     | 08/21/2025 | 1,172.00     |
| 3009889                   | Montg     | Montgomery Plumbing                 | 08/21/2025 | 6,995.00     |
| 3009890                   | MGS       | M.G.S.                              | 08/21/2025 | 22,280.98    |
| 3009891                   | Automate  | Automated Gate Services, Inc.       | 08/21/2025 | 464.00       |
| 3009892                   | FEDEX     | FedEx                               | 08/28/2025 | 46.21        |
| 3009893                   | Leafwise  | Leafwise Landscape LLC              | 08/28/2025 | 15,660.63    |
| 3009894                   | MGS       | M.G.S.                              | 08/28/2025 | 9,639.00     |
| 3009895                   | Montg     | Montgomery Plumbing                 | 08/28/2025 | 5,995.00     |
| 3009896                   | SouthCou  | South County Pest Control, Inc.     | 08/28/2025 | 267.00       |
| 3009897                   | SCE4      | Southern California Edison          | 08/28/2025 | 52.37        |
| 3009898                   | WMWD      | Western Municipal Water District    | 08/28/2025 | 64,779.98    |
| 3009899                   | ALPINE    | Robert Vernieri                     | 08/28/2025 | 1,300.00     |
| Report Total (18 checks): |           |                                     |            | 134,852.62   |

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA Operations - Consent Calendar***  
***Agenda Item No. 8 (3)***

**Meeting Date:** October 15, 2025

**Action:** APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH HORIZON REALTY GROUP FOR PROPERTY MANAGEMENT SERVICES FOR MARCH JOINT POWERS AUTHORITY GREEN ACRES COMMUNITY AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE AGREEMENT

**Motion:** Move to approve a Professional Services Agreement with Horizon Realty Group for property management services for March Joint Powers Authority Green Acres community and authorize the Chief Executive Officer to execute the agreement.

**Background:**

On June 30, 2025, the March Joint Powers Authority (March JPA) transitioned its land use authority to the County of Riverside, resulting in a reorganization of the JPA due to the uncertain fiscal impacts on the Agency. Despite this transition, the March JPA retains ownership and management responsibilities for the Green Acres residential community. To ensure continued quality service and efficient operations for Green Acres residents, it has become necessary to engage a professional property management firm. After outreach and discussions with multiple property management firms, Horizon Realty Group demonstrated the highest level of responsiveness and alignment with the Agency's needs. Accordingly, staff recommends approval of the attached Professional Services Agreement with Horizon Realty Group to provide comprehensive property management services for the Green Acres Community.

Horizon Realty Group's services will include monthly property management, leasing, maintenance coordination, inspections, eviction coordination, and accounting/reporting. The firm's compensation will consist of a monthly management fee equal to 5.5% of the gross collected rent. Staff recommends the approval of a professional services agreement with Horizon Realty Group for their services through June 30, 2026, and authorize the Chief Executive Officer to execute the agreement.

**Attachment(s):** Horizon Realty Group Professional Services Agreement

# **MARCH JOINT POWERS AUTHORITY PROFESSIONAL SERVICES AGREEMENT**

## **1. PARTIES AND DATE.**

This Agreement is made and entered into this 15<sup>th</sup> day of October, 2025, by and between the March Joint Powers Authority, a joint powers authority, organized under the laws of the State of California, with its principal place of business at 17405 Heacock Avenue, Moreno Valley, County of Riverside, State of California ("Authority") and Horizon Realty Group, a California Corporation, with its principal place of business at 1720 Northcrest Drive, Crescent City, CA 95531 ("Consultant"). Authority and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

## **2. RECITALS.**

### **2.1 Consultant.**

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the Authority on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing Property Management Services to public clients, is licensed in the State of California, and is familiar with the plans of Authority.

### **2.2 Project.**

Authority desires to engage Consultant to render such professional services for the **Green Acres Historical Housing Community** ("Project") as set forth in this Agreement.

## **3. TERMS.**

### **3.1 Scope of Services and Term.**

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the Authority all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional **Property Management** consulting services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from October 15, 2025 to October 14, 2026, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

### **3.2 Responsibilities of Consultant.**

3.2.1 Independent Contractor; Control and Payment of Subordinates. The

Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Authority retains Consultant on an independent contractor basis and not as an employee. Any personnel performing the Services on behalf of Consultant shall not be employees of Authority and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services in a prompt and timely manner and in accordance with the Schedule of Services set forth in this agreement. Consultant represents that it has the professional and technical personnel required to perform the Services expeditiously. Upon request of Authority, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of Authority.

3.2.4 Substitution of Key Personnel. Consultant has represented to Authority that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of Authority. In the event that Authority and Consultant cannot agree as to the substitution of key personnel, Authority shall be entitled to terminate this Agreement for cause. The key personnel for performance of this Agreement are as follows: Kali Moulder, CFO/Broker and Jessika Hood, CEO/Realtor.

3.2.5 Authority's Representative. The Authority hereby designates Chief Executive Officer, or his/her designee, to act as its representative in all matters pertaining to the administration and performance of this Agreement ("Authority's Representative"). Authority's Representative shall have the power to act on behalf of the Authority for review and approval of all products submitted by Consultant but not the authority to enlarge the Scope of Services or change the total compensation due to Consultant under this Agreement. The Chief Executive Officer shall be authorized to act on Authority's behalf and to execute all necessary documents which enlarge the Scope of Services or change the Consultant's total compensation subject to the provisions contained in Section 3.3 of this Agreement. Consultant shall not accept direction or orders from any person other than the Chief Executive Officer, Authority's Representative or his/her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Jessika Hood, CEO/Realtor, or his/her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his/her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with Authority



staff in the performance of Services and shall be available to Authority's staff, consultants and other staff at all reasonable times.

**3.2.8 Standard of Care; Performance of Employees.** Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. Consultant shall perform, at its own cost and expense and without reimbursement from the Authority, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its subconsultants who is determined by the Authority to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the Authority, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

**3.2.9 Period of Performance.** Consultant shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Consultant shall also perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" attached hereto, or which may be separately agreed upon in writing by the Authority and Consultant ("Performance Milestones"). Consultant agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such Performance Milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the Authority will suffer damage.

**3.2.10 Laws and Regulations; Employee/Labor Certification.** Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with the Services and this Agreement. All violations of such laws and regulations shall be grounds for the Authority to terminate the Agreement for cause.

**3.2.10.1 Employment Eligibility; Consultant.** Consultant certifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time and shall require all subconsultants and sub-subconsultants to comply with the same. Consultant certifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement.

**3.2.10.2 Equal Opportunity Employment.** Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to

initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of Authority's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.3 Air Quality. To the extent applicable, Consultant must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Consultant shall indemnify Authority against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Consultant, its subconsultants, or others for whom Consultant is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.4 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed.

### 3.2.11 Insurance.

3.2.11.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the Authority that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the Authority that the subconsultant has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the Authority to terminate this Agreement for cause.

3.2.11.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder, and without limiting the indemnity provisions of the Agreement, the Consultant, in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

(A) **Commercial General Liability:** Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, or the exact equivalent, with limits of not less than \$1,000,000 per occurrence and no less than \$2,000,000 in the general aggregate. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions (1) limiting coverage for contractual liability; (2) excluding coverage for claims or suits by one insured against another (cross-liability); (3) products/completed operations liability; or (4) containing any other exclusion(s) contrary to the terms or purposes of this Agreement.

(B) **Automobile Liability Insurance:** Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 00 01 covering



"Any Auto" (Symbol 1), or the exact equivalent, covering bodily injury and property damage for all activities with limits of not less than \$1,000,000 combined limit for each occurrence.

(C) **Workers' Compensation:** Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

(D) **Professional Liability (Errors & Omissions):** Professional Liability insurance or Errors & Omissions insurance appropriate to Consultant's profession with limits of not less than \$1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least five (5) years from termination or expiration of this Agreement.

3.2.11.3 Insurance Endorsements. Required insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the Authority to add the following provisions to the insurance policies:

(A) **Commercial General Liability:** (1) Additional Insured: The Authority, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the terms or purposes of this Agreement. For all policies of Commercial General Liability insurance, Consultant shall provide endorsements in the form of ISO CG 20 10 10 01 and 20 37 10 01 (or endorsements providing the exact same coverage) to effectuate this requirement. (2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the Authority except ten (10) days shall be allowed for non-payment of premium.

(B) **Automobile Liability.** (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the Authority except ten (10) days shall be allowed for non-payment of premium.

(C) **Professional Liability (Errors & Omissions):** (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the Authority except ten (10) days shall be allowed for non-payment of premium. (2) Contractual Liability Exclusion Deleted: This insurance shall include contractual liability applicable to this Agreement. The policy must "pay on behalf of" the insured and include a provision establishing the insurer's duty to defend.

(D) **Workers' Compensation:** (1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the Authority except ten (10) days shall be allowed for non-payment of premium. (2) Waiver of Subrogation: A waiver of subrogation stating that the

insurer waives all rights of subrogation against the Authority, its officials, officers, employees, agents, and volunteers.

3.2.11.4 Primary and Non-Contributing Insurance. All policies of Commercial General Liability and Automobile Liability insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the Authority, its officials, officers, employees, agents, or volunteers shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.11.5 Waiver of Subrogation. All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the Authority, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Authority, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

3.2.11.6 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the Authority and shall protect the Authority, its officials, officers, employees, agents, and volunteers in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.11.7 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates on forms approved by the Authority, together with all endorsements affecting each policy. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the Authority for approval. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the Authority. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the Authority evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.11.8 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to transact business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.11.9 Enforcement of Agreement Provisions (non estoppel). Consultant acknowledges and agrees that actual or alleged failure on the part of the Authority to inform Consultant of non-compliance with any requirement imposes no additional obligation on the Authority nor does it waive any rights hereunder.

3.2.11.10 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this Section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance.

3.2.11.11 Additional Insurance Provisions

(A) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the Authority, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(B) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Authority has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Authority will be promptly reimbursed by Consultant or Authority will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Authority may cancel this Agreement.

(C) The Authority may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(D) Neither the Authority nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

(E) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the Authority and shall not preclude the Authority from taking such other actions available to the Authority under other provisions of the Agreement or law.

(F) Consultant shall report to the Authority, in addition to Consultant's insurer, any and all insurance claims submitted by Consultant in connection with the Services under this Agreement.

3.2.11.12 Insurance for Subconsultants. Consultant shall include all subconsultants engaged in any work for Consultant relating to this Agreement as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing subconsultants to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the Authority, its officials, officers, employees, agents, and volunteers as additional insureds to the subconsultant's policies. All policies of Commercial General Liability insurance provided by Consultant's subconsultants performing work relating to this Agreement shall be endorsed to name the Authority, its officials, officers, employees, agents and volunteers as additional insureds using endorsement form ISO CG 20 38 04 13 or an endorsement providing equivalent coverage. Consultant shall not allow any subconsultant to commence work on any subcontract relating to this Agreement until it has received satisfactory evidence of subconsultant's compliance with all insurance requirements under this Agreement, to



the extent applicable. The Consultant shall provide satisfactory evidence of compliance with this section upon request of the Authority.

**3.2.12 Water Quality Management and Compliance.** Consultant shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Services including, without limitation, all applicable provisions of the Authority's ordinances regulating water quality and storm water; the Federal Water Pollution Control Act (33 U.S.C. § 1251, *et seq.*); the California Porter-Cologne Water Quality Control Act (Water Code § 13000 *et seq.*); and any and all regulations, policies, or permits issued pursuant to any such authority. Consultant must additionally comply with the lawful requirements of the Authority, and any other municipality, drainage district, or other local agency with jurisdiction over the location where the Services are to be conducted, regulating water quality and storm water discharges. Authority may seek damages from Consultant for delay in completing the Services caused by Consultant's failure to comply with the laws, regulations and policies described in this Section, or any other relevant water quality law, regulation, or policy.

### **3.3 Fees and Payments.**

**3.3.1 Compensation.** Consultant fee shall be calculated as 5.5% of monthly rental income, as set forth in Exhibit "B" attached hereto and incorporated herein by reference.

**3.3.2 Payment of Compensation.** Consultant shall collect rent at the beginning of each month. Revenues will be transmitted to the Authority on the 10<sup>th</sup> day of each month, after Consultant fees have been applied pursuant to Section 3.3.1 of this agreement.

**3.3.3 Reimbursement for Expenses.** Consultant shall not be reimbursed for any expenses unless authorized in writing by Authority, or included in Exhibit "B" of this Agreement.

**3.3.4 Extra Work.** At any time during the term of this Agreement, Authority may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by Authority to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the Authority.

### **3.4 Accounting Records.**

**3.4.1 Maintenance and Inspection.** Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of Authority during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### **3.5 General Provisions.**

**3.5.1 Termination of Agreement.**

3.5.1.1 Grounds for Termination. Authority may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to Authority, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, Authority may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within twenty-one (21) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, Authority may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Horizon Realty Group  
1720 Northcrest Drive  
Crescent City, CA 95531  
ATTN: Jessika Hood, CEO/Realtor

Authority: March Joint Powers Authority  
14205 Meridian Parkway, Suite 140  
Riverside, CA 92518  
ATTN: Chief Executive Officer

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

### 3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for Authority to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). All Documents & Data shall be and remain the property of Authority, and shall not be used in whole or in substantial part by Consultant on other projects without the Authority's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to Authority reproducible copies of all Documents & Data, in a form and



amount required by Authority. Authority reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by Authority at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to Authority upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to Authority any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to Authority upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify Authority and provide Authority with the opportunity to obtain the documents.

3.5.3.2 Subconsultants. Consultant shall require all subconsultants to agree in writing that Authority is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the Authority.

3.5.3.3 Right to Use. Authority shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at Authority's sole risk. If Authority uses or reuses the Documents & Data on any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the Authority upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

3.5.3.4 Indemnification. Consultant shall defend, indemnify and hold the Authority, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Authority of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.3.5 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Authority, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing



furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Authority's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Authority.

3.5.3.6 Confidential Information. The Authority shall refrain from releasing Consultant's proprietary information ("Proprietary Information") unless the Authority's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the Authority shall notify Consultant of its intention to release Proprietary Information. Consultant shall have five (5) working days after receipt of the release notice to give Authority written notice of Consultant's objection to the Authority's release of Proprietary Information. Consultant shall indemnify, defend and hold harmless the Authority, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. Authority shall not release the Proprietary Information after receipt of an objection notice unless either: (1) Consultant fails to fully indemnify, defend (with Authority's choice of legal counsel), and hold Authority harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that Authority release such information.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Indemnification.

3.5.5.1 To the fullest extent permitted by law, Consultant shall defend (with counsel of Authority's choosing), indemnify and hold the Authority, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subconsultants, or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all expert witness fees, attorney's fees, and other related costs and expenses except such loss or damage caused by the sole negligence or willful misconduct of the Authority. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the Authority, its officials, officers, employees, agents, or volunteers.

3.5.5.2 If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

3.5.6 Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.5.7 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.8 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.9 Authority's Right to Employ Other Consultants. Authority reserves right to employ other consultants in connection with this Project.

3.5.10 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.11 Assignment; Subcontracting. Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Authority, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates and subconsultants as Consultant may deem appropriate to assist in the performance of Services hereunder.

3.5.12 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.13 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.14 No Third-Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.15 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.16 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subconsultants to file, a Statement of Economic Interest with the Authority's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, Authority shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of

Authority, during the term of his or her service with Authority, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.17 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.18 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.19 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification obligations, shall survive any such expiration or termination.

**[SIGNATURES ON NEXT PAGE]**

**SIGNATURE PAGE TO**  
**PROFESSIONAL SERVICES AGREEMENT BY AND**  
**BETWEEN THE MARCH JOINT POWERS AUTHORITY**  
**AND HORIZON REALTY GROUP**

**MARCH JOINT POWERS AUTHORITY**

**HORIZON REALTY GROUP**

By: \_\_\_\_\_  
Grace I. Martin, DPPD  
Chief Executive Officer

By: \_\_\_\_\_  
Jessica Hood  
Chief Executive Officer

Attest:  
  
\_\_\_\_\_  
Authority Clerk

By: \_\_\_\_\_  
  
Kali Moulder  
Chief Financial Officer/  
Broker

*Approved as to Form:*

\_\_\_\_\_  
Best Best & Krieger LLP  
General Counsel

**EXHIBIT "A"**  
**SCOPE OF SERVICES**



## **PROPERTY MANAGEMENT PROPOSAL**

**Prepared For: Dr. Grace Martin - Green Acres Rental Homes**

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### **I. Introduction**

At **Horizon Realty Group**, we are proud to offer this proposal to provide comprehensive property management services for your portfolio of historic single-family homes. As a California-based real estate brokerage and management firm, we bring an extensive track record of managing large, diverse portfolios with a commitment to excellence, transparency, and efficiency.

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### **II. Company Overview**

Our leadership team brings a combined 20+ years of experience in property management, leasing, compliance, and real estate development.

#### **Key Highlights:**

- Successfully managed portfolios ranging from 20 to 200+ units across urban and rural areas.
  - Proven systems to reduce vacancy time, streamline maintenance, and enhance tenant satisfaction.
  - Licensed real estate brokerage with a full support team including leasing specialists, maintenance coordinators, accounting staff, and field inspectors.
-





### **III. Scope of Services**

We offer **full-service management** tailored to meet your portfolio's unique needs. Our services include:

#### **1. Leasing & Marketing**

- Market analysis to set competitive rental rates
- Professional photos and listings across high-traffic platforms
- Coordination of showings and tenant screening (credit, background, income, references)
- Lease execution in compliance with state and federal laws
- Move-in inspections and documentation

#### **2. Tenant Management**

- Rent collection and tracking
- Enforcement of lease terms
- 24/7 emergency response
- Routine property check-ins
- Conflict resolution and tenant retention strategies

#### **3. Maintenance & Repairs**

- Coordination of all repair requests through trusted, licensed vendors
- Preventative maintenance scheduling
- 24/7 emergency maintenance hotline
- Detailed repair logs and cost reporting

#### **4. Financial Management & Reporting**

- Monthly financial statements (rent roll, income/expense reports, owner disbursements)
- Year-end tax reporting (1099s, income summaries)
- Budget forecasting
- Transparent documentation of all transactions via our secure online portal



## 5. Compliance & Regulatory Support

- Ensure properties are compliant with local housing codes and habitability standards
  - Recordkeeping and file audits to meet agency and legal standards
- 

## IV. Technology & Communication

We utilize a modern **property management software platform** that allows:

- Real-time owner access to financials and maintenance records
- Online rent payments for tenants
- Digital maintenance tracking
- Automated reminders and notifications for all parties

Our team is available by phone, email, or portal messaging and prides itself on **quick response times and proactive communication**.

---

## V. Staffing Plan

We assign a **dedicated portfolio manager** to your account, supported by:

- 1 Full-Time Leasing Agent (or more as needed based on volume)
- Additional support staff available if needed

We also maintain a network of available licensed and bonded vendors and contractors.

---



**EXHIBIT "B"**  
**COMPENSATION**

Exhibit "B"-1



## VI. Fee Structure & Rates

| Service                  | Rate                                           |
|--------------------------|------------------------------------------------|
| Monthly Management Fee   | <b>5.5%</b> of gross collected rents           |
| Leasing Fee              | <b>Included</b> in monthly fee                 |
| Renewal Fee              | <b>Included</b> in monthly fee                 |
| Maintenance Coordination | <b>Included</b> in monthly fee                 |
| Inspections              | <b>Included</b> in monthly fee                 |
| Eviction Coordination    | <b>Included</b> , legal costs separate         |
| Accounting & Reporting   | <b>Included</b> in monthly fee                 |
| Portal Access            | <b>Included</b> for owners, staff, and tenants |

Our pricing is designed to be competitive while ensuring quality service for high-volume portfolios. **Custom pricing is available** based on long-term contract commitments, additional services, or expansion into other asset types.

---

## VII. Our Commitment

We understand the accountability, efficiency, and community impact required when working with public agencies. Horizon Realty Group is committed to:

- Upholding the highest standards of **fair housing, ethics, and compliance**
  - Providing **timely communication** and detailed reporting
  - Managing your portfolio as if it were our own—**protecting your investment, minimizing risk, and serving your tenants with care**
- 

We look forward to the opportunity to work together. Please let us know if you have any further questions regarding our services or our rates.

**EXHIBIT "C"**  
**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP**



# DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/24)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code §§ 2079.13(j), (k), and (l).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

## SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

## BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. This includes a Buyer's agent under a buyer-broker representation agreement with the Buyer. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

## AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salespersons and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

## SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as a dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation.

Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of §§ 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully.

**Note: Real estate broker commissions are not set by law and are fully negotiable.**

**I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE SECOND PAGE.**

☐ Buyer ☐ Seller ☒ Landlord ☐ Tenant \_\_\_\_\_ Date \_\_\_\_\_

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent \_\_\_\_\_ DRE Lic. # 02125024

By Horizon Realty Group Real Estate Broker (Firm) DRE Lic. # 02191930 Date 9/29/2025

(Salesperson or Broker-Associate, if any) Kali Moulder Broker 02024613 9/29/25

AD REVISED 12/24 (PAGE 1 OF 2)

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)**



**CIVIL §§ 2079.13 - 2079.24 (2079.16 APPEARS ON THE FRONT)**

**2079.13.** As used in this section and §§ 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with § 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with § 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. (b) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes a vendee or lessee of real property. (c) "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with § 1940) of Title 5, (3) a mobilehome, as defined in § 799.3, (4) vacant land, or (5) a recreational vehicle, as defined in § 799.29. (d) "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. (f) "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of § 761 in property, and includes (1) single-family residential property, (2) multiunit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in § 18007 of the Health and Safety Code, or a mobilehome as defined in § 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in § 10131.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. (l) "Single-family residential property" or "single-family residential real property" means any of the following: (1) Real property improved with one to four dwelling units, including a leasehold exceeding one year's duration. (2) A unit in a residential stock cooperative, condominium, or planned unit development. (3) A mobilehome or manufactured home when offered for sale or sold through a real estate broker pursuant to § 10131.6 of the Business and Professions Code. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of § 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. (o) "Buyer's agent" means an agent who represents a buyer in a real property transaction. (p) "Buyer-broker representation agreement" means a written contract between a buyer of real property and a buyer's agent by which the buyer's agent has been authorized by the buyer to provide services set forth in subdivision (a) of § 10131 of the Business and Professions Code for or on behalf of the buyer for which a real estate license is required pursuant to the terms of the contract.

**2079.14.** (a) A copy of the disclosure form specified in § 2079.16 shall be provided in a real property transaction as follows: (1) The seller's agent, if any, shall provide the disclosure form to the seller before entering into a listing agreement. (2) The buyer's agent shall provide the disclosure to the buyer as soon as practicable before the execution of a buyer-broker representation agreement and execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer. (b) The agent providing the disclosure form specified in § 2079.16 shall obtain a signed acknowledgment of receipt from the buyer or seller except as provided in § 2079.15.

**2079.15.** In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to § 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

**2079.16** Reproduced on Page 1 of this AD form.

**2079.17(a)** As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

|                                                                                                                                                                           |                              |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------|
| Seller's Brokerage Firm                                                                                                                                                   | DO NOT COMPLETE. SAMPLE ONLY | License Number |
| Is the broker of (check one): <input type="checkbox"/> the seller; or <input type="checkbox"/> both the buyer and seller. (dual agent)                                    |                              |                |
| Seller's Agent                                                                                                                                                            | DO NOT COMPLETE. SAMPLE ONLY | License Number |
| Is (check one): <input type="checkbox"/> the Seller's Agent. (salesperson or broker associate) <input type="checkbox"/> both the Buyer's and Seller's Agent. (dual agent) |                              |                |
| Buyer's Brokerage Firm                                                                                                                                                    | DO NOT COMPLETE. SAMPLE ONLY | License Number |
| Is the broker of (check one): <input type="checkbox"/> the buyer; or <input type="checkbox"/> both the buyer and seller. (dual agent)                                     |                              |                |
| Buyer's Agent                                                                                                                                                             | DO NOT COMPLETE. SAMPLE ONLY | License Number |
| Is (check one): <input type="checkbox"/> the Buyer's Agent. (salesperson or broker associate) <input type="checkbox"/> both the Buyer's and Seller's Agent. (dual agent)  |                              |                |

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by § 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

**2079.18** (Repealed pursuant to AB-1289)

**2079.19** The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

**2079.20** Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of § 2079.14 and § 2079.17 are complied with.

**2079.21 (a)** A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller.

(b) A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. (c) "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. (d) This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

**2079.22** Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

**2079.23 (a)** A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship. (b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

**2079.24** Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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AD REVISED 12/24 (PAGE 2 OF 2)

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)**

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Green Acres





**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA Operations - Consent Calendar***  
***Agenda Item No. 8 (4)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE AN AMENDMENT TO THE CONSTRUCTION CONTRACT WITH DANNY RYAN PRECISION ON THE DEMOLITION OF BUILDING NO. 962 AND BUILDING NO. 976 IN THE NORTHEAST CORNER PLANNING AREA, TO EXTEND THE LIFE OF THE CONTRACT AN ADDITIONAL 42 DAYS, AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE AMENDMENT**

**Motion:** Move to approve an amendment to the construction contract with Danny Ryan Precision on the demolition of Building No. 962 and Building No. 976 in the Northeast Corner Planning area, to extend the life of the contract an additional 42 days, and authorize the Chief Executive Officer to execute the amendment.

**Background:**

On February 5, 2025, the March Joint Powers Commission approved a contract with Danny Ryan Precision for the demolition of two vacant structures located within the March JPA's Northeast Corner Planning Area. The first structure, Building 976, is a former military dormitory that most recently housed a homeless veterans program operated by U.S. VETS Initiative. The second structure, Building 962, is a former dining hall facility.

Following contract approval, in April 2025, the South Coast Air Quality Management District (AQMD) submitted corrections to the March JPA's *Procedure 5* documentation for the project. These corrections addressed the management and abatement of existing hazardous materials within the two buildings. The required coordination and revisions with AQMD extended over several months, resulting in project delays and the need for approval of a modified *Procedure 5* work plan.

**Discussion:**

The original contract with Danny Ryan Precision, executed on February 6, 2025, authorized demolition activities to begin per the Notice to Proceed dated February 25, 2025. The contract allowed 120 calendar days for completion, establishing an original end date of June 25, 2025. On September 3, 2025, the Commission approved a 120-day time extension, extending the contract period through October 23, 2025.

Due to the AQMD's extended review and approval process—delayed a total of 162 days—staff now recommends approval of an additional 42-day extension to the contract. This extension will adjust the contract completion date to December 4, 2025, allowing sufficient time to complete demolition activities in compliance with all regulatory requirements.

Recommendation:

Staff recommends that the Commission approve a 42-day extension of time to the contract with Danny Ryan Precision for the demolition of Buildings 962 and 976, extending the contract completion date to December 4, 2025.

**Attachment(s):**      None

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA Operations - Consent Calendar***  
***Agenda Item No. 8 (5)***

**Meeting Date:** October 15, 2025

**Action:** **ADOPT RESOLUTION JPA 25-26 A RESOLUTION OF THE MARCH JOINT POWERS COMMISSION APPROVING THE AMENDED AND RESTATED MARCH JOINT POWERS AUTHORITY PERSONNEL RULES AND REGULATIONS**

**Motion:** Move to adopt Resolution JPA 25-26 a Resolution of the March Joint Powers Commission approving the amended and restated March Powers Authority Personnel Rules and Regulations.

**Background:**

The March JPA originally adopted its Personnel Rules and Regulations on October 2, 1996. Since that time operational documents have been amended several times.

The March JPA is committed to providing updated and current policies and procedures for all employees.

The March JPA staff has updated the personnel rules and regulations to ensure compliance and to “clean up” various sections in the manual for further clarification.

Since the edits were substantive, it was recommended the document be “Amended and Restated.”

**Attachment(s):**

- 1) Resolution JPA 25-26
- 2) Redlined Amended and Restated March Joint Powers Authority Personnel Rules and Regulations



## **RESOLUTION JPA 25-26**

### **A RESOLUTION OF THE MARCH JOINT POWERS COMMISSION OF THE MARCH JOINT POWERS AUTHORITY APPROVING THE AMENDED AND RESTATED MARCH JOINT POWERS AUTHORITY PERSONNEL RULES AND REGULATIONS**

**WHEREAS**, the March Joint Powers Commission (“Commission”) approved and adopted the Personnel Rules and Regulations of the March Joint Powers Authority (“Authority”) to clarify the duties, expectations, compensation and benefits pertaining to the employees of the Authority; and

**WHEREAS**, the March Joint Powers Commission (“Commission”), the Authority’s governing body, is empowered to amend policies for the operation and administration of Authority business; and

**WHEREAS**, the Authority periodically reviews its policies, practices and procedures to ensure they (1) are consistent with changing state and federal law; (2) efficiently effectuate the Authority’s goals and (3) maximize the use of public resources; and

**WHEREAS**, the Personnel Rules and Regulations of the March Joint Powers Authority (“Authority”) to define the overall ~~the~~ rules and regulations governing the employees and agency; and

**WHEREAS**, the Authority’s legal counsel has reviewed the Authority’s Personnel Rules and Regulations (“Personnel Rules and Regulations”), previously approved and adopted and setting forth the duties, expectations, compensation and benefits pertaining to the employees of the Authority, and has suggested various amendments and revisions thereto; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred;

### **NOW THEREFORE, THE MARCH JOINT POWERS COMMISSION OF THE MARCH JOINT POWERS AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The Commission hereby approves the amendments to the Personnel Rules and Regulations and adopts the Personnel Rules and Regulations in its entirety, attached hereto as Exhibit “A” and incorporated herein by reference.

a. Any and all prior versions of the Personnel Rules and Regulations are hereby repealed and shall have no further force or effect.

b. The Authority is hereby directed to provide an updated copy of the Personnel Rules and Regulations to all employees of the Authority as soon as administratively feasible, with a signed acknowledgement by each employee.

**Section 2.** The Chair of the March Joint Powers Authority Commission shall sign this Resolution and the Clerk of the Commission shall certify the adoption thereof.

**Section 3.** This Resolution shall be effective upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 15<sup>th</sup> day of October, 2025.

---

Michael M. Vargas, Chair  
March Joint Powers Commission

**ATTEST:**

I, Cindy Camargo, Clerk of the March Joint Powers Authority Commission, do hereby certify that the foregoing Resolution JPA 25-26 was duly and regularly adopted by the Commission of the March Joint Powers Authority at a regular meeting thereof held this 15<sup>th</sup> day of October, 2025, by the following called vote:

Ayes:

Noes:

Abstain:

Absent:

Date: October 15, 2025

---

Cindy Camargo, Clerk  
March Joint Powers Authority Commission

**EXHIBIT "A"**

**Amended and Restated  
March Joint Powers Authority Personnel Rules and Regulations**

# **MARCH JOINT POWERS AUTHORITY**

## **PERSONNEL RULES AND REGULATIONS**

**Adopted October 2, 1996**

**Revised and Adopted 01/08/1997, 01/22/1997,  
10/21/1998, 11/18/1998, 07/19/2000,  
01/19/2005, 12/17/2008, 02/17/2010, 04/21/2010**

**Amended and Restated 04/18/2012**

**Amended 07/16/2014, 12/17/2014, 04/06/2016,  
10/26/2016, 12/14/2016, 02/28/2018**

**Amended and Restated 06/26/2019, 09/22/2021**

**Amended and Restated 09/27/2023**

**THE MARCH JOINT POWERS AUTHORITY  
PERSONNEL RULES AND REGULATIONS**

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# THE MARCH JOINT POWERS AUTHORITY

## PERSONNEL RULES AND REGULATIONS

ADOPTED OCTOBER 2, 1996

REVISED AND ADOPTED 01/08/1997, 01/22/1997, 10/21/1998, 11/18/1998, 07/19/2000, 12/20/2000, 01/19/2005, 12/17/2008, 02/17/2010, 04/21/2010, Amended and Restated 04/18/2012, Amended 07/16/2014, 12/17/2014, 04/06/2016, 10/26/2016, 12/14/2016, 02/28/2018, Amended and Restated 06/26/2019, 09/22/2021, Amended and Restated 09/27/2023

### SECTION 1: GENERAL PROVISIONS

#### 1.A AUTHORITY

The March Joint Powers Commission (JPC) of the March Joint Powers Authority (JPA) is authorized pursuant to the JPA's powers under the California Government Code to adopt rules for the administration of the JPA's personnel system.

#### 1.B OBJECTIVES

The objectives of these Personnel Rules and Regulations are to facilitate efficient and effective services to meet public needs as well as provide for an equitable system of personnel management in general local government.

These Rules and Regulations shall set forth in detail procedures which ensure fair and equitable treatment for those who compete for original employment and promotion within JPA employment and define many of the obligations, rights, privileges and prohibitions which are placed upon all employees in the competitive service of the JPA.

#### 1.C INTERPRETATION

Within the limits of administrative feasibility, the JPA ~~Executive Director~~Chief Executive Officer shall be responsible for the interpretation of these Rules in cases where the proper application of a rule or any portion thereof is not clearly ascertainable. When such interpretation is required, the result shall be in harmony with the objectives set forth above.

#### 1.D DEFINITION OF TERMS

All words and terms used in these Rules and in any ordinance or any resolution dealing with Personnel Rules and Regulations shall be defined as follows. For the purpose of convenience, the following words and terms most commonly used are defined.

Appointing Authority: The ~~Executive Director~~Chief Executive Officer or designee who, in his or her individual capacity, has the final authority to appoint a person to a position of employment. In the case of the ~~Executive Director~~Chief Executive Officer, the JPC shall be the Appointing Authority.

Appointment: The designation of a person to fill a position of employment.



“At-Will” Employment: “At-will” employees serve at the will and pleasure of the ~~Executive Director~~Chief Executive Officer and may be terminated at any time, with or without notice, with or without cause, and without any right to any type of appeal or hearing.

Regular Employee: An employee hired for an indefinite term into a budgeted position, who is regularly scheduled to work no less than 1000 hours per year, has successfully completed his or her probationary period, and has been retained as provided in these Rules.

Classification: A certain group of job positions with the same title, salary range, and benefit package.

Classification Plan: A listing of all JPA positions including the grade, title, and benefit category contained in the annual fiscal year budget, as determined by the ~~Executive Director~~Chief Executive Officer and adopted by JPC.

Compensatory Time: Time accrued or taken off from work with pay, in lieu of paid overtime compensation.

Competitive Service: The merit system whereby JPA employees are hired and promoted through a competitive process based upon objective standards of merit to assure fair consideration in all aspects of employment/promotion.

Contractual Employee: An employee hired and paid pursuant to the terms and conditions of a specified written contract between such an employee and the JPA.

Days: Calendar days unless otherwise stated.

Demotion: The voluntary or involuntary transfer of an employee from one classification to another classification with a lower salary grade or to a lower step in a classification grade or hierarchy of positions.

Disciplinary Action: The discharge, demotion, reduction of pay, suspension, placing on probation, or the issuance of a written reprimand or formal warning or any other action for punitive, corrective or disciplinary reasons.

Disciplinary Suspension: A disciplinary action that temporarily separates an employee from JPA service without pay.

Eligibility List: A list of all persons eligible for appointment to a particular classification after final testing/interviews as determined by the Human Resources Officer.

Emergency Appointment: An appointment made to meet immediate requirements of an emergency condition, such as fire, flood or earthquake, which threatens life or property, where such employment is not anticipated to endure beyond the duration of such an emergency period.

Employee: An appointed person occupying a position in the JPA employment, providing personal services to the JPA or its residents. This excludes independent and outside contractors, commissioners, members of advisory boards, and volunteers.

Executive Management Employee: Those employees who qualify for executive exemption under FLSA and for a certain benefits package.

Fiscal Year: A 12-month period from July 1 to June 30 in which the JPA plans, budgets, appropriates, and expends its funds.

Flexible Work Schedule: An ~~Executive Director~~Chief Executive Officer-approved variation from the standard daily work hour schedule of ~~7:00 a.m. to 5:30 p.m.~~, Monday through ~~Friday~~Thursday.

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Full-time Employee: An employee who is regularly scheduled and expected to work 40 hours or more during a workweek.

Furlough: A Management-dictated, mandatory, reduced working period implemented to save JPA funds during difficult economic times.

General Non-Exempt Employee: An employee who is not exempt from the pay and overtime provisions of FLSA and who qualifies for a certain benefits package.

Grade: A number assigned to a position title which indicates the salary range for that position.

Hybrid Work Schedule: A Chief Executive Officer-approved schedule permitting an employee to work remotely.

In-House Competitive Examination: A type of examination open only to JPA employees meeting the minimum qualifications for a particular classification.

Intern: A student or a recent graduate undergoing supervised practical training, usually a non-compensated position.

JPA: The March Joint Powers Authority.

JPC: The March Joint Powers Commission, which is the governing body of the JPA.

Leave of Absence Without Pay: A period of time during which an employee may take time off without receiving compensation or benefits, unless otherwise stated in these Rules.

Merit Salary Increase: The increase of an employee's salary within the salary range established for the classification the employee occupies, which is based on performance or merit, not solely on longevity.

Middle Management Employee: Division Heads and those who qualify for executive exemption under FLSA and for a certain benefits package.

MIPAA: March Inland Port Airport Authority

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Misconduct: Any act or unsatisfactory job performance which may be subject to disciplinary action.

Modified Work Schedule: Any work pattern schedule other than a usual ~~7:00 a.m. to 5:30 p.m.~~, Monday through ~~Friday~~Thursday schedule as approved by the ~~Executive Director~~Chief Executive Officer.

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Open Competitive Examination: A type of examination open to all persons meeting the minimum qualifications for a particular position.

Overtime: The time which an employee is required or permitted to work beyond 40 hours per week. Overtime compensation, taken as paid time or as compensatory time, shall be authorized as provided in Section 6.A.

Part-time Employee: An employee who is regularly scheduled and expected to work less than 40 hours per week on a year round basis.

Position: A specific job assigned to a job classification.

Probationary Employee: An employee who is serving his or her probationary period.

Probationary Period: A working test period which is part of the selection process, during which an employee is required to demonstrate his or her fitness for the position to which assigned. Newly hired probationary employees are subject to at-will employment, as are all other employees.

Professional/Administrative/Management Employee: An employee who qualifies for the executive (Professional/Administrative/Management) exemption under FLSA and for a certain benefits package.

Promotion: The advancement of an employee from one classification to another classification having a higher salary range.

Reclassification: The reassignment from one classification description, grade or status to a different classification description, grade or status in accordance with a re-evaluation of the minimum qualifications, duties, and responsibilities of the position in question. Simple title changes are not reclassifications.

Reduction-in-Force (RIF): A layoff in the work force.

Resignation: The voluntary separation by an employee from JPA employment.

Rules: These Personnel Rules, as they may be amended from time to time.

Salary Anniversary Date:

1. New Hires: The employee's salary anniversary date shall be six months after the conclusion of the employee's probationary period, and annually thereafter.
2. Promotional: The employee's salary anniversary date shall be the date on which the employee's promotional probationary period concludes, and annually thereafter.
3. Leave of Absence Without Pay: Except as specifically provided in these Rules, any non-probationary employee who takes an authorized leave of absence without pay shall have his or her salary anniversary date extended the same amount of time as his or her period of leave.

Salary Plan: An annual listing of the minimum through maximum salary grades of pay for all defined JPA classifications, as prepared by the ~~Executive Director~~Chief Executive Officer and adopted by the JPC.

Salary Range: The range of pay an employee can earn while employed in a particular classification.

Seniority: The length of an employee's continuous service in a regular JPA position.

Staffing Plan: The classification titles, salary grades and number of allocated positions for a designated fiscal year, as determined by the ~~Executive Director~~Chief Executive Officer and adopted by the JPC.

Standards of Conduct: Those rules which are intended to govern the actions of JPA employees during their course of employment with the JPA with respect to the employee's job performance.

Step: The various increments of a salary range, from minimum to maximum, authorized for the subject classification.

Temporary Employee: An employee hired on a temporary basis.

Termination: The involuntary separation of an employee from JPA service because of retirement, resignation, permanent disability, death, or dismissal.

Reassignment: The change to the employee's job description without changing the employee's salary grade and usually within the same classification.

Workweek: A regularly reoccurring period of 7 consecutive 24 hour days beginning at 12:01 a.m. on Monday and concluding at 12:00 p.m. (midnight) the following Sunday night.

#### **1.E ADMINISTRATION OF THE PERSONNEL RULES AND REGULATIONS**

The ~~Executive Director~~Chief Executive Officer shall administer the JPA Personnel Rules and Regulations and may delegate any of the powers and duties related thereto to any other officer or employee of the JPA or may recommend that such powers and duties be performed under contract as provided in Section 1.F of these Rules. The ~~Executive Director~~Chief Executive Officer shall:

1. Act as the appointing authority for all JPA employees except those officers and employees directly appointed by the JPC.
2. Administer all of the provisions of these Personnel Rules except as specifically reserved to the JPC.
3. Prepare and recommend to the JPC any appropriate Personnel Rules and revisions to such Rules.
4. Prepare or cause to be prepared, and revise as appropriate, a position classification schedule, including class specifications.
5. Have the authority to discipline JPA employees, up to and including termination, in accordance with these Personnel Rules, and subject to the applicable appeals procedure provided herein.
6. Provide for the publishing or posting of notices of examinations for positions in the competitive service; the flexibility to waive certain job-stated qualifications for good cause when it is in the best interests of the JPA; the receiving of applications therefor; the conducting and grading of examinations; the establishment of a list of all persons eligible for appointment to the appropriate position in the competitive service; and the performance

of any other duty which may be desirable or required for the effective implementation of these Rules.

7. Appoint employees on a temporary basis without competitive examination.
8. Determine standardized daily work hours and schedules and approve variations to the standard schedule.

#### **1.F CONTRACTS FOR SPECIAL SERVICES**

The ~~Executive Director~~Chief Executive Officer may contract for the performance of technical services in connection with the establishment or operation of the personnel system. In addition, the ~~Executive Director~~Chief Executive Officer may determine the circumstances under which it is in the best interests of the JPA to contract for such services, and to enter into contracts for such services with JPC approval. The contract may be with any qualified person or public or private agency for the performance of any or all of the following:

1. The preparation of Personnel Rules and subsequent revisions and amendments.
2. The preparation of a position classification plan, and subsequent revisions and amendments.
3. The preparation, conduct, and grading of qualifying tests.
4. The conduct of employee training programs.
5. Special and technical services of advisory or informational character on matters relating to personnel administration.
6. Professional services.

#### **1.G APPLICATION AND EXCEPTIONS**

These Rules shall apply to all offices, positions, and employments in the service of the JPA, including those as defined in Section 1.D of these Rules, as well as interns and volunteers, with the exception of the following:

1. Members of the JPC and other elected officials.
2. Members of commissions and advisory bodies appointed by the JPC or ~~Executive Director~~Chief Executive Officer.
3. Direct appointees of the JPC who are not employees of the JPA.
4. Independent contractors, engaged to provide expert, professional, technical, or other services.

Any exceptions will be addressed on a per policy basis.

#### **1.H VALIDITY OF RULES (SEVERABILITY)**

If any section, subsection, sentence, clause, phrase or portion of these rules is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, or equivalent thereof, such decision shall not affect the validity of the remaining portions of these rules. The JPC hereby declares that it would have adopted these rules and each section, subsection, sentence, clause, phrase, or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions may be declared invalid or unconstitutional.

#### **1.I VIOLATION OF RULES**

Violation of these Rules may be grounds for disciplinary action, subject to the applicable appeals procedure provided herein.

#### **1.J CONFLICTS OF INTEREST AND ACCEPTANCE OF GIFTS AND OTHER GRATUITIES**

JPA employees should serve the needs and respond to the wishes of all citizens equally without regard to their personal gain. JPA employees should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of other persons. Therefore, it is the policy of the JPA that all JPA employees shall avoid situations which might be interpreted as involving or creating a conflict of interest between the employee's duties and responsibilities as a public employee, and the employee's personal and private interest.

Employees should not take part in the consideration of any application, proceeding or other matter involving their own personal property, real estate, investment or other interest, or that of any relative or close personal acquaintance. In all such situations, the employee should disclose the nature of the relationship to his or her immediate supervisor and request to be relieved of any responsibility or involvement in such matter.

The acceptance of gifts, favors, or any other form of compensation or gratuity may be viewed as influencing or compromising or attempting to influence or compromise the judgment of an employee. To prevent such a conflict, employees shall discourage any offer of a gift, favor or any form of compensation or gratuity. Gifts that can and will be shared with office staff, such as boxes of candy, flowers, and food, may be viewed as exceptions. Being hosted by a JPA contractor or potential JPA contractor is not a conflict of interest, provided that all financial disclosure laws and regulations are complied with.

Employees who receive or are offered an unanticipated gift, favor or gratuity, should consult the ~~Executive Director~~[Chief Executive Officer](#) to determine an appropriateness of acceptance.

JPA employees shall not solicit or accept donations for JPA-sponsored events unless waived for specific events by express written authorization of the ~~Executive Director~~[Chief Executive Officer](#).

#### **1.K INCOMPATIBLE EMPLOYEE ACTIVITIES**

During a full-time employee's working hours, the employee is expected to devote his or her full time, attention and efforts to the performance of his or her assigned duties as a JPA employee. At no time shall any outside employment or activity be conducted during an employee's working hours or while on JPA's premises. No employee shall engage in any employment, outside activity, or enterprise which is inconsistent, incompatible, in conflict with, or interferes with his or her ability to safely and competently perform the duties, functions, or responsibilities of his or her position as a JPA employee. Employees who

undertake outside employment shall notify their immediate supervisors in writing of the nature, duties, and hours of that employment before undertaking such employment, including military service in the Reserves or Guard.

No employee shall engage in any type of activity relating to an employee organization during the employee's working hours, except as expressly permitted by the ~~Executive Director~~ Chief Executive Officer, Federal or State law, Memorandum of Understanding, or JPC directive.

### **1.L. POLITICAL ACTIVITIES**

Pursuant to applicable law, no restrictions shall be placed on the political activities of any employee of the March JPA other than the following:

1. No person who holds, or who is seeking election or appointment to, any office or employment with the JPA shall, directly or indirectly, use, promise, threaten or attempt to use, any office, authority or influence, whether then possessed or merely anticipated, to confer upon or secure for any individual person, or to aid or obstruct any individual person in securing, or to prevent any individual person from securing, any position, nomination, confirmation, promotion, or change in compensation or position within the JPA, upon consideration or condition that the vote or political influence or action of such a person or another shall be given or used on behalf of, or withheld from, any candidate, officer, or party, or upon any other corrupt condition or consideration. This prohibition shall apply to urging or discouraging the individual employee's action. (Government Code § 3204).
2. No employee shall directly or indirectly solicit political funds or contributions from persons known to him or her to be employees or officers of the JPA. No employee shall directly or indirectly solicit political funds or contributions from persons known to him or her to be on an employment list of the JPA. Employees, however, are not prohibited from communicating through the mail or by other means, outside of the hours of employment, requests for political funds or contributions to a significant segment of the public which may include officers or employees of the JPA. (Government § 3205).
3. No employee shall participate in any political activities while in uniform. (Government Code § 3206).
4. No employee shall engage in political activity during working hours or on JPA premises. (Government Code § 3207).
5. No employee shall engage, during his or her working hours, in the solicitation or receipt of political funds or contributions to promote the passage or defeat of any ballot measure which would affect the rate of pay, hours of work, retirement, civil service, or other working conditions of the employees of the JPA; nor shall entry be permitted on JPA premises during working hours for such purposes. (Government Code § 3209).

### **1.M. SAFETY AND HEALTH**

Each employee shall comply with all applicable safety laws, rules, and regulations. All employees shall follow safety practices, use personal protective equipment as required, render every possible aid to safe operations, and report to proper authority all unsafe conditions or practices. Refer to Illness and Injury Prevention Program (IIPP) located in the JPA library.

## **1.N DRUG AND ALCOHOL USE POLICY**

### **1. Purpose of Guideline**

It is the goal of the JPA to provide a drug-free work place to each of its employees. Therefore, it is the policy of the JPA to prohibit its employees from using alcohol or drugs in connection with their employment in order to maintain a work environment free from the effects of drug and alcohol use. Substance abuse can affect job performance, employee and public safety, and the public's perception of the JPA and its operations.

Employees who believe that they may have a substance abuse problem are urged to voluntarily seek confidential assistance from the JPA's Finance Manager. Thereafter, the JPA may, in its sole discretion, consider a referral for professional assistance or otherwise permit an employee to take time off to address the substance abuse problem.

The JPA will be firm in identifying and disciplining those employees who do not voluntarily seek assistance and who continue to use drugs or alcohol in violation of the JPA's policies. The JPA has a significant interest in ensuring the health and safety of its employees, in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its property, equipment, and operations. The use of drugs, alcohol, or any other substance which alters an employee's behavior can affect an employee's ability to perform his or her duties safely and effectively, and increase the potential for accidents, absenteeism, substandard performance, poor employee morale, and can damage the JPA's reputation. As a condition of continued employment with the JPA, each employee must abide by this Guideline.

### **2. Definitions**

For purposes of this Guideline:

- a. **"Illegal drugs or other controlled substances"** means any drug or substance that (a) is not legally obtainable; or (b) is legally obtainable but has not been legally obtained; or (c) has been legally obtained but is being sold or distributed unlawfully.
  - i. Despite its legal status in California, marijuana remains an illegal drug pursuant to controlling federal law. Accordingly, the JPA considers all forms of marijuana, whether for medicinal or recreational use, an "illegal drug" for the purposes of this Guideline.
- b. **"Legal drug"** means any drug, including any prescription drug or over-the-counter drug, that has been legally obtained and that is not unlawfully sold or distributed.
- c. **"Abuse of any legal drug"** means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.
- d. **"Reasonable suspicion"** includes a suspicion that is based on specific personal observations such as an employee's manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an



employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

- e. “Possession” means that an employee has the substance on his or her person or otherwise under his or her control.

### **3. Prohibited Conduct**

- a. Scope. The prohibitions of this section apply whenever the interests of the JPA may be adversely affected, including any time an employee is:
  - i. On the JPA’s premises;
  - ii. Conducting or performing the JPA’s business, regardless of location;
  - iii. Operating or responsible for the operation, custody, or care of the JPA’s equipment or other property; or
  - iv. Responsible for the safety of others in connection with, or while performing, JPA-related business.
- b. Alcohol. The following acts are prohibited and will subject an employee to discharge
  - i. The unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol; or
  - ii. Being under the influence of alcohol.
- c. Illegal Drugs. The following acts are prohibited and will subject an employee to discharge:
  - i. The use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any illegal drug or other controlled substance; or
  - ii. Being under the influence of any illegal drug or other controlled substance.
- d. Legal Drugs. The following acts are prohibited and will subject an employee to discharge:
  - i. The abuse of any legal drug;
  - ii. The purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner inconsistent with law; or
  - iii. Working while impaired by the use of a legal drug whenever such impairment might:
    - 1. Endanger the safety of the employee or some other person;
    - 2. Pose a risk of significant damage to the JPA’s property or equipment; or

3. Substantially interfere with the employee's job performance or the efficient operation of the Authority or the JPA's equipment.

#### **4. Disciplinary Action**

- a. Violation of Guideline: A first violation of this Guideline will result in discipline up to and including termination, subject to the applicable appeals procedure provided herein. In determining the level of discipline, the JPA may consider whether an employee satisfactorily participates in and completes an approved drug or alcohol abuse 'assistance' or rehabilitation program when recommended by the JPA.
- b. Effect of Second Violation: If an employee is not terminated following a first violation of this Guideline, a second violation of this Guideline at any time will result in immediate discharge, subject to the applicable appeals procedure provided herein.
- c. Effect of Discharge on Eligibility for Rehire: Employees who are discharged for a violation of this Guideline will not be eligible for rehire by the JPA.
- d. Effect of Criminal Conviction: An employee who is convicted under a criminal drug statute for a violation occurring in the workplace or during any JPA-related activity or event will be deemed to have violated this Guideline.

#### **5. Use of Legal Drugs**

The JPA recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to the JPA's property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, he or she may not report to work. To accommodate the absence, the employee may use accrued sick leave or vacation time. The employee may also contact the Finance Manager to determine whether he or she qualifies for an unpaid leave of absence. Nothing in this Guideline is intended to sanction the use of accrued sick leave or vacation time to accommodate absences due to the abuse of legal drugs. Further, nothing in this Guideline is intended to diminish the JPA's commitment to employ and reasonably accommodate qualified disabled individuals. The JPA will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.

#### **6. Unregulated or Authorized Conduct**

- a. Customary Use of Over-the-Counter Drugs: Nothing in this Guideline is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this Guideline.
- b. Off-the-Job Conduct: This Guideline is not intended to regulate off-the-job conduct, so long as the employee's off-the-job use of alcohol or drugs does not result in the employee being under the influence of or impaired by the use of alcohol or drugs in violation of this Guideline.

- c. Authorized Use of Alcohol. The JPA may provide alcohol for consumption at certain events, such as social functions. The consumption of alcohol at these events does not violate this Guideline.

## **7. Confidentiality**

Disclosures made by employees to the Finance Manager concerning their use of legal drugs will be treated confidentially and will not be revealed to managers or supervisors unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to the Finance Manager concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

## **8. Employee Assistance Program**

The JPA maintains an Employee Assistance Program, administered by the Finance Manager, through Managed Health Network which provides help to employees who seek assistance for drug or alcohol abuse, as well as for other personal or emotional problems. Employees who suspect that they may have alcohol or drug problems, even in the early stages, are encouraged to voluntarily seek diagnosis and to follow through with the treatment as prescribed by qualified professionals. Employees should be aware that participation in the Employee Assistance Program will not necessarily shield them from disciplinary action for a violation of this Guideline, particularly if discipline is imposed for a violation occurring before the employee seeks assistance.

## **9. Searches of the JPA's Property and on the JPA's premises to Enforce this Guideline**

The JPA reserves the right to search JPA property, including but not limited to lockers, storage areas, furniture, JPA vehicles, and other places under the common control of the JPA and employees, and to enlist the assistance of law enforcement personnel in connection with the enforcement of this Guideline. Accordingly, employees are on notice that the above locations can be accessed at any time, with or without notice. Employees do not have a right to privacy in these areas and are encouraged to leave personal belongings or items at home.

# **1.0 POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION**

## **Policy Statement**

The JPA strictly prohibits unlawful harassment, discrimination, and retaliation in accordance with applicable laws. This includes sexual harassment (which includes harassment based on sex, pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment, discrimination, and retaliation based on such factors as sex (including sex stereotype, transgender), gender, gender identity, gender expression, sexual orientation, age (40 years and over), religion, religious creed (including religious dress and religious grooming), race (including traits associated with race, such as hair texture and protective hairstyles), color, national origin, ancestry, physical disability, mental disability, legally protected medical condition and information, genetic information, marital status, domestic partner status, protected family care or medical leave status, military caregiver status, military or veteran status, status as a victim of domestic violence, sexual assault, or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation, or holding or presenting a driver's license issued under section 12801.9 of the Vehicle Code (California only), or any other status protected by federal, state, or local laws.

### **Application**

This policy applies to all phases of the employment relationship, including recruitment, testing, hiring, upgrading, promotion/demotion, transfer, layoff, termination, rates of pay, benefits, and selection for training.

All such harassment, discrimination, and retaliation is unlawful and will not be tolerated, whether it be of employees, officers, applicants, unpaid interns, persons providing services pursuant to a contract or volunteers by managers, supervisors, co-workers, the public, members, or non-employees with whom the JPA has a business, service or professional relationship, like vendors and clients. Similarly, the JPA will not tolerate harassment, discrimination, or retaliation by its employees of non-employees with whom the JPA has a business, service or professional relationship, like the public, vendors, and clients.

### **Harassment Defined**

The March Joint Powers Authority will not tolerate any form of harassment from its employees toward one another, from its employees toward the public, or from its members toward the employees.

Any documented harassment on the part of an employee is grounds for disciplinary action up to and including termination of employment, subject to any applicable appeals procedure provided herein.

Harassment may consist of offensive verbal, physical, written, or visual conduct when such conduct is based on or related to an individual's sex and/or membership in one of the above-described protected classifications, and:

1. Submission to the offensive conduct is an explicit or implicit term or condition of employment;
2. Submission to or rejection of the offensive conduct forms the basis for an employment decision affecting the employee; or
3. The offensive conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.
4. Examples of what may constitute prohibited harassment include, but is not limited to the following when based upon an employee's protected status as noted above:
  - Verbal conduct such as making or using derogatory comments, epithets, slurs, jokes, or verbal abuse, as well as making or using derogatory comments, epithets, slurs, jokes, verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, foul or obscene language, conversation containing sexual comments;
  - Visual conduct such as gestures and displaying of objects, posters, photographs, cartoons, or drawings;
  - Written conduct such as suggestive or obscene letters, emails, drawings, notes or invitations;

- Physical conduct such as assault, unwanted touching (including unwanted hugs, pats, or other unwelcome physical contact), or blocking normal movement, or violating someone's "personal space";
- Unwanted sexual advances, propositions or requests for sexual favors;
- Offering employment benefits in exchange for sexual favors;
- Making or threatening reprisals after negative response to sexual advances;
- Retaliation for reporting harassment or threatening to report harassment;
- Continued suggestions or invitations to social events outside the workplace after being told such suggestions are unwelcome;
- Prolonged staring or leering at a person; and
- Similar conduct directed at an individual on the basis of a protected classification.

#### **Internal Reporting Procedure for Harassing, Discriminatory, and Retaliatory Conduct**

The JPA's complaint procedure provides for an immediate, thorough, objective and confidential investigation of any claim of unlawful or prohibited harassment, discrimination, and/or retaliation, appropriate disciplinary action against one found to have engaged in prohibited harassment, discrimination, and/or retaliation, and appropriate remedies for any victim of harassment, discrimination, and/or retaliation. A claim of harassment may exist even if the employee has not suffered an adverse employment action.

If you believe that you have been harassed, discriminated, and/or retaliated against, or if you are aware of or have witnessed the harassment, discrimination, and/or retaliation of others, you must immediately notify your supervisor, Human Resources representative, or the ~~Executive Director~~ Chief Executive Officer, either verbally or in writing. You are not required to complain to any individual who is the one harassing, discriminating, and/or retaliating against you, nor do you have to complain directly to your immediate supervisor. Instead, as is mentioned above, you may report harassment, discrimination, and/or retaliation to Human Resources and the ~~Executive Director~~ Chief Executive Officer. Your complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, pictures, cartoons, etc.).

Supervisors who observe or otherwise become aware of harassment, discrimination, and/or retaliation that may violate this policy but who fail to immediately report what they have witnessed or become aware of to their supervisor, the ~~Executive Director~~ Chief Executive Officer or Human Resources, will be disciplined.

#### **Investigation**

Upon the filing of a complaint with the JPA, the complainant will be provided with a copy of this policy. The ~~Executive Director~~ Chief Executive Officer is the person designated by the JPA to investigate complaints of harassment, discrimination, and/or retaliation. The ~~Executive Director~~ Chief Executive Officer may, however, delegate the investigation at his/her discretion. In the event the harassment, discrimination, and/or retaliation complaint is against the ~~Executive Director~~ Chief Executive Officer, an investigator shall be appointed by the JPC.

### **Internal Documentation Procedure**

All complaints of harassment, discrimination, and/or retaliation will be subject to an impartial, fair, timely, and thorough investigation by either a Human Resources representative qualified to perform the investigation or an independent third party investigator selected by the ~~Executive Director~~ **Chief Executive Officer**, depending on the circumstances. The investigation will reach reasonable conclusions based on the evidence collected. The JPA will document the timely, thorough, and objective investigation of the harassment, discrimination, and/or retaliation allegations to ensure reasonable progress is being made in the investigation.

When the investigation has been completed, the JPA will normally communicate the results of the investigation to the complaining individual, to respondent, and, if appropriate, to others who are directly involved. However, the complainant is not entitled to know the corrective action, if any, imposed on the respondent as that information is protected by the respondent's right to privacy.

### **Confidentiality**

The JPA will maintain confidentiality to the extent possible as disclosure may be required by law, as part of the investigatory or disciplinary process, or as otherwise reasonably necessary. Any supervisor or manager who is informed of a complaint of harassment, discrimination, and/or retaliation by an employee, or any other individual, must report said complaint to the Human Resources immediately and must otherwise keep the matter confidential. Human Resources must also keep the matter confidential and not disclose the matter to any person who does not have legitimate work-related reasons for knowing of the complaint. Any supervisor, manager or Human Resources employee who fails to comply with this paragraph will be subject to disciplinary action, up to and including termination of employment.

### **Corrective Action**

At the conclusion of the timely investigation, if it is determined that the JPA's policy against harassment, discrimination and retaliation has been violated, the JPA will take immediate and effective corrective action commensurate with the circumstances to ensure that further harassment, discrimination and/or retaliation will be prevented. Immediate discipline for violation of this policy may include, but is not limited to reprimand, suspension, demotion, transfer, up to and including termination of employment, consistent with the requirements of law and Section 8 of these rules. As necessary, the JPA may monitor any incident of harassment, discrimination, and/or retaliation to ensure the inappropriate behavior has stopped. Appropriate action will be taken to ensure the employee who has been found to have been harassed, discriminated, and/or retaliated against will not be harassed, discriminated, and/or retaliated against in the future, including but not limited to redistribution of this policy, training, transfer, etc.

### **External Complaint Procedure**

In addition to the JPA's internal complaint procedure, employees may also contact either the Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH) to report unlawful harassment, discrimination, and/or retaliation. The DFEH and the EEOC have the authority to conduct investigations of the facts. The deadline for filing complaints with the DFEH is one year from the date of the alleged unlawful conduct. If the DFEH believes that a complaint is valid and settlement efforts fail, the DFEH may file a lawsuit in court. The courts have the authority to award monetary and non-monetary relief in meritorious cases. Employees can contact the nearest DFEH office by checking the DFEH's website. Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed with the EEOC or the DFEH and a right-to-sue notice has

been issued. For more information, contact the Human Resources Department, or you may contact the nearest EEOC office at (800) 669-4000 or visit <http://www.eeoc.gov/>, or DFEH office at (800) 884-1684 or <http://www.dfeh.ca.gov/>.

### **Prohibition of Retaliation**

Retaliation against anyone for opposing conduct prohibited by this policy or for filing a complaint with or otherwise participating in an investigation, proceeding or hearing conducted by the JPA, DFEH, or FEHC is strictly prohibited and may subject the offending person to, among other things, disciplinary action, up to and including, termination of employment.

### **Employee Obligation**

Employees are not only encouraged to report instances of harassment, discrimination, and/or retaliation, they are obligated to report instances of harassment, discrimination, and/or retaliation.

Employees are obligated to cooperate in every investigation of harassment, discrimination, and/or retaliation, including, but not necessarily limited to:

1. Coming forward with evidence, both favorable and unfavorable, relating to a complaint of harassment, discrimination, and/or retaliation.
2. Fully and truthfully making a written report or verbally answering questions when required to do so during the course of a JPA investigation of alleged harassment, discrimination, and/or retaliation.
3. Knowingly, falsely accusing someone of harassment, discrimination, and/or retaliation, or otherwise knowingly giving false or misleading information in an investigation of harassment shall be grounds for disciplinary action, up to and including, termination of employment.

### **1.P SMOKING POLICY**

Smoking (including smokeless tobacco and electronic cigarettes) is prohibited in all JPA facilities and in all JPA vehicles and rolling stock. AB846 (Gov. Code Section 7597) bans smoking within 20 feet of a public building.

### **1.Q COMPUTER/ELECTRONIC DEVICE(S) USAGE AND SOCIAL MEDIA**

**General Policy.** Fax machines, telephones, mobile devices, computers, and the internet are business tools that are of significant value to the JPA to facilitate and expedite communication. This Policy addresses the appropriate use and disclosure of electronic mail ("email") messages sent or received by JPA employees, and authorized use of JPA's email and computer systems. The communications portion of this Policy addresses the appropriate use and disclosure regarding fax, telephones, mobile devices, telephones, computers, and the Internet.

#### **Electronic Mail**

**Scope And Application.** This Policy applies to all JPA employees, officers, volunteers, etc. who use JPA's email system ("user(s)").

**Access And Disclosure Of Email Messages.** Email communication is not private or confidential.

Email users shall operate on the assumption that email may be subject to discovery or disclosure in a court or similar proceeding. Email users shall exercise the same level of care in deciding whether to use email, and in composing it, that they would exercise in the case of a communication set down on paper. Messages that appear to be lighthearted or innocuous when given orally may appear in a completely different light when put in writing, and email is equivalent to a written communication.

This statement of Policy shall not be construed as a statement or admission by the JPA that any particular email is in fact subject to disclosure under the Public Records Act, and such determination will be made on a case-by-case basis.

**Authorized Use Of Email Systems.** The primary use of email is for official JPA business purposes, as necessary and desirable to meet JPA organizational needs and goals.

**Personal Use.** Incidental and occasional personal use of the email and email system is permitted. Such messages are subject to the access and disclosure statements set forth in the above Policy, however. Any personal communications shall be brief and occur occasionally. At JPA's option, the JPA may allow the personal use of email in an effort to make the employee more efficient and focused at work (i.e., to monitor a sick family member). If the personal use (non-JPA business) of email becomes the primary use or is disruptive to the efficiency of the employee at work, it becomes a prohibited act. Additionally, employees are permitted to use the JPA's email during non-work time to engage in union-related communications (if applicable).

**Protection Against Misuse.** Employees and non-employee users are responsible for all email originating from their user-ID. Adequate security systems are available to employees to ensure that email can be protected from misuse by others. Employees are responsible for using such systems effectively.

**Prohibited Acts.** The following actions are examples of prohibited acts involving email that may be grounds for disciplinary action:

1. **Threatening Messages.** Users shall not send email messages of a threatening, obscene, or profane nature, or that would otherwise be reasonably considered to be offensive or disruptive or to infringe on the personal privacy of others.
2. **Misrepresenting Email Sender.** Users shall not sign or otherwise identify email as coming from an individual other than the actual sender, unless the sender is authorized to send email on behalf of the other individual and the message is of a type authorized by the individual (e.g., it would be permissible for a secretary to send a meeting notice via email in the Supervisor's name, when authorized to do so by the Supervisor).
3. **Harassing, Discriminatory, or Defamatory Use.** As set forth more fully in JPA's Policy Against Harassment, the JPA does not tolerate discrimination or harassment based on sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding and/or related medical conditions, sex stereotype, transgender), gender, gender identity, gender expression, sexual orientation, age (40 years and over), religion, religious creed (including religious dress and religious grooming), race (including traits associated with race, such as hair texture and protective hairstyles), color, national origin, ancestry, physical disability, mental disability, legally protected medical condition and information, genetic information, marital status, domestic partner status, protected family care or medical leave status, military caregiver status, military or veteran status, status as a victim of domestic violence, sexual assault, or stalking, enrollment in a public assistance program, engaging



in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation, or holding or presenting a driver's license issued under section 12801.9 of the Vehicle Code (California only), or any other status protected by federal, state, or local laws. (See Section 1.O.) Under no circumstances may users send, receive, or store email that is discriminatory, harassing, or defamatory in any way (e.g., sexually explicit or racial messages, jokes, cartoons, etc.).

4. **Violating Copyright Laws.** Users must not use the email system to copy, retrieve, forward, or send copyrighted materials unless the user has the author's permission or other legal fair use
5. **Sending Junk Mail.** Users must not transmit unsolicited junk mail or "spam."
6. **Accessing Another's Email.** It is prohibited for any employee to access another user's email, without consent or prior authorization, for any purpose (including, but not limited to, reading, modifying, copying, transferring, or deleting the email). Middle Management and Executive Management may monitor employee email communications as needed to ensure compliance with electronic communications guidelines and policy's and procedures.
7. **Other Prohibited Uses.** Users may not use the email system for any illegal purpose; in a manner that violates any JPA policy or contrary to the best interests of JPA; in any way that discloses confidential or proprietary information of the JPA or third parties; or for personal or pecuniary gain.

**JPA's Right of Access and Employee Privacy.** All JPA email is solely the property of JPA, regardless of the nature of the email, physical location, or how maintained. JPA, as owner of email, has at all times, the right to access all email, including email protected by security measures. The ~~Executive Director~~**Chief Executive Officer** and Department Managers may access email within any department, if necessary. Email users shall cooperate in the access of email when requested by their Department Managers as well. No employee has an expectation of privacy in any JPA email account.

#### **Electronic Communications Resources.**

**Scope And Application.** This Policy applies to all employees, volunteers, and other individuals who have been granted access to and use of JPA's electronic communications resources.

#### **Definitions**

1. **Electronic Communications Resources.** All equipment and software that retain, transmit, copy, modify, analyze, and/or process information in any form. Electronic communications resources include, but are not limited to, JPA's telephone system, voice mail system, mainframe computers, desktop and laptop computers, electronic mail, computer networks, printers, scanners, plotters, modems, facsimile (fax) machines, CAD machines, databases, data storage media, cellular/mobile/handheld devices and telephones, pagers, Internet access, Internet browsers, computer applications, and utilities and operating systems.

2. **Internet.** A system comprised of, but not limited to, several services which may include the world wide web (www), which is generally reached by JPA employees via the JPA network.
3. **Appropriate Use Of Electronic Communications Resources.** JPA's electronic communications resources are JPA property and intended for JPA business. These resources are not to be used for employee personal gain or to support or advocate for non-JPA related business or purposes except as otherwise authorized by this Policy. All use of JPA electronic communications resources is subject to management access pursuant to this Policy.
4. **Personal Use Of Electronic Communications Resources.** Subject to review by the Executive Director and/or Department Manager, incidental and occasional personal use of electronic communications resources is permitted if it does not interfere with the use of equipment for JPA purposes and is not excessive or does not unduly interfere with an employee's work time or job activities, or the job activities of other employees, but such use and any messages or data created or accessed will be treated no differently than other messages or data. If JPA's electronic communications resources are used for personal use, the employee assumes personal responsibility to reimburse the JPA for any additional cost incurred for such use (e.g., cellular telephone charges or copy costs). The JPA reserves the right to reduce or eliminate any personal use by an employee on a case-by-case basis.

**Unacceptable Use Of Electronic Communications Resources.** Unacceptable uses of JPA's electronic communications resources include, but are not limited to, the following:

1. To transmit threatening, abusive, obscene, offensive, lewd, profane, discriminatory, defamatory, or harassing material or communications;
2. To transmit, receive, access, upload, download, or distribute any of the following:
  - (a) Obscene material;
  - (b) Pornographic material;
  - (c) Abusive material;
  - (d) Sexually explicit materials;
  - (e) Materials that suggest a lewd or lascivious act;
  - (f) Materials that violate any JPA policy, rule, or procedure, including but not limited to the policies contained herein.
3. Disruption of network services, such as distributing a computer virus.
4. Sending of messages likely to result in the loss of the recipient's work or systems, and any other types of use that could cause congestion of the network or otherwise interfere with the work of others.
5. Use of someone else's identity and/or password for access to information without proper authorization.

6. Misrepresenting one's identify or affiliation in any communication.
7. Attempt to evade, disable, or otherwise bypass password or other security provisions of systems on the network.
8. Reproduction or distribution of copyrighted materials without appropriate authorization.
9. For commercial ventures.
10. To engage in any form of gambling.
11. To engage in, advocate or access information advocating any type of unlawful violence, vandalism, or illegal activity.
12. To secure access to any form of JPA electronic communications resources without the authorization of the Department Head or his/her designee.
13. Under no circumstances shall any employee use any JPA electronic communications resources for messages that are, or reasonably could be considered offensive, harassing, discriminatory, or defamatory to another on the basis of sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding and/or related medical conditions, sex stereotype, transgender), gender, gender identity, gender expression, sexual orientation, age (40 years and over), religion, religious creed (including religious dress and religious grooming), race, color, national origin, ancestry, physical disability, mental disability, legally protected medical condition and information, genetic information, marital status, domestic partner status, protected family care or medical leave status, military caregiver status, military or veteran status, status as a victim of domestic violence, sexual assault, or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation, or holding or presenting a driver's license issued under section 12801.9 of the Vehicle Code (California only), or any other status protected by federal, state, or local laws.

**No Reasonable Expectation Of Privacy.** On occasion, the JPA may need to access its Electronic Communications Resources including computer files, electronic mail messages, and voicemail messages. Employees should understand, therefore, that they have no right of privacy with respect to any messages or information created, collected, or maintained on JPA's Electronic Communications Resources, including personal information or messages. The JPA may, at its discretion, inspect all files or messages on its Electronic Communications Resources at any time for any reason. The JPA may also monitor its Electronic Communications Resources at any time in order to determine compliance with its policies, for purposes of legal proceedings, to comply with a subpoena, Public Records Act request, or court order, to investigate alleged misconduct, to locate information, or for any other business purpose.

**Security Measures.** Human Resources may review the usage of JPA's Network and JPA's access to the Internet and online services by employees they supervise to determine whether there have been any breaches, security violations of JPA Policy, or other violation of duty on the part of employees. JPA, at its discretion, may also use computer programs that monitor the usage of JPA's Network and JPA's access to the Internet and other online services, for the purposes of assuring system security and compliance with JPA policies.

### **Internet Use**

**Business Use.** The JPA provides certain employees with access to and use of the Internet if necessary for business purposes. All of the provisions of this Policy apply to Internet use. Internet resources are provided to employees in an effort to allow them to be more efficient, productive, and to have access to information that is necessary for them to carry out their responsibilities as an employee of JPA. Employees are expected and required to use the Internet in a matter consistent with their position and work responsibilities with JPA.

**Access.** Approval of the employee's Department Manager is required to get access to the Internet and/or online services. Department Manager's must specifically authorize such access in writing to the network administrator.

**Monitoring Use And Privacy.** It is possible to track the Internet sites visited by a particular work station. The JPA reserves the right to access, monitor, and disclose all Internet, online services, and/or JPA Network usage, for any purpose not specifically prohibited by statute or regulation. The JPA retains the right to keep, retrieve, and monitor all access to Internet and online service activity. Restrictions may be placed on use of the Internet or online services to protect the JPA and its resources.

**Personal Use.** The personal use of the Internet shall only be allowed on an employee's rest or meal periods and shall not interfere with the workplace or affect the employee's job performance. Personal use of the Internet during working hours or in a manner that interferes with the workplace or affects the employee's job performance is grounds for discipline, up to and including termination.

**Social Networking Websites.** Employees are prohibited from visiting social networking internet sites on JPA computers except with prior approval. Examples of prohibited websites include Instagram, Twitter, Reddit, YouTube, Pinterest, Facebook, LinkedIn, CaféMom, Classmates.com, Friendster, and all similar sites. Computer use is monitored and appropriate firewalls are in place in furtherance of this Policy. In no case may any employee, either implicitly or explicitly, purport to speak for the JPA or represent JPA's Policies or positions on any social networking site without written prior approval from the JPA Board.

**Computer Use.** Computers are provided to employees to be used as tools to help perform their job responsibilities. This equipment belongs to the JPA and personal use is limited. At no time shall any employee's User ID and password be shared with any member of the public. To assure that data is secure, it may also be necessary to use other control measures such as keyboard and screen saver passwords. These measures shall only be used with written approval by the user's Department Manager. Since these measures disable the equipment, the passwords shall be given to the user's direct Supervisor and kept in a secure location. The use of a password does not guarantee privacy.

The JPA may provide, on a case by case basis, computers for off-site use to assist in the completion of JPA business. It is understood that efficiency may require that this equipment be utilized on JPA and personal business in lieu of maintaining several computers.

**Telephone and Fax Machine Use.** In addition to the above provisions, the following apply with respect to telephones and fax machines.

**Business Use.** JPA's telephone system and equipment are designed for JPA business use.

**Personal Calls On JPA Telephones.** The JPA understands that employees occasionally

need to use the JPA phone system to make or receive a personal call. Unless the matter is an emergency, the employee may make personal calls only during non-work hours (breaks or lunch). Excessive or improper use of the JPA phone system for personal calls is prohibited and may lead to disciplinary action. Employees should be aware that JPA's telephone system prints a list of all calls made by each extension, both local and long distance, including the time duration of each call. This listing is available to Supervisors.

**Personal Use Of Fax Machines.** Employees shall reimburse the JPA for the current cost of personal faxes.

**Personal Cell Phone Use.** The JPA understands that employees occasionally need to use their personal cell phones to make or receive personal calls or text messages. Unless the matter is an emergency, the employee may use their personal cell phones only during non-work hours (breaks or lunch). Such communications may not reduce the employee's job performance nor be disruptive to other employees or customers. Excessive or disruptive use of a personal cell phone is prohibited and may lead to disciplinary action.

## **1.R DRESS & GROOMING POLICY**

**Purpose.** The JPA considers it very important that employees are clean, neat and well-groomed. Appropriate dress and hygiene promote a positive image to JPA's customers, both internally and externally. While the JPA trusts each employee's common sense and good judgment, a dress code appropriate to the work environment must be followed. The JPA has therefore adopted a casual business dress code but emphasizes that some positions may call for more formal attire. The Casual Business Dress Code Policy is a benefit and must be adhered to in order to be retained.

**Scope.** The Policy applies to all JPA employees, including interns and temporary employees.

**General Guidelines For All Employees.** The JPA wishes to provide a work environment that is free of safety hazards, offensive behavior and harassment of any kind.

**Clothing.** The following clothing is NOT ACCEPTABLE: spandex, sweat pants, bare feet, flip-flops, shorts or skirts worn at hip level or below or above mid-thigh, spaghetti straps, halter tops, midriff tops, sexually provocative clothing (which would include items that are too tight, too low-cut or too sheer), clothing with profanity, nude or semi-nude pictures, sexually suggestive slogans, cartoons, or drawings, the observable lack of undergarments and exposed undergarments. Clothing that is torn, worn or dirty is unacceptable. Clothing that would violate the anti-harassment policy above is unacceptable. (See Section 1.O.) Hats should not be worn in an office environment and should be for field personnel and outside wear only.

**Hair.** Hair, including facial hair, shall be kept clean, combed, and neatly trimmed or arranged. Unnatural color and/or unkempt hair is unacceptable for JPA business.

**Safety.** The employee's personal appearance, including attire and hair, shall not present a safety hazard or prevent full and proper utilization of safety equipment. For example, pursuant to the state and federal divisions of Occupational Safety and Health ("Cal-OSHA" and "OSHA"), facial hair may not impede or hinder the full seal of a safety mask.

**Office Environment.** While the JPA observes a casual dress environment, there may be situations requiring more formal attire. If employees conduct or attend meetings, seminars, roundtables, etc., even if

internal, where they come in contact with other business professionals, they are expected to represent the JPA in a professional manner and dress appropriately for conducting such business. Employees must know their audience, remember what they represent and dress accordingly. If employees are unsure of the appropriate attire for a seminar, they should call the provider.

**Field Environment.** While the JPA does require uniforms for all field employees, a standard of dress is required to promote a safe and productive working environment. As in an office environment, if employees conduct or attend meetings, seminars, roundtables, etc., even if internal, where they come in contact with other business professionals, they are expected to represent the JPA in a professional manner and dress appropriately for conducting such business. Employees must know their audience, remember what they represent and dress accordingly. If employees are unsure of the appropriate attire for a seminar, they should call the provider.

**Thursdays.** The Thursday dress code for the office will be casual and may include jeans and well-kept casual shoes provided the employee does not have scheduled meetings. The general guidelines outlined above must still be followed on Thursdays.

**Compliance.** Supervisors and Managers are responsible for ensuring their departmental personnel are in compliance with the Dress Code Policy. Supervisors reserve the right to send any person who violates any part of the Dress Code Policy home to change clothes. The time spent away from work for this reason will not be excused and such absences will follow attendance policy guidelines. Where an employee's clothing is questionable, the immediate Supervisor has first discretion and will follow the normal chain of command. If an employee wishes to report a non-compliance, he or she shall report it to his or her immediate Supervisor.

## **1.S EMPLOYER EQUIPMENT & FACILITIES USAGE POLICY**

**JPA Tools, Facilities, And Supplies.** No employee may engage in personal work in JPA shops or other facilities or otherwise use JPA equipment for personal use on or off JPA property.

### **Use of JPA Vehicles.**

**Policy.** Employees operating JPA vehicles are responsible for their safe operation in accordance with the law and relevant JPA Policies and procedures, including but not limited to the IIPP. If vehicles or equipment are assigned to an employee by his or her Supervisor, whether for transportation to and from work, or strictly for use during the normal hours of the workday, the employee is responsible for the appearance, and maintenance of oil, water, etc., necessary to ensure the safe operation and long term life of the vehicle or equipment. Additionally, the employee is responsible for all tools and equipment assigned to that vehicle or equipment, or carried thereon. Employees operating JPA vehicles are required to be in possession of a valid California Driver's License of the class of vehicle being operated. If an employee is required to operate a JPA vehicle as part of his or her job description, the revocation or suspension of his or her California Driver's license for any reason by the State of California or a driving record unacceptable to the JPA for any reason may be sufficient cause of dismissal, regardless of the absence of progressive discipline. The driving records of all employees who operate JPA vehicles in the course and scope of their job duties will be monitored through the State of California BIT program, which is reviewed by the Field Supervisor. Traffic citations incurred while the employee is driving a JPA vehicle, with the exception of faulty equipment, are the employee's responsibility.

**Accident Procedure.** When an employee is involved in an accident, he or she must immediately notify his or her Supervisor, Department Head, or management and should not make any statement

concerning the responsibility for the accident to anyone but the JPA representative. Cooperation should be extended to law enforcement officers.

**Mobile Device Use.** JPA strictly prohibits the use of all hands-on mobile devices while operating a JPA motor vehicle. This includes the use of the device to send or receive calls, e-mails, texts, and other communications. Note that in California, the use of a hands-on mobile device while driving (whether for work or not) may be criminally punished. Employees may use hands-free mobile devices while driving a JPA vehicle, solely for calls, if it is both safe and lawful to do so. Employees who are charged with traffic violations resulting from the use of a mobile device while driving will be solely responsible for all liabilities that result from their actions.

## **SECTION 2: CLASSIFICATION AND SALARY PLAN**

### **2.A PREPARATION, ADOPTION, AND AMENDMENT OF CLASSIFICATION PLAN**

The ~~Executive Director~~Chief Executive Officer shall determine the duties and responsibilities of all JPA positions for inclusion in the Classification Plan. The Classification Plan shall be developed and maintained to ensure that all positions which are substantially similar with respect to duties, responsibilities, authority and character of work, are included within the same classification, and the same schedules of compensation shall apply to all positions in the same classification. Classification specifications are explanatory, but not restrictive. The listing of particular tasks shall not preclude the assignment of other related kinds of tasks or related jobs. The Classification Plan may be amended or revised, as required, in the same manner as originally established and described herein and is subject to adoption by the JPC.

### **2.B ALLOCATED POSITIONS**

The ~~Executive Director~~Chief Executive Officer shall approve the appointment of employees to positions in the Classification Plan. Only allocated positions which have been approved by JPC may be filled, provided that temporary positions can be approved by the ~~Executive Director~~Chief Executive Officer without prior JPC approval.

### **2.C NEW POSITIONS**

When a new position is created, no person shall be appointed or employed to fill the position prior to the position's assignment to a classification, unless otherwise provided by these Rules. The ~~Executive Director~~Chief Executive Officer shall amend the Classification Plan to establish and assign an appropriate classification and grade for the new position as approved by the JPC.

### **2.D APPROPRIATE SALARY STEP**

Employees occupying a JPA position shall be paid a salary or wage within the salary range established for that position's classification under the adopted Classification and Salary Plans.

### **2.E BENEFIT PLAN**

The JPC shall, at its discretion, adopt a Benefit Plan that establishes the benefits for all JPA employees. This Benefit Plan is described in Section 12, "Employee Benefits."



## SECTION 3: TYPES OF APPOINTMENTS

### 3.A TYPES OF APPOINTMENTS

Except for temporary vacancies, all vacancies shall be filled by transfer, promotion, demotion, or from candidates on an appropriate eligibility list, if one is available. In the absence of eligible candidates in one of the above categories, temporary appointments may be made in accordance with these Rules.

### 3.B TEMPORARY APPOINTMENTS

If deemed to be in the best interests of the JPA, the ~~Executive Director~~Chief Executive Officer may authorize and approve a temporary appointment to fill either a temporary (i.e., a maternity or military leave) or permanent (i.e., an employee's separation) vacancy. This appointment may be accomplished through a temporary agency or by the JPA itself. If the position being filled on a temporary basis would normally require JPC approval (i.e., ~~Executive Director~~Chief Executive Officer), the JPC shall authorize the temporary appointment.

A temporary appointment may be authorized for a period not to exceed six months from the date of that appointment. The ~~Executive Director~~Chief Executive Officer, or the JPC where appropriate, may authorize an additional six month extension for a temporary appointment. All temporary employees must meet the minimum qualifications of the vacant position. These persons may be hired without competitive examination, but have no right to a regular position without competitive examination.

This section shall not be construed to prohibit the employment by contract of a person or entity to provide services to the JPA on an interim, indefinite, or other basis.

### 3.C WORKING OUT-OF-CLASS

When an employee is assigned to significant duties and responsibilities of an authorized, higher level of work or classification on a full-time basis for more than 25 consecutive working days or more than 50 working days in a 12-month period, a temporary adjustment shall be made to reflect the increase in responsibility until the employee ceases to perform such out-of-class work. It is the JPA's intent to avoid working an employee on an out-of-class assignment for a prolonged period.

An employee who believes that he or she has worked out-of-class for more than 25 consecutive working days or more than 50 working days in a 12-month period may submit a written request for an out-of-class pay adjustment to the ~~Executive Director~~Chief Executive Officer within 10 working days after the employee has allegedly qualified for the out-of-class pay adjustment. The ~~Executive Director~~Chief Executive Officer shall render a decision thereon within five working days after receipt of the request.

If the ~~Executive Director~~Chief Executive Officer determines that the employee has been working out-of-class for more than 25 consecutive working days, the employee will be paid out-of-class pay effective on the 26th day and for each successive day the employee works out-of-class. If the ~~Executive Director~~Chief Executive Officer determines that the employee has been working out-of-class for more than 50 working days within any 12-month period, the employee will be paid out-of-class pay effective on the 51st day and for each successive day during the 12-month period in which the employee works out-of-class.

An employee who is determined to be working out-of-class shall be compensated at the step in the new salary range which comes nearest to but not less than five percent higher than the step he or she held in the previous salary range. If the employee is subsequently appointed to the higher-level position, the employee may apply time accumulated while working out-of-class towards fulfilling any required probationary period. If and when the employee returns to his or her former position, he or she shall also return to the lower base pay.

Nothing herein shall be construed as limiting management's authority to assign JPA employees temporarily to different or additional work duties and responsibilities for the purpose of responding to emergencies. Temporary assignment will be for no more than three months' duration, but may be extended for an additional three months with ~~Executive Director~~Chief Executive Officer approval.

Nothing herein shall prevent an employee from receiving an interim promotion to fill a position temporarily as a result of a vacancy, leave of absence, or industrial injury. Such an employee shall be compensated in accordance with Section 3.C.

### **3.D TRANSFER**

An employee may transfer from his or her present position to a vacant position, in the same classification, within the JPA. For purposes of this Section, a comparable classification is defined as one with the same salary range which involves the performance of similar duties that require substantially the same general qualifications. A transferred employee shall retain his or her rate of pay and his or her anniversary date for purposes of merit pay increases. No employee shall be transferred to a position for which he or she does not possess the minimum qualifications. A transfer shall not be used to effect a promotion, demotion, advancement or reduction in pay.

Unless otherwise provided for in these Rules, an employee must be employed with the JPA for at least six months, or until the employee has completed his or her probationary period, before applying for a transfer. An employee may be requested to defer his or her transfer until his or her current position has been filled, but typically, two-weeks' notice will be given to the employee's current department. Any transfer is subject to the JPA's discretionary approval and operational considerations.

### **3.E PROMOTION**

When it has been determined that a vacant position will be filled by promotional appointment, the ~~Executive Director~~Chief Executive Officer shall authorize a competitive promotional examination in order to fill the position, as stated in these Rules.

When an employee is appointed to a promotional position, that employee shall be paid at the step in the higher salary range which is at least a five percent increase over the salary he or she received in the lower position, in accordance with the provisions in Section 5.C. Any employee who is promoted within JPA service shall be required to complete a probationary period successfully in the new position.

### **3.F DEMOTION**

An employee may be demoted because his or her ability to perform the required duties of his or her position falls below standard, for disciplinary purposes, or for any other reasons as outlined in these Rules.

No employee shall be demoted to a position for which he or she does not possess the minimum qualifications. The position which has been made vacant by demotion shall then become subject to the provisions of these Rules which govern appointments.

An employee shall not be required to serve a probationary period in the position to which he or she is demoted unless he or she has not completed the probationary period in the higher position. In such cases, the employee shall be required to complete his or her unfinished probationary period in the lower position. The employee shall retain the salary anniversary date he or she had in the higher position.

1. Involuntary Demotion: An involuntarily demoted employee, who is placed in a position at a lower salary grade than the position he or she formerly occupied, shall be placed in the step of the lower salary grade which is closest to, but lower than, the employee's salary rate in his or her former position. A demotion which is effected for disciplinary reasons, pursuant to Section 9.G, shall be subject to the disciplinary appeals process. In the case of involuntary demotion, at-will employees are not entitled to any appeal process.
2. Voluntary Demotion: A voluntary demotion to a lower position and lower salary grade may be requested by an employee for any reason. Such a voluntary demotion shall require the approval of the ~~Executive Director~~Chief Executive Officer.

The voluntarily demoted employee shall be placed in the step of the lower salary grade which is closest to, but lower than, the employee's salary rate in his or her former position.

### **3.G RECLASSIFICATION**

Existing positions, where the duties have changed materially so as to necessitate reclassification, shall be reclassified by the ~~Executive Director~~Chief Executive Officer to a more appropriate classification, whether new or existing, with the exception of reclassification from training or internship positions. Except for training or internship positions that are reclassified, the selection of a candidate to fill a reclassified position must be made competitively, unless the incumbent from the reclassified position has been performing the duties for more than one year or unless specifically waived by the ~~Executive Director~~Chief Executive Officer. Such determination must be approved by the ~~Executive Director~~Chief Executive Officer. Regardless of the circumstances, the ~~Executive Director~~Chief Executive Officer may require a competitive examination, and no incumbent shall have a right to be appointed to a reclassified position. No person shall be appointed or employed to fill a reclassified position unless the said reclassified position has been incorporated in the Classification Plan as provided by these Rules. A simple title change is not a reclassification and requires only ~~Executive Director~~Chief Executive Officer approval.

The employee may submit a request for a job audit to the ~~Executive Director~~Chief Executive Officer who shall determine if the reclassification is justified. The ~~Executive Director~~Chief Executive Officer has the authority to reclassify any employee whose reclassification is justified so long as the position is listed in the existing Classification Plan. If the position is not listed, the JPC must approve the reclassification. Since there is no money budgeted for that specific reclassification grade increase (normally 5%), the department shall fund for the ~~Executive Director~~Chief Executive Officer-approved reclassification from its general personnel account for the balance of the current fiscal year. The JPC shall place and fund the reclassified position in the following year's personnel budget. Reclassifications are normally done with the adoption of the fiscal year budget, but may be done at other times.

Reclassification shall not be used for the purpose of avoiding restrictions concerning demotions, promotions, or unit modifications. The ~~Executive Director~~Chief Executive Officer may conduct objective, non-competitive examinations to establish qualifications for the position.

The salary of an employee in a position that is reclassified shall be determined as follows:

1. Classification with Same Salary Range: If the position is reclassified to a classification with the same salary range as the previous classification, and if the incumbent is appointed to the reclassified position, the salary rate and the salary anniversary date of the employee shall not change. The provision shall also apply to the change of classification title, provided there is no change in the basic duties of the classification.
2. Classification with Higher Salary Range: If the position is reclassified to a classification with a higher salary range than the previous classification, and if the incumbent is appointed to the reclassified position, he or she shall be compensated at the step in the new salary range which comes nearest to but not less than five (5) percent higher than the step he or she held in the previous salary range. The incumbent's salary anniversary date shall not change.
3. Classification with Lower Salary Range: If the position is reclassified to a classification with a lower salary range than the previous classification, and if the incumbent is appointed to the reclassified position, the ~~Executive Director~~Chief Executive Officer may approve an adjustment for the employee if the employee is at the top step. Otherwise the employee's new salary at the lower grade shall be placed at a step which yields a salary closest to, but not less than, the current salary. The incumbent's salary anniversary date shall not change. Normally, benefits will not be adjusted, unless specifically approved by the ~~Executive Director~~Chief Executive Officer.

The effective date of reclassification shall coincide with the first working day of a pay period after the reclassification is approved by the ~~Executive Director~~Chief Executive Officer. Any completely new classification, one not listed in the Classification Plan, must be adopted by the JPC before it is approved.

### **3.H LAYOFFS/REDUCTION-IN-FORCE/RECALL**

The ~~Executive Director~~Chief Executive Officer may lay off permanent and probationary workers at any time for lack of work, budgetary reasons, technological changes, or other JPA actions that necessitate a reduction in the work force. At least four weeks' notice or severance pay shall be given to any employee who is to be laid off. At the ~~Executive Director~~Chief Executive Officer's discretion, a demotion or transfer may be made to prevent a layoff provided the employee is qualified by education and/or experience and is capable of performing the duties of the classification. At-will, probationary, temporary, seasonal, casual and student (intern) employees may be laid off without notice. The JPA follows all local, state, and federal laws and/or regulations regarding layoffs/reductions in force.

**Reduction in Force.** When it becomes necessary to reduce the work force in the JPA, the ~~Executive Director~~Chief Executive Officer shall designate the job classification, division, department, or other organizational unit in order to effect a reduction in the work force. Contract, temporary, or

initial probationary employees in the same job classification as ones proposed to be reduced within the JPA shall be laid off first. Although the JPA may elect to do so, it is not required to allow laid off employees to “bump” employees in other classifications. Probationary promotional employees who are laid off shall be returned to their former classification. Employees who accept lower positions or transfers in lieu of lay-off shall be placed at a step which yields a salary closest to current salary.

Order of Layoff: The order of layoff of regular employees shall be made in accordance with a system which favors retention of the more meritorious employees, based upon evaluation of the following factors in the listed order of importance:

- a. The most recent performance evaluation record once finalized and filed except when an employee has less than one year seniority with the JPA. In that case, only seniority will be used.
- b. Documented disciplinary actions or formal recognition of meritorious performance during the preceding 12 months.
- c. Seniority (length of service in a regular position)
  1. in the JPA
  2. in the classification
- d. For employees who are equal in performance and seniority, as established in a-c above, preference will be given to those with the most veterans preference points (excluding military retirees with 20 or more years.)

Other exceptional circumstances to deviate from this policy may include the desirability of maintaining a department or work unit with adequate staffing to perform required service, and maintaining employees who have the ability to perform work available.

Seniority: Seniority is determined from the day of official appointment to a JPA department as a regular employee, provided that any regular employee who, as a result of promotion, transfer, or voluntary demotion, is appointed to a regular position in another department, shall for purposes of layoff, carry seniority previously acquired over to the new department. Seniority shall continue to accrue during periods of vacation, sick leave, layoff not exceeding two years, any authorized leave of absence of less than three months (or longer if the leave is a protected leave of absence under the Family Medical Leave Act, California Family Rights Act, or Pregnancy Disability Leave law), or any call to military service for the duration of the call to duty. Seniority shall not accrue during any other break in continuous service.

Other Policies: The JPA may call back as a temporary employee within the first year after layoff any laid off employee who is on the reinstatement list when the employee is qualified to fill a vacancy of a full-time position. Once that temporary employee has worked for one year in that capacity in the JPA, he or she shall be reinstated as an “at will” employee with no property rights, but shall receive regular employee benefits until such time as a regular employee position is budgeted. Unless two years have elapsed from the day of lay-off, he or she shall be placed in that regular position. Any employee who receives an involuntary transfer shall have automatic “bumping rights” to the classification said employee was involuntarily transferred from for up to six months from the effective date of the involuntary transfer in the event of layoff.

Reassignment: An employee who would otherwise be terminated for failure to accept reassignment may terminate and be placed on the Reinstatement List if the employee is being reassigned to a position previously occupied by an employee who was laid off within 20 working days of the effective date of the reassignment. An employee who chooses to terminate and have his/her name placed on the Reinstatement List under this section shall notify the ~~Executive Director~~Chief Executive Officer in writing of his/her decision at least three working days prior to the effective date of reassignment. Such termination shall be on the same date as the reassignment would have been effective.

Reinstatement List: The name of every regular employee who is laid off, transferred, or elects to demote to a formerly-held classification in the same department for longer than one pay period due to a Reduction-in-Force, shall be placed on the Reinstatement List. Vacancies to be filled shall be offered, first in order of performance, to individuals named on the Reinstatement List who at the time of the Reduction-in-Force, held a position in the same job classification within the department as the vacancy to be filled. Individual names may be removed from the Reinstatement List for any of the following reasons:

- a. The expiration of two years from the date of placement on the list.
- b. Re-employment with the JPA in a regular full-time position.
- c. Failure to respond within 14 calendar days of mailing of a certified letter (to the employee's last known address on file with the JPA) regarding availability for employment.
- d. Failure to report to work within 14 calendar days of mailing of a certified letter (to the employee's last known address on file with the JPA) containing a notice of reinstatement to a position, absent mitigating circumstances.
- e. Request in writing to be removed from the list.

Status on Re-employment: A regular employee who has been laid off or terminates in lieu of reassignment and is re-employed in a regular position within two years from the date of his layoff or termination shall be entitled to:

1. Buy back and thereby restore all sick and vacation leave credited to the employees' account on the date of layoff or termination and at the same rate as it was sold originally. This restoration must be requested in writing within 30 days of returning to work and must be fully paid back within six months of the return to work. [This does not affect an employee's right to have the balance of accrued sick leave that was not paid out upon separation reinstated if the employee returns to work within one year of separation pursuant to the California Paid Sick Leave Law.]
2. Restoration of seniority accrued prior to and accrued during layoff.
3. Credit for all service prior to layoff for the purpose of determining the rate of accrual of vacation leave.

4. Placement in the salary range as if the employee had been on a leave of absence without pay if he/she is reinstated to the same job classification from which he/she was laid off or terminated.

Recall: Those former employees in a classification who were laid off shall be recalled first in order of performance merit to be used in any JPA-wide position for which the former employee qualifies, unless exceptional circumstances occur of which the concerned employee shall be fully apprised in advance. No person from outside JPA employment shall be hired in a regular position in the deleted classification until all those displaced due to layoffs or transfers are recalled to their former classification or one classification lower in the same career ladder as the one in which the employee was laid off.

Continuation of Benefits: Those who are laid off shall have their medical insurance benefits continued to the end of the second month following the date of their layoff in the event that they are not covered by another medical plan at that time.

## **SECTION 4: RECRUITMENT AND SELECTION**

### **4.A EQUAL EMPLOYMENT POLICY**

It is the policy of the March JPA to offer equal opportunity in all matters of employment for all applicants and employees. The JPA does not unlawfully discriminate on the basis of sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding and/or related medical conditions, sex stereotype, transgender), gender, gender identity, gender expression, sexual orientation, age (40 years and over), religion, religious creed (including religious dress and religious grooming), race (including traits associated with race, such as hair texture and protective hairstyles), color, national origin, ancestry, physical disability, mental disability, legally protected medical condition and information, genetic information, marital status, domestic partner status, protected family care or medical leave status, military caregiver status, military or veteran status, status as a victim of domestic violence, sexual assault, or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation, or holding or presenting a driver's license issued under section 12801.9 of the Vehicle Code (California only), or any other status protected by federal, state, or local laws.

The JPA prohibits sexual harassment and the harassment of any individual on any of the other bases listed above. The JPA also prohibits retaliation against a person who reports or assists in reporting suspected violation of this policy, cooperates in investigations or proceedings arising from a violation of this policy, or engages in other activities protected under this policy. For information about the types of conduct that constitute impermissible harassment and the JPA's internal procedures for addressing complaints of discrimination, harassment, and retaliation, and directions on how to contact appropriate state and federal agencies for external complaints, please review to the JPA's Policy Against Harassment, Discrimination, and Retaliation, located in Section 1.O above.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs. It is the responsibility of every manager and employee to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with Human Resources.

In adopting these Rules, it is the goal of the JPA to employ the most qualified individuals and to achieve excellence in serving the needs of the community. Employment and promotions in the JPA shall be based upon merit and qualifications and shall be free from political influence and unlawful discrimination based upon the above-listed protected categories.

Although not expressed in the classification specifications or job announcements, all persons applying for or holding any position in the JPA shall be required to meet the following general qualifications to a reasonable degree: integrity, thoroughness, accuracy, good judgment, initiative, resourcefulness, courtesy, ability to work cooperatively with others, willingness and ability to assume and fulfill the responsibilities of the employment, with or without reasonable accommodations. Where the position requires the driving of a motor vehicle, the applicant or employee must have a valid California Driver's license and is expected to drive the motor vehicle safely. The foregoing general qualifications shall be deemed to be part of the minimum qualifications of each classification specification or job announcement and need not be specifically set forth therein.



No residency requirements shall be enforced by the March JPA. Extensive efforts shall be undertaken to make local residents aware of personnel openings, encouraging them to apply for any positions for which they qualify, and providing them with full due consideration. It is the JPA's intention to create an environment wherein employees will want to live and work in this community.

Violation of this policy will result in appropriate disciplinary action pursuant to Section 8 of these Rules.

#### **4.B ADA/REASONABLE ACCOMMODATION**

Consistent with the law, the JPA also makes reasonable accommodations applicants and employees with qualified disabilities who can perform the essential functions of their position with or without reasonable accommodations without the creation of an undue hardship upon the JPA; for pregnant employees who request an accommodation [with the advice of their health care providers] for pregnancy, childbirth, or related medical conditions; for employees who are victims of domestic violence, sexual assault, or stalking; and for applicants and employees based on their religious beliefs and practices.

The JPA shall not unlawfully discriminate against a qualified individual with a disability in job applications, hiring, advancement, compensation, training, discharge, and other terms, conditions, or privileges of employment. A disabled person is one who has a mental or physical impairment that limits a major life activity, who has a record of an impairment, or who is regarded as having an impairment. A qualified individual with a disability is a person, who, with or without reasonable accommodation, can perform the essential functions of the job in question.

#### **4.C JOB ANNOUNCEMENTS**

Job announcements providing information about the position, its title and pay, its major responsibilities and duties, minimum and other qualifications, where and when to apply, and the last day on which applications will be accepted shall be prepared and distributed by the JPA staff. All positions to be filled will be publicized by posting announcements on the JPA's official bulletin boards and in such other places deemed advisable by the ~~Executive-Director~~Chief Executive Officer. Employees may suggest additional locations.

Notice of open competitive examinations shall generally be posted a minimum of 10 working days before the filing deadline for applications unless it is in the best interests of the JPA to do a shorter recruitment, as approved by the ~~Executive-Director~~Chief Executive Officer. Notice of promotional openings shall be posted a minimum of five working days before the filing deadline for applications.

#### **4.D PERSONNEL APPLICATIONS**

Applications for employment, transfer, or promotion with the JPA shall be made on forms provided by the ~~Executive-Director~~Chief Executive Officer or designee. All information required by the application shall be provided and the applicant shall certify as to the truth thereof. Any material false statement or omission on the application shall, absent mitigation, disqualify the application and may be cause for termination or other disciplinary action if the applicant is or subsequently becomes an employee of the JPA regardless of when the error is discovered. Resumes and other supplementary information may be

submitted and attached to the application for consideration, but may not be used as a substitute for the application.

In order to be considered, an application must be received by 5:00 p.m. on the final day of the advertised recruitment period. A late application shall be accepted from a qualified current JPA employee only under the following circumstances:

1. The employee must submit a written letter to the ~~Executive Director~~Chief Executive Officer accompanied with a completed application for the position at least two working days prior to the first interview or testing phase; and
2. The employee must provide documentation establishing that he or she was absent from work on an authorized leave continuously from the date the position was first posted to the date the application period closed.

#### **4.E RECRUITMENT**

While recognizing the need for introduction of persons from outside JPA employment at all levels, the policy of the JPA is to transfer or promote persons already employed by the JPA when, in the sole discretion of the JPA, their qualifications, training, work performance, and work experience are determined to be comparable to applicants from other sources.

Except as specifically provided otherwise in these Rules, selection for a position in JPA employment shall be by one of the following types of examinations:

1. Open Competitive: Examinations which are open to all persons who possess the indicated minimum qualifications as set forth in the job announcement. Applicants for open competitive examinations may, but are not required to be, employees of the JPA.
2. In-House Competitive: Examinations which are open only to JPA employees who possess the indicated minimum qualifications as set forth in the job announcement.
3. Temporary Position: Employees may be hired on a temporary basis through either a temporary agency or by the JPA itself. The ~~Executive Director~~Chief Executive Officer approves these positions. These persons may be hired without competitive examination.

Variations to these procedures shall be approved in writing by the ~~Executive Director~~Chief Executive Officer.

#### **4.F EVALUATION OF APPLICATIONS**

Each application shall be reviewed to determine if the applicant satisfies minimum educational experience, type and years of job related experience, certificates or licenses and any other requirements.

Selection techniques shall be impartial and relate to those areas which will adequately and fairly indicate the relative capacity of the applicants to perform the duties and responsibilities of the position to which they seek appointment.

The selection procedure may consist of personal interviews, performance tests, evaluation of work performed, work samples, assessment centers, physical agility tests, other written tests, review and investigation of personal background and references, medical examination, psychiatric examination, or any combination thereof. The ~~Executive Director~~Chief Executive Officer may at his or her discretion include as a part of the examination process, tests which determine whether applicants meet minimum qualifications. All tests will be administered in compliance with applicable local, state, and federal laws.

In all examinations the minimum grade or standing for which eligibility may be earned may be based upon all factors in the examination, including educational requirements, experience, and other qualifying elements as shown in the application of the candidate or other verified information. Failure in one part of the examination may be grounds for declaring the applicant as failing in the entire examination, or as disqualified for subsequent parts of an examination.

#### **4.G CANDIDATES' EXAMINATION INSPECTION**

If a selection procedure consists of a written examination, the applicant shall be given written notice of his or her test results. By appointment with the ~~Executive Director~~Chief Executive Officer, an applicant shall have the right to review his or her own written test within 10 working days after the examination results are mailed out. However, no applicant shall be allowed to examine the test key as part of his or her examination inspection.

Any error in rating or grading shall be corrected if it is called to the attention of the ~~Executive Director~~Chief Executive Officer at the time the applicant reviews his or her examination. Any applicant whose corrected score meets or exceeds the examination's established passing score will be placed on the applicable eligibility list for the position, if one exists. Any correction shall not invalidate an appointment or offer of employment that has been made previously.

#### **4.H VETERANS' PREFERENCE**

The final score of a veteran who requests employment preference and submits proof of active duty (such as a DD214) shall receive five additional percentage points, provided that he or she has already met minimum qualifications pursuant to Section 4.F, and attained a passing grade in the examination, if applicable. To be eligible for veterans' preference, the candidate must have received an honorable discharge from the Armed Forces of the United States and served on active duty during a period of war or tension as determined by the Veterans Administration. A disabled veteran, who is currently rated by the United States Veterans Administration as 10% or more disabled as a result of a service-connected disability incurred on active duty in federalized service during a period of war or tension as determined by the Veterans Administration, who requests employment preference and submits proof of such disability shall receive five additional percentage points, for a total of 10 additional percentage points. Such percentage points may be awarded to widows or widowers of veterans upon request for such preference and submission of proof of eligibility.

The provisions hereof, relating to veterans' preference, shall not apply to any promotional examination.

#### **4.I NEPOTISM POLICY**

Each applicant is required to disclose the identity of any relative who is a current employee of the JPA. An applicant's failure to disclose a relative who is an employee may result in rejection of the applicant or future disciplinary action against the applicant after employment, up to and including termination for cause.

An applicant for a position who has a relative employed by the JPA may not be denied the right to file an application for employment or compete in the examination process. Following examination, if the applicant is successfully certified as eligible, he or she may be employed in a department, division, or office in which a member of his or her immediate family is employed. However, such employment shall be denied if the ~~Executive Director~~Chief Executive Officer determines that such employment would potentially create a conflict of interest or have a potentially adverse impact on supervision, safety, security, or morale, or if the employee would be in a position where he or she would directly supervise, or be supervised by, a relative/a member of his or her immediate family.

For the purposes of this section and Section 7.A: a "relative" or "immediate family member" shall be defined to include the following: mother, father, sister, brother, spouse, daughter, son, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, grandmother, grandfather, granddaughter, grandson, aunt, uncle, first cousin, niece, and nephew.

When the eligible candidate is refused appointment by virtue of this section, the name of the candidate shall remain on the eligibility list for openings in the same classification, as otherwise provided in these Rules, where no member of the employee's immediate family is employed, supervised by, or supervising the vacant position. In no case may an employee participate directly or indirectly in the recruitment or selection process for a position for which the employee's relative has filed an employment application or otherwise seeks employment.

Where situations exist prior to the effective date of this policy that may be in conflict with these rules, reasonable efforts shall be made at the discretion of the ~~Executive Director~~Chief Executive Officer, to address the situation so as to minimize potential problems of supervision, safety, security or morale and to avoid future conflict.

Where two relatives are working in the same department, division, or office at the time these Rules are originally adopted, or if an event occurs in which a familial relationship is established between two employees who work in the same division or office (i.e., if a marriage results in a spousal or in-law relationship), the relationship shall not be deemed a "prohibited relationship" unless the employees' mutual employment creates a potential conflict of interest or has a potentially adverse impact on supervision, safety, security, or morale, and so long as neither employee is in a supervisory capacity over a member of his or her immediate family.

If, as stated above, a familial relationship exists or is established, the employees may continue in their positions so long as the conditions of a prohibited relationship are not met. If, in the determination of the ~~Executive Director~~Chief Executive Officer, such a prohibited relationship does or would exist, the ~~Executive Director~~Chief Executive Officer shall submit the reasons for his or her determination to the Joint Powers Commission ("JPC") for review. Employees affected shall have the right to be heard by the JPC by submitting written statement and/or if JPC will hold a hearing, having opportunity to address the JPC at hearing. The JPC shall have one week to investigate the ~~Executive Director~~Chief Executive Officer's

findings and determine if a "prohibited relationship" does exist. The JPC shall issue a written decision within 30 days of the final determination. The decision of the JPC in the matter is final.

Transfer/Demotion/Termination. If the JPC's review confirms that a prohibited relationship exists, the ~~Executive Director~~~~Chief Executive Officer~~ shall promptly inform the employees of the JPA's intention to transfer one of the employees to a vacant position of comparable pay and duties in another JPA division or office, provided that such a vacant position exists, the transferee is qualified therefor, and no offer of employment to fill the vacant position has been made to another eligible candidate. If a position of comparable pay and duties is not open, but one in a lower classification is vacant, either of the employees may elect to voluntarily demote to the lower position, provided that the vacant position is in another department, division, or office, the employee is qualified to fill the position, and the position has not been offered to another candidate. Any voluntary demotion which occurs as a result of this section shall be in accordance with the provisions set forth in Section 3.G. In the event that a transfer or voluntary demotion is not feasible within the time limit set herein, the affected employees shall decide which of them will resign from JPA employment.

If a transfer or voluntary demotion is not feasible and neither employee has submitted a letter of resignation three weeks after the determination that a prohibited relationship exists, the ~~Executive Director~~~~Chief Executive Officer~~ shall determine which of the employees shall be terminated. Regardless of which procedure is utilized, the transfer, voluntary demotion, resignation, or termination, the action shall become effective one month after the ~~Executive Director~~~~Chief Executive Officer~~'s determination that a prohibited relationship has been established. This one-month time limit may be extended up to an additional two months with written approval from the ~~Executive Director~~~~Chief Executive Officer~~, provided that personal or organizational considerations mandate such an extension.

Reinstatement. Except as hereinafter provided, an employee who has been terminated because of the operation of this Section, may be eligible for reinstatement to the position which such employee held at the time of termination, or to a position of equal seniority, status, and pay, however, only if the employee was terminated in good standing. For purposes of this Section, an employee is terminated in good standing if the employee has not intentionally violated any of the provisions of this Section. In order for the employee to be eligible for reinstatement, he or she must be reinstated to a position in a department, division, or office where a prohibited relationship would not be established (or re-established), the position must be open, and the employee must still meet the qualifications for the position. This right of reinstatement shall be effective only through the 90 days immediately following the effective date of the employee's termination-in-good-standing, and shall take precedence over a right of reinstatement which has been derived from a voluntary resignation in-good-standing. Commencing on the 91st day after the effective date of the termination, the terminated employee shall have a co-equal right of reinstatement with employees who have voluntarily resigned in-good-standing, up to an additional nine months.

With the exception of the JPC's review, as provided in this Section, any decision to transfer, voluntarily demote, resign, or terminate an employee (pursuant to this Section), is not subject to any appeal or grievance procedure.

#### **4.J DRIVING SAFETY CHECK**

A verifiable and acceptable driving record shall be required of each final candidate for employment whose position requires the employee to drive a JPA vehicle or where the employee is required to drive as

part of their essential job functions. Verification of acceptable driving records of all affected employees may be conducted periodically. Driving a JPA vehicle without possessing a valid driver's license is not permitted and may result in disciplinary action up to and including termination. Employees shall notify their supervisors immediately if their licenses expire, are suspended, or are revoked.

#### **4.K ELIGIBILITY LISTS**

Lists of applicants to be considered for job openings in a particular classification may be established for open competitive or promotional competitive positions. An eligibility list shall be a list of persons who have taken an open competitive or promotional competitive examination for an advertised JPA position and have qualified for said classification. Each such list shall bear an expiration date. The hiring department may appoint any candidate on the eligibility list, regardless of ranking, provided all candidates with higher rankings have been interviewed.

Non-Management eligibility lists shall remain in effect for six months or until exhausted, whichever occurs first. Management eligibility lists shall remain in effect for three months. An eligibility list may be terminated at any time when less than three eligible candidates remain. The ~~Executive Director~~Chief Executive Officer shall have the right to extend an eligibility list for one or more periods not to exceed in total one year from the original date of certification. If a JPA employee is on an eligibility list, the ~~Executive Director~~Chief Executive Officer shall notify that employee when that list expires.

The ~~Executive Director~~Chief Executive Officer may remove a name from an eligibility list for any of the following reasons:

1. If the eligible person accepts an appointment with the JPA to a regular position of the same or higher classification. Acceptance of a temporary appointment at any level will not in itself be cause for removal from an eligibility list. An eligible person may refuse an appointment to a particular position and request to remain on the eligibility list.
2. If the eligible person requests in writing removal from the list.
3. If the eligible person fails to respond within 10 calendar days to a notification or letter which has been mailed to the person's last address on file with the JPA.
4. If the eligible person is unable to accept any offered position.
5. If a person on a promotional eligibility list resigns from JPA employment.
6. If other circumstances, such as, but not limited to, conviction of a crime involving moral turpitude or loss of a required license, make the person ineligible.
7. If the eligible person has not been offered an appointment after interviewing for three separately budgeted positions which are to be filled from the same eligibility list.

Placement on an eligibility list does not guarantee employment with the March JPA.

If a vacancy exists in a classification for which there is no appropriate eligibility list, the ~~Executive Director~~**Chief Executive Officer** may prepare a list from one or more existing related lists by selecting names of eligibles from eligibility lists for classifications which are assigned to the same or higher pay range and which have minimum qualifications similar to those of the classification in which the vacancy exists.

#### **4.L FINAL DECISIONS ON SELECTION**

All appointments and selection shall be subject to final discretionary approval (except that such approval will not be withheld for any unlawful reason) by the ~~Executive Director~~**Chief Executive Officer** before becoming effective. If the selected candidate accepts the appointment and reports for duty within the agreed upon time, the applicant shall be deemed appointed to the position. If the selected candidate does not report to duty within the agreed upon time, the candidate shall be deemed to have declined the appointment. By mutual agreement of the ~~Executive Director~~**Chief Executive Officer** and the candidate, the date of the appointment may be changed. Upon the affected employee's written petition, effort shall be made to accommodate current JPA employees who are or will be on an approved leave as of the date of appointment and thereby unable to report for duty at the designated time.

#### **4.M PRE-EMPLOYMENT PHYSICAL**

Each person accepting a conditional offer of employment in a maintenance classification with the JPA shall be required to pass a pre-employment physical at a JPA designated medical facility at JPA cost before an appointment to such employment becomes effective. This Section shall also apply to changes of employment within the JPA when an existing non-maintenance employee accepts a position in a maintenance classification. The pre-employment physical and drug test will be conducted in compliance with applicable local, state, and federal law.

#### **4.N EMPLOYMENT ELIGIBILITY VERIFICATION**

In compliance with law and with regulations of the United States Department of Justice and the U.S. Citizenship and Immigrations Services, the March JPA requires that each person hired by the JPA complete Section I of the Employment Eligibility Verification Form I-9 to verify that the person is eligible for employment in the United States.

#### **4.O PROBATIONARY PERIOD**

The first TWELVE (12) months, or any duly extended longer period, of all new and promotional employment in a regular position shall be deemed a probationary period. The probationary period shall commence upon the effective date of the appointment.

During the probationary period, an employee is at-will and may be terminated by the ~~Executive Director~~**Chief Executive Officer** without notice, without cause and without the right of appeal, hearing or resort to any grievance procedure. At the conclusion of the probationary period, if the employee's performance does not meet JPA standards but is not altogether unsatisfactory, the probationary period may be extended up to an additional six months, at the discretion of the ~~Executive Director~~**Chief Executive Officer**. The decision to extend the length of an employee's probationary period must be based on justifiable

reasons and must be made prior to the expiration of the original twelve month probationary period. Such a decision shall not be appealable or grievable.

An employee who fails to complete his or her promotional probationary period satisfactorily shall be reinstated to the position in the same classification from which he or she was promoted unless discharged from the JPA service as provided in these Personnel Rules. Such reinstatement shall be without the right of appeal, hearing or resort to any grievance procedure.

#### **4.P CRIMINAL CONDUCT**

##### **Use of Arrest Information**

State law prohibits JPA from asking an applicant information concerning an arrest or detention that did not result in a conviction or from using arrest information of a current employee to determine any condition of employment, including promotion or termination. (Cal. Labor Code § 432.7) However, in accordance with State law, JPA may ask current employees about arrests when out on bail or when released on his or her own recognizance. JPA may also conduct an independent investigation of the same facts as the arrest to determine if disciplinary action is warranted under the circumstances provided those facts relate to the employee's employment with the JPA. In addition, employees are subject to discipline for felonies or crimes involving moral turpitude. (See Section 8.F(1)(g).)

#### **4.Q FINGERPRINTING AND BACKGROUND CHECKS**

To facilitate the JPA's ability to perform complete background checks on its employees, new JPA employees may be fingerprinted and their backgrounds researched to ensure that there is nothing which would hinder their ability to perform their job satisfactorily or create any unnecessary liability for the JPA. All background checks will be conducted in compliance with applicable local, state, and federal law.

#### **4.R RESIGNATION**

Employees who desire to terminate their service with the JPA shall submit a written resignation to the ~~Executive Director~~Chief Executive Officer at least two weeks prior to the effective date of the resignation. Failure to comply with this requirement may be cause for denying future employment with the JPA. Resignations shall be deemed accepted by the JPA upon submission.

#### **4.S REHIRE**

Any regular employee who voluntarily or involuntarily resigns or separates and is later rehired, may forfeit all previous seniority and benefits and does not need to be rehired at his/her former grade or step, except in the case of lay-off. The exception is that an employee who separates and is rehired within one year will have his/her accrued and unused sick leave reinstated pursuant to the California Paid Sick Leave law, provided that the accrued and unused sick leave was not previously paid out to the employee. The rehired employee may be considered the same as a new hire. With approval of the ~~Executive Director~~Chief Executive Officer, a former employee who is eligible for rehire may be rehired by appointment rather than competitively, but may still be placed on at least six months' probation upon return.



## SECTION 5: PERFORMANCE EVALUATIONS & SALARY ADJUSTMENTS

### 5.A SALARY AT APPOINTMENT

Except as otherwise stated in this Section, all new employees shall be appointed at the first step of the salary range to which their class is assigned. When the proposed employee's education, training, and experience are deemed superior and justify a salary in excess of the first step, the ~~Executive-Director~~Chief Executive Officer may offer employment at Step A through C, commensurate with the proposed employee's education, training, and experience. A newly hired employee shall not be placed higher than Step C unless the JPC has approved placing the newly hired employee at a higher step.

All final appointments are subject to ~~Executive-Director~~Chief Executive Officer approval, regardless of the step at which the employee is appointed.

### 5.B EMPLOYEE PERFORMANCE EVALUATION

Regular reports on forms prescribed by the ~~Executive-Director~~Chief Executive Officer shall be made as to the efficiency, competency, conduct, and merit of all employees appointed by the ~~Executive-Director~~Chief Executive Officer. Performance evaluations are required to be given at the following times: at the end of the 12 month probation period and annually thereafter. As outlined in Section 4.N, any decision to extend an employee's probationary period must be made prior to the expiration of the original probationary period. Any evaluation which warrants a merit increase but is not completed by the designated review date shall be retroactively paid back to that review date. In addition to those occasions referenced by this Section, a supervisor may render a performance evaluation when performance issues arise, whether positive or negative; when there is a change in assignment; and/or when there is a change in supervisor or management.

During the performance evaluation meeting, the employee and supervisor shall review and discuss the employee's significant accomplishments, training, problem or improvement areas, and future development and objectives. After reviewing the job description, duties, and any established performance standards for that position, an evaluation shall be made by the supervisor as to whether the employee's performance meets JPA standards. An explanation must accompany any unacceptable or conditional judgment. The employee shall have an opportunity to review his or her performance evaluation report and agree or disagree with it. Based upon the Performance Evaluation Report, the supervisor may make appropriate recommendations regarding a possible merit increase, promotion, or other action.

The employee shall have the right to attach a written response to the corresponding performance evaluation in his or her personnel file. This response must be made within 10 working days of receiving the evaluation.

If an employee is not in agreement with a performance evaluation which results in an overall below JPA Standard rating, and/or a denial of a merit increase, the employee may, within 10 working days after receipt of the evaluation, request a review of such evaluation. If the employee is not in agreement with the determination of the ~~Executive-Director~~Chief Executive Officer, the employee may, within 10 working days after receipt of the determination of the ~~Executive-Director~~Chief Executive Officer, request a further review by the JPC, whose decision shall be final and conclusive.

If the ~~Executive Director~~Chief Executive Officer prepared the evaluation in question, the employee may omit review by the ~~Executive Director~~Chief Executive Officer and proceed directly to the next level of review by the Joint Powers Commission, as appropriate.

Probationary, temporary and intern employees may attach written responses to their evaluations and submit them to the ~~Executive Director~~Chief Executive Officer for consideration; however, such employees have no appeal rights.

The employee and supervisor must sign and date the report. If the employee refuses to sign the report, the supervisor shall note this fact and any circumstances surrounding the employee's refusal on the Performance Evaluation Report. Copies of the Report shall be distributed to the employee and the ~~Executive Director~~Chief Executive Officer.

Performance evaluations shall not be subject to the appeals process (See Section 9) or the grievance process (See Section 10). The above procedures shall be utilized as the exclusive means to have the evaluation reviewed by a higher authority. Evaluations may be used as evidence in grievances that address the employee acts or performance.

#### **5.C PROGRESSION ON MERIT STEPS:**

1. Regular Full-time and Regular Part-time Employees shall earn merit step increases based on meeting or exceeding satisfactory performance of duties in the overall rating rather than simple longevity, as follows:
  - a. **Normal Progression:** From the date of employment until the successful conclusion of the probationary period, no merit step increase shall be granted. At the end of a successful probationary period, the employee shall become eligible for a merit step increase (Equivalent to 2%) provided that the employee's overall performance has satisfactorily met JPA Standards. Thereafter, eligibility for merit step increases shall occur at 12-month intervals, provided the employee's performance is satisfactory, until such time as the employee reaches the last salary step available for his or her position. General employees must achieve at least an overall "meets job standards" to be deemed as having met JPA Standards. An employee who receives an overall performance mark less than "meets job standards" will not receive a merit increase. Management employees shall be afforded the same status until such time as the ~~Executive Director~~Chief Executive Officer adopts a new evaluation plan for management employees. Nothing in this section shall preclude the ~~Executive Director~~Chief Executive Officer from adopting new evaluation procedures and forms.
  - b. **Promotional Progression:** From the date of promotion until the successful conclusion of the probationary period, no merit step increase may be granted. When an employee is promoted to a classification with greater salary range, his or her salary increases to an appropriate step within the grade of the new job classification. An employee who is promoted shall be compensated at the step in the new salary range which comes nearest to but not less than five percent higher than the step he or she held in the previous salary range.

All promoted employees who successfully pass their promotional review period are eligible for a merit step increase to the next step (Equivalent to 2%) in the salary range of their new classification, again provided satisfactory performance is achieved. A promoted employee is eligible for another merit step increase (Equivalent to 2%), annually thereafter, from the date of the promotional review until their salary reaches the last step within the grade.

2. Temporary Employees may not receive merit reviews normally. A temporary employee may receive a performance evaluation when his or her period of service concludes to determine whether he or she is eligible for rehire and may be evaluated more frequently at the discretion of the supervisor. This performance evaluation may also be used as a basis for considering salary in the event the employee is rehired.

## SECTION 6: ATTENDANCE AND HOURS OF WORK

### **6.A WORKWEEK AND OVERTIME**

For purposes of applying the overtime requirements of the Fair Labor Standards Act (FLSA), the workweek for JPA employees shall begin at 12:01 a.m. Monday and end at 12:00 p.m. (midnight) Sunday night. At the discretion of the ~~Executive Director~~Chief Executive Officer, non-standard workweeks may be implemented (e.g., 9-80—workweek schedule) as well as Hybrid Work Schedules. For any illness or emergency absence from work, the employee must notify the supervisor within the first half hour of normal reporting time when possible. If that is not possible and the employee has accrued but unused sick leave available, the employee must provide notice as soon as practicable for a sick leave-related absence.

For Non-Exempt positions, which do not meet one of the FLSA exemption categories, overtime hours worked shall be compensated for time actually worked in excess of 40 hours in a work week. Holiday hours, sick leave hours, vacation, compensatory time, or administrative leave will not be included as time worked for purposes of calculating FLSA overtime.

Overtime for Non-Exempt employees shall be compensated in one of the following two ways:

1. As paid time at the one-and-one-half rate of pay; or
2. As compensatory time as accrued at the one-and-one half rate of pay.

Prior to overtime being authorized, the employee and his or her supervisor shall agree as to how the employee shall be compensated (i.e., paid time or compensatory time). If the employee and supervisor do not agree on the method of compensation, the supervisor may ask another employee to perform the overtime work. If the supervisor requires that a particular employee perform the overtime, yet they cannot agree on the method of compensation, then the employee shall be given the choice of how he or she wishes to be compensated.

In order to establish an equitable system of working hours, compensation, and benefits, the JPC will, from time to time, establish a Benefits Plan, which will define separate benefit categories for compensation, benefits, and accrual rates, depending upon the nature of the position.

Compensatory time accumulated under these Rules and Regulations must be utilized or paid in conjunction with termination of employment.

### **6.B OVERTIME COMPENSATION**

Overtime compensation shall be provided to JPA employees as follows:

1. Executive Management, Middle Management, and Professional/Administrative/Management Employees are exempt (salaried) employees and shall not receive overtime compensation. Employees in these categories shall receive administrative leave hours, as specified in Section 12.D.

2. Non-Exempt Employees may receive overtime compensation in the form of paid time or compensatory time-off, at a time-and-one-half rate. The choice of compensation method is the employee's. Employees in this category may accrue compensatory time off up to a maximum cap of 120 hours. The Chief Executive Officer may allow accrual beyond the maximum if circumstances warrant. Overtime hours worked shall be compensated for time actually worked in excess of 40 hours in a work week.

#### **6.C COMPENSATORY TIME**

Non-exempt employees may accumulate compensatory time off in lieu of overtime. An employee who has accumulated the maximum amount of 120 hours of compensatory time off shall not work overtime on a compensatory time off basis until the accumulation has been reduced to less than the maximum accumulation allowed under these Rules. This in no way limits or caps paid overtime.

Compensatory time off shall be paid at the regular rate earned by the employee at the time the employee takes compensatory time off. An employee who has accrued compensating time off shall, upon termination of employment, be paid for the unused compensatory time off at a rate of the final regular compensation/pay rate received by the employee.

#### **6.D NO GUARANTEE OF HOURS**

Nothing contained in these Rules shall be construed to constitute a guarantee of minimum hours of work per day or per work week or of days of work per work week, provided that when reasonably possible at least 14 calendar days advance notice shall be given to each employee whose work hours are to be reduced. When economic conditions dictate, management may direct a reduction of hours, a furlough, or a reduction-in-force. The salaries of exempt employees will not be reduced for variations in the quantity of hours worked unless local, state, or federal law/regulations provide for an exception.

#### **6.E TIME SHEETS**

All JPA employees must fully and accurately complete time sheets showing all hours worked and all leave taken. Exempt employees are not subject to having their pay reduced for working less than ten hour increments when no other authorized leaves are available to them. However, the JPA will make deductions from the appropriate paid leave accruals for periods of less than ten hours for an exempt employee's partial-day absence. Time sheets must be signed by the individual employee and the employee's supervisor or the ~~Executive Director~~Chief Executive Officer. Time sheets will be reviewed and audited by staff of the JPA. Notice of any correction(s) to the time sheet will be sent to the employee. Such corrections will be deemed final unless questioned by the employee within 30 days after notice of correction has been given to the employee. Employees have an obligation to audit his or her timesheets and report any inconsistency or error in pay, in writing, to his or her supervisor. Unresolved matters may be taken to the ~~Executive Director~~Chief Executive Officer for a final determination.

#### **6.F CONSTRUCTIVE RESIGNATION**

An employee who is absent, without authorized leave, for three or more consecutive work days is deemed to have resigned. If the ~~Executive Director~~Chief Executive Officer determines that extenuating circumstances exist (such as the employee's use of accrued but unused sick leave but inability to provide

notice thereof), the resignation may be rescinded, in which case, absence may be covered by leave, with or without pay, if so approved by the ~~Executive Director~~Chief Executive Officer.

#### **6.G MEAL AND REST PERIOD POLICY**

As a political subdivision of the State of California, the JPA is not mandated to provide employees with meal and rest periods, however, it is the policy of JPA to provide its employees with meal and rest periods in accordance with the following regulations.

Full-time non-exempt employees may take one rest period in the morning (before 11:00 a.m.), and one in the afternoon (after 2:00 p.m.). Rest periods shall not exceed 15 minutes each. One paid rest period shall be provided for each four hour work period. Part-time employees are not entitled to a paid rest period unless they work longer than four hours.

Full time employees are provided with meal periods, which shall be at least 30 minutes, but no more than 60 minutes per day. Employees are expected to take their meal periods in accordance with department schedules. As the JPA schedule may not permit all employees to take a meal period between 12:00 noon and 1:00 p.m., the ~~Executive Director~~Chief Executive Officer may authorize staggered meal periods throughout the late morning and early afternoon. Part-time employees are provided with an unpaid 30-minute meal period but only if they work five or more consecutive hours. If the part-time employee is alone, he/she may be authorized to eat at the work-site on paid time.

JPA considers any employee who takes a break and leaves his/her normal work station to smoke as using that time towards his/her 15-minute rest period. The time employees engage in smoking while in transit and in the conduct of JPA business shall not be considered towards the employee's rest period allotment.

Rest and meal periods may be taken only in the time period for which they are designated and may not be accrued. Extenuating circumstances, as determined by the immediate supervisor, may establish cause for variation from the scheduling of rest and meal periods.

Exempt employees are expected to conform generally to the established standard for full-time non-exempt employees. Although flexibility is provided for exempt employees to exercise judgment in maintaining their work schedule, this schedule should not be to the detriment of work production.

#### **6.H EXEMPT EMPLOYEES AND PARTIAL DAY/FULL DAY ABSENCES**

As a general rule, if an exempt employee performs any work during the workweek, he or she must be paid the full salary amount, regardless of the quality or quantity of work performed.

In accordance with the Fair Labor Standards Act, and the District's accountability to the public, all exempt employees (Executive Management, Middle Management, and Professional/Administrative Management Employees), are subject to deductions from their paid leave balances for partial day absences. Similarly, if an exempt employee is absent from work for one or more full days and the employee has sick or vacation time available, the time off will be deducted from the employee's sick or vacation time. If the exempt employee does not have sick or vacation time available, the JPA may be legally authorized to make

deductions from an exempt employee's salary. In doing so, the JPA complies with the law regarding deductions for exempt employees to ensure that no improper deductions are made. The JPA commits to immediately resolve any complaints made by an employee regarding improper deductions.

If an exempt employee is absent from work for one or more full days and the employee does not have sick or vacation time available, deductions from pay are permissible when an exempt employee:

- is absent from work for one or more full days for personal reasons other than sickness or disability;
- is absent from work for one or more full days because of sickness or disability, when the employee does not have any paid leave benefits available (for example, sick, vacation), when the employee receives salary replacement benefits under state disability or workers' compensation laws;
- receives amounts as jury or witness fees, or for military pay (which will be treated as an offset);
- for unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions;
- is absent due to a budget-required furlough.

Additionally, the JPA is not required to pay the full salary:

- in the initial or terminal week of employment;
- for weeks in which an exempt employee takes unpaid leave under the Family and Medical Leave Act.

If an exempt employee is off work for any reason (including occasions when the employee is using sick leave or vacation), the employee must not perform any work on behalf of the JPA unless specifically instructed to do so by the employee's supervisor. This includes spending more than a de minimis amount of time (i.e., a few minutes) checking District phone or emails. For example, if an exempt employee is taking a full day off and using accrued sick leave to cover the time off, the exempt employee's sick leave will be charged for the employee's entire time off unless the employee's supervisor has specifically instructed the employee to perform work activities while on sick leave, the employee has otherwise received permission from his or her supervisor to perform work activities, or an emergency necessitated that the employee immediately perform work activities without first contacting his/her supervisor for authorization to do so. If an exempt employee violates this policy by performing unauthorized work, the employee will be paid appropriately pursuant to applicable law, but will be disciplined, up to and including termination, pursuant to the disciplinary rules herein.

If exempt employees have questions about performing JPA work when they are off work, they should contact their supervisor before performing any work. If an exempt employee believes that improper deductions have been made from his/her salary, they should contact Human Resources immediately.

#### **6.1 TARDINESS & ABSENTEEISM POLICY**

**Reporting to work.**

**Hours Of Work.** Hours of work shall be established by management based upon the needs of the JPA, and are subject to change.

**Absence Or Tardiness.** Any time that an employee is not at the work station to begin the work day, they are either absent or tardy. If it is necessary for any employee to be absent/tardy from work for any reason, he or she must, as soon as feasible, but in no case any later than 30 minutes after start of the employee's shift, notify his or her Supervisor or, in the absence of the Supervisor, notify the ~~Executive Director~~**Chief Executive Officer** or Assistant Director of the absence or tardiness, giving the reasons for and anticipated duration of absence/tardiness. Notice shall be given verbally and supported by documentation when necessary. The use of answering service, text (SMS) messages, e-mail or other electronic means to communicate notice of absence or tardy is discouraged, except in cases of extreme emergency where no other means of communication is available.

In case of extended illness, arrangements should be made by the employee to have his or her condition reported to the JPA at frequent intervals so workloads can be reassigned. Unless there are compelling circumstances or otherwise authorized in advance, failure to report to the JPA on a daily basis (typically three consecutively scheduled shifts) without advance notification will result in termination based on job abandonment and will be considered a voluntary quit.

An employee who is absent or tardy because of his/her use of accrued sick leave will have his/her absence/tardy excused and he/she will not be disciplined. The notice, documentation, and timing requirements for an employee's use of accrued sick leave is governed by the sick leave section below (Section 7.A) rather than this policy.



## **SECTION 7: LEAVES**

### **7.A SICK LEAVE POLICY**

All employees are entitled to paid sick leave pursuant to California law and JPA policy. To be eligible for paid sick leave, employees must work in California for 30 or more days within a year of their hire date. Employees accrue paid sick leave on the first day of employment but do not become eligible to use accrued paid sick leave until the 90th day of employment.

Employees who successfully complete their probationary periods, retire under the requirements of the Public Employees Retirement System (PERS), are disabled, or voluntarily resign with proper notice to the JPA are eligible to receive a proportionate payment for the value of any unused sick leave. The JPA's policy for sick leave accrual and "buy-back" is as follows:

- Regular Full-time Employees shall accrue sick leave at the rate of 3.69 hours per pay period (12 days per year). Sick leave buy-back shall be calculated at a rate of forty percent (40%) of all accrued sick leave at termination of employment with the JPA. There is no cap on the amount of sick leave that a regular full-time employee may accrue.
- Regular Part-time Employees shall accrue and use sick leave on a pro-rata basis, calculated by the number of hours worked as a percentage of a 40 hour workweek. However, the accrual will never fall below a rate of one hour for every 30 hours worked. Regular part-time employees shall be paid at their regular hourly rate for unused sick leave at a rate of 20% of all accrued sick leave, at termination of employment with the JPA.
  - Accrued but unused paid sick leave carries over into the following year, except that there is a cap on the maximum amount of accrued paid sick leave allowed. A regular part-time employee's total accrued amount of paid sick leave cannot exceed 48 hours or 6 days, whichever is greater, at any given time. Employees who reach this cap will cease to accrue further paid sick leave hours until paid sick leave is used, at which point the employee will continue to accrue additional paid sick leave up to the cap.
- All other employees shall accrue paid sick leave at a rate of one hour for every 30 hours worked. These employees are subject to the same accrual cap described above for regular part-time employees.

#### **Basic Leave Entitlement:**

Paid sick leave may be taken for below prescribed purposes:

- The diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member; or
- To attend legal proceedings, or to obtain medical treatment, counseling or other victims' services for domestic violence, sexual assault, or stalking.

- A “family member” for these purposes is defined as a child (a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), a parent (a biological, adoptive or foster parent, stepparent, or legal guardian of an employee or the employee’s spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), a spouse or registered domestic partner, a grandparent, grandchild and sibling. Additionally, paid sick leave may be used for an employee who is a victim of domestic violence, sexual assault or stalking.

Upon prior approval by the ~~Executive Director~~Chief Executive Officer, up to 30 hours of sick leave may be voluntarily donated from one employee to another out of a humanitarian need when the recipient employee has no leave accrued, including sick leave, vacation leave, administrative leave, or in lieu holidays. No more than six months of total leave may be donated to an individual employee.

#### **Separation of Employment:**

Upon separation of employment from the JPA (voluntary termination, involuntary termination, etc.) employees are not entitled to be compensated for unused paid sick leave, unless otherwise provided for herein. Regardless, previously unused paid sick days that were not paid out upon separation of employment must be reinstated if an employee separates from employment and then is rehired within one year.

#### **Increments:**

Employees may use paid sick leave in two-hour or less increments.

#### **Notice:**

To the extent possible, employees must provide reasonable advance notice of their need for paid sick leave under this policy. If the need for leave is not foreseeable, an employee must provide notice as soon as practicable.

#### **Benefits Continuation:**

Paid sick leave under this policy will not constitute a break in the employee’s continuous service for the purpose of JPA benefits and seniority.

#### **Relationship with Other Leave Policies:**

If a law or regulation provides for greater accrual or use of sick days, the law, regulation or policy with the greater protection may apply. For questions regarding the interplay between your entitlement to leave under other laws or regulations and your entitlement to leave under the Act, please contact the Human Resources Manager.

#### **Job Restoration:**

Upon expiration of paid sick leave, an employee will generally be reinstated to his or her position with equivalent seniority, benefits, pay and other terms and conditions of employment.

#### **Retaliation and Discrimination Prohibited:**

The JPA strictly prohibits any form of retaliation or discrimination against an employee for attempting to use or using paid sick leave under this policy, and for any other reason prohibited by applicable law. Employees who believe they have been discriminated or retaliated against should report their concerns to Human Resources immediately.

#### **7.B PATTERN, EXCESSIVE AND SICK LEAVE ABUSE**

If an employee appears to be abusing sick leave, the JPA reserves the right to investigate and potentially discipline. The JPA may believe an employee is abusing sick leave when:

- **Excessive sick leave:** Deliberate or habitual absenteeism; when sick leave use is beyond what is usual and customary in the workforce.
- **Sick leave abuse:** Sick leave used for purposes other than legitimate uses identified in the paid sick leave policy.
- **Pattern:** Continuously using one or more days of sick leave usage prior to or after a holiday, or continuously using sick leave on the first or last day of a workweek or shift.

The above definitions are intended to be illustrative only and the JPA reserves the right to address all instances of apparent inappropriate or abuse of sick leave.

#### **7.C VOTING LEAVE**

In accordance with State law, the March JPA encourages all employees to vote in local, state, and national elections. Employees are encouraged to vote outside of normal working hours. Under special circumstances, an employee who does not have ample time to vote in a state or national election outside of normal working hours may make arrangements with his or her supervisor to take up to two hours with pay in order to vote.

#### **7.D BEREAVEMENT LEAVE**

Employees shall be allowed five days of paid bereavement leave in the event of death of an immediate family member. Immediate family in this instance shall be narrowly defined as mother, father, spouse, natural/step children, mother-in-law, father-in-law, brother or sister. Two (2) days of paid bereavement leave will be allowed in the event of a grandparents death. For other family members, sick leave may be used. The bereavement benefit is a separate entitlement paid by the JPA.

If travel is required in excess of 300 miles for the death or funeral in the immediate family, the employee may use an additional two work days of accrued sick leave for this reason in conjunction with the five or two days of bereavement leave.

#### **7.E JURY DUTY AND WITNESS LEAVE**

No employee shall be dismissed or in any manner discriminated against for taking time off from work to serve as a juror or witness when required by law provided such an employee complies with the provisions of this Section. An employee called to serve as a juror or witness shall notify his or her supervisor as soon as possible, but no later than one week prior to the commencement of such service, unless extenuating circumstances exist. Failure to provide sufficient notice or comply with the policy may lead to discipline.

Any employee of the JPA called as a juror or witness shall be entitled to be absent from his or her duties with the JPA as long as required by the court system or other tribunal. The employee shall obtain a jury calendar or assignment sheet weekly during such jury service, or a subpoena for being called as witness. The employee shall have the jury calendar or assignment sheet signed by the jury clerk or commissioner and shall deliver this sheet to his or her supervisor at the end of each week to verify jury duty service. When called as a witness, the employee must deliver a copy of the subpoena to his or her supervisor as soon as possible. Whenever possible, any employee called to jury duty/subpoenaed to testify as a witness must transition his or her work to another individual pending the leave and ensure all workload is handled during their absence.

If a regular employee on an alternative work schedule is summoned for jury duty, the ~~Executive Director~~ **Chief Executive Officer** shall convert the employee's usual work shift to a regular five day, Monday through Thursday shift basis. A regular employee required to serve on jury duty shall be entitled to his or her regular rate of pay, provided the employee deposits any fees for service, excluding mileage, with the JPA. A temporary employee called for jury duty will not be compensated for time lost while on jury duty, but shall be entitled to retain his or her jury fees.

Except for probationary employees, an employee's salary anniversary date shall be extended if his or her jury duty is in excess of 30 days per fiscal year. If an employee is required to serve on jury duty while on probation, his or her probationary period shall be extended the same length of time as the jury duty. Such extensions of salary anniversary dates and probationary periods which arise as a result of this policy shall not be perceived as casting aspersions on any employee, but rather as a way to more accurately monitor employee performance.

Any employee required to be absent from work on behalf of the JPA by proper subpoena issued by a court or other legally empowered agency, shall be entitled to be absent from work at his or her regular rate of pay, provided that any fees, except mileage, are deposited with the JPA. An employee subpoenaed as a witness in any other matter shall not be entitled to be paid during such absence.

An employee who is released by the court from jury duty on any regularly scheduled work day shall contact his or her supervisor to find out whether he or she is required to return to work. An employee who is scheduled for stand-by duty while serving on jury duty shall be rescheduled for stand-by duty after the conclusion of jury duty, unless the employee agrees to serve both.

#### **7.F PREGNANCY DISABILITY LEAVE/ACCOMMODATIONS**

Eligibility, Accommodations, and Transfers. Any employee who is disabled by pregnancy, childbirth, or related conditions may take a pregnancy disability leave for the period of actual disability up to four months, in addition to any family care or medical leave to which the employee may be entitled in these Personnel Rules. Pregnancy disability leaves may be taken intermittently or on a reduced-hours

schedule, as medically necessary.

Moreover, an employee is entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she so requests and provides the JPA with medical certification from her health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

Pregnancy Disability Leave's Effect on Pay. Pregnancy disability leave is unpaid leave. However, employees must substitute any accrued sick leave for her leave at the commencement of a pregnancy disability leave of absence. If the employee is eligible to receive temporary disability insurance payments during her pregnancy disability leave(s), the employee may use these payments to supplement the use of any accrued sick leave payments. An employee may, at her option, also substitute vacation, compensatory time-off, and/or administrative leave allowances for her pregnancy disability leave after exhaustion of sick leave.

JPA pay will cease when all accrued allowances have been used, and the employee shall receive leave without pay and be subject to all policies except as modified herein. The use of accrued time-off shall not extend the length of the leave. The authorized absence is only for the duration of the disability up to four months.

Pregnancy Disability Leave's Effect on Benefits. When an employee is on pregnancy disability leave, the JPA shall continue payment of benefit premiums for the employee and her dependents. Employees to whom the JPA provides payout of flex dollars in lieu of their use for purchasing the JPA's group health plan, will continue to receive these flex dollars as long as the employee receives pay from the JPA by utilizing accrued vacation, sick time, administrative leave, or compensatory time off. The JPA will cease payout of flex dollars for any unpaid portion of the CFRA leave. The JPA will continue payment of PERS retirement contributions (if applicable) for the first thirty days of the pregnancy disability leave of absence, however, this time may be extended if the employee is continuing to receive pay from the JPA by utilizing accrued allowances beyond the first thirty days. Vacation time, sick leave, administrative leave, and holidays shall not accrue during a pregnancy disability leave of absence unless the employee is continuing to receive pay by utilizing accrued sick leave, vacation, compensatory time-off or administrative leave allowances. Employees on pregnancy disability leave may also be eligible for benefits under the JPA's Long-Term Disability Program. Employees must file a claim in order to receive these benefits. Forms are available from the JPA Human Resource Coordinator.

Any employee who takes a pregnancy disability leave of absence shall have her salary anniversary date extended by the same length of time as the unpaid portion of the maternity leave. For purposes of this section, paid portions of pregnancy disability leave include only those portions for which payments are received on account of vacation, sick leave, compensatory time-off, administrative leave, and holiday allowances. If an employee takes a pregnancy disability leave of absence while on probation, her probationary period shall be extended the same length of time as the pregnancy disability leave. Such extensions of salary anniversary dates and probationary periods which arise as a result of this policy shall not be perceived as casting aspersions on any employee, but rather as a way to more accurately monitor employee performance.

**Certifications.** A request for a pregnancy disability leave of absence should be submitted by the employee as soon as feasible after the employee learns of her pregnancy-related disability need for leave or accommodations. As a condition of taking a pregnancy disability leave or transfer, the employee must provide a written statement from her health care provider indicating that she is disabled due to pregnancy, childbirth or related medical conditions and/or that a transfer to an alternative position/other reasonable accommodation is medically advisable.

The medical certification should include:

- a. The date on which the employee became disabled due to pregnancy and the estimated date of return to duty or the period of the medical advisability for the transfer;
- b. The probable duration of the period(s) of disability or the period(s) for the advisability of the transfer; and
- c. A statement that, due to the disability, the employee is unable to work at all or perform any one or more of the essential functions of her position without undue risk to herself, to the successful completion of her pregnancy, or to other persons or a statement, due to pregnancy, the transfer is medically advisable.

**Return to Duty.** Consistent with the JPA's practice for other employees returning from a disability leave for reasons other than pregnancy, the JPA requires that an employee returning from pregnancy disability leave provide a release to return to work from her health care provider stating that she is able to resume her original job or duties, with or without reasonable accommodations.

Up to an additional two months of pregnancy disability leave may be granted for medical reasons if the employee's health care provider provides a written statement indicating the employee's inability to perform her duties or any feasible "limited duties" due to a pregnancy-related disability. Such an extension of pregnancy disability leave is subject to the approval of the ~~Executive Director~~Chief Executive Officer whose decision is final and conclusive. Nothing herein shall guarantee an extension beyond the standard four months of leave.

**Temporary Transfer Requests.** The JPA shall reasonably accommodate any transfer request by an employee who is disabled by her pregnancy. Any transfer request must be accompanied by a certification from the employee's health care provider stating that a transfer is medically advisable. Transfer requests may be made to alternate positions which are open and for which the employee is qualified. When a pregnant employee's health care provider certifies that it is medically advisable for the employee to take intermittent leave or leave on a reduced work schedule, the JPA may require the employee to transfer temporarily to an available alternative position. Any alternative position must have the equivalent rate of pay and benefits that the employee is receiving, and the employee must be qualified for the position. Transferring an employee to an alternative position may include altering the employee's existing job duties to accommodate the employee's need for intermittent leave or a reduced work schedule. Temporary transfers will be granted where appropriate and when JPA is able to reasonably accommodate the transfer, provided the transfer would not require JPA to:

- Create additional employment;

- Discharge another employee;
- Violate a collective bargaining agreement;
- Transfer a more senior employee in order to make room for the pregnant employee's transfer;
- Promote or transfer the employee or any other employee to a position for which he/she is not qualified; or
- Take any other action that would cause the JPA any undue hardship.

## **7.G FAMILY CARE AND MEDICAL LEAVE**

Although all public agencies, such as the JPA, are “covered” by the Family and Medical Leave Act (“FMLA”) (29 U.S.C § 2600 et seq.) employees of the JPA are not “eligible” for FMLA leave since the JPA does not employ at least 50 employees within a 75-mile radius, as required by the FMLA. However, the JPA does provide an unpaid family care and medical leave of absence for up to 12 workweeks to for qualifying reasons in accordance with the California Family Rights Act (“CFRA”) (Gov’t Code §§ 12945 et seq.) as set forth below.

Eligibility. To be eligible for a family care and medical leave under CFRA, employees must (1) have more than 12 months of employment with service with the JPA, and (2) have worked at least 1,250 hours during the previous 12-month period before the need for the leave. Note: the 12 months of service does not need to be consecutive.

Reasons for Taking Leave. Leave may be taken for the one or more of the following reasons:

1. The birth of the employee’s child or placement of a child with the employee for adoption or foster care;
2. To care for the employee’s spouse, child, parent, registered domestic partner, grandparent, grandchild, or sibling who has a serious health condition;
3. For a serious health condition that makes the employee unable to perform his or her job; or
4. For a qualifying exigency related to the covered active duty or call to covered active duty or call to covered active duty of an employee’s spouse, domestic partner, child or parent in the Armed Forces of the United States (also referred to as “military exigency leave”).

Under this policy, “child” means biological, adopted, or foster child, stepchild, child of a domestic partner, or a person to whom the employee stands in loco parentis. Additionally, “parent” means biological, foster, or adoptive parent, a stepparent, a legal guardian, or other person who stood in loco parentis to the employee when the employee was a child. “Parent” does not include parent-in-law.

A “serious health condition” means an illness, injury, impairment, or physical or mental condition that involves either of the following: (1) inpatient care in a hospital, hospice, or residential health care

facility, or (2) continuing treatment or continue supervision by a health care provider that includes more than three consecutive calendar days of incapacity and (i) involves at least two treatments by a health care provider within 30 days after the first day of incapacity (unless extenuating circumstances prevent second treatment), or (ii) at least one treatment by a health care provider within seven days after the first day of incapacity that results in a regimen of continuing treatment under that provider's care.

The right to take a CFRA leave is separate and distinct from the right to take a leave due to pregnancy disability or related medical condition. In other words, an employee who requires a leave of absence on account of the employee's disability due to pregnancy, childbirth, or related medical condition may be entitled to take Pregnancy Disability Leave which does not run concurrently with a CFRA leave.

Eligible employees whose spouse, son, daughter, parent, or domestic partner is on covered active duty or call to covered active duty status may use their 12-workweek leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, attending post-deployment activities, rest and recuperation, and to address other issues arising out of a military member's active duty or call to active duty when mutually agreed on by the JPA and the employee. Time off for rest and recuperation is limited to up to 15 days, unless granted by the JPA for additional time up to 12 workweeks.

Duration. As stated above, an eligible employee may take up to 12 workweeks of leave within a rolling 12-month period. Employees working less than five days a week or working alternate work schedules, the number of working days constituting 12 workweeks is calculated on a prorated basis. Leave may be taken as follows:

- One continuous period.
- Intermittently (in blocks of time or on a reduced-time schedule) if the leave is for the serious health condition of the employee or the employee's family member and if such intermittent leave is medically necessary as determined by the health care provider. The smallest increment of time that can be used for such leave is two hours.
- Any leave taken for the birth, adoption or foster placement of a child must be taken within 12 months from the date of birth or placement of the child with the employee. The minimum duration of the leave shall be two weeks. However, the employee is entitled to take a leave of less than two weeks on any two occasions and the JPA, at its discretion, may grant request for additional occasions of leave lasting less than two week.
- Spouses employed by the JPA are each entitled to take up to 12 workweeks of leave for the birth of a newborn child or for the placement of a child for adoption or foster care. The leave may be taken at the same time or separately, but for each spouse, leave must be completed within 12 months from the date of birth, adoption or foster child placement.
- Spouses employed by the JPA are entitled to a combined total of 12 workweeks of leave to care for a parent who has a serious health condition.



No carryover of unused leave from one 12-month period to the next 12-month period is permitted.

Calculating the 12-month Period. For purposes of calculating the 12-month period in which the 12 workweeks of leave entitlement occurs, JPA uses a “rolling” calculation. A “rolling” calculation means a 12-month period measured backward from the date an employee uses any CFRA leave.

Procedure for Requesting CFRA Leave. Employees must notify the JPA of their request for family care and medical leave as soon as they are aware of the need for such leave. For foreseeable leave, the employee must provide 30 calendar days’ advance notice to the JPA of the need for leave. For events that are unforeseeable 30 days in advance, the employee must notify the JPA as soon as is practicable and generally must comply with the JPA’s normal call-in or notice procedures. All requests for CFRA leave should include enough information to make the JPA aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known. If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the JPA reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for such leave.

Determination and Notice. The JPA will promptly inform the employee, in writing, of whether the eligibility requirements have been met. Upon receipt and review of the certification (described below), the JPA will notify the employee, in writing, if the request for leave has been approved. The JPA will also advise the employee of all leave rights in accordance with the CFRA.

In circumstances where an employee requires additional leave beyond the original estimated duration, the employee must promptly notify the JPA of the need and provide updated medical certification as described above. Upon receipt of request and review of the updated medical certification, the JPA will promptly inform the employee whether the extended leave is granted.

Certification. An employee requesting leave because of the employee’s own serious health condition or to care for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner who has a serious health condition, will be required to provide a certification issued by the treating health care provider supporting the request for leave. The certification must contain the following:

- Date on which the serious health condition started;
- The probable duration of the condition;
- (Employee’s own condition) A statement that, due to the serious health condition, the employee is unable to perform the function of the employee’s position;
- (To care for family member) An estimate of the amount of time that the health care provider believes the employee needs to care for the individual requiring care;
- (To care for family member) A statement that the serious health condition warrants the participation of a family member to provide care during a period of the treatment or supervision.

If the JPA has reason to doubt the validity of the health certification, the JPA may, at its expense,

require the employee to obtain a second opinion from a health care provider designated or approved by the JPA.

If additional leave is medically necessary, upon the expiration of the prior estimated leave time, the JPA may require the employee to obtain recertification from the treating health care provider. The recertification must contain the above information as required for the initial certification.

**Return to Duty.** Prior to returning to work from a family care and medical leave for an employee's own serious health condition, the employee must provide certification from the treating health care provider stating that the employee is able to resume work with or without work restrictions. To allow the supervisor to properly plan and schedule the employee's return, the employee is requested to provide this return to work certification at least 2 weeks in advance of the intended return to work date. The JPA will not reinstate the employee until a work release by the health care provider is obtained from the employee.

**Military Exigency Certification.** An employee requesting a leave for military exigency related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child, or parent in the Armed Forces of the United States, must provide exigency certification that includes:

- A copy of the covered active duty orders or other documentation issued by the military that indicates that the employee's spouse, domestic partner, child, or parent is in the U.S. Armed Forces, is on covered active duty or call to covered active duty status, and the dates of the covered active duty service;
- A statement or description of the appropriate facts regarding the qualifying exigency;
- The approximate on which the leave will begin, the duration, and/or how often the leave will be needed (if taken intermittently); and
- The contact information for any meeting with a third party and a brief description of the purpose of the meeting.

**Substitution of Vacation, Sick Leave and Other Paid Time Off.** At the commencement of a family care and medical leave of absence, employees must substitute all accrued vacation, compensatory time off, or administrative leave allowances for unpaid leave, thus continuing to receive pay. Sick leave accruals may not be used, unless the leave is taken for the employee's own serious health condition. Pay will cease when all accrued allowances have been used, and the employee shall receive leave without pay and be subject to all policies governing leave without pay, except as modified herein. The use of accrued paid time off shall not extend the length of the leave. For purposes of this policy, paid portions of family care and medical leave include only those portions for which payments are received on account of vacation, compensatory time off, administrative leave, and holiday allowances

**Leave Effects on Benefits.** During CFRA leaves, the JPA will maintain the employees' participation (if applicable) in the JPA's group health plan for the duration of the leave but not to exceed 12 workweeks over the course of a 12-month period, commencing on the date that the leave began, at the level and under the conditions that would have been provided if the employee had continued to work in his or her position for the duration of the leave. The JPA will continue to use the flex dollars to pay the premiums of the benefits selected by employees. If there are any additional payments made by the

employee toward any group health plan premiums prior to the start of the leave, the employee must continue to pay his or her share of any group health plan premiums during the leave. If an employee has other voluntary benefit plans and/or dependent medical insurance coverage, he/she will also be required to pay the regular contributions for those benefits while on leave. The JPA may recover the premiums that it paid for maintaining coverage of the employee under any group health plans, if (1) the employee fails to return from leave after the expiration of the period of leave to which he/she is entitled, and (2) such failure to return is for a reason other than the continuation, recurrence, or onset of a serious health condition or other circumstance beyond the employee's control.

Employees, to whom the JPA provides payout of flex dollars in lieu of their use for purchasing the JPA's group health plan, will continue to receive these flex dollars as long as the employee receives pay from the JPA by utilizing accrued vacation, sick time, administrative leave, or compensatory time off. The JPA will cease payout of flex dollars for any unpaid portion of the CFRA leave.

The JPA will continue payment of PERS retirement contributions (if applicable) for the first thirty days of the CFRA leave, however, this time may be extended if the employee is continuing to receive pay from the JPA by utilizing accrued allowances beyond the first thirty days.

Vacation time, sick leave, administrative leave, and holidays shall not accrue during a family care and medical leave of absence unless the employee is continuing to receive pay by utilizing accrued vacation, compensatory time off or administrative leave allowances, as well as sick leave when applicable due to employee's own serious health condition. An employee who takes a family care and medical leave of absence shall have his/her salary anniversary date extended by the same length of time as the unpaid portion of the family leave. During a family care and medical leave, the employee shall retain employee status with the JPA, and the leave shall not constitute a break in service for purposes of longevity or seniority.

Disability Insurance and Paid Family Leave Benefits. The California State Disability Insurance program ("SDI") provides short-term disability insurance benefits to eligible employees who need to take time off of work due to the employee's own non-work-related illness or injury, pregnancy, or childbirth. SDI provides up to 52 weeks of partial wage replacement benefits.

The California Paid Family Leave ("PFL") provides partial wage replacement benefits to employees who take time off of work, to care for a child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner with a serious health condition, to bond with a new child due to birth, adoption, or foster care placement, or to participate in a qualifying event resulting from an eligible family member's military deployment to a foreign country. PFL provides up to 8 weeks of partial wage replacement benefits within any 12-month period to eligible employees.

Both the SDI and PFL are administered through California's Employment Development Department ("EDD"). Employees are responsible for filing claims for the appropriate benefit directly with the EDD. SDI and PFL are not intended to provide employees with a job-protected leave of absence. The sole purpose of these benefits is to provide monetary benefits to eligible employees for qualifying reasons.

Reinstatement. Upon return from CFRA leave, the JPA will return the employee to the same or comparable position that the employee filled at the time the leave commenced. While on a leave, the employee shall retain the same status, longevity, and seniority that the employee had as of the date the leave commenced. Such leave will not be considered a break in service for the purpose of seniority-related

benefits, promotions, job assignments, layoff, or recall.

**Failure to Return from Leave.** An employee who fails to report to work on the expected date of return from CFRA leave without obtaining approval to extend the leave or take additional time off, the JPA will consider that the employee has voluntarily terminated his or her employment with the JPA. The JPA will thereafter complete and process any necessary paperwork to finalize the separation of employment.

**No Discrimination or Retaliation.** The JPA will not discriminate in any way against an individual because he or she exercised CFRA leave rights or gave information or testimony as to the employee's or other person's CFRA leave, and it will not interfere or limit in any way the exercise or attempted exercise of any such rights.

Employees should direct questions related to this Family Care and Medical Leave policy to Human Resources.

#### **7.1 UNPAID DISCRETIONARY LEAVE**

Any employee who is absent from work and who is not on leave of absence with pay shall be considered to be on unpaid discretionary leave, if such leave has been authorized by the ~~Executive Director~~ **Chief Executive Officer**. There is no entitlement to be reinstated in the exact position the employee occupied prior to the leave, the JPA is allowed to place the employee back in a substantially similar position. Additionally, if the position is subjected to layoff during the employee's absence, he or she is not insulated from layoff because of being on leave.

This section is designed to grant special requests for unpaid discretionary leave which are not specifically addressed in either the military leave, pregnancy disability leave, or New Parent Leave sections of these Personnel Rules.

An unpaid discretionary leave must be approved by the ~~Executive Director~~ **Chief Executive Officer**. No unpaid discretionary leave shall be granted unless the employee requests the leave in writing and includes the reason for the request. Approval by the appropriate authority shall be in writing. No unpaid discretionary leave pursuant to this Section shall be requested or authorized for the purpose of imposing disciplinary action upon any employee.

An employee on an unpaid discretionary leave shall not receive compensation or accrue sick leave, vacation, or holiday credits. After 30 consecutive working days on an unpaid discretionary leave, employer contributions to retirement (if applicable), life insurance, medical, dental, or other designated benefit plans shall be suspended until the employee is reinstated. However, upon approval of an unpaid discretionary leave, the employee may elect to continue his or her benefits coverage at his or her own expense, with the exception of retirement benefits which may not be so continued. Any employee requesting an unpaid discretionary leave shall utilize all of his or her accrued compensatory time-off, administrative leave, and vacation time prior to the start of the unpaid discretionary leave.

Any employee who takes an unpaid discretionary leave for more than 30 work days in a calendar year shall have his or her salary anniversary date extended by the same length of time as the leave without pay. If an employee takes an unpaid discretionary leave while on probation, his or her probationary period

shall be extended the same length of time as the leave without pay. Such extensions of salary anniversary dates and probationary periods which arise as a result of this policy shall not be perceived as casting aspersions on any employee, but rather as a way to more accurately monitor employee performance.

Upon expiration of an approved unpaid discretionary leave, the employee shall be reinstated to the same or equivalent position he or she occupied at the time leave was granted. Unauthorized failure on the part of an employee to report to work upon expiration of the unpaid discretionary leave shall constitute job abandonment and will result in dismissal, unless the failure to report was due to an employee's continued leave as a disability accommodation under the Americans with Disabilities Act or Fair Employment And Housing Act.

#### **7.J MILITARY LEAVE**

Military leave will be afforded to employees in accordance with State and Federal law. Employees must submit a copy of military orders to the ~~Executive-Director~~Chief Executive Officer prior to the beginning of the military leave period and as soon as the employee knows of the need to request such leave, except where military necessity dictates .

#### **7.K ON-THE-JOB INJURIES AND WORKERS' COMPENSATION COVERAGE**

All injuries and illnesses arising out of and in the course of employment with the JPA, including first aid injuries, shall be reported immediately to the appropriate supervisor. The supervisor, upon receiving notice of the accident, shall be responsible for (1) giving the injured employee an "Employee's Claim For Workers' Compensation Benefits" (DWC-1) form within 24 hours; and (2) immediately notifying the ~~Executive-Director~~Chief Executive Officer of the accident. The ~~Executive-Director~~Chief Executive Officer, or designee, shall be responsible for completing an "Employer's Report of Occupational Injury or Illness (Form 5020)."

Workers' Compensation benefits shall be administered in accordance with the law and the JPA's Workers' Compensation insurance policy.

Additional information concerning Workers' Compensation Leave or benefits may be obtained by contacting the ~~Executive-Director~~Chief Executive Officer.

## **SECTION 8: CONDUCT AND DISCIPLINARY GUIDELINES**

### **8.A GENERAL STATEMENT OF POLICY**

It is the JPA's belief that rules of conduct are most effective when they are written and communicated to employees and supervisors, consistently enforced, and the difference between major and minor forms of misconduct is recognized.

The JPA's goal is to administer discipline on an equitable and corrective basis. Effective discipline reinforces training by identifying rules and their reasons, correcting misconduct or improving job performance, serving as a deterrent through enforcement, and penalizing in relation to the severity of the offense and the employee's past record.

### **8.B CUSTOMER SERVICE POLICY**

Area residents, businesses, consulting firms, and members of the public, in general, depend on each JPA employee to render service speedily, efficiently, effectively and courteously. The following guidelines express in part the expectations of how employees are to implement the customer service philosophy of the JPA:

1. Employees shall keep themselves informed in order to perform their jobs effectively.
2. Employees shall be concerned about the welfare of others.
3. Employees shall be considerate, tolerant, patient and fair with others.
4. Employees shall be as cheerful and as positive as possible.
5. Employees shall use their training and capabilities to provide residents and businesses with the best service possible. Every effort should be made to provide correct answers and positive results.

### **8.C STANDARDS OF CONDUCT**

Employees are encouraged to excel in their work. JPA employees are prohibited from engaging in any conduct which could reflect unfavorably upon the JPA. The following standards are intended to govern the actions of all JPA employees during their course of employment. Employees who violate these standards shall be subject to appropriate disciplinary actions.

1. Employees shall abide by and carry out the ordinances, resolutions, policies, procedures, and the Personnel Rules and Regulations of the March JPA.
2. Employees shall always conduct themselves in a manner which reflects credit to the JPA and creates positive morale among JPA employees.
3. Employees shall operate all equipment safely and utilize safe means of carrying out their duties.

4. Employees shall follow instructions for all equipment and property.
5. Supervisors shall manage in an effective, considerate and fair manner.
6. Subordinates shall follow instructions in a positive, cooperative manner.
7. Employees shall provide service with courtesy and a smile and avoid arguments with the public and other employees. If citizens become difficult, they should be referred to a supervisor.
8. Employees shall avoid interpersonal conflict with others as it may affect productivity or the JPA's image. It is not necessary for everyone to like everyone else, but it is necessary to treat everyone professionally and courteously.
9. Employees shall dress appropriately. Although dress will vary with the type of work done, neatness, cleanliness, and a professional image are essential. Uniforms must be kept in good condition and worn while on duty, if required. All field personnel who are supplied uniforms will wear their complete uniform at all times while on the job. Exceptions may be granted on a case by case basis by the immediate supervisor.
10. The use or possession of alcoholic beverage, illegal drugs, or controlled substances while on paid duty time, or working while under the influence thereof, will not be tolerated. Violation will result in disciplinary action, as outlined in these Rules.

#### **8.D OBJECTIVE OF DISCIPLINARY GUIDELINES**

The disciplinary guidelines outlined in Section 8 are intended to be standards for applying discipline on the job. The offenses listed are not intended as exhausted or comprehensive coverage of the subject. The disciplinary actions listed are standards and guidelines. Individual circumstances may justify a supervisor, together with the ~~Executive Director~~Chief Executive Officer, administering more or less severe forms of disciplinary actions than those listed in these guidelines. The disciplinary authority must use reasonable judgment and proper documentation in each individual instance.

Any variations to these procedures will be reviewed and approved in writing by the ~~Executive Director~~Chief Executive Officer.

#### **8.E LEVELS OF OFFENSES**

There are four levels of offenses listed. A documented pattern which shows a history of recent disciplinary problems can result in cumulative or more severe disciplinary actions, including disciplinary suspension, reduction in pay, demotion, or dismissal. Moderating circumstances which may result in less severe disciplinary action include an employee's positive work record, outstanding accomplishments, length of service, and extenuating circumstances of the violation. Extenuating circumstances may justify the upward deviation of discipline at the discretion of the JPA, regardless of whether there was a prior history of discipline.

1. Engaging in any of the following conduct will most likely result in dismissal:
  - a. Theft, embezzlement, or fraud.
  - b. Falsification, unauthorized removal or alteration of official JPA records or employment applications.
  - c. Possession of, use of, or working while under the influence of alcoholic beverages or other controlled substances during JPA working hours, while on JPA property, while operating JPA vehicles, or while subject to duty (i.e., stand-by).
  - d. Assault, battery, or fighting an individual while on duty or under the guise of office.
  - e. Illegal possession or brandishing of weapons or firearms on JPA premises or property, while on duty or under the guise of office.
  - f. Acceptance of bribes or extortion.
  - g. Conviction of a felony or any crime involving moral turpitude.
  - h. Commission of an act involving moral turpitude, whether or not a conviction is obtained.
  - i. Violation of the JPA's policy against harassment, discrimination, and retaliation (see Section 1.O of these Rules and Regulations).
  - j. Intentionally damaging property of value.
  - k. Job abandonment of three consecutive work days with no notification or approved absence.
  - l. Material false statement or omission on the employment application.
  - m. Driving on JPA business with a suspended or revoked driver's license.
  - n. Continuing unsatisfactory job performance.
  - o. Felony eavesdropping or electronic recording of a confidential communication without consent of all parties to such communication.

This is not an exhaustive list. Other violations of a similar serious scope and nature will result in the above mentioned disciplinary action.

2. Engaging in any of the following conduct will most likely result in disciplinary suspension without pay for five to thirty working days, reduction in pay, or dismissal depending upon the circumstances, accumulation, or pattern of offenses. Other recently documented violations along with this incident or the repeating of such offenses will result in dismissal.
  - a. Intentionally misusing or abusing JPA property or property of another.
  - b. Disregard for major safety rules.
  - c. Insubordination by refusing a supervisor's legitimate order.
  - d. Unlawfully restricting work efficiency and production.
  - e. Attempting to provoke a fight on JPA premises, threatening, or deliberately intimidating others through threat of physical force.
  - f. Unauthorized release of information which has been validly classified as confidential.
  - g. Intentional mistakes or gross negligence causing damage.
  - h. Use of authority for personal gain.
  - i. Dishonesty, including falsifying time cards or other reports.
  - j. Driving on JPA business with an expired license.



This is not an exhaustive list. Other violations of a similar serious scope and nature will result in the above mentioned disciplinary action.

3. Engaging in any of the following conduct will most likely result in a written reprimand on the first offense, a disciplinary suspension of one to nine working days, reduction in pay, or demotion on the second offense, and possible dismissal on the third. Other recently documented violations in conjunction with this violation will result in more severe disciplinary action.

- a. Unauthorized operation of tools, machinery or equipment.
- b. Gambling on JPA property.
- c. Disregard of minor safety rules including failure to report an injury or accident.
- d. Abuse of authority.
- e. Carelessness or inefficiency in completing assignments.
- f. Unauthorized sleeping or unaccounted whereabouts while on duty.
- g. Traffic violations, including preventable accidents, in JPA vehicles or while on JPA business.
- h. Unauthorized absences or excessive leave without pay.
- i. Abusive language which is personally or professionally insulting or derogatory.
- j. Failure to notify the employee's supervisor of the loss of a required certificate or license, including driver's license.
- k. Statements or allegations which are malicious, vexatious, or not made in good faith and designed to discredit another individual or agency.

This is not an exhaustive list. Other violations of similar scope and nature will result in the above mentioned disciplinary action.

4. Engaging in any of the following conduct will most likely result in either an informal discussion or formal warning on the first offense and a written reprimand on the second offense. Further incidents will result in more serious disciplinary action, including possible disciplinary suspension, reduction in pay, demotion or dismissal. Other recently documented violations in conjunction with this violation will also result in more severe disciplinary action.

- a. Creating or contributing to unsanitary conditions.
- b. Violation of smoking policy.
- c. Unauthorized soliciting of contributions.
- d. Distributing unauthorized printed matter on JPA time.
- e. Failure to meet production or performance standards.
- f. Engaging in behavior which prevents or hampers job performance.
- g. Tardiness in reporting to work.
- h. Abuse of sick leave.
- i. Abuse of breaks or lunch time.
- j. Inability or unwillingness to work harmoniously with other employees.
- k. Failure to contact supervisor when late or absent.
- l. Failure to report change of vital information.

- m. Failure to observe reasonable standards of personal appearance.
- n. Failure to follow specified job instructions.
- o. Minor safety violations, including housekeeping rule violations.
- p. Frequent personal phone calls.
- q. Frequent violations of established departmental rules and procedures.
- r. Reading non-related material during work time when not authorized.
- s. Misrepresentation of facts which does, or may lead to, a disruption of JPA business.
- t. Posting or distributing materials or telling jokes which are offensive to a person or persons with normal sensibilities.

This is not an exhaustive list. Other violations of a similar scope and nature will result in the above mentioned disciplinary action.

### **8.G Weapons/Anti-Violence Policy**

**Weapons.** Employees shall not carry firearms or any other weapons in JPA vehicles or on JPA property, including personal vehicles parked on JPA property. Employees who feel that they require personal protection shall discuss same with their Supervisor or Department Head. Management will then review the conditions and determine what action, if any, is appropriate

**Anti-Violence Policy.** The JPA has adopted a “zero tolerance” Policy regarding workplace violence. Consistent with this Policy, acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect the JPA or which occur on JPA property will not be tolerated. Acts or threats of violence include conduct which is sufficiently severe, offensive, or intimidating to alter the employment conditions at the JPA or to create a hostile, abusive, or intimidating work environment for one or several JPA employees.

**Definitions.** Workplace violence includes, but is not limited to the following:

- All threats or acts of violence occurring on JPA premises, regardless of the relationship between the JPA and the parties involved in the incident.
- All threats or acts of violence occurring off the JPA premises involving someone who is acting in the capacity of a representative of the JPA, or while during working hours off-premises.
- All threats or acts of violence occurring off the JPA premises involving an employee of the JPA if the threats or acts affect the legitimate interests of the JPA.
- Any acts or threats resulting in the conviction of an employee or agent of the JPA, or of an individual performing services for the JPA on a contract or temporary basis, under any criminal code provision relating to violence or threats of violence which adversely affect the legitimate interests and goals of the JPA.

**Specific examples.** Specific examples of conduct which may be considered threats or acts of violence include, but are not limited to, the following:

- Hitting or shoving an individual.
- Threatening an individual or his or her family, friends, associates, or property with harm.
- The intentional destruction or threat of destruction of JPA property.
- Harassing or threatening phone calls.
- Harassing surveillance or stalking.
- The suggestion or intimation that violence is appropriate.
- Unauthorized possession or inappropriate use of firearms or weapons.

**Application.** The JPA's prohibition against threats and acts of violence applies to all persons involved in the JPA's operation, including but not limited to JPA personnel, contract, and temporary workers and anyone else on JPA property. Violations of this Policy by any individual on JPA property, by any individual acting as a representative of the JPA, by any individual acting as a representative of the JPA while off JPA property, or by any individual acting off of JPA property when his or her actions affect the JPA's interests will lead to disciplinary action (up to and including termination) and/or legal action as appropriate. (See Section 8F.(2)(e).)

## SECTION 9: DISCIPLINARY ACTIONS AND APPEAL PROCESS

### 9.A DEFINITION OF DISCIPLINARY ACTION

"Disciplinary Action" means action taken by the ~~Executive Director~~Chief Executive Officer for disciplinary reasons, pursuant to these Rules and applies to all categories under this Section. Such disciplinary actions include: (1) a formal verbal warning; (2) a written reprimand; (3) disciplinary suspension; (4) reduction in pay; (5) demotion; or (6) dismissal.

### 9.B MAJOR DISCIPLINE

Regular employees, and other employees where required by law are entitled to the notice and hearing provisions (although no legal obligation exists) as listed in this section.

1. Pre-disciplinary hearings:

a. Prior to the imposition of a major disciplinary action, which shall include, but is not limited to, an unpaid suspension of more than five (5) days, demotion, reduction in pay of one (1) month or more (which equates to a loss of pay which is more than the equivalent of a five (5) day suspension), or discharge, all regular employees shall be presented with a written Notice of Proposed Disciplinary Action informing the employee as to his/her right to a pre-disciplinary hearing.

b. The Notice of Proposed Disciplinary Action shall include:

i. A description of the discipline proposed;

ii. A statement of the reasons for which the action has been proposed, which shall include a brief description of the alleged facts upon which the proposed action is being taken and a statement of any employer rules, regulations, etc. or laws that are alleged to have been violated; and, if applicable, a list of any previous disciplinary actions, counseling, evaluations or other relevant actions which support the action proposed;

iii. Copies of any documents relied upon in reaching a decision to propose the disciplinary action; and

iv. A statement advising the employee that he may respond to the ~~Executive Director~~Chief Executive Officer, or his/her designee, regarding the proposed disciplinary action, orally or in writing, before it takes effect. This part of the Notice of Proposed Disciplinary Action shall include the name of the person to whom the response is to be made, if other than the ~~Executive Director~~Chief Executive Officer, and the last date upon which a response may be made.

c. The employee shall have seven (7) working days from the date of the Notice of Proposed Disciplinary Action to respond to the charges, either orally or in writing. Upon a showing of good cause, the JPA may extend the time for response beyond seven (7) working days. In responding, either orally or in writing, the employee may designate a representative to assist in the

presentation of the response.

i. In the event that the employee chooses to respond orally, the employee must, within the period given to respond, make an appointment, and meet with the ~~Executive Director~~Chief Executive Officer or his/her designee.

ii. During this meeting, the employee or the employee's representative, may present any reasons why the employee feels that the proposed action is not proper. The ~~Executive Director~~Chief Executive Officer or his/her designee shall listen to the employee's presentation, but need not present any evidence on behalf of the JPA, nor shall either party present witnesses for examination at this time.

iii. A written response must be received in the office of the ~~Executive Director~~Chief Executive Officer no later than 5:00 p.m. on the last day given to respond.

d. The ~~Executive Director~~Chief Executive Officer or his/her designee shall take the employee's timely response into consideration and shall make a determination as to whether or not the proposed action, a different action, or no action shall be taken.

e. Failure by the employee, or the employee's representative, to respond to the Notice of Proposed Disciplinary Action within the period allowed shall result in the disciplinary action taking effect as proposed.

## 2. Right to Appeal:

a. Any regular employee shall have the right to appeal any major disciplinary action, including, but not limited to, an unpaid suspension of more than five (5) days, a demotion, a reduction in pay of one (1) month or more (which equates to a loss of pay which is more than the equivalent of a five (5) day suspension), or a discharge.

b. Requests for appeal shall be made in writing, signed by the employee and filed with the ~~Executive Director~~Chief Executive Officer within ten (10) working days of the effective date of the discipline. Failure to do so shall constitute waiver of the right to appeal and failure to exhaust administrative remedies.

c. At its next regular meeting following receipt of a timely notice of appeal from the decision of the ~~Executive Director~~Chief Executive Officer or his/her designee, the JPC may appoint a Hearing Officer, Appeal Board, or Committee of the JPC to hear the appeal and recommend a decision which it shall certify to the JPC, or the JPC may hear the appeal. If the JPC hears the appeal, the employee shall be given the option of having the hearing held in open session.

d. The ~~Executive Director~~Chief Executive Officer shall notify the employee of the date, time and place of the hearing.

e. The employee shall appear personally at the hearing and may be represented by Counsel of his/her choice. In the event that the employee fails to personally appear, the appeal shall be deemed waived.

f. All parties and witnesses to be heard at the hearing shall be sworn and shall testify under oath. The hearing shall not be conducted according to technical rules relating to evidence and witnesses, except as hereinafter provided. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of the evidence over objection in civil actions. Hearsay evidence may be admitted, but it may not be the sole basis upon which a finding is made.

g. Upon conclusion of a hearing not conducted by the JPC, the Hearing Officer, Appeal Board, or JPC Committee shall cause its findings and recommendations to be prepared in writing and shall deliver the same to the JPA within twenty (20) working days following the conclusion of the hearing.

h. The ~~Executive Director~~Chief Executive Officer shall deliver a copy of such findings and recommendations of the Hearing Officer, Appeal Board, or JPC Committee to the JPC and to any other officer or employee affected by such findings and recommendations or from whose actions the appeal was taken. The JPC may then adopt, reject or modify such recommendations. Findings may be modified only upon a showing by the JPC that such modification is supported by appropriate evidence in the hearing record. The decision of the JPC shall be final for all purposes.

#### **9.C MINOR DISCIPLINE**

Regular employees, and other employees, where required by law are entitled to the notice and hearing provisions (although no legal obligation exists) as listed in this section.

In the case of minor discipline, which shall include, but is not limited to, an unpaid suspension of five (5) days or less, reduction of pay of less than one (1) month (which equates to a loss of pay which is the equivalent of a five (5) day or less suspension), and written reprimand, employee shall be afforded the following:

1. Notice of Disciplinary Action, which shall include:
  - a. A description of the discipline and, except with regard to a written reprimand, the effective date(s) of the discipline;
  - b. A statement of the reasons for which the action is based on, which shall include a brief description of the alleged facts upon which the action is being taken and a statement of any employer rules, regulations, etc. or laws that are alleged to have been violated; and, if applicable, a list of any previous disciplinary actions, counseling, evaluations or other relevant actions which support the action proposed.
  - c. Copies of any documents relied upon in reaching a decision to implement the disciplinary action; and
  - d. A statement advising the employee that he/she may respond to the ~~Executive Director~~Chief Executive Officer, or his/her designee, regarding the disciplinary action, orally or in writing, after it takes effect. This part of the Notice of Disciplinary Action shall include the name of the person

to whom the response is to be made, if other than the ~~Executive Director~~Chief Executive Officer, and the last date upon which a response may be made.

2. The employee shall have seven (7) working days from the date of the Notice of Disciplinary Action to respond to the charges, either orally or in writing. Upon a showing of good cause, the JPA may extend the time for response beyond seven (7) working days. In responding, either orally or in writing, the employee may designate a representative to assist in the presentation of the response.

a. In the event the employee chooses to respond orally, the employee must, within the period given to respond, make an appointment and meet with the ~~Executive Director~~Chief Executive Officer or his/her designee.

b. During this meeting, the employee, or his/her respective representative, may present oral argument and documentary evidence in support of his/her position; however, the employee shall not be permitted to call and examine witnesses.

c. A written response must be received in the office of the ~~Executive Director~~Chief Executive Officer no later than 5:00 p.m. on the last day given to respond.

3. The ~~Executive Director~~Chief Executive Officer or his/her designee shall take the employee's timely response into consideration and shall make a determination as to whether or not the disciplinary action was appropriate. The ~~Executive Director~~Chief Executive Officer may uphold the disciplinary action, or decide to impose a lesser form of discipline.

4. Failure by the employee, or the employee's representative, to respond to the Notice of Disciplinary Action within the period allowed shall result in the employee waiving his/her right to respond.

5. In the case of minor discipline, no right of appeal is provided, except for the right to respond as set forth in Section 2, above.

## SECTION 10: GRIEVANCES

### 10.A POLICY

Grievances are defined as any good faith or reasonable complaint between the JPA and an employee or group of employees involving the interpretation, application, or enforcement of these Personnel Rules and Regulations, however, complaints involving performance evaluations, denial of merit pay increases, employee classification, disciplinary actions, rejection from probation, layoffs, and termination of temporary and at-will employees are not grievable. Employees of the JPA shall be required to comply with the procedures set forth regarding items which are grievable. Failure to comply with the timelines set forth by this grievance procedure shall result in waiver of the right to file a grievance.

Employees of the JPA who pursue grievances according to the provisions of this grievance procedure shall be free of harassment, discrimination, and/or retaliation by fellow employees, supervisors and administration and shall in no way effect their present or future employment status.

### 10.B GRIEVANCE PROCEDURE STEPS

The steps of the grievance procedure as follows:

1. Grievances must be discussed with the employee's immediate supervisor, or his/her superior in the event that the employee's problem is with the supervisor, within five (5) working days of the occurrence of the event giving rise thereto. The supervisor or his/her superior will attempt to resolve the matter and will, within a reasonable period of time, issue his/her decision on the matter in writing.
2. If not previously resolved, the employee may, within five (5) days of receiving the written decision of the employee's supervisor or his/her superior, submit a written request for review by the department head. The written request must be made on the form prescribed by the ~~Executive Director~~Chief Executive Officer, and shall contain a clear, concise statement of the grievance and facts upon which it is based. The written request must contain a citation to the rule, regulation, or policy allegedly violated, as well as the specific remedy sought. The department head shall make such investigation of the facts and issues as is warranted under the circumstances and shall make a determination within five (5) working days of receipt of the request and the written decision of the supervisor or his/her superior.
3. If the employee is dissatisfied with the determination of the department head, the employee shall, within five (5) working days of receipt of the department head's determination, notify the department head and the ~~Executive Director~~Chief Executive Officer of the employee's desire to appeal such determination. Said notice shall be in writing.
4. The ~~Executive Director~~Chief Executive Officer, or his/her designee, shall arrange and conduct a meeting between the employee and the department head. At such meeting, discussion shall be limited to the issues raised in the initial grievance complaint and an earnest effort shall be made to resolve the problem.
5. Following the meeting, the ~~Executive Director~~Chief Executive Officer shall issue a statement of his/her conclusions and findings. The decision of the ~~Executive Director~~Chief Executive Officer shall be final.



## SECTION 11: EMPLOYEE RECORDS AND FILES

### 11.A PERSONNEL FILES

1. Central Personnel Files: The ~~Executive Director~~Chief Executive Officer shall maintain a central personnel file for each JPA employee indicating the employee's name, title of position, the department assigned, salary, changes in employment status, performance evaluations, disciplinary documents and such other information as may be considered pertinent by the ~~Executive Director~~Chief Executive Officer. Copies of documents concerning disciplinary actions taken by the supervisor or ~~Executive Director~~Chief Executive Officer must be placed in the employee's central Personnel file. There will be no disclosures of this information to third parties except as authorized by State or Federal law or as duly authorized in writing by the employee.

Personnel files shall be kept in locked, fire-proof files located in the ~~Executive Director~~Chief Executive Officer's office.

2. Payroll Files: The JPA staff shall maintain a file for each JPA employee showing the name, title of position, the department assigned, salary, changes in employment status, W-4 forms, payroll deductions and such other information as may be considered pertinent by the ~~Executive Director~~Chief Executive Officer. There will be no disclosures of this information to third parties except as authorized by State and Federal law, or as duly authorized in writing by the employee to third parties.

Nothing herein shall prohibit the JPA from keeping or placing documents in an observation file for the purpose of investigating alleged criminal conduct. For the purposes of this Section, an observation file shall not be considered a personnel file, and an employee or his or her designated representative shall not have access to observation files nor receive copies of documents placed in such files.

Unless required for a criminal investigation, an observation file on an employee shall remain open for a maximum of six months. If disciplinary action by the JPA is warranted or if the employee is found guilty of criminal activity, documents in the observation file shall be placed in the employee's personnel file(s).

Medical information is confidential under the California Confidentiality of Medical Information Act and kept separate from personnel files (Civ. Code § 56, *et seq.*)

### 11.B DOCUMENTS IN PERSONNEL FILES

Upon request of the employee, an employee may place documents in his or her respective personnel files that commends his or her job performance with the JPA or demonstrates educational attainment.

Disciplinary documents shall be placed in personnel files. An employee may be provided a copy of any documents placed in his or her personnel file, and may review his or her file on request. However, employees are not entitled to review documents which are exempt from disclosure pursuant to Labor Code section 1198.5.

#### **11.C ACCESS TO FILES**

No person other than the ~~Executive Director~~Chief Executive Officer, JPA Attorney, Special Legal Counsel, immediate supervisor, or their designated representatives shall have access to an employee's central or department personnel file. No person other than the payroll division staff, ~~Executive Director~~Chief Executive Officer, or the JPA Attorney shall have access to an employee's payroll file. Upon making an appointment, an employee or a person designated in writing by the employee for such purpose may inspect the contents of his or her respective personnel file. However, employees are not entitled to review documents which are exempt from disclosure pursuant to Labor Code section 1198.5. Upon paying the reasonable cost associated therewith, except as provided above, an employee or his or her designated representative may obtain copies of any documents contained in the employee's personnel file. Access to files will be provided where necessary to comply with a legally issued subpoena or other law.

The employee may file a grievance regarding the contents of his or her personnel file in accordance with the Grievance Procedure regulations outlined in Section 10.

#### **11.D DISCLOSURE OF INFORMATION**

Prospective employers of current or former employees who request information regarding said current or former employees shall be directed to Human Resources only. Human Resources shall then only disclose the current or former employee's dates of employment and job title. No other information may be disclosed, and only Human Resources (or the ~~Executive Director~~Chief Executive Officer) has the authority to disclose that information. An employee or former employee may authorize access to or the disclosure of information from their personnel file or payroll records only when the employee or his or her representative presents the employee's signed written release for the disclosure of the information to the ~~Executive Director~~Chief Executive Officer or Human Resources. Nothing herein shall preclude nor specifically deny the use of any information in personnel files in any phase of a disciplinary or probationary action.

Access to other information will be provided where necessary to comply with a legally-issued subpoena or other law.

#### **11.E CHANGES-IN-STATUS**

It is the employee's responsibility to notify the JPA staff of any changes in his or her address, phone number, marital status, dependent status, name change, training certificates, or other pertinent information.

#### **11.F APPLICATION RETENTION**

Applications submitted by candidates for JPA employment become the property of the JPA and must be retained for at least three years.

#### **11.G DESTRUCTION OF PERSONNEL RECORDS**

Personnel records, including employment applications, shall be destroyed only in accordance with the provisions of the JPA's system for the destruction of public records and then in accordance with other applicable law.

## SECTION 12: EMPLOYEE BENEFITS

### 12.A BENEFITS PROGRAM

Benefits for JPA employees shall be provided as outlined in the JPA's Benefit Plan. Further information on these benefits may be obtained by contacting the ~~Executive Director~~Chief Executive Officer.

The JPA retains the right to alter the benefit plan, if it finds such changes to be in the best interest of the JPA. The following policies are based on Federal law and may change from time to time.

### 12.B HOLIDAYS

Days which are designated as paid holidays (equal to ~~9~~40 hours each ~~due to the current flexible work schedule of 9/80~~) by the JPC shall be holidays for JPA employees, unless otherwise specified. A holiday falling on Sunday will be observed the following Monday. A holiday falling on Saturday will be observed the previous Friday. ~~Should a holiday fall on the employee's normal day off on a Friday, a day off will be taken on the first working day either immediately before or after the holiday as determined by the Chief Executive Officer.~~

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1. Regular Full-time Employees are entitled to the following 13/14 paid holidays each year:
  - New Year's Day
  - Dr. Martin Luther King, Jr. Day
  - President's Day
  - Memorial Day
  - Independence Day
  - Labor Day
  - Veterans' Day
  - Thanksgiving
  - Day after Thanksgiving
  - Christmas Eve
  - Christmas Day
  - Two (2) Floating Holidays- Equal to ~~18~~20 hours (hired after 02/15/12)
  - Three (3) Floating Holidays- Equal to ~~27~~30 hours (hired before 02/15/12)
2. Floating Holiday: Regular employees are entitled to two paid floating holidays each calendar year. Probationary employees are not entitled to a floating holiday until they have completed six months of service. These holidays shall take place on a date of the employee's choosing, provided the employee's supervisor deems them compatible with work schedules. Each floating holiday equals ~~9~~40 hours and must be taken within the calendar year in which it is earned. Employees who have not used their floating holidays by December 1st will have them scheduled for them by management if practicable. Floating holidays cannot be waived and either must be used or paid out at the end of the calendar year at the employee's then current rate of pay.

- a. Regular employees hired prior to February 15, 2012 are entitled to a total of three (3) floating holidays in consideration for changing the employer's paid member contribution to the California Public Employees' Retirement System to zero percent.
3. Regular Part-time Employees shall receive holiday compensation on a pro-rata basis for the first 12 holidays listed above. Holiday compensation for these employees shall be calculated by the number of hours worked as a percentage of the preceding 40 hour workweek.
4. Temporary Employees will not normally be given paid holidays, but will be given leave without pay on holidays which preclude their working.
5. In-Lieu Holiday: Any non-exempt employee whose work schedule requires the employee to work on an approved holiday will be awarded an in-lieu holiday which will be entered on the time sheet as compensatory time at the overtime rate (time-and-one-half), in addition to their regular wages for the hours worked. Employees who work less than ten hours on a holiday will receive compensatory time at the overtime rate equaling the actual time worked or shall be paid at the overtime rate for those hours worked plus holiday pay. The choice to receive pay or compensatory time is the employee's.

#### **12.C VACATION LEAVE**

All vacations must be requested and scheduled in advance (at least one week prior to leave) when practical and approved by the department supervisor or ~~Executive Director~~ **Chief Executive Officer**. Vacations shall be taken at such a time as not to place an undue burden on the department or division. When personal emergencies arise, vacation leave may be granted over the phone, but followed up by the written request. All JPA employees are encouraged in the interest of their own health and well-being to utilize, rather than to accumulate, vacation time.

With reasonable advance notice vacation time must be used for employees to (1) participate in the activities of schools or licensed child daycare facilities attended by their children; (2) find, enroll, or reenroll their children in a school or with a licensed child care provider; or (3) address a child care provider or school emergency. Management must grant such leave up to 40 hours per year per dependent child if so requested by the employee, but no more than 8 hours in any calendar month. If the employee does not have sufficient vacation time, the leave will be provided without pay.

When a fixed holiday falls within a vacation period, the holiday time shall not be charged against an employee's earned vacation benefits. All employees must be employed by the JPA for at least 180 days (six months) before vacation time can be utilized. Additionally, there is a maximum amount of vacation time that employees may accrue. Once an employee reaches his/her applicable vacation cap, he/she will not accrue additional vacation time until that employee uses vacation and their vacation bank is depleted below the cap unless, in the sole discretion of the ~~Executive Director~~ **Chief Executive Officer**, an employee was unable to take vacation through no fault of their own.

1. Regular Full-time Employees, as outlined in the JPA's Benefit Plan, shall receive vacation benefits as follows:

- a. Executive Management Employees with less than eight full years of continuous service shall earn 4.62 hours of vacation time per pay period of service (15 vacation days per year), accruing from the date of hire. Beginning the ninth consecutive year of service, Executive Management employees shall accrue vacation at the rate of 6.2 hours of vacation time per pay period (20 vacation days per year). Employees in this category may accrue up to 480 hours of vacation leave.
  - b. Middle Management and Professional/Administrative/Management Employees with less than five full years of continuous service shall earn 3.08 hours of vacation time per pay period of service (10 vacation days per year), accruing from the date of hire. Beginning the sixth consecutive year of service, these management employees shall accrue vacation at the rate of 4.62 hours of vacation time per pay period (15 vacation days per year). Beginning the eleventh consecutive year of service, employees in these categories shall accrue vacation at the rate of 5.54 hours of vacation time per pay period (18 vacation days per year). Employees in this category may accrue up to 440 hours of vacation leave.
  - c. General Non-Exempt Employees with less than five full years of continuous service shall earn 3.08 hours of vacation time per pay period of service (10 vacation days per year), accruing from the date of hire. Beginning the sixth consecutive year of service, these employees shall accrue vacation at the rate of 4.62 hours of vacation time per pay period (15 vacation days per year). Beginning the eleventh consecutive year of service, employees in these categories shall accrue vacation at the rate of 5.54 hours of vacation time per pay period (18 vacation days per year). Employees in this category may accrue up to 320 hours of vacation leave.
2. Regular Part-time Employees shall receive and use vacation benefits on an individual basis, calculated by the number of hours worked as a percentage of a 40 hour workweek. Employees in this category may accrue up to 160 hours of vacation leave, provided this cap is at least 1.5 times the annual amount of vacation accrued. Part-time employees must fulfill the basic 20 hours per week schedule by either working or using leave.
  3. Temporary Employees are normally not eligible for paid vacation leave, but may take leave without pay as approved by their supervisors.
  4. Employees who have accumulated vacation and whose employment is terminated with the JPA, shall receive payment for all unused and accumulated vacation.

#### **VACATION BUY-BACK**

Once annually, vacation leave accrued and unused above one hundred twenty (120) hours may be converted to a cash payment. Cash payment will be allowed one time per fiscal year at the current hourly rate of the requesting employee, but not to exceed one hundred (100) hours in any one (1) fiscal year. New hire employees on probation are not eligible for vacation buy-back.

#### **12.D ADMINISTRATIVE LEAVE**

Certain exempt employees will receive paid administrative leave days in lieu of overtime compensation as exempt employees are not entitled to overtime compensation or compensatory time off. All administrative leave must be requested and scheduled in advance (at least one week prior to leave) when practical and approved by the department head or ~~Executive Director~~Chief Executive Officer. Administrative leave shall be earned on a pro-rated calendar year basis and reflected as accrued each pay period as follows:

1. Executive Management and Middle Management Employees shall receive 80 hours (10 days) of administrative leave per calendar year.
  - a. Executive Management and Middle Management employees hired prior to February 15, 2012 shall receive a total of 96 Hours (12 days) of administrative leave per calendar year in consideration for changing the employer's paid member contribution to the California Public Employees' Retirement System to zero percent.
2. Professional/Administrative Management Employees shall receive 60 hours (7.5 days) of administrative leave per calendar year.
  - a. Professional/Administrative Management employees hired prior to February 15, 2012 shall receive a total of 68 Hours (8.5 days) of administrative leave per calendar year in consideration for changing the employer's paid member contribution to the California Public Employees' Retirement System to zero percent.

Although Administrative Leave is earned on a pro-rata basis, the full amount of Administrative Leave to be accrued for the calendar year may be used in advance at any time during the year subject to the supervisor's approval. If an employee terminates, the employee will only be paid for the pro-rated administrative leave earned to the date of termination. If the employee who terminates has not earned enough pro-rated administrative leave to cover administrative leave used prior to termination, the remaining balance due shall be subtracted from any vacation or sick leave pay out or earned salary that the employee may be due upon termination.

Administrative Leave shall be utilized first within the calendar year it is earned and it will be paid out at the end of the calendar year in which it was earned if not used with the approval of the ~~Executive Director~~Chief Executive Officer.

#### **12.E FLEXIBLE BENEFIT PLAN**

The JPA has adopted a "flexible benefit or cafeteria" plan which will cover certain JPA benefits. Employees, other than those listed below, are not eligible for flexible plan benefits. JPA employees shall receive the following amounts on a yearly basis in order to "purchase" benefits from the plan. These benefits are paid on a 24-pay period basis. Employees may change benefit elections only during open enrollment periods except when there are changes in family or employment/pay status or hardship emergency situations.

1. Regular Full-time exempt Employees shall receive an amount as approved by the JPC per plan year with which to purchase benefits.

2. As part of the flexible benefit plan, all full-time exempt employees must purchase group medical insurance coverage for themselves, or annually provide proof of other medical coverage, i.e., through one's spouse's coverage, military, etc. If the JPC deems it in the JPA's best interest, the JPA, at its option, may require all employees to purchase the JPA's preferred coverage and not allow verification of other coverage. Once this individual medical coverage has been purchased or verified, employees may purchase any of the following options with the balance:
  - a. Medical Insurance: Once medical insurance has been purchased for the employee, he or she may also choose to purchase excess coverage for him-or-herself or insure any dependents. Eligible employees may choose from a variety of health care providers as offered by the JPA. Medical benefits, plan costs, and any deductible costs may vary depending upon the insurance carrier offered by the JPA and chosen by the employee. Those who choose to provide other kinds of medical coverage must report any change in that coverage within two weeks of any change of active status. Failure to do so may result in disciplinary action, forfeiture of the privilege to verify other coverage, and immediate enrollment in a JPA offered medical plan.
  - b. Other Coverage: Employees may purchase other coverages such as life insurance and dependent care at employee's expense.
  - c. Dependent Care (Child and Elder): Employees may purchase dependent (child and elder) care coverage, as long as this care is provided by an eligible provider. (An eligible provider is defined as one which complies with applicable JPA, County, and State licensing requirements, and is included on the JPA's provider list.)
  - d. Military/PERS Buy Back: Employees may use flex dollars towards purchasing up to four years of military service credit towards the Public Employee Retirement System (PERS), retirement longevity, or to repurchase previously sold PERS credit from former PERS employers. These dollars are taxable.
  - e. Use or Lose Provision: Flex dollars may not be carried over from one plan year to the next, according to IRS regulations. Employees who have left over funds and who do not elect additional vacation hours will be paid in cash. This amount will be subject to Federal and State withholding taxes.
3. Temporary Employees are not entitled to the benefits of the JPA's Flexible Benefits Plan.

#### **12.F MANAGEMENT PACKAGE**

Certain categories of exempt employees are entitled to a management benefit package as a percentage of their gross annual salary. The dollar amount shall change as salary increases are received. This amount will be disbursed on a 26-pay period basis. These employee categories and percentages are as follows:

1. Executive Management Employees shall receive six percent of their gross annual salary.
2. Middle Management Employees shall receive four percent of their gross annual salary.



3. Professional/Administrative/Management Employees shall receive two percent of their gross annual salary.

This management package percentage amount may be expended in any of the flexible benefit plan options previously discussed. Other benefit options will be made available as they are approved by the JPC in accordance with applicable IRS guidelines.

#### **12.G PERS MEDICAL COVERAGE FOR RETIREES**

The JPA shall contribute amount determined by PERS contract monthly for active and retiree medical coverage to the PERS, effective February 1, 2004. Retirees must convert to Medicare at age 65.

#### **12.H LIFE INSURANCE**

The JPA provides term life insurance coverage for all JPA employees. Coverage becomes effective on the first day of the month which follows the first 30 days of employment with the JPA. The premium is paid by the JPA. The amount of coverage is determined as follows:

1. Executive Management and Middle Management Employees shall receive term life insurance at an amount which is three times their annual salary (rounded to the nearest thousand) – Maximum \$300,000.
2. Professional/Administrative/Management Employees shall receive term life insurance at an amount which is two times their annual salary (rounded to the nearest thousand) – Maximum \$300,000.
3. General Non-Exempt and Regular Part-Time Employees shall receive term life insurance at an amount which is one time their annual salary (rounded to the nearest thousand) – Maximum \$300,000.
4. The JPA's death benefit to survivors of a member who dies prior to retirement shall be the PERS 1959 Survivor Level IV Option (Section 21574.). For more information, please see Human Resources.

#### **12.I DISABILITY INSURANCE**

Disability Insurance is determined as follows:

1. **Short-Term Disability Insurance - STD:** The JPA provides short-term disability insurance to all regular employees who work a minimum of 30 hours per week and who are disabled primarily as a result of a non-work-related illness or injury. This benefit commences between the first day and 30 calendar days of disability. In order to be eligible for benefits, an employee must be totally disabled for one month before benefits become payable.

The actual nature of the benefits provided will be determined and may be changed from time to time based on the insurance carrier and the benefits that are selected.

2. **Long-Term Disability Insurance - LTD:** The JPA provides long-term disability insurance to all regular employees who work a minimum of 30 hours per week and who are disabled primarily as a result of a non-work-related illness or injury. This benefit commences after 90 calendar days of disability. In order to be eligible for benefits, an employee must be totally disabled for one month before benefits become payable. For the first 24 months of a disability, "totally disabled" means that a former employee is prevented by disability from doing all the material and substantial duties of his or her job. If the disability persists beyond 24 months, the former employee is re-evaluated to determine whether he or she can be rehabilitated for another career. If the employee can be rehabilitated, the employee is eligible for Rehabilitative Employment Services. If the employee cannot be rehabilitated for any career, total disability payments will continue.

The actual nature of the benefits provided will be determined and may be changed from time to time based on the insurance carrier and the benefits that are selected.

Employees eligible for Workers' Compensation benefits are not eligible for long-term disability benefits. However, a disabled employee may be eligible for long-term disability benefits for a work-related illness or injury after all Workers' Compensation benefits have ceased. Workers' Compensation information can be found in Section 7.I of the March JPA's Personnel Rules.

3. **Continuation of Accruals and Benefits:** The JPA shall extend payment of the medical insurance contribution for regular full-time employees up to an additional 90 calendar days during a 12-month period while an employee is disabled due to a non-work-related illness or injury. Such an extension of medical coverage shall take effect when existing coverage would otherwise expire. Employees not classified as regular full-time shall not accrue any leave or receive any benefits once all of their accrued time (sick leave, vacation, compensatory time, or administrative leave) has been exhausted.

#### **12.J. UNEMPLOYMENT COMPENSATION**

As required by State law, all JPA employees are covered under the California Unemployment Compensation Program. Further information can be obtained by contacting the local State of California Employment Development Department.

#### **12.K JPA RETIREMENT PLAN**

The JPA provides retirement benefits for all employees through PERS. The JPA pays employer's contributions into the plan. Effective March 6, 2012, the employee must pay the employee's contributions into the plan. At its option, the JPA may change its retirement system provider upon adoption by the JPC. Prior to any changes in retirement benefits, those eligible for retirement must be notified at least 30 days in advance. Current retirement benefits are available as follows, but employees are directed to Human Resources for the most up-to-date information:

1. **Regular Full-time Employees:**
  - a. receive JPA paid employer's contribution into PERS retirement benefits.

- b. pay employee's contribution into PERS retirement benefits.
- 2. Part-time and Temporary Employees after 1,000 hours worked in a fiscal year:
  - a. receive JPA paid employer's contribution into PERS retirement benefits.
  - b. pay employee's contribution into PERS retirement benefits.

PERS refunds may be issued ONLY if the member has permanently separated from all PERS-covered or reciprocal employment. If members have been on an unpaid leave of absence for at least six months, they may request a refund of their contributions prior to returning to active employment.

For all employees hired before January 1, 2013 the PERS benefit formula is 2.7% at 55 years of age.

For all employees hired after December 31, 2012 the following PERS benefit formulas shall apply:

- PERS New Members as defined by the Public Employees' Pension Reform Act of 2013, all PERS New Members shall receive a benefit formula of 2.0% at 62 years of age.
- PERS Traditional (**Classic**) Members as defined by the Public Employees' Pension Reform Act of 2013, shall receive a benefit formula of 2.7% at 55 years of age.

#### **12.L EMPLOYEE ASSISTANCE PROGRAM (EAP)**

Depending on budget and other considerations, the JPA may provide an employee assistance program. The EAP provides counseling and other services to assist employees and their families to deal with personal and emotional problems which affect or might potentially affect their job performance. This counseling is confidential.

#### **12.M MEDICARE**

By law, effective after April 1, 1986, all employees must have a certain percentage (currently 1.45%) deducted from their gross pay for Medicare. The JPA will deduct the employee contributions in accordance with Federal law. The JPA shall pay the employer's share, which is equal to the employee's share.

#### **12.N FLEXIBLE SPENDING ACCOUNT**

The JPA has available to all full-time employees, and those who qualify for the JPA's group medical coverage, an Internal Revenue Code (IRC) Section 125 account. The monthly cost of plan administration will be borne by those eligible employees who voluntarily elect to enroll. The Plan is not available until the employee has passed initial probation (normally at twelve months). An employee's contributions for out of pocket healthcare expenses from his/her salary account, if not used, may be forfeited. See the Summary Plan Description for details.

#### **12.O IRC SECTION 457 PLAN**

The JPA has available to all employees an Internal Revenue Code (IRC) Section 457 Account.

Deferred Compensation: Employees may choose to "invest" any additional flexible funds into a deferred compensation plan, as provided by the JPA.

Deferred compensation is an IRS-approved method of deferring federal and state income taxes on savings until retirement. Taxes are paid, on both savings and earnings, when they are withdrawn during retirement, or upon separation from JPA employment.

An employee may defer a maximum allowable by law per calendar year. The employee may increase, decrease, stop and restart voluntary contributions not more than once a quarter.

In accordance with IRS rules, an employee may not withdraw these assets unless extenuating circumstances exist. Contact Human Resources for more information.

## **SECTION 13: STAND-BY AND CALL-OUT**

### **13.A CALL-OUT**

In the event non-exempt employees who are not assigned to stand-by duty are called out to work during normal off-duty hours to protect the public health or safety, they will be compensated at time-and-one-half for actual time worked, with a minimum of two hours credit for each call out. For the purpose of this Section, actual time worked shall include time from the time the employee leaves home to respond to the call until the employee has returned home (calculated assuming a reasonable amount of time to leave home and return and limiting compensation for employees who choose to live more than thirty (30) miles from the JPA). Call back shall be defined as having to return to work after having left work.

## **SECTION 14: TRAINING**

### **14.A TRAINING AND MEMBERSHIP**

The JPA recognizes the importance of employee development and training. In an effort to improve the capabilities and effectiveness of JPA personnel, the costs of required training will be paid by the JPA as needs are established and funding is available. This training effort shall be geared to both organizational improvement and individual employee development and must be pre-approved. This development shall not only be the responsibility of the ~~Executive Director~~Chief Executive Officer, but shall be shared with employees in a total organizational effort.

The JPA recognizes the need for employees to establish and maintain membership with various organizations as they relate to the business of the Authority and will reimburse membership dues for the employee if the budget allows and if pre-approved by the department supervisor or ~~Executive Director~~Chief Executive Officer.

### **14.B IN-HOUSE TRAINING**

Employees who have training, knowledge or expertise in a subject area, or have recently attended a seminar or conference in a given subject matter, may be asked to share this information with other employees. Such in-house training may be informal or formal depending upon the nature of the training and can include any variety of topics such as computers, copiers, telephones, supervisory, writing skills, etc.

### **14.C DEPARTMENTAL TRAINING**

JPA departments and divisions are encouraged to offer specialized training to their employees. Such training shall be the responsibility of the Department or Division Head and may include topics such as safety, equipment operation and other training in their specific fields of responsibility.

### **14.D TRAINING COURSES**

The JPA shall encourage local educational resources to offer courses and workshops at JPA facilities on matters in which employees of several departments may benefit. Such courses may be offered periodically in such areas as management, supervision, communications, time management, stress management, writing skills, etc.

### **14.E SEMINARS AND CONFERENCES**

With prior approval Employees may attend seminars or conferences covering current issues and areas relevant to their positions under the following conditions:

1. Employees must submit their request in writing to their respective supervisor or ~~Executive Director~~Chief Executive Officer and follow any applicable procedures.
2. Budgeted funds must exist for all such training and any travel. In-state and out-of-state attendance shall require approval by the ~~Executive Director~~Chief Executive Officer.
3. Employees must comply with the JPA's Travel Policy and provide necessary receipt documentation.

4. Employees who have recently received such training must be willing to provide "in-house" training to other employees, if requested.
5. This benefit is separate from the Tuition Reimbursement benefit in Section 14.F.

#### **14.F TUITION REIMBURSEMENT**

Subject to ~~Executive-Director~~Chief Executive Officer (or designee) approval, employees may attend and be reimbursed for part or all of the costs of educational and other training courses which provide a benefit to the JPA. The ~~Executive-Director~~Chief Executive Officer shall not recommend the reimbursement of more than \$400 to an employee for training or educational expenses in any one fiscal year.

Any educational or training course that is a requirement for continuation of employment or is an identified part of a job evaluation shall be paid for by the JPA. Any other educational or training course that is job-related may, if prior approval for reimbursement is given by the ~~Executive-Director~~Chief Executive Officer (or designee), be reimbursed at 100% or less after successful completion. All college or other graded classes shall require a minimum grade of a "C" in order to receive such reimbursement. Books or other materials shall only be paid if some defined benefit can be shown to the JPA (i.e., books become part of JPA reference library).

In general, training time during working hours may be considered part of the job. Unless the JPA directs an employee to attend a specific training course, and the course is not available during work hours, training after hours shall be considered voluntary, and no additional pay, overtime or compensatory time shall be given by the JPA, unless advance special written approval is granted. Study time shall be considered completely voluntary.

Although the JPA encourages employees to pursue additional education, the JPA shall not pay for educational degrees or for education in general, but will only reimburse employees for required or job-related classes and training. No reimbursement shall occur if an educational class does not provide a benefit to the JPA. There is no mileage reimbursement for travel to and from educational classes. Required forms must be completed and necessary documentation (receipts and grades) must be provided, in order to receive reimbursement. Final and conclusive determinations of the reimbursement amount shall be made by the ~~Executive-Director~~Chief Executive Officer.

#### **14.G TRAINING AND TRAVEL REIMBURSEMENT**

In accordance with the Fair Labor Standards Act (FLSA), attendance by non-exempt employees at lectures, meetings, training programs and similar activities must be counted as working time unless all four of these criteria are met: (1) Attendance is outside of the employee's regular working hours; (2) Attendance is in fact voluntary; (3) The course, lecture, or meeting is not directly related to the employee's job; and (4) The employee does not perform any productive work during such attendance. Leisure and meal times are not considered time worked unless they are part of the seminar.

Time spent by an employee traveling between the employee's residence and the regular workplace is not work time and shall not be treated as hours worked. When an employee is assigned by the ~~Executive-Director~~Chief Executive Officer to travel outside of the JPA, time spent traveling between the employee's home and assigned destination shall be treated as time worked only to the extent that it exceeds the amount of time normally taken by the employee to travel between his or her residence and regular workplace.

When an employee is assigned to travel outside the JPA, return the same day, and he or she utilizes public transportation, the time spent traveling between the employee's home and the location of the public carrier (i.e., airport, bus station, train station) shall not be treated as time worked. However, time spent traveling to a final destination via public carrier is considered time worked.



**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA Operations - Consent Calendar***  
***Agenda Item No. 8 (6)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE A USAGE DRIVEN SITE WITHIN FOREIGN TRADE ZONE NO. 244 FOR BRIDGE LOGISTICS PROPERTIES LOCATED IN RIVERSIDE, CA**

**Motion:** Move to approve a Usage Driven Site within Foreign Trade Zone No. 244 for Bridge Logistics Properties located in Riverside, CA.

**Background:**

In May 2011, the Department of Commerce Foreign Trade Zones Board adopted Board Order No. 1761, approving Foreign Trade Zone (FTZ) 244's application for the Alternative Site Framework (ASF). Under the previous zone configuration, land was designated as FTZ in anticipation of a future zone user. A zone operating under the ASF structure 'banks' land designated as FTZ. A potential zone user can request inclusion in the zone as a 'usage driven site' and the grantee removes land from the bank and allocates it to that specific user at their current location.

DP Tech US LLC proposes to activate leased space comprised of 34.46-acres located at 22305 Old Oleander Avenue, Perris, Riverside County, CA.

Bridge Logistics Properties plans to use the FTZ designation to conduct product receiving and distribution related operations. The requested operations will not affect a change in customs' tariff classification, quota category or country of origin for any merchandise admitted to the zone. Logistics ensures that products move seamlessly in and out of the FTZ, whether for manufacturing, assembly, or export. Effective logistics coordination minimizes dwell time, improves supply chain speed, and reduces costs associated with storage and customs delays.

Staff recommends that the Commission concur with Bridge Logistics Properties application to the Foreign Trade Zones Board for a usage driven FTZ designation on the aforementioned project site.

**Attachment(s):** Bridge Logistics Properties Application

# **Application for an ASF Usage-Driven Site**

**On behalf of  
Bridge Logistics Properties**

**Submitted by the  
March Joint Powers Authority, Grantee of FTZ No. 244**

**September 18, 2025**

## Alternative Site Framework

### APPLICATION FOR SUBZONE OR USAGE-DRIVEN DESIGNATION (“MINOR BOUNDARY MODIFICATION”)

#### QUESTIONS

- 1. Please mark the appropriate space below to indicate whether you are requesting “Subzone” or “Usage-Driven” designation for the proposed site(s):**

☐ Subzone      ☒ Usage-Driven

- 2. List the address of the site(s), including the jurisdiction in which the site(s) falls (town, city, county).**

The is located at 22360 Goldencrest Drive, Moreno Valley, CA in Riverside County.

- 3. Explain how the proposed site(s) is within the grantee’s approved ASF service area.**

The proposed site is located within the portion of Riverside County encompassed by the FTZ #244 ASF Service Area as noted on the FTZ Board website (Western Riverside County and a portion of the City of Lake Elsinore).

- 4. State the proposed acreage of the site(s).**

The acreage of the proposed site is 4.47 acres.

- 5. Indicate the company for which the site(s) will be designated.**

The company for which the site will be designated is Bridge Logistics Properties.

- 6. Provide a summary of the company’s planned activities.**

The company’s planned activities at the site are receiving, storage, manipulation, and shipping of merchandise on behalf of its customers. The company does not plan on conducting FTZ production activity at the site and understands that prior approval for such activity would be required.

- 7. Indicate the current zoning and the existing and planned buildings (including square footage) for the site(s). (Note: Sites (or areas within a site) with inappropriate zoning – such as agricultural, retail, or residential – are not eligible for FTZ status and should not be proposed in any MBM request.)**

The site is zoned Industrial by the City of Monero Valley.

The existing building on the site is an industrial warehouse and distribution facility comprising approximately 53,250 square feet of space.

**8. Confirm that FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the site(s).**

Bridge Logistics Properties has confirmed that FTZ designation or the use of FTZ procedures is not a requirement or a precondition for future activity or construction at the site.

**9. List the owner(s). (If a site(s) is not owned by the grantee or the company planning to use the site(s) – as named in response to Question 5 above – then provide a "Right to Use" attachment with documentation demonstrating the right to use the site(s). Such evidence could be a signed letter from the proposed operator on its letterhead attesting to its right to use the property or a letter of concurrence from the owner of the proposed site(s).)**

BLUSV I CA 22360 Goldencrest Drive LLC is the owner of the proposed site located at 22360 Goldencrest Drive, Moreno Valley, CA and has given Bridge Logistics Properties the right to use the proposed site location and have the site designated as a Foreign-Trade Zone. See attached Right to Use letter.

## **ATTACHMENTS**

Attach the documents listed below (Items 10 and 11, plus Item 12 if applicable) directly behind the text of your request.

**10. A clear and detailed site map showing existing and planned structures. The site boundaries must be outlined clearly in red. Note that if streets or similar landmarks are not legible on the site map, you will also need to provide a detailed street map with the proposed site's boundaries in red. Any map should be no larger than letter-sized (8 1/2" x 11") and clearly labeled, with legends provided for any markings.**

Please refer to the attached section labeled 'Maps' for the clear and detailed site plan along with a redlined boundary for the same property included in the Proposed FTZ.

**11. Comments from U.S. Customs and Border Protection (CBP): The grantee generally should provide comments from CBP with the submitted request. Alternatively, the grantee may provide a copy of the request to CBP at the time the request is submitted to the FTZ Board, in which case the grantee should also communicate with CBP regarding the 20-day timeframe in the FTZ Board's regulations for CBP to provide comments to the FTZ Board.**

Comments from U. S. Customs and Border Protection will be requested and provided separately.

**12. If your state (such as TX, KY, AZ) has one or more taxes for which collections will be affected by the proposed FTZ designation of the new site(s), please attach all of the following:**

- A. An explanation of the specific local taxes that will be affected;**
- B. A stand-alone letter that:**
  - **Lists all of the affected parties;**
  - **Includes a statement below the list certifying that this is a complete list of all parties that would be affected by this particular request; and,**
  - **Is signed by an official of the grantee organization.**
- C. Correspondence from all of the affected parties (such as a local school board) indicating their concurrence (or non-objection) regarding the proposed FTZ designation.**

N/A

# MAPS

**Bridge Logistics Properties  
22360 Goldencrest Drive  
Moreno Valley, CA**



# **RIGHT TO USE LETTER**





1501 Quail Street, Suite 110  
 Newport Beach, CA 92660  
[bob.close@bridgeblp.com](mailto:bob.close@bridgeblp.com)  
 949-686-0309

9/16/2025

Foreign-Trade Zones Board  
 Liz Whiteman, Executive Secretary  
 U.S. Department of Commerce  
 1401 Constitution Avenue, N.W., Room 21013  
 Washington, D.C. 20230

RE: Right to Use Letter for FTZ Designation

Dear Ms. Whiteman,

Please accept this request to designate Bridge Logistics Properties' facilities in Riverside County as FTZ space under Alternative Site Framework. Bridge Logistics Properties attests to the company's "right to use" the following proposed location:

22360 Goldencrest Drive, Moreno Valley, CA

The site is owned by BLUSV I CA 22360 Goldencrest Drive LLC, and Bridge Logistics Properties has secured the necessary permission to operate at this location. The property is zoned as Industrial by the City of Monero Valley.

Bridge Logistics Properties confirms that FTZ designation is not a requirement or precondition for future activity or construction at this location. The company affirms its commitment to work with CBP to meet all current and future requirements for automated systems and security measures related to activation.

Sincerely,

Bob Close  
 Director, Development & Construction

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA Operations - Consent Calendar***  
***Agenda Item No. 8 (7)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH MARIPOSA LANDSCAPES, INC. AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE AMENDMENT**

**Motion:** Move to approve Amendment No. 1 to the Professional Services Agreement with Mariposa Landscapes, Inc. and authorize the Chief Executive Officer to execute the amendment.

**Background:**

On November 6, 2024, Mariposa Landscapes, Inc. entered into a Professional Services Agreement with March JPA to provide services to sustain the agency's municipal service needs. The existing contract allows for an automatic renewal, not to exceed 3 consecutive years. Staff recommends the approval of an extension of the contract for one year with Mariposa Landscapes, Inc. extending the contract to November 5, 2026, and authorizing the Chief Executive Officer to execute the amendment.

**Attachment(s):** Mariposa Landscapes, Inc. Agreement, Amendment No. 1

**AMENDMENT NO. 1 TO  
MAINTENANCE SERVICES AGREEMENT  
WITH MARIPOSA LANDSCAPES, INC.**

This Amendment No. 1 to the Maintenance Services Agreement is made and entered into as of October 15, 2025 ("Effective Date") by and between the March Joint Powers Authority, a California joint powers authority ("MJPA") and Mariposa Landscape, Inc., a California Corporation, with its principal place of business at 6232 Santos Diaz Street, Irwindale, CA 91702 ("Consultant"). MJPA and Consultant are sometimes referred to herein individually as a "Party" and collectively as "Parties."

**RECITALS**

A. WHEREAS, the MJPA and the Consultant have entered into an agreement, dated November 6, 2024, for the purpose of providing Weed Abatement services (the "Original Agreement").

B. WHEREAS, the Parties now desire to amend the Original Agreement in order to extend the term of the contract in accordance with the compensation provisions of the Original Agreement.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants, conditions, and promises contained in this Amendment No. 1 and the Original Agreement, the Parties mutually agree as follows:

**AGREEMENT**

1. Incorporation of Recitals. The recitals listed above are true and correct and are hereby incorporated herein by this reference.

2. Term. The term of the Original Agreement shall be extended for an additional term of one year through **November 5, 2026**, unless earlier terminated.

3. Full Force. Except as amended by this Amendment No. 1, all provisions of the Original Agreement, including without limitation the indemnity and insurance provisions, shall remain in full force and effect and shall govern the actions of the Parties under this Amendment No. 1.

4. Electronic Transmission. A manually signed copy of this Amendment No. 1 which is transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment No. 1 for all purposes. This Amendment No. 1 may be signed using an electronic signature.

5. Counterparts. This Amendment No. 1 may be signed in counterparts, each of which shall constitute an original.

**[SIGNATURES ON FOLLOWING PAGE]**

**SIGNATURE PAGE FOR  
AMENDMENT NO. 1 TO THE MAINTENANCE SERVICES AGREEMENT  
WITH MARIPOSA LANDSCAPES, INC.**

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 on the Effective Date first herein above written.

**MARCH JOINT POWERS AUTHORITY**

**CONSULTANT**

APPROVED BY:

MARIPOSA LANDSCAPES, INC.

\_\_\_\_\_  
Grace I. Martin, DPPD  
Chief Executive Officer

\_\_\_\_\_  
Signature

APPROVED AS TO FORM:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Best Best & Krieger LLP  
General Counsel

\_\_\_\_\_  
Title

# MARCH JOINT POWERS COMMISSION

## OF THE

### MARCH JOINT POWERS AUTHORITY

#### *MJPA - Reports, Discussions and Action Items*

#### *Agenda Item No. 9 (1)*

**Meeting Date:** October 15, 2025

**Action:** **ADOPT RESOLUTION JPA 25-27 APPROVING AN AMENDED STIPEND POLICY FOR THE MARCH JOINT POWERS COMMISSION MEMBERS OR ALTERNATE MEMBERS SERVING ON BEHALF OF MARCH JOINT POWERS AUTHORITY**

**Motion:** Move to adopt Resolution JPA 25-27 approving an Amended Stipend Policy for the March Joint Powers Commission Members and Alternate Members serving on behalf of March Joint Powers Authority.

**Background:**

The March Joint Powers Commission adopted a stipend policy at the April 20, 2010, meeting which outlines the amount each Commission member or alternate member receives for attending meetings or traveling on official duty as representatives of the March Joint Powers Authority. The policy was amended in July of 2015 to further determine guidelines for stipends paid while members may be traveling on JPA business for the actual travel days.

Currently, each member of the Commission — as well as alternates attending meetings on their behalf — receives a stipend of one hundred dollars (\$100) for each meeting attended, or for each day spent attending meetings while traveling as representatives of the Authority. This stipend rate has remained unchanged for over ten years.

**Discussion:**

To align with current practices among similar regional agencies, staff is proposing an amended stipend rate of one hundred fifty dollars (\$150) per meeting, consistent with the rate established by the Western Riverside Council of Governments (WRCOG).

In reviewing stipend policies of comparable agencies, staff found that WRCOG limits the number of stipends issued to each member to no more than four (4) per month. In contrast, the Local Agency Formation Commission (LAFCO) does not impose a monthly cap on stipends for its legislative body members, recognizing the flexible nature and variable frequency of meetings — a model more consistent with the Authority's schedule.

Given the Authority's fluctuating meeting calendar and the potential for members to attend multiple committee, community, or interagency meetings within a given month, staff is seeking

Commission direction regarding whether to establish a cap on the number of monthly stipends issued.

Additionally, both WRCOG and LAFCO provide reimbursement for mileage or fuel for members using personal or agency-issued vehicles to attend meetings. The Authority's current policy does not include reimbursement for such expenses. Staff requests further direction on whether to amend the policy to include mileage or fuel reimbursements consistent with regional standards.

**Recommendation:**

Staff recommends that the Commission:

1. Approve an increase to the Commissioner stipend rate from \$100 to \$150 per meeting attended; and
2. Provide direction to staff regarding:
  - (a) Whether to implement a monthly stipend cap; and
  - (b) Whether to include reimbursement for mileage or fuel expenses related to meeting attendance.

**Attachment(s):**

Draft Resolution JPA 25-27

Attachment "A" – Proposed Stipend Policy Amendment.

## **RESOLUTION JPA 25-27**

### **A RESOLUTION OF THE MARCH JOINT POWERS AUTHORITY, AMENDING THE POLICY ON STIPENDS TO MEMBERS OF THE MARCH JOINT POWERS COMMISSION AND THEIR ALTERNATES FOR ATTENDING MEETINGS OR TRAVELING AS REPRESENTATIVES ON BEHALF OF THE MARCH JOINT POWERS AUTHORITY**

**WHEREAS**, pursuant to Government Code section 53232.1, a local agency may pay compensation to members of a legislative body for attendance at: (1) a meeting of the legislative body; (2) a meeting of an advisory body; and (3) occurrences that constitute the performance of official duties of a member of a legislative body.

**WHEREAS**, pursuant to Government Code sections 53232 *et seq.*, the March Joint Powers Commission (“Commission”) may establish a policy for stipend related to member meeting attendance and other activities in the performance of his or her official duties; and

**WHEREAS**, members of the Commission are often requested to attend meetings and travel as representatives of the March Joint Powers Authority (“JPA”); and

**WHEREAS**, the Commission recognized a need to establish a stipend policy for members of the Commission and their alternate members who attend meetings or travel on behalf of the JPA; and

**WHEREAS**, on April 21, 2010, the Commission approved Resolution #JPA 10-09 which established a Stipend Policy for members of the Commission; and

**WHEREAS**, on July 15, 2015, the Commission approved Resolution #JPA 15-17, which amended the Stipend Policy to include stipends for actual travel days for members of the Commission traveling on JPA business; and

**WHEREAS**, on September 8, 2021, the Commission amended the stipend policy to clarify which occurrences are categorized as a “meeting” for the purposes of the Stipend Policy; and

**WHEREAS**, the Commission seeks to amend the stipend policy in order to increase the amount of the stipend.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** the Joint Powers Commission of the March Joint Powers Authority at its regular meeting held on October 15, 2025, that the March Joint Powers Commission hereby adopts the amended stipend policy; and

**SECTION 1.** The above recitals are true and correct and are incorporated herein by this reference.



**SECTION 2.** The Commission does hereby approve and adopt the amended stipend policy, a copy of which attached hereto as “Attachment A” and by this reference made a part hereof.

**SECTION 3.** This Resolution shall be effective immediately upon adoption.

**PASSED, APPROVED, and ADOPTED** this 15th day of October, 2025.

---

Michael M. Vargas, Chair  
March Joint Powers Commission

**ATTEST:**

I, Cindy Camargo, Clerk of the March Joint Powers Commission, do hereby certify that the foregoing Resolution JPA 25-27 was duly and regularly adopted by the March Joint Powers Commission at its regularly scheduled meeting on October 15, 2025 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Dated: October 15, 2025

---

Cindy Camargo  
Clerk, March Joint Powers Commission

**Attachment A**  
**to**  
**Resolution JPA 25-27**

**Attachment A**  
**to**  
**Resolution JPA-25-27**

**POLICY ON STIPENDS TO JPC MEMBERS AND THEIR  
ALTERNATES FOR ATTENDING MEETINGS OR TRAVELING  
AS REPRESENTATIVES ON BEHALF OF THE  
MARCH JOINT POWERS AUTHORITY  
ADOPTED - April 21, 2010  
AMENDED October 15, 2025**

The purpose of this policy is to establish standards for the issuance of a stipend to the March Joint Powers Commission (“Commission”) members or their alternate members attending meetings or traveling on official duty as representatives of the March Joint Powers Authority (“JPA”).

**POLICY:**

Each member of the Commission and their alternates shall receive a stipend in the amount of one-hundred fifty dollars (\$150) for each meeting attended or each day of meetings attended while traveling as representatives of the JPA. For the purposes of this policy, “meeting” shall mean the following: (1) meetings of the Commission that he or she attends; (2) meetings of standing or ad hoc committees to which a member is appointed that he/she attends; (3) an occasion constituting the performance of official duties, such as travel for the purpose of executing JPA documents. **Members shall receive [no more than \_\_\_\_ ( ) OR no limit to] stipends per month.** The JPA will not reimburse more than \$150 per day for multiple meetings that occur in a single day.

The JPA will not pay for mileage to and from meetings or fuel for use of personal or issued vehicle to attend meetings. Should the Commission members travel on behalf of the JPA, the JPA staff will arrange for air and ground transportation and incur such costs directly. The JPA will provide per-diem allowance for meals for Commission members or alternates traveling based upon the General Services Administration (GSA) Per-Diem rate in effect at that time.

JPC Members and their alternates will not receive the \$150 stipend for celebratory and/or social events they attend on behalf of the JPA.

**Each member of the March Joint Powers Authority Commission and/or Alternates shall receive a stipend in the amount of one-hundred fifty dollars (\$150) for actual travel day while representing the JPA.**

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA - Reports, Discussions and Action Items***  
***Agenda Item No. 9 (2)***

**Meeting Date:** October 15, 2025

**Report:** **RECEIVE AND FILE THE 2024 AUDIT OF MARCH  
JOINT POWERS AUTHORITY**

**Motion:** Receive and file the 2024 Audit of March Joint Powers Authority.

**Background:**

The 2024 audit of the March JPA entities was completed by Davis Farr LLP. Here to present the results of the audit is Jonathan Foster of Davis Farr.

**Attachment(s):** March Joint Powers Authority Annual Financial Report

**MARCH JOINT POWERS AUTHORITY**  
**ANNUAL FINANCIAL REPORT**  
**Year Ended June 30, 2024**

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**MARCH JOINT POWERS AUTHORITY  
ANNUAL FINANCIAL REPORT**

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## **Independent Auditor's Report**

To the Board of Commissioners  
March Joint Powers Authority  
Riverside, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of March Joint Powers Authority (the Authority), as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No.100, Accounting Changes and Error Corrections, for the year ended June 30, 2024. Our opinions are not modified with respect to this matter.

As described further in Note 17 to the financial statements, during the year ended June 30, 2024, the Authority recorded a prior period restatement. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, the schedule of proportionate share of the net pension liability and related ratios as of the measurement date, the schedule of pension plan contributions, the schedule of changes in the net OPEB liability and related ratios, the schedule of OPEB plan contributions and budgetary comparison schedules for the General Fund and major special revenue funds* as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Davis Farr LLP*

Irvine, California  
October 6, 2025

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**MARCH JOINT POWERS AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**

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As management of the March Joint Powers Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here.

**Financial Highlights**

- The assets and the deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$134,019,590 (net position). Of this amount, \$40,305,448 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Authority's total net position decreased \$782,685. This is mostly due to a \$6,756,879 decrease in total revenues and a decrease of \$54,380 in total expenses.
- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$34,698,676, a decrease of \$219,845 in comparison with the prior year. Approximately 68% of this amount (\$23,578,911) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$23,578,911 or approximately 609% of total General Fund expenditures.
- The Authority's total outstanding long-term debt increased by \$144,641 during the current fiscal year due to the increase in the balance of the net pension liability.

**Overview of the Financial Statements**

This discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** *The government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Authority's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Authority include only general government activities. The business-type activities of the Authority include the March Inland Port Airport Authority, Green Acres, Golf Course and the Utilities Authority operations.

The government-wide financial statements include not only the Authority (known as the primary government), but also two legally separate entities, the March Inland Port Airport Authority and the March Joint Powers Utilities Authority. The Authority is financially accountable for these entities and therefore has been included as an integral part of the primary government as blended component units.

Please see the table of contents for the location of the government-wide financial statements within this document.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Meridian LLMD No. 1 fund, and the March Lifecare Campus CFD 2013-1 fund, which are considered major funds.

**MARCH JOINT POWERS AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**

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The Authority adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Please see the table of contents for the location of the governmental fund financial statements within this document.

**Proprietary Funds.** The Authority maintains only one type of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses enterprise funds to account for its March Inland Port Airport Authority, Green Acres, Golf Course and March Joint Powers Utilities Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the March Inland Port Airport Authority, Green Acres, Golf Course and March Joint Powers Utilities Authority, all of which are considered major funds of the Authority.

Please see the table of contents for the location of the proprietary fund financial statements within this document.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Authority's own program. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Authority maintains one type of fiduciary fund. The Private-purpose trust fund is used to report resources held in trust for the Successor Agency of the former Redevelopment Agency.

Please see the table of contents for the location of the fiduciary fund financial statements within this document.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-67 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's proportionate share of the net pension liability, schedule of pension plan contributions, schedule of changes in the net OPEB asset and related ratios, schedule of OPEB plan contributions and budget to actual schedules of the General Fund and major special revenue funds. Please see the table of contents for the location of the required supplementary information within this document.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$134,019,590 at the close of the most recent fiscal year.



**MARCH JOINT POWERS AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**

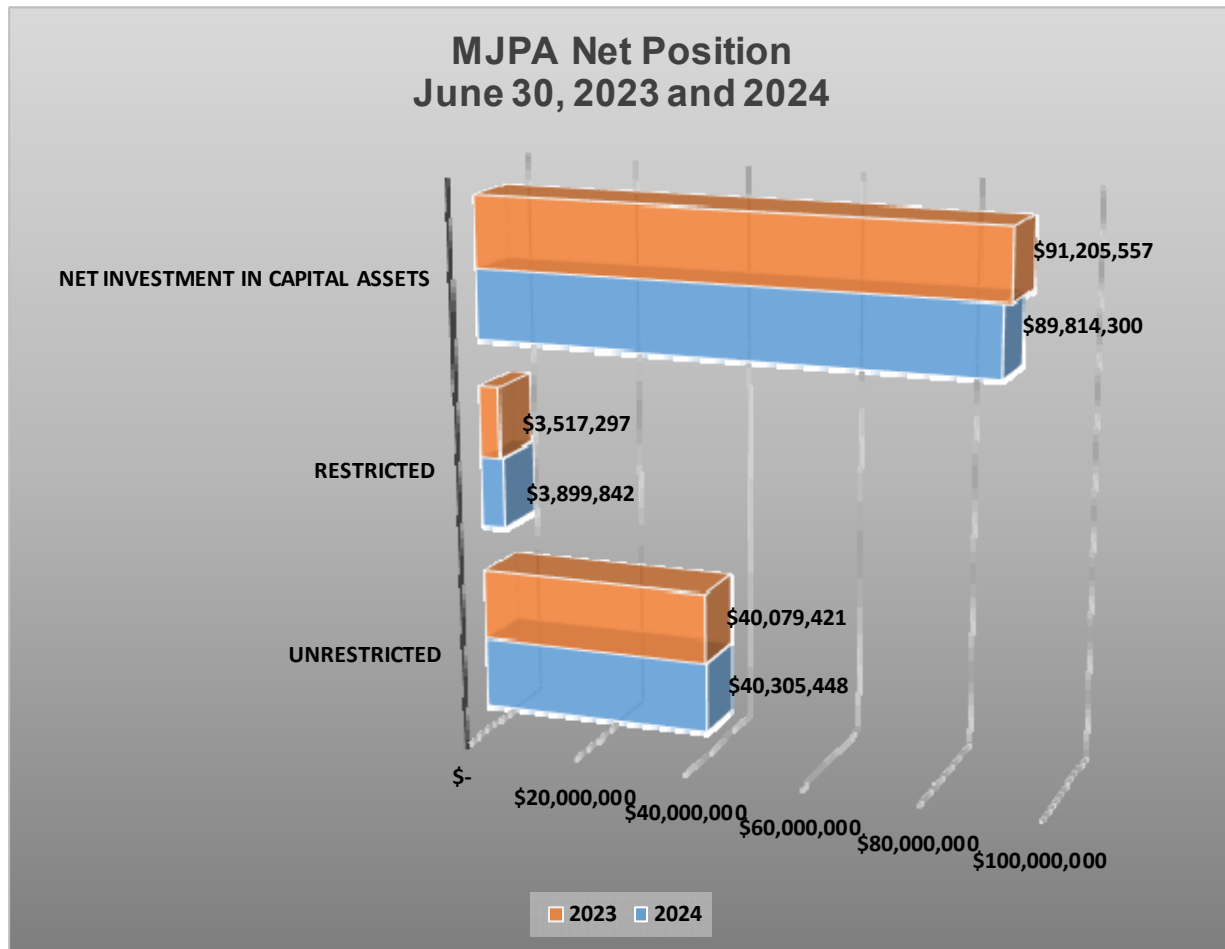
**The Authority's Net Position**

|                                      | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total</b>          |                       |
|--------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
|                                      | <b>2024</b>                    | <b>2023</b>          | <b>2024</b>                     | <b>2023</b>          | <b>2024</b>           | <b>2023</b>           |
| Current and other assets             | \$ 37,184,382                  | \$ 54,636,540        | \$ 92,973,929                   | \$ 90,963,207        | \$ 130,158,311        | \$ 145,599,747        |
| Internal balances                    | 6,828,690                      | 6,824,190            | (6,828,690)                     | (6,824,190)          | -                     | -                     |
| Capital assets                       | 39,838,420                     | 40,198,222           | 49,975,880                      | 51,007,335           | 89,814,300            | 91,205,557            |
| <b>Total assets</b>                  | <b>83,851,492</b>              | <b>101,658,952</b>   | <b>136,121,119</b>              | <b>135,146,352</b>   | <b>219,972,611</b>    | <b>236,805,304</b>    |
| Total deferred outflows of resources | 948,945                        | 973,819              | 533,783                         | 553,398              | 1,482,728             | 1,527,217             |
| Long-term liabilities                | 1,930,173                      | 1,814,991            | 1,118,731                       | 1,049,053            | 3,048,904             | 2,864,044             |
| Other liabilities                    | 5,677,501                      | 21,631,981           | 603,165                         | 940,968              | 6,280,666             | 22,572,949            |
| <b>Total liabilities</b>             | <b>7,607,674</b>               | <b>23,446,972</b>    | <b>1,721,896</b>                | <b>1,990,021</b>     | <b>9,329,570</b>      | <b>25,436,993</b>     |
| Total deferred inflows of resources  | 1,463,647                      | 1,533,278            | 76,642,532                      | 76,559,975           | 78,106,179            | 78,093,253            |
| Net position:                        |                                |                      |                                 |                      |                       |                       |
| Net investment in capital assets     | 39,838,420                     | 40,198,222           | 49,975,880                      | 51,007,335           | 89,814,300            | 91,205,557            |
| Restricted                           | 3,887,131                      | 3,517,297            | 12,711                          | -                    | 3,899,842             | 3,517,297             |
| Unrestricted                         | 32,003,565                     | 33,937,002           | 8,301,883                       | 6,142,419            | 40,305,448            | 40,079,421            |
| <b>Total net position</b>            | <b>\$ 75,729,116</b>           | <b>\$ 77,652,521</b> | <b>\$ 58,290,474</b>            | <b>\$ 57,149,754</b> | <b>\$ 134,019,590</b> | <b>\$ 134,802,275</b> |

By far the largest portion of the Authority's net position (67.0%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles, and infrastructure), less any related debt that was used to acquire those assets. The Authority uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Authority's net position (2.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$40,305,448 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities, except for the business-type activities unrestricted net position. The same situation held true for the prior fiscal year.



The Authority's overall net position decreased \$782,685 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

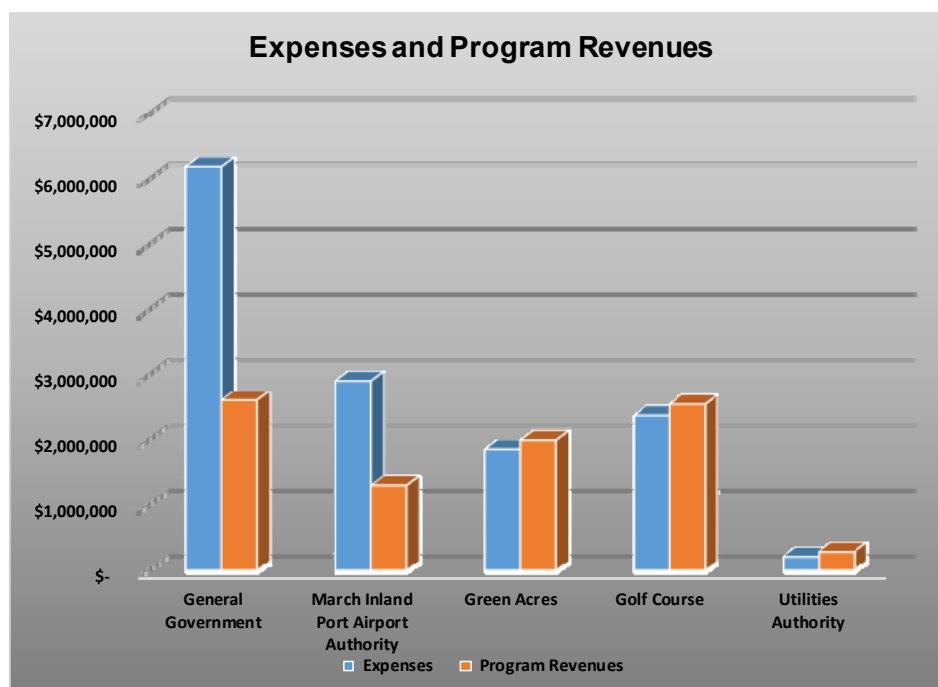
**Governmental Activities.** During the current fiscal year, net position for governmental activities decreased \$1,923,405 from the prior fiscal year for an ending balance of \$75,729,116. This is mostly due to the \$5,484,966 decrease in charges for services and \$1,624,316 decrease in taxes.

**Business-type Activities.** For the Authority's business-type activities, the results for the current fiscal year were positive in that overall net position had an ending balance of \$58,290,474. The total increase in net position for business-type activities was \$1,140,720 or 2.0% from the prior fiscal year. The Airport Authority had an increase in net position of \$659,259 mostly due to an increase in interest income. Green Acres also increased by \$241,071 due to not transferring of monies to the Authority's General Fund. The Golf Course also had an increase in net position of \$168,567, mostly due to an increase in charges for services offset by an increase in operating costs. The Utility Authority had an increase in net position of \$71,823 mostly due to a decrease in operating expenses.

**MARCH JOINT POWERS AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**

**The Authority's Change in Net Position**

|                                                      | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total</b>          |                       |
|------------------------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
|                                                      | <b>2024</b>                    | <b>2023</b>          | <b>2024</b>                     | <b>2023</b>          | <b>2024</b>           | <b>2023</b>           |
| Revenues:                                            |                                |                      |                                 |                      |                       |                       |
| Program revenues:                                    |                                |                      |                                 |                      |                       |                       |
| Charges for services                                 | \$ 2,609,801                   | \$ 8,094,767         | \$ 6,036,397                    | \$ 6,162,298         | \$ 8,646,198          | \$ 14,257,065         |
| Capital grants and contributions                     | -                              | -                    | 104,264                         | 883,576              | 104,264               | 883,576               |
| General revenues:                                    |                                |                      |                                 |                      |                       |                       |
| Taxes                                                | -                              | 1,624,316            | -                               | -                    | -                     | 1,624,316             |
| Investment earnings                                  | 1,341,851                      | 382,833              | 2,364,635                       | 331,648              | 3,706,486             | 714,481               |
| Gain on sale of capital assets                       | -                              | -                    | -                               | -                    | -                     | -                     |
| Other                                                | 310,667                        | 2,045,056            | -                               | -                    | 310,667               | 2,045,056             |
| Total revenues                                       | <u>4,262,319</u>               | <u>12,146,972</u>    | <u>8,505,296</u>                | <u>7,377,522</u>     | <u>12,767,615</u>     | <u>19,524,494</u>     |
| Expenses:                                            |                                |                      |                                 |                      |                       |                       |
| General government                                   | 6,185,724                      | 6,818,585            | -                               | -                    | 6,185,724             | 6,818,585             |
| March Inland Port Airport Authority                  | -                              | -                    | 2,801,923                       | 2,189,925            | 2,801,923             | 2,189,925             |
| Green Acres                                          | -                              | -                    | 1,862,591                       | 1,596,625            | 1,862,591             | 1,596,625             |
| Golf Course                                          | -                              | -                    | 2,380,041                       | 2,360,433            | 2,380,041             | 2,360,433             |
| Utilities Authority                                  | -                              | -                    | 215,521                         | 425,852              | 215,521               | 425,852               |
| Interest expense                                     | -                              | -                    | 104,500                         | 104,500              | 104,500               | 104,500               |
| Total expenses                                       | <u>6,185,724</u>               | <u>6,818,585</u>     | <u>7,364,576</u>                | <u>6,677,335</u>     | <u>13,550,300</u>     | <u>13,495,920</u>     |
| Increase (decrease) in net position before transfers | (1,923,405)                    | 5,328,387            | 1,140,720                       | 700,187              | (782,685)             | 6,028,574             |
| Contributions to members                             | -                              | (15,500,000)         | -                               | -                    | -                     | (15,500,000)          |
| Increase (decrease) in net position                  | <u>(1,923,405)</u>             | <u>(10,171,613)</u>  | <u>1,140,720</u>                | <u>700,187</u>       | <u>(782,685)</u>      | <u>(9,471,426)</u>    |
| Net position, beginning, as restated                 | <u>77,652,521</u>              | <u>87,824,134</u>    | <u>57,149,754</u>               | <u>56,449,567</u>    | <u>134,802,275</u>    | <u>144,273,701</u>    |
| Net position, ending                                 | <u>\$ 75,729,116</u>           | <u>\$ 77,652,521</u> | <u>\$ 58,290,474</u>            | <u>\$ 57,149,754</u> | <u>\$ 134,019,590</u> | <u>\$ 134,802,275</u> |

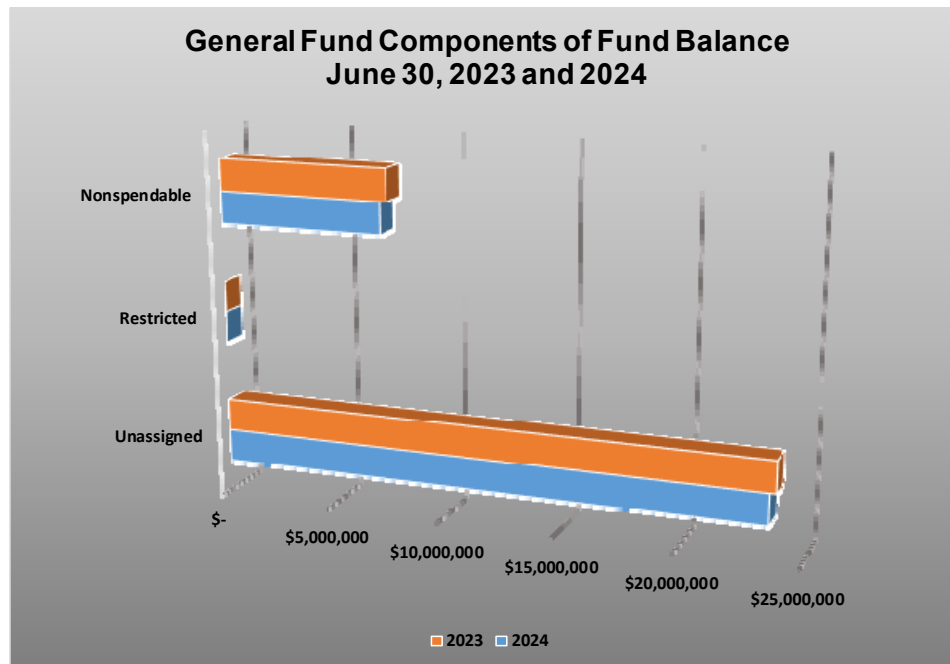


### **Financial Analysis of the Government's Funds**

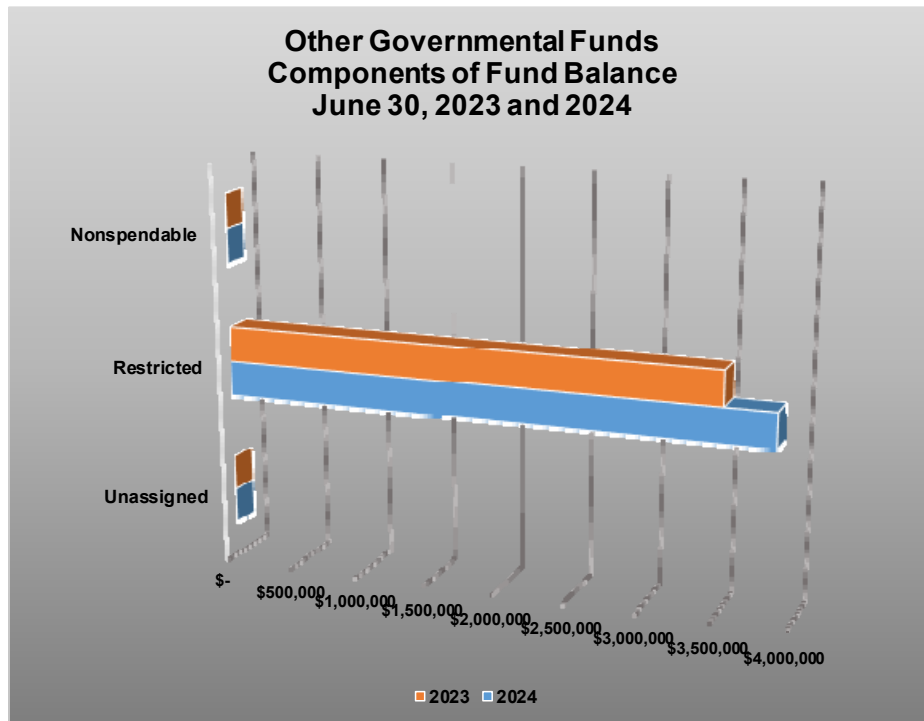
As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Authority itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Authority's Board of Commissioners.

As of June 30, 2024, the Authority's governmental funds reported combined fund balances of \$34,698,676, a decrease of \$219,845 in comparison with the prior year. Approximately 68% of this amount (\$23,578,911) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable* or *restricted* to indicate that it is 1) not in spendable form (\$7,255,231) or 2) restricted for particular purposes (\$3,864,534).



The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,578,911, while total fund balance decreased to \$30,834,142. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 609% of total General Fund expenditures, while total fund balance represents approximately 796% of that same amount.



The fund balance of the Authority's General Fund decreased by \$567,082 during the current fiscal year. This is primarily due to a decrease in Taxes of \$1,624,316 and Licenses, Permits and Fees of \$887,026 in revenues, offset by a decrease of total expenditures of \$959,926.

The Meridian LLMD No. 1 Fund, a major fund, had a \$389,720 increase, a decrease from prior year's increase of \$788,781, in fund balance during the current fiscal year to bring the year end fund balance to \$3,727,650. This is mostly due to a decrease of Special Assessments revenue and an increase in Buildings and Ground Maintenance expenditures.

The March Lifecare Campus CFD 2013-1 Fund had an decrease in fund balance during the current year of \$42,483 to bring the year end fund balance to \$136,884. This is mostly due to the District no longer receiving special assessments.

**Proprietary Funds.** The Authority's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the March Inland Port Airport Authority at the end of the year was \$5,588,712, Green Acres was \$4,566,434, the Golf Course was (\$1,634,403) and the Utilities Authority was (\$210,739). The total increases (decreases) in net position from operations for March Inland Port Airport Authority was a \$659,259 increase (primarily from investment earnings), an increase of \$241,071 for Green Acres, and increase of \$168,567 for the Golf Course, and an increase of \$71,823 for the Utilities Authority.

**MARCH JOINT POWERS AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**

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**General Fund Budgetary Highlights**

**Original Budget Compared to Final Budget.** The Authority adopts budgets that cover two fiscal years. For the 2024 fiscal year, there were no amendments to the budget.

**Final Budget Compared to Actual Results.** The most significant differences between estimated revenues and actual revenues were as follows:

| Revenue source             | Estimated<br>Revenues | Actual<br>Revenues | Difference   |
|----------------------------|-----------------------|--------------------|--------------|
| Licenses, permits and fees | \$ 2,235,000          | \$ 1,551,766       | \$ (683,234) |
| Investment earnings        | 433,500               | 1,341,852          | 908,352      |

Licenses, permits and fees were lower than estimated. These revenues are based solely on the amount of redevelopment activity in the given year. Investment earnings were more than estimated due to investments performing better than expected throughout the fiscal year.

Actual General Fund expenditures were \$66,854 under budget, with the exception of salaries and benefits, which exceeded appropriations by \$1,046,459. This overage was mainly attributable to a retention policy enacted at the end of the fiscal year to ensure staffing continuity until the sunset of certain Authority activities.

**Capital Asset and Debt Administration**

**Capital Assets.** The Authority's investment in capital assets for its governmental and business type activities as of June 30, 2024, amounts to \$89,814,300 (net of accumulated depreciation). This investment in capital assets includes land, beverage rights, vehicles, office furniture and equipment, building and improvements, and infrastructure. The total decrease in capital assets for the current fiscal year was approximately 1.54%.

**The Authority's Capital Assets**  
**(net of depreciation)**

|                                | Governmental Activities |               | Business-Type Activities |               | Total         |               |
|--------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                                | 2024                    | 2023          | 2024                     | 2023          | 2024          | 2023          |
| Land*                          | \$ 34,243,661           | \$ 34,243,661 | \$ 23,481,979            | \$ 23,481,979 | \$ 57,725,640 | \$ 57,725,640 |
| Beverage rights                | -                       | -             | 17,518                   | 17,518        | 17,518        | 17,518        |
| Vehicles                       | 2,206                   | 6,614         | 60,008                   | 36,352        | 62,214        | 42,966        |
| Office furniture and equipment | 19,456                  | 24,204        | 73,973                   | 66,730        | 93,429        | 90,934        |
| Building and improvements      | 5,393,230               | 5,653,999     | 24,830,106               | 25,873,301    | 30,223,336    | 31,527,300    |
| Infrastructure                 | 179,867                 | 269,744       | 1,512,296                | 1,547,465     | 1,692,163     | 1,817,209     |
| Total                          | \$ 39,838,420           | \$ 40,198,222 | \$ 49,975,880            | \$ 51,023,345 | \$ 89,814,300 | \$ 91,221,567 |

**MARCH JOINT POWERS AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2024**

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Please see the table of contents for the location of the fiduciary fund financial statements within this document.

**Long-term obligations.** At the end of the current fiscal year, the Authority had total debt outstanding of \$1,913,927. The long-term debt consists of a loan payable.

**The Authority's Outstanding Debt**

|              | Governmental Activities |      | Business-Type Activities |              | Total        |              |
|--------------|-------------------------|------|--------------------------|--------------|--------------|--------------|
|              | 2024                    | 2023 | 2024                     | 2023         | 2024         | 2023         |
| Loan payable | \$ -                    | \$ - | \$ 1,913,927             | \$ 2,013,927 | \$ 1,913,927 | \$ 2,013,927 |
| Total        | \$ -                    | \$ - | \$ 1,913,927             | \$ 2,013,927 | \$ 1,913,927 | \$ 2,013,927 |

Other long-term obligations were as follows:

|                            | Governmental Activities |              | Business-Type Activities |              | Total        |              |
|----------------------------|-------------------------|--------------|--------------------------|--------------|--------------|--------------|
|                            | 2024                    | 2023         | 2024                     | 2023         | 2024         | 2023         |
| Compensated absences       | \$ 138,975              | \$ 155,721   | \$ 122,186               | \$ 125,087   | \$ 261,161   | \$ 280,808   |
| Net pension liability      | 1,825,942               | 1,638,901    | 1,027,092                | 921,882      | 2,853,034    | 2,560,783    |
| Net OPEB liability/(asset) | (22,597)                | 59,299       | (12,711)                 | 33,356       | (35,308)     | 92,655       |
| Total                      | \$ 1,942,320            | \$ 1,853,921 | \$ 1,136,567             | \$ 1,080,325 | \$ 3,078,887 | \$ 2,934,246 |

Other long-term obligations increased by \$144,641, primarily due to an increase in the net pension liability.

Please see the table of contents for the location of the fiduciary fund financial statements within this document.

**Economic Factors and Next Year's Budgets and Rates:**

The following economic factors currently affect the Authority and were considered in developing the 2024-25 fiscal year budget:

- Continued high demand for new large commercial property within the Inland Empire.
- Continued increase in commercial flight activity at March Inland Port.
- Interest rates are expected moderately rise through fiscal year 2024-25.

**Requests for Information**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director at 14205 Meridian Parkway, Suite 140, Riverside, California 92518.

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**MARCH JOINT POWERS AUTHORITY**  
**Statement of Net Position**  
**June 30, 2024**

|                                             | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>          |
|---------------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| <b>ASSETS</b>                               |                                    |                                     |                       |
| Cash and investments                        | \$ 28,371,564                      | \$ 16,066,091                       | \$ 44,437,655         |
| Restricted cash and investments             | 4,381,052                          | -                                   | 4,381,052             |
| Receivables, net:                           |                                    |                                     |                       |
| Accounts                                    | 2,732,303                          | 298,731                             | 3,031,034             |
| Leases                                      | 1,249,042                          | 76,521,817                          | 77,770,859            |
| Deposits                                    | 1,283                              | -                                   | 1,283                 |
| Due from Successor Agency                   | 426,541                            | -                                   | 426,541               |
| Internal balances                           | 6,828,690                          | (6,828,690)                         | -                     |
| Inventory                                   | -                                  | 74,579                              | 74,579                |
| Capital assets, not being depreciated       | 34,243,661                         | 23,499,497                          | 57,743,158            |
| Capital assets, net of depreciation         | 5,594,759                          | 26,476,383                          | 32,071,142            |
| Net OPEB asset                              | 22,597                             | 12,711                              | 35,308                |
| Total assets                                | <u>83,851,492</u>                  | <u>136,121,119</u>                  | <u>219,972,611</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                                    |                                     |                       |
| Pension related items                       | 812,159                            | 456,840                             | 1,268,999             |
| OPEB related items                          | 136,786                            | 76,943                              | 213,729               |
| Total deferred outflows of resources        | <u>948,945</u>                     | <u>533,783</u>                      | <u>1,482,728</u>      |
| <b>LIABILITIES</b>                          |                                    |                                     |                       |
| Accounts payable and accrued liabilities    | 791,697                            | 350,547                             | 1,142,244             |
| Deposits and other liabilities              | 980,052                            | 183,149                             | 1,163,201             |
| Unavailable revenues                        | -                                  | 38,922                              | 38,922                |
| Liabilities payable from restricted assets: |                                    |                                     |                       |
| Other payables                              | 3,871,008                          | -                                   | 3,871,008             |
| Long-term liabilities:                      |                                    |                                     |                       |
| Due in one year                             | 34,744                             | 30,547                              | 65,291                |
| Due in more than one year                   | 104,231                            | 91,639                              | 195,870               |
| Net pension liability                       | 1,825,942                          | 1,027,092                           | 2,853,034             |
| Total liabilities                           | <u>7,607,674</u>                   | <u>1,721,896</u>                    | <u>9,329,570</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                                    |                                     |                       |
| Leases receivable related                   | 1,249,042                          | 76,521,817                          | 77,770,859            |
| Pension related items                       | 73,820                             | 41,524                              | 115,344               |
| OPEB related items                          | 140,785                            | 79,191                              | 219,976               |
| Total deferred inflows of resources         | <u>1,463,647</u>                   | <u>76,642,532</u>                   | <u>78,106,179</u>     |
| <b>NET POSITION</b>                         |                                    |                                     |                       |
| Net investment in capital assets            | 39,838,420                         | 49,975,880                          | 89,814,300            |
| Restricted for net OPEB asset               | 22,597                             | 12,711                              | 35,308                |
| Restricted for maintenance and landscaping  | 3,864,534                          | -                                   | 3,864,534             |
| Unrestricted                                | 32,003,565                         | 8,301,883                           | 40,305,448            |
| Total net position                          | <u>\$ 75,729,116</u>               | <u>\$ 58,290,474</u>                | <u>\$ 134,019,590</u> |

*The accompanying notes are an integral part of the financial statements.*

**MARCH JOINT POWERS AUTHORITY**  
**Statement of Activities**  
**Year Ended June 30, 2024**

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| <u>Functions/Programs</u>           | <u>Expenses</u>      | <u>Program Revenues</u>             |                                                   |                                                 |
|-------------------------------------|----------------------|-------------------------------------|---------------------------------------------------|-------------------------------------------------|
|                                     |                      | <u>Charges<br/>for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Capital<br/>Grants and<br/>Contributions</u> |
| Governmental activities:            |                      |                                     |                                                   |                                                 |
| General government                  | \$ 6,185,724         | \$ 2,609,801                        | \$ -                                              | \$ -                                            |
| Total governmental activities       | 6,185,724            | 2,609,801                           | -                                                 | -                                               |
| Business-type activities:           |                      |                                     |                                                   |                                                 |
| March Inland Port Airport Authority | 2,801,923            | 1,205,948                           | -                                                 | 104,264                                         |
| Green Acres                         | 1,862,591            | 1,994,497                           | -                                                 | -                                               |
| Golf Course                         | 2,380,041            | 2,548,608                           | -                                                 | -                                               |
| Utilities Authority                 | 215,521              | 287,344                             | -                                                 | -                                               |
| Interest expense                    | 104,500              | -                                   | -                                                 | -                                               |
| Total business-type activities      | 7,364,576            | 6,036,397                           | -                                                 | 104,264                                         |
| Total primary government            | <u>\$ 13,550,300</u> | <u>\$ 8,646,198</u>                 | <u>\$ -</u>                                       | <u>\$ 104,264</u>                               |

General revenues:  
Investment earnings  
Other

Change in net position

**Net Position**

Beginning, as previously reported  
Restatement for correction of an error  
Beginning, as restated

End of year

*The accompanying notes are an integral part of the financial statements.*

---

| Net (Expense) Revenue and<br>Changes in Net Position |                             |                |
|------------------------------------------------------|-----------------------------|----------------|
| Governmental<br>Activities                           | Business-type<br>Activities | Total          |
| \$ (3,575,923)                                       | \$ -                        | \$ (3,575,923) |
| (3,575,923)                                          | -                           | (3,575,923)    |
| -                                                    | (1,491,711)                 | (1,491,711)    |
| -                                                    | 131,906                     | 131,906        |
| -                                                    | 168,567                     | 168,567        |
| -                                                    | 71,823                      | 71,823         |
| -                                                    | (104,500)                   | (104,500)      |
| -                                                    | (1,223,915)                 | (1,223,915)    |
| (3,575,923)                                          | (1,223,915)                 | (4,799,838)    |
| 1,341,851                                            | 2,364,635                   | 3,706,486      |
| 310,667                                              | -                           | 310,667        |
| (1,923,405)                                          | 1,140,720                   | (782,685)      |
| 129,775,521                                          | 71,148,040                  | 200,923,561    |
| (52,123,000)                                         | (13,998,286)                | (66,121,286)   |
| 77,652,521                                           | 57,149,754                  | 134,802,275    |
| \$ 75,729,116                                        | \$ 58,290,474               | \$ 134,019,590 |

**MARCH JOINT POWERS AUTHORITY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

|                                                                               | General<br>Fund      | Special Revenue        |                                        | Total                |
|-------------------------------------------------------------------------------|----------------------|------------------------|----------------------------------------|----------------------|
|                                                                               |                      | Meridian<br>LLMD No. 1 | March Lifecare<br>Campus<br>CFD 2013-1 |                      |
| <b>ASSETS</b>                                                                 |                      |                        |                                        |                      |
| Cash and investments                                                          | \$ 24,353,328        | \$ 3,873,626           | \$ 144,610                             | \$ 28,371,564        |
| Restricted cash and investments                                               | 4,381,052            | -                      | -                                      | 4,381,052            |
| Receivables, net:                                                             |                      |                        |                                        |                      |
| Accounts                                                                      | 2,706,460            | 25,493                 | 350                                    | 2,732,303            |
| Leases                                                                        | 1,249,042            |                        |                                        | 1,249,042            |
| Deposits                                                                      | 1,283                | -                      | -                                      | 1,283                |
| Due from Successor Agency                                                     | 426,541              | -                      | -                                      | 426,541              |
| Advances to other funds                                                       | 6,828,690            | -                      | -                                      | 6,828,690            |
| <b>Total assets</b>                                                           | <b>\$ 39,946,396</b> | <b>\$ 3,899,119</b>    | <b>\$ 144,960</b>                      | <b>\$ 43,990,475</b> |
| <b>LIABILITIES</b>                                                            |                      |                        |                                        |                      |
| Accounts payable and accrued liabilities                                      | \$ 626,276           | \$ 157,345             | \$ 8,076                               | \$ 791,697           |
| Deposits payable                                                              | 965,928              | 14,124                 | -                                      | 980,052              |
| Liabilities payable from restricted assets:                                   |                      |                        |                                        |                      |
| Other payables                                                                | 3,871,008            | -                      | -                                      | 3,871,008            |
| <b>Total liabilities</b>                                                      | <b>5,463,212</b>     | <b>171,469</b>         | <b>8,076</b>                           | <b>5,642,757</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                          |                      |                        |                                        |                      |
| Unavailable revenue - intergovernmental                                       | 2,400,000            | -                      | -                                      | 2,400,000            |
| Leases receivable                                                             | 1,249,042            | -                      | -                                      | 1,249,042            |
| <b>Total deferred inflows of resources</b>                                    | <b>3,649,042</b>     | <b>-</b>               | <b>-</b>                               | <b>3,649,042</b>     |
| <b>FUND BALANCE</b>                                                           |                      |                        |                                        |                      |
| Nonspendable:                                                                 |                      |                        |                                        |                      |
| Long-term successor agency loans                                              | 426,541              | -                      | -                                      | 426,541              |
| Long-term advances to other funds                                             | 6,828,690            | -                      | -                                      | 6,828,690            |
| Restricted:                                                                   |                      |                        |                                        |                      |
| Maintenance and landscaping                                                   | -                    | 3,727,650              | 136,884                                | 3,864,534            |
| Unassigned                                                                    | 23,578,911           | -                      | -                                      | 23,578,911           |
| <b>Total fund balances</b>                                                    | <b>30,834,142</b>    | <b>3,727,650</b>       | <b>136,884</b>                         | <b>34,698,676</b>    |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 39,946,396</b> | <b>\$ 3,899,119</b>    | <b>\$ 144,960</b>                      | <b>\$ 43,990,475</b> |

*The accompanying notes are an integral part of the financial statements.*

**MARCH JOINT POWERS AUTHORITY**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2024**

---

|                                                                                                                                                   |                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Fund balances of governmental funds                                                                                                               | \$ 34,698,676        |
| Amounts reported for governmental activities in the Statement of Net Position are different because:                                              |                      |
| Capital assets, net of depreciation, have not been included as financial resources in governmental fund activity.                                 | 39,838,420           |
| Liabilities that are not due and payable in the current period and are not reported in the funds.                                                 |                      |
| Compensated absences                                                                                                                              | (138,975)            |
| Net pension liability                                                                                                                             | (1,825,942)          |
| Net OPEB asset                                                                                                                                    | 22,597               |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. | 2,400,000            |
| Deferred outflows and inflows of resources related to pensions and OPEB that are required to be recognized over a defined closed period.          |                      |
| Pension related deferred outflows of resources                                                                                                    | 812,159              |
| OPEB related deferred outflows of resources                                                                                                       | 136,786              |
| Pension related deferred inflows of resources                                                                                                     | (73,820)             |
| OPEB related deferred inflows of resources                                                                                                        | (140,785)            |
| Net position of governmental activities                                                                                                           | <u>\$ 75,729,116</u> |

*The accompanying notes are an integral part of the financial statements.*

**MARCH JOINT POWERS AUTHORITY**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2024**

|                                   | General<br>Fund | Special Revenue        |                                        | Total         |
|-----------------------------------|-----------------|------------------------|----------------------------------------|---------------|
|                                   |                 | Meridian<br>LLMD No. 1 | March Lifecare<br>Campus<br>CFD 2013-1 |               |
| <b>REVENUES</b>                   |                 |                        |                                        |               |
| Licenses, permits and fees        | \$ 1,551,766    | \$ -                   | \$ -                                   | \$ 1,551,766  |
| Investment earnings               | 1,341,852       | -                      | -                                      | 1,341,852     |
| Lease revenue                     | 100,115         | -                      | -                                      | 100,115       |
| Special assessments               | -               | 2,115,452              | 42,467                                 | 2,157,919     |
| Other revenue                     | 310,667         | -                      | -                                      | 310,667       |
| Total revenues                    | 3,304,400       | 2,115,452              | 42,467                                 | 5,462,319     |
| <b>EXPENDITURES</b>               |                 |                        |                                        |               |
| Current:                          |                 |                        |                                        |               |
| Administration                    | 534,723         | 31,135                 | 3,253                                  | 569,111       |
| Salaries and benefits             | 1,330,286       | 54,412                 | 20,075                                 | 1,404,773     |
| Police patrols/security           | 290,304         | -                      | -                                      | 290,304       |
| Contractual/professional services | 641,981         | 53,800                 | 5,000                                  | 700,781       |
| Project improvement costs         | -               | 158,172                | -                                      | 158,172       |
| Legal                             | 233,693         | -                      | -                                      | 233,693       |
| Planning                          | 628,868         | -                      | -                                      | 628,868       |
| Maintenance and lease services    | 138,389         | 164,381                | 32,796                                 | 335,566       |
| Buildings and grounds maintenance | 73,238          | 1,222,056              | 23,826                                 | 1,319,120     |
| Capital outlay                    | -               | 41,776                 | -                                      | 41,776        |
| Total expenditures                | 3,871,482       | 1,725,732              | 84,950                                 | 5,682,164     |
| Net change in fund balances       | (567,082)       | 389,720                | (42,483)                               | (219,845)     |
| <b>FUND BALANCES</b>              |                 |                        |                                        |               |
| Beginning of year                 | 31,401,224      | 3,337,930              | 179,367                                | 34,918,521    |
| End of year                       | \$ 30,834,142   | \$ 3,727,650           | \$ 136,884                             | \$ 34,698,676 |

*The accompanying notes are an integral part of the financial statements.*

**MARCH JOINT POWERS AUTHORITY**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2024**

---

Net change in fund balances - total governmental funds \$ (219,845)

Amounts reported for governmental activities in the Statement of  
Activities are different because:

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the governmental funds.

Intergovernmental revenues (1,200,000)

Governmental funds report capital outlay as an expenditure in the full amount as  
current financial resources are used. However, in the Statement of Activities  
the cost of these assets is allocated over the estimated useful life as  
depreciation expense.

Depreciation expense (359,802)

Some expenses reported in the Statement of Activities do not require the use of  
current financial resources and are not reported as governmental fund  
expenditures.

|                                              |                  |
|----------------------------------------------|------------------|
| Net change in compensated absences           | 16,746           |
| Net change in net OPEB liability expenses    | 4,438            |
| Net change in net pension liability expenses | <u>(164,942)</u> |

|                                                   |                       |
|---------------------------------------------------|-----------------------|
| Change in net position of governmental activities | <u>\$ (1,923,405)</u> |
|---------------------------------------------------|-----------------------|

*The accompanying notes are an integral part of the financial statements.*

**MARCH JOINT POWERS AUTHORITY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

|                                          | <b>March Inland<br/>Port Airport<br/>Authority</b> | <b>Green Acres</b> | <b>Golf Course</b> |
|------------------------------------------|----------------------------------------------------|--------------------|--------------------|
| <b>ASSETS</b>                            |                                                    |                    |                    |
| Current assets:                          |                                                    |                    |                    |
| Cash and cash equivalents                | \$ 10,392,587                                      | \$ 5,198,069       | \$ 278,654         |
| Receivables, net:                        |                                                    |                    |                    |
| Accounts                                 | 247,526                                            | -                  | 8,683              |
| Inventory                                | -                                                  | -                  | 74,579             |
| Total current assets                     | 10,640,113                                         | 5,198,069          | 361,916            |
| Noncurrent assets:                       |                                                    |                    |                    |
| Leases receivable                        | 76,521,817                                         | -                  | -                  |
| Capital assets, not being depreciated    | 22,223,191                                         | 1,258,788          | 17,518             |
| Capital assets, net of depreciation      | 20,838,106                                         | 5,576,028          | 62,249             |
| Net OPEB asset                           | 8,121                                              | 4,590              | -                  |
| Total noncurrent assets                  | 119,591,235                                        | 6,839,406          | 79,767             |
| Total assets                             | 130,231,348                                        | 12,037,475         | 441,683            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                                                    |                    |                    |
| Pension related items                    | 291,870                                            | 164,970            | -                  |
| OPEB related items                       | 49,158                                             | 27,785             | -                  |
| Total deferred outflows of resources     | 341,028                                            | 192,755            | -                  |
| <b>LIABILITIES</b>                       |                                                    |                    |                    |
| Current liabilities:                     |                                                    |                    |                    |
| Accounts payable and accrued liabilities | 105,150                                            | 162,963            | 82,392             |
| Deposits                                 | -                                                  | 183,149            | -                  |
| Compensated absences - current portion   | 19,121                                             | 11,426             | -                  |
| Total current liabilities                | 124,271                                            | 357,538            | 82,392             |
| Noncurrent liabilities:                  |                                                    |                    |                    |
| Compensated absences                     | 57,362                                             | 34,277             | -                  |
| Unearned revenue                         | 20,833                                             | 18,089             | -                  |
| Net pension liability                    | 656,198                                            | 370,894            | -                  |
| Advances from other funds                | 4,464,763                                          | -                  | 1,913,927          |
| Total noncurrent liabilities             | 5,199,156                                          | 423,260            | 1,913,927          |
| Total liabilities                        | 5,323,427                                          | 780,798            | 1,996,319          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                                                    |                    |                    |
| Leases receivable related                | 76,521,817                                         | -                  | -                  |
| Pension related items                    | 26,529                                             | 14,995             | -                  |
| OPEB related items                       | 50,594                                             | 28,597             | -                  |
| Total deferred inflows of resources      | 76,598,940                                         | 43,592             | -                  |
| <b>NET POSITION (DEFICIT)</b>            |                                                    |                    |                    |
| Net investment in capital assets         | 43,061,297                                         | 6,834,816          | 79,767             |
| Restricted for net OPEB asset            | 8,121                                              | 4,590              | -                  |
| Unrestricted                             | 5,580,591                                          | 4,566,434          | (1,634,403)        |
| Total net position                       | \$ 48,650,009                                      | \$ 11,405,840      | \$ (1,554,636)     |

*The accompanying notes are an integral part of the financial statements.*



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| <b>Utilities<br/>Authority</b> | <b>Total</b>         |
|--------------------------------|----------------------|
| \$ 196,781                     | \$ 16,066,091        |
| 42,522                         | 298,731              |
| -                              | 74,579               |
| <u>239,303</u>                 | <u>16,439,401</u>    |
| -                              | 76,521,817           |
| -                              | 23,499,497           |
| -                              | 26,476,383           |
| -                              | 12,711               |
| <u>-</u>                       | <u>126,510,408</u>   |
| <u>239,303</u>                 | <u>142,949,809</u>   |
| -                              | 456,840              |
| -                              | 76,943               |
| <u>-</u>                       | <u>533,783</u>       |
| 42                             | 350,547              |
| -                              | 183,149              |
| -                              | 30,547               |
| <u>42</u>                      | <u>564,243</u>       |
| -                              | 91,639               |
| -                              | 38,922               |
| -                              | 1,027,092            |
| <u>450,000</u>                 | <u>6,828,690</u>     |
| <u>450,000</u>                 | <u>7,986,343</u>     |
| <u>450,042</u>                 | <u>8,550,586</u>     |
| -                              | 76,521,817           |
| -                              | 41,524               |
| -                              | 79,191               |
| <u>-</u>                       | <u>76,642,532</u>    |
| -                              | 49,975,880           |
| -                              | 12,711               |
| <u>(210,739)</u>               | <u>8,301,883</u>     |
| <u>\$ (210,739)</u>            | <u>\$ 58,290,474</u> |

**MARCH JOINT POWERS AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2024**

|                                         | <b>March Inland<br/>Port Airport<br/>Authority</b> | <b>Green Acres</b> | <b>Golf Course</b> |
|-----------------------------------------|----------------------------------------------------|--------------------|--------------------|
| <b>OPERATING REVENUES</b>               |                                                    |                    |                    |
| Charges for services                    | \$ 737,960                                         | \$ 57,066          | \$ 2,548,608       |
| Rental income                           | -                                                  | 1,935,735          | -                  |
| Lease income                            | 464,988                                            | -                  | -                  |
| Permit fees                             | 3,000                                              | -                  | -                  |
| Other                                   | -                                                  | 1,696              | -                  |
| Total operating revenues                | 1,205,948                                          | 1,994,497          | 2,548,608          |
| <b>OPERATING EXPENSES</b>               |                                                    |                    |                    |
| Administrative                          | 824,560                                            | 45,858             | -                  |
| Professional services                   | 200,158                                            | -                  | 2,365,328          |
| Salaries and employee benefits          | 663,997                                            | 307,577            | -                  |
| Purchased water/utilities               | -                                                  | 599,169            | -                  |
| Insurance/claims                        | -                                                  | 152,398            | -                  |
| Repairs and maintenance                 | 75,384                                             | 364,847            | -                  |
| Project improvement costs               | 237,789                                            | 18,621             | -                  |
| Services and fees                       | 16,240                                             | -                  | -                  |
| Depreciation                            | 783,795                                            | 302,692            | 14,713             |
| Other                                   | -                                                  | 71,429             | -                  |
| Total operating expenses                | 2,801,923                                          | 1,862,591          | 2,380,041          |
| Operating income (loss)                 | (1,595,975)                                        | 131,906            | 168,567            |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                                                    |                    |                    |
| Intergovernmental Revenue               | 104,264                                            | -                  | -                  |
| Interest income - leases                | 65,196                                             | -                  | -                  |
| Investment earnings                     | 2,190,274                                          | 109,165            | -                  |
| Interest expense                        | (104,500)                                          | -                  | -                  |
| Total nonoperating revenues (expenses)  | 2,255,234                                          | 109,165            | -                  |
| Change in net position                  | 659,259                                            | 241,071            | 168,567            |
| <b>NET POSITION (DEFICIT)</b>           |                                                    |                    |                    |
| Beginning, as previously reported       | 61,989,036                                         | 11,164,769         | (1,723,203)        |
| Restatement for correction of an error  | (13,998,286)                                       | -                  | -                  |
| Beginning, as restated                  | 47,990,750                                         | 11,164,769         | (1,723,203)        |
| End of year                             | \$ 48,650,009                                      | \$ 11,405,840      | \$ (1,554,636)     |

*The accompanying notes are an integral part of the financial statements.*

---

| <b>Utilities<br/>Authority</b> | <b>Total</b>         |
|--------------------------------|----------------------|
| \$ 287,344                     | \$ 3,630,978         |
| -                              | 1,935,735            |
| -                              | 464,988              |
| -                              | 3,000                |
| -                              | 1,696                |
| <u>287,344</u>                 | <u>6,036,397</u>     |
| 3,500                          | 873,918              |
| -                              | 2,565,486            |
| -                              | 971,574              |
| 207,797                        | 806,966              |
| -                              | 152,398              |
| 4,224                          | 444,455              |
| -                              | 256,410              |
| -                              | 16,240               |
| -                              | 1,101,200            |
| -                              | 71,429               |
| <u>215,521</u>                 | <u>7,260,076</u>     |
| <u>71,823</u>                  | <u>(1,223,679)</u>   |
| -                              | 104,264              |
| -                              | 65,196               |
| -                              | 2,299,439            |
| -                              | (104,500)            |
| <u>-</u>                       | <u>2,364,399</u>     |
| 71,823                         | 1,140,720            |
| (282,562)                      | 71,148,040           |
| -                              | (13,998,286)         |
| <u>(282,562)</u>               | <u>57,149,754</u>    |
| <u>\$ (210,739)</u>            | <u>\$ 58,290,474</u> |

**MARCH JOINT POWERS AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2024**

|                                                                                                         | <b>March Inland<br/>Port Airport<br/>Authority</b> | <b>Green Acres</b>  | <b>Golf Course</b> |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                             |                                                    |                     |                    |
| Cash received from customers                                                                            | \$ 3,079,712                                       | \$ 2,103,662        | \$ 2,545,649       |
| Cash payments for employee services (salaries)                                                          | (582,696)                                          | (301,213)           | -                  |
| Cash payments to suppliers for goods and services                                                       | (1,415,204)                                        | (1,177,774)         | (2,343,380)        |
| Cash received from Intergovernmental revenue                                                            | 104,264                                            | -                   | -                  |
| Net cash provided by (used for) operating activities                                                    | <u>1,186,076</u>                                   | <u>624,675</u>      | <u>202,269</u>     |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                                 |                                                    |                     |                    |
| Advances to (from) other funds                                                                          | 104,500                                            | -                   | -                  |
| Net cash provided by non-capital financing activities                                                   | <u>104,500</u>                                     | <u>-</u>            | <u>-</u>           |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                         |                                                    |                     |                    |
| Grant revenue                                                                                           | 134,307                                            | -                   | -                  |
| Acquisition of capital assets                                                                           | -                                                  | (44,859)            | (24,886)           |
| Payment on JPA operating advances                                                                       | -                                                  | -                   | (100,000)          |
| Net cash provided by (used for) capital and related financing activities                                | <u>134,307</u>                                     | <u>(44,859)</u>     | <u>(124,886)</u>   |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                                                          | <u>1,424,883</u>                                   | <u>579,816</u>      | <u>77,383</u>      |
| Cash and cash equivalents, beginning of year                                                            | <u>8,967,704</u>                                   | <u>4,618,253</u>    | <u>201,271</u>     |
| Cash and cash equivalents, end of year                                                                  | <u>\$ 10,392,587</u>                               | <u>\$ 5,198,069</u> | <u>\$ 278,654</u>  |
| <b>RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b> |                                                    |                     |                    |
| Change in net position                                                                                  | \$ 659,259                                         | \$ 241,071          | \$ 168,567         |
| Adjustments to Reconcile Change in Net Position to Net Cash                                             |                                                    |                     |                    |
| Provided by (Used for) Operating Activities:                                                            |                                                    |                     |                    |
| Depreciation                                                                                            | 783,795                                            | 302,692             | 14,713             |
| Interest expense                                                                                        | 104,500                                            | -                   | -                  |
| (Increase) decrease in accounts receivable                                                              | (162,343)                                          | -                   | (2,959)            |
| (Increase) decrease in inventory                                                                        | -                                                  | -                   | 80                 |
| (Increase) decrease in pension/OPEB related deferred outflows                                           | 12,532                                             | 7,083               | -                  |
| Increase (decrease) in accounts payable and accrued liabilities                                         | (118,904)                                          | 78,284              | 23,568             |
| (Increase) decrease in compensated absences                                                             | 12,663                                             | (15,564)            | -                  |
| Increase (decrease) in unearned revenue                                                                 | (154,167)                                          | (16,492)            | -                  |
| Increase (decrease) in deposits                                                                         | -                                                  | 51                  | (1,700)            |
| Increase (decrease) in net pension liability                                                            | 67,218                                             | 37,992              | -                  |
| Increase (decrease) in net OPEB liability/asset                                                         | (29,432)                                           | (12,045)            | -                  |
| Increase (decrease) in pension/OPEB related deferred inflows                                            | 10,955                                             | 1,603               | -                  |
| Total cash provided by (used for) operating activities                                                  | <u>\$ 1,186,076</u>                                | <u>\$ 624,675</u>   | <u>\$ 202,269</u>  |

*The accompanying notes are an integral part of the financial statements.*

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| <b>Utilities<br/>Authority</b> | <b>Total</b>         |
|--------------------------------|----------------------|
| \$ 317,140                     | \$ 8,046,163         |
| -                              | (883,909)            |
| (363,239)                      | (5,299,597)          |
| -                              | 104,264              |
| <u>(46,099)</u>                | <u>1,966,921</u>     |
| -                              | 104,500              |
| <u>-</u>                       | <u>104,500</u>       |
| -                              | 134,307              |
| -                              | (69,745)             |
| <u>-</u>                       | <u>(100,000)</u>     |
| -                              | (35,438)             |
| (46,099)                       | 2,035,983            |
| <u>242,880</u>                 | <u>14,030,108</u>    |
| <u>\$ 196,781</u>              | <u>\$ 16,066,091</u> |
| <br>                           |                      |
| \$ 71,823                      | \$ 1,140,720         |
| -                              | 1,101,200            |
| -                              | 104,500              |
| 29,796                         | (135,506)            |
| -                              | 80                   |
| -                              | 19,615               |
| (147,718)                      | (164,770)            |
| -                              | (2,901)              |
| -                              | (170,659)            |
| -                              | (1,649)              |
| -                              | 105,210              |
| -                              | (41,477)             |
| <u>-</u>                       | <u>12,558</u>        |
| <u>\$ (46,099)</u>             | <u>\$ 1,966,921</u>  |

**MARCH JOINT POWERS AUTHORITY**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2024**

---

|                                              | <b>Successor Agency<br/>Private-purpose<br/>Trust Fund</b> |
|----------------------------------------------|------------------------------------------------------------|
| <b>ASSETS</b>                                |                                                            |
| Cash and investments                         | \$ 2,549,244                                               |
| Cash and investments with fiscal agent       | 2,120                                                      |
| Prepaid items                                | <u>210,260</u>                                             |
| Total assets                                 | <u>2,761,624</u>                                           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>        |                                                            |
| Deferred charge on refunding                 | <u>6,227,349</u>                                           |
| Total deferred outflows of resources         | <u>6,227,349</u>                                           |
| <b>LIABILITIES</b>                           |                                                            |
| Interest payable                             | 451,476                                                    |
| Due to other governments                     | 426,541                                                    |
| Bonds payable - due in one year              | 1,030,000                                                  |
| Bonds payable - due in more than one year    | <u>28,572,495</u>                                          |
| Total liabilities                            | <u>30,480,512</u>                                          |
| <b>NET POSITION (DEFICIT)</b>                |                                                            |
| Net position held in trust for redevelopment | <u>(21,491,539)</u>                                        |
| Total net position                           | <u><u>\$ (21,491,539)</u></u>                              |

*The accompanying notes are an integral part of the financial statements.*

**MARCH JOINT POWERS AUTHORITY**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2024**

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|                                   | <b>Successor Agency<br/>Private-purpose<br/>Trust Fund</b> |
|-----------------------------------|------------------------------------------------------------|
| <b>ADDITIONS</b>                  |                                                            |
| Taxes                             | \$ 2,368,418                                               |
| Investment earnings               | 2,125                                                      |
|                                   | <hr/>                                                      |
| Total additions                   | 2,370,543                                                  |
|                                   | <hr/>                                                      |
| <b>DEDUCTIONS</b>                 |                                                            |
| Administration                    | 242,500                                                    |
| Trustee fee                       | 5,000                                                      |
| Contractual/professional services | 48,779                                                     |
| Interest expense                  | 1,285,835                                                  |
|                                   | <hr/>                                                      |
| Total deductions                  | 1,582,114                                                  |
|                                   | <hr/>                                                      |
| Change in net position            | 788,429                                                    |
|                                   | <hr/>                                                      |
| <b>NET POSITION (DEFICIT)</b>     |                                                            |
| Beginning of year                 | (22,279,968)                                               |
|                                   | <hr/>                                                      |
| End of year                       | \$ (21,491,539)                                            |
|                                   | <hr/> <hr/>                                                |

*The accompanying notes are an integral part of the financial statements.*

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**MARCH JOINT POWERS AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

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| NOTE | DESCRIPTION                                                     | PAGE |
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**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Description of the Reporting Entity**

The March Joint Powers Authority (the "Authority") was formed on November 14, 1993, under a joint exercise of powers agreement among the Cities of Perris, Moreno Valley and Riverside and the County of Riverside for the purpose of formulating and implementing plans for the use and reuse of the property formerly known as March Air Force Base.

The Authority's office and records are located at 14205 Meridian Parkway, Suite 140, Riverside, California 92518.

The Authority Commissioners are as follows:

| Name                  | Title        | Representing          |
|-----------------------|--------------|-----------------------|
| Edward Delgado        | Chairman     | City of Moreno Valley |
| Michael Vargas        | Vice Chair   | City of Perris        |
| Chuck Conder          | Commissioner | City of Riverside     |
| Jim Perry             | Commissioner | City of Riverside     |
| Rita Rogers           | Commissioner | City of Perris        |
| Ulises Cabrera        | Commissioner | City of Moreno Valley |
| Kevin Jeffries        | Commissioner | County of Riverside   |
| Dr. Yxstian Gutierrez | Commissioner | County of Riverside   |

The March Joint Powers Authority Commission meets on the first and third Wednesday of each month.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies reflected in the financial statements are summarized as follows:

The financial statements of the March Joint Powers Authority include the financial activities of the Authority, the March Inland Port Airport Authority and the March Joint Powers Utilities Authority. In accordance with GASB, the basic criteria for including an agency, institution, authority or other organization in a governmental unit's financial reporting entity is financial accountability. Financial accountability includes, but is not limited to: 1) selection of the governing body, 2) imposition of will, 3) ability to provide a financial benefit to or impose a financial burden on and 4) fiscal dependency.

There may, however, be factors other than financial accountability that are so significant that exclusion of a particular agency from a reporting entity's financial statements would be misleading. These other factors include scope of public service and special financing relationships.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**A) Description of the Reporting Entity (continued)**

Based upon the application of these criteria, an agency, institution, authority or other organization may be included as a component unit in the primary government's financial statements. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There are no discretely presented component units in these financial statements. Each blended component unit presented has a June 30 year end.

The following is a brief review of each component unit included in the primary government's reporting entity.

*March Inland Port Airport Authority*

The March Inland Port Airport Authority (the "Airport Authority") was formed on June 18, 1997 under a joint exercise of powers agreement between the Cities of Perris, Moreno Valley and Riverside and the County of Riverside for the purpose of formulating and implementing plans for the use and reuse of March Air Force Base. The March Inland Port Airport Authority will be used to market and promote the economic development opportunity associated with the creation of the joint use airport and for the associated development or redevelopment of adjacent and nearby vacant properties. The March Inland Port Airport Authority's activities are blended with those of the Authority in these financial statements and are reported as an enterprise fund. Separate component financial statements can be obtained from the Authority's office.

*March Joint Powers Utilities Authority*

The March Joint Powers Utilities Authority (the "Utilities Authority") was formed on August 8, 2002 by the City of Moreno Valley, a general law city of the State of California, the City of Perris, a general law city of the State of California and the City of Riverside, a charter city and municipal corporation of the State of California. The purpose of the Utility Authority is to provide construction, completion, reconstruction, extension, change, enlargement, acquisition, leasing, operation, maintenance, repair and control of facilities for the generation, transmission, distribution and sale of utilities and utilities service. The sale and service of Utilities will be to municipalities, public utility districts, corporations, businesses or persons located at the property formerly known as March Air Force Base. Separate component financial statements can be obtained from the Authority's office.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**B) Basis of Presentation**

Generally accepted accounting principles in the United States of America (GAAP) require that the financial statements described below be presented:

*Government-wide Statements:* The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the Authority include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

*Fund Financial Statements:* Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds.

**C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and private-purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
**(continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for property taxes. Property taxes are recognized in the year for which they are levied. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental funds:

The *General Fund* is used to account for all financial resources of the Authority, except those required to be accounted for in another fund.

The *Meridian LLMD No. 1 Special Revenue Fund* is used to account for special assessments through property tax collections and the expenditures for the maintenance and landscaping of the Meridian Business Park.

The *March Lifecare Campus CFD 2013-1 Special Revenue Fund* is used to account for special assessments through property tax collection and the expenditures for the maintenance of the March Lifecare Campus.

The Authority reports the following major proprietary funds:

The *March Inland Port Airport Authority Fund* accounts for the activities of the Airport Authority, a blended component unit of the Authority. The Authority operates the joint use of the airport as well as development of the airport and adjacent properties.

The *Green Acres Fund* accounts for the activities of the Green Acres Housing Area.

The *Golf Course Fund* accounts for the activities of the Authority's golf course operations.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
**(continued)**

The *Utility Authority Fund* accounts for the activities of the Authority's utility operations.

The *Enterprise Funds* are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Revenues are fully accrued to include unbilled services at year end.

Additionally, the Authority reports the following fund types:

The *Fiduciary Funds* are used to account for resources held in the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used by the fiduciary funds are much like that used for proprietary funds.

The Authority reports the following fiduciary activities:

The *Private-purpose trust fund* is used to report resources held in trust for the Successor Agency of the former Redevelopment Agency.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; indirect expenses and internal payments have been eliminated.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grant and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the policy of the Authority to use restricted resources first, and then use unrestricted resources as they are needed.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**D) Encumbrances**

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

**E) Cash and Cash Equivalents**

In accordance with generally accepted accounting principles, for purposes of the Statement of Cash Flows, all cash and investments with original maturities of 90 days or less are considered cash or cash equivalents. For financial statement presentation purposes cash and cash equivalents are shown as cash in the Proprietary Funds.

**F) Cash and Investments**

As a governmental entity other than an external investment pool in accordance with generally accepted accounting principles, the Authority's investments are stated at fair value except for interest-earning investment contracts.

Restricted cash and investments consist of \$2,515,449 for Meridian drainage fee deposits, and \$1,865,603 for fire department impact fees.

**G) Uncollectible Accounts**

The Authority uses the allowance method of recording uncollectible accounts. Currently, the Authority believes all receivables are collectible based on prior experience. Therefore, there is no current allowance recorded.

**H) Inventory and Prepaid Items**

Inventory is valued at cost, using the first-in, and first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.



**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)**

**I) Capital Assets**

Capital assets, which include land, buildings, building improvements, machinery, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. The cost of normal maintenance and repairs that do not add to the value of the asset's lives are not capitalized.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Donated or transferred capital assets are valued at their estimated acquisition value at the date of donation or transfer.

Capital assets, with an initial cost of \$5,000, used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class is as follows:

|                                |                |
|--------------------------------|----------------|
| Buildings and improvements     | 7 – 50 years   |
| Vehicles                       | 5 years        |
| Office equipment and furniture | 5 years        |
| Infrastructure                 | 30 – 100 years |

**J) Liabilities Payable from Restricted Assets**

Liabilities payable from restricted assets consist of the following: \$1,824,540 for County fire facilities, \$1,964,225 for the Meridian drainage fee deposits and \$82,243 for Lifecare Campus Drainage Fees.

**K) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Authority has deferred outflows related to pensions, other post-employment benefits (OPEB), and leases receivable.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**K) Deferred Outflows/Inflows of Resources (continued)**

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority has several types of deferred inflows of resources. One item arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**L) Compensated Absences**

In accordance with generally accepted accounting principles, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement.

All leave benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported if they have matured, for example, as result of employee resignations and retirements. Leave benefits are generally liquidated by the General Fund, March Inland Port Airport Authority and Green Acres funds.

**M) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**M) Pensions (continued)**

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2022                 |
| Measurement Date   | June 30, 2023                 |
| Measurement Period | July 1, 2022 to June 30, 2023 |

**N) Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2023                 |
| Measurement Date   | June 30, 2023                 |
| Measurement Period | July 1, 2021 to June 30, 2023 |

**O) Net Position**

Generally accepted accounting principles requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**P) Fund Balance**

Fund balance in governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Authority considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

*Nonspendable Fund Balance* - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

*Restricted Fund Balance* - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (though constitutional provisions or enabling legislation).

*Committed Fund Balance* - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority. The Joint Powers Commission is the highest level of decision-making authority for the Authority that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

*Assigned Fund Balance* - Amounts that are constrained by the Authority's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given.

*Unassigned Fund Balance* - These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

**Q) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses/expenditures, as appropriate, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**R) Property Tax**

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

|                 |                   |                               |
|-----------------|-------------------|-------------------------------|
| Lien Date       | January 1         |                               |
| Levy Date       | July 1 to June 30 |                               |
| Due Date        | November 1        | - 1 <sup>st</sup> installment |
|                 | February 1        | - 2 <sup>nd</sup> installment |
| Delinquent Date | December 10       | - 1 <sup>st</sup> installment |
|                 | April 10          | - 2 <sup>nd</sup> installment |

Under California law, property taxes are assessed and collected by the counties up to 1%, of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the agencies based on complex formulas prescribed by the state statutes.

**S) Other Revenue**

The General Fund's other revenue includes \$55,500 for foreign trade zone fees, \$242,500 for Successor Agency administration fees and \$12,667 for miscellaneous revenues.

**T) Implementation of New Pronouncement**

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 100 – *Accounting Changes and Error Corrections*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. For additional information, refer to Note 17 .

**MARCH JOINT POWERS AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

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**2) CASH AND INVESTMENTS**

Cash and investments are classified in the accompanying financial statements as follows:

|                                        |                             |
|----------------------------------------|-----------------------------|
| Statement of Net Position:             |                             |
| Cash and investments                   | \$ 44,437,655               |
| Restricted cash and investments        | 4,381,052                   |
| Statement of Fiduciary Net Position:   |                             |
| Cash and investments                   | 2,549,244                   |
| Cash and investments with fiscal agent | <u>2,120</u>                |
| Total cash and investments             | <u><u>\$ 51,370,071</u></u> |

Cash and investments consist of the following:

|                                      |                             |
|--------------------------------------|-----------------------------|
| Petty cash                           | \$ 300                      |
| Deposits with financial institutions | 25,578,737                  |
| Investments                          | <u>25,791,034</u>           |
| Total cash and investments           | <u><u>\$ 51,370,071</u></u> |

*Investments Authorized by the California Government Code and the Authority's Investment Policy*

The table below identifies the investment types that are authorized by the Authority's investment policy. The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

| Authorized Investment Type               | Maximum Maturity | Percentage of Portfolio <sup>(1)</sup> | Investment in One Issuer |
|------------------------------------------|------------------|----------------------------------------|--------------------------|
| Local agency bonds                       | 5 years          | None                                   | None                     |
| U.S. Treasury obligations                | 5 years          | None                                   | None                     |
| U.S. agency securities                   | 5 years          | None                                   | None                     |
| State of California notes/bonds          | 5 years          | None                                   | None                     |
| Banker's acceptances                     | 180 days         | 40%                                    | 30%                      |
| Prime commercial paper <sup>(2)(3)</sup> | 270 days         | 25%                                    | 10%                      |
| Negotiable certificates of deposit       | 5 years          | 30%                                    | None                     |
| Repurchase agreements                    | 1 year           | None                                   | None                     |
| Reverse repurchase agreements            | 92 days          | 20% of Base Value                      | None                     |
| Medium - Term Notes <sup>(2)</sup>       | 5 years          | 30%                                    | None                     |
| Mutual funds                             | N/A              | 20%                                    | 10%                      |
| Money market mutual funds                | N/A              | 20%                                    | 10%                      |
| Mortgage pass-through securities         | 5 years          | 20%                                    | None                     |
| Local Agency Investment Fund (LAIF)      | N/A              | None                                   | \$75m                    |

<sup>(1)</sup> Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

<sup>(2)</sup> U.S. Corporation with assets greater than \$500 million.

<sup>(3)</sup> Rated "A" or better by Moody's or S&P.

**MARCH JOINT POWERS AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

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**2) CASH AND INVESTMENTS (continued)**

*Investments Authorized by Debt Agreements*

Investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. For additional information refer to the original bond issuance documents.

*Disclosures Relating to Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rates risk is by purchasing money market funds.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

| Investment Type               | Fair Value          | 12 Months<br>or Less | 13 to 24<br>Months  | 25 to 60<br>Months  | More than<br>60 Months |
|-------------------------------|---------------------|----------------------|---------------------|---------------------|------------------------|
| Money market and mutual funds | \$ 475,806          | \$ 475,806           | \$ -                | \$ -                | \$ -                   |
| U.S. Treasury obligations     | -                   | -                    | -                   | -                   | -                      |
| Medium-term notes             | 295,848             | -                    | -                   | 295,848             | -                      |
| U.S. Agency securities        | 25,017,260          | 7,752,066            | 7,603,363           | 9,661,831           | -                      |
| Held by Bond Trustee:         |                     |                      |                     |                     |                        |
| Money market funds            | 2,120               | 2,120                | -                   | -                   | -                      |
| Total                         | <u>\$25,791,034</u> | <u>\$ 8,229,992</u>  | <u>\$ 7,603,363</u> | <u>\$ 9,957,679</u> | <u>\$ -</u>            |

*Disclosures Relating to Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the Authority's investment policy and the actual rating as of year-end for each investment type.

| Investment Type               | Amount              | Minimum<br>Legal<br>Rating | Exempt<br>from<br>Disclosure | Rating as of Year End |             |                   |
|-------------------------------|---------------------|----------------------------|------------------------------|-----------------------|-------------|-------------------|
|                               |                     |                            |                              | AA                    | A           | Not<br>Rated      |
| Money market and mutual funds | \$ 475,806          | N/A                        | \$ -                         | \$ -                  | \$ -        | \$ 475,806        |
| U.S. Treasury obligations     | -                   | N/A                        | -                            | -                     | -           | -                 |
| Medium-term notes             | 295,848             | A                          | -                            | 295,848               | -           | -                 |
| U.S. Agency securities        | 25,017,260          | N/A                        | -                            | 25,017,260            | -           | -                 |
| Held by Bond Trustee:         |                     |                            |                              |                       |             |                   |
| Money market funds            | 2,120               | N/A                        | -                            | -                     | -           | 2,120             |
| Total                         | <u>\$25,791,034</u> |                            | <u>\$ -</u>                  | <u>\$25,313,108</u>   | <u>\$ -</u> | <u>\$ 477,926</u> |

2) CASH AND INVESTMENTS (continued)

*Concentration of Credit Risk*

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Government Code. Investments in any one issue (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total Authority’s investments are as follows:

| <u>Issuer</u> | <u>Investment Type</u> | <u>Reported Amount</u> |
|---------------|------------------------|------------------------|
| None          |                        | -                      |

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, no deposits of the Authority’s with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts, and none of the Authority’s investments were held by the broker-dealer (counterparty) that was used by the Authority to buy the securities.

*Cash and Investments with Fiscal Agent*

Included in cash and investments with fiscal agent are the debt securities issued by the Successor Agency. These are obligations of the Successor Agency and, therefore, are not obligations of the Authority.



### 3) FAIR VALUE MEASUREMENTS

Generally accepted accounting principles provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

*Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

*Level 2* inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

*Level 3* inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2024, are as follows:

|                           | Fair Value           | Significant Other<br>Observable Inputs<br>(Level 2) | Uncategorized     |
|---------------------------|----------------------|-----------------------------------------------------|-------------------|
| Investments:              |                      |                                                     |                   |
| Money market mutual funds | \$ 475,806           | \$ -                                                | \$ 475,806        |
| U.S. Treasury obligations | -                    | -                                                   | -                 |
| Medium-term notes         | 295,848              | 295,848                                             | -                 |
| Federal securities        | 25,017,260           | 25,017,260                                          | -                 |
| Held by Bond Trustee:     |                      |                                                     |                   |
| Money market funds        | 2,120                | -                                                   | 2,120             |
| Total Investments         | <u>\$ 25,791,034</u> | <u>\$ 25,313,108</u>                                | <u>\$ 477,926</u> |

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices. Uncategorized investments are not subject to the fair value hierarchy.

**MARCH JOINT POWERS AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

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**4) Advances**

The General Fund has accumulated a receivable from the Golf Course in order to support operations. The loan will be repaid at such time excess revenues from operations exist. The balance outstanding as of June 30, 2024 is \$1,913,927.

**5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

There were no amounts due to/from other funds as of June 30, 2024.

Advances to/from other funds are as follows:

| <u>Advance To</u>         | <u>Advance From<br/>General<br/>Fund</u> |
|---------------------------|------------------------------------------|
| March Inland Port Airport | \$ 4,464,763                             |
| Utilities Authority       | <u>450,000</u>                           |
| Total                     | <u>\$ 4,914,763</u>                      |

*March Inland Port Airport Advance*

The aforementioned loan was made by the General Fund to provide operating funds for the March Inland Port Airport Authority. The loan will be repaid from airport revenues at such time excess funds become available.

*Utilities Authority Advance*

The aforementioned loan was made by the General Fund to provide operating funds for the Utilities Authority. The loan will be repaid from utility revenues at such time excess funds become available.

There were no interfund transfers as of June 30, 2024.

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**MARCH JOINT POWERS AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

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**6) CAPITAL ASSETS**

|                                                                | Beginning<br>Balance | Restatement     | Additions    | Deletions | Ending<br>Balance |
|----------------------------------------------------------------|----------------------|-----------------|--------------|-----------|-------------------|
| <b>Governmental Activities:</b>                                |                      |                 |              |           |                   |
| Capital assets, not being depreciated:                         |                      |                 |              |           |                   |
| Land                                                           | \$ 86,366,661        | \$ (52,123,000) | \$ -         | \$ -      | \$ 34,243,661     |
| Total capital assets, not being depreciated                    | 86,366,661           | (52,123,000)    | -            | -         | 34,243,661        |
| Capital assets, being depreciated:                             |                      |                 |              |           |                   |
| Vehicles                                                       | 156,002              | -               | -            | -         | 156,002           |
| Office furniture and equipment                                 | 121,256              | -               | -            | -         | 121,256           |
| Building and improvements                                      | 12,070,590           | -               | -            | -         | 12,070,590        |
| Infrastructure                                                 | 1,226,084            | -               | -            | -         | 1,226,084         |
| Total capital assets, being depreciated                        | 13,573,932           | -               | -            | -         | 13,573,932        |
| Less accumulated depreciation:                                 |                      |                 |              |           |                   |
| Vehicles                                                       | (149,388)            | -               | (4,408)      | -         | (153,796)         |
| Office furniture and equipment                                 | (97,052)             | -               | (4,748)      | -         | (101,800)         |
| Building and improvements                                      | (6,416,591)          | -               | (260,769)    | -         | (6,677,360)       |
| Infrastructure                                                 | (956,340)            | -               | (89,877)     | -         | (1,046,217)       |
| Total accumulated depreciation                                 | (7,619,371)          | -               | (359,802)    | -         | (7,979,173)       |
| Total capital assets, being depreciated, net                   | 5,954,561            | -               | (359,802)    | -         | 5,594,759         |
| Governmental activities capital assets,<br>net of depreciation | \$ 92,321,222        | \$ (52,123,000) | \$ (359,802) | \$ -      | \$ 39,838,420     |

Depreciation expense of \$359,802 was charged to the general government function in the Statement of Activities.

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**MARCH JOINT POWERS AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

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**6) CAPITAL ASSETS (continued)**

|                                                              | Beginning<br>Balance | Restatement     | Additions      | Deletions | Ending<br>Balance |
|--------------------------------------------------------------|----------------------|-----------------|----------------|-----------|-------------------|
| <b>Business-type Activities:</b>                             |                      |                 |                |           |                   |
| Capital assets, not being depreciated:                       |                      |                 |                |           |                   |
| Land                                                         | \$ 37,480,265        | \$ (13,998,286) | \$ -           | \$ -      | \$ 23,481,979     |
| Beverage rights                                              | 17,518               | -               | -              | -         | 17,518            |
| Total capital assets, not being depreciated                  | 37,497,783           | (13,998,286)    | -              | -         | 23,499,497        |
| Capital assets, being depreciated:                           |                      |                 |                |           |                   |
| Office furniture and equipment                               | 88,219               | -               | 24,886         | -         | 113,105           |
| Building and improvements                                    | 42,787,224           | -               | -              | -         | 42,787,224        |
| Vehicles                                                     | 36,352               | -               | 44,859         | -         | 81,211            |
| Infrastructure                                               | 2,817,370            | -               | -              | -         | 2,817,370         |
| Total capital assets, being depreciated                      | 45,729,165           | -               | 69,745         | -         | 45,798,910        |
| Less accumulated depreciation:                               |                      |                 |                |           |                   |
| Office furniture and equipment                               | (21,489)             | -               | (17,643)       | -         | (39,132)          |
| Building and improvements                                    | (16,913,923)         | -               | (1,043,195)    | -         | (17,957,118)      |
| Vehicles                                                     | (16,010)             | -               | (5,193)        | -         | (21,203)          |
| Infrastructure                                               | (1,269,905)          | -               | (35,169)       | -         | (1,305,074)       |
| Total accumulated depreciation                               | (18,221,327)         | -               | (1,101,200)    | -         | (19,322,527)      |
| Total capital assets, being depreciated, net                 | 27,507,838           | -               | (1,031,455)    | -         | 26,476,383        |
| Business-type activities capital assets, net of depreciation | \$ 65,005,621        | \$ (13,998,286) | \$ (1,031,455) | \$ -      | \$ 49,975,880     |

Depreciation was charged to functions/programs as follows:

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| <b>Business-type Activities:</b>                      |                     |
| March Inland Port Airport Authority                   | \$ 783,795          |
| Green Acres                                           | 302,692             |
| Golf Course                                           | 14,713              |
|                                                       | <hr/>               |
| Total depreciation expense - Business-type activities | <u>\$ 1,101,200</u> |

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**7) LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities:

| <b>Governmental Activities:</b>  |                   |                      |                       |                |                     |
|----------------------------------|-------------------|----------------------|-----------------------|----------------|---------------------|
| Description                      | Beginning Balance | Obligations Incurred | Obligations Satisfied | Ending Balance | Due Within One Year |
| Compensated absences             | \$ 155,721        | \$ 34,550            | \$ (51,296)           | \$ 138,975     | \$ 34,744           |
| <b>Business type Activities:</b> |                   |                      |                       |                |                     |
| Description                      | Beginning Balance | Obligations Incurred | Obligations Satisfied | Ending Balance | Due Within One Year |
| Loan payable (advance)           | \$ 2,013,927      | \$ -                 | \$ (100,000)          | \$ 1,913,927   | \$ -                |
| Compensated absences             | 125,087           | 138,550              | (141,451)             | 122,186        | 30,547              |
| Total Business-type Activities   | \$ 2,139,014      | \$ 138,550           | \$ (241,451)          | \$ 2,036,113   | \$ 30,547           |

**8) DEFICIT FUND BALANCES/NET POSITION**

The Authority reported the following fund balance/net position deficit for the year ended June 30, 2024:

| Fund                | Amount         |
|---------------------|----------------|
| Major Fund          |                |
| Golf Course         | \$ (1,554,636) |
| Utilities Authority | (210,739)      |

Management is very much aware of the seriousness of the above deficit and is currently taking steps to eliminate it. This deficit is expected to be eliminated by future revenues.

**9) LEASES**

*Long-term leases*

During the year, the Authority had the following lease activity:

The Authority entered into several long-term leases with various private entities. The leases vary in length from 18 months to 516 months. Payments on the leases are due monthly, except for one lease which has semi-annual payments. In addition, one other lease requires only half of the monthly payment to be paid with the other half accruing during the year with a balloon payment due after twelve months. During the year, the Authority recognized \$2,236,673 and \$565,104 in interest and lease revenue, respectively. As of June 30, 2024, the lease receivable and deferred inflows of resources related to leases were \$77,770,859, respectively.

**9) LEASES (continued)**

*Short-term Leases*

The Authority also leases 111 housing units in the area known as Green Acres. The leases are considered month-to-month leases; therefore, no lease receivable or related deferred amounts have been recorded in the financial statements.

**10) RISK MANAGEMENT**

***General Liability Insurance***

The Authority is a member of the Public Entity Risk Management Authority (PERMA) a joint powers Authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. The governing Board of Directors consists of one member from each participating agency.

The Authority has liability coverage as follows:

- A. \$1,000,000 inclusive of the Member's self-insured retention of \$0.
- B. \$50,000,000, subject to PERMA's retained limit of \$1,000,000 for Coverage A, in accordance with the terms of the Memorandum of Liability Coverage for the California Joint Powers Risk Management Authority.

***Workers Compensation Insurance***

The Authority is insured up to \$1,000,000 per occurrence.

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## **11) EMPLOYEES' RETIREMENT PLAN**

### ***General Information about the Pension Plan***

#### ***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The Authority participates in two rate plans (miscellaneous). Benefit provisions under the Plan are established by State statute and the Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

#### ***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

**11) EMPLOYEES' RETIREMENT PLAN (continued)**

***General Information about the Pension Plan (continued)***

The Plan’s provisions and benefits in effect as of June 30, 2024 are summarized as follows:

|                                                   | Miscellaneous    |                  |
|---------------------------------------------------|------------------|------------------|
|                                                   | Prior to         | On of After      |
|                                                   | January 1, 2013  | January 1, 2013  |
| Hire date                                         |                  |                  |
| Benefit formulas                                  | 2.7% at 55       | 2% at 62         |
| Benefit vesting schedule                          | 5 Years service  | 5 Years service  |
| Benefit payments                                  | Monthly for life | Monthly for life |
| Retirement age                                    | 50 - 55+         | 52 - 67+         |
| Monthly benefits, as a % of eligible compensation | 2.0% - 2.7%      | 1.0% - 2.5%      |
| Required employer contribution rates              | 15.95%           | 7.68%            |

***Contributions***

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2024 were \$346,225.

***Net Pension Liability***

The Authority’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.



## **11) EMPLOYEES' RETIREMENT PLAN (continued)**

### ***Net Pension Liability (continued)***

#### ***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

|                                     |                                                                                                                                       |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Valuation date                      | June 30, 2022                                                                                                                         |
| Measurement date                    | June 30, 2023                                                                                                                         |
| Actuarial cost method               | Entry Age Actuarial Cost Method                                                                                                       |
| Asset valuation method              | Fair value of assets                                                                                                                  |
| Actuarial Assumptions:              |                                                                                                                                       |
| Discount rate                       | 6.90%                                                                                                                                 |
| Inflation                           | 2.30%                                                                                                                                 |
| Salary increases <sup>(1)</sup>     | Varies by entry age and service                                                                                                       |
| Mortality rate table <sup>(1)</sup> | Derived using CalPERS' membership data for all funds                                                                                  |
| Post retirement benefit increase    | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter. |

<sup>(1)</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

#### ***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

**11) EMPLOYEES' RETIREMENT PLAN (continued)**

***Net Pension Liability (continued)***

The expected real rates of return by asset class are as follows:

| <u>Asset Class</u>               | <u>Assumed<br/>Asset<br/>Allocation</u> | <u>Real<br/>Return<sup>1,2</sup></u> |
|----------------------------------|-----------------------------------------|--------------------------------------|
| Global equity - cap-weighted     | 30.00%                                  | 4.54%                                |
| Global equity - non-cap-weighted | 12.00%                                  | 3.84%                                |
| Private equity                   | 13.00%                                  | 7.28%                                |
| Treasury                         | 5.00%                                   | 0.27%                                |
| Mortgage-backed securities       | 5.00%                                   | 0.50%                                |
| Investment grade corporates      | 10.00%                                  | 1.56%                                |
| High yield                       | 5.00%                                   | 2.27%                                |
| Emerging market debt             | 5.00%                                   | 2.48%                                |
| Private debt                     | 5.00%                                   | 3.57%                                |
| Real assets                      | 15.00%                                  | 3.21%                                |
| Leverage                         | (5.00%)                                 | (0.59%)                              |

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

***Change of Assumptions***

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

**11) EMPLOYEES' RETIREMENT PLAN (continued)**

***Net Pension Liability (continued)***

*Discount Rate*

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Subsequent Events*

There were no subsequent events that would materially affect the results presented in this disclosure.

*Pension Plan Fiduciary Net Position*

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

**11) EMPLOYEES' RETIREMENT PLAN (continued)**

***Proportionate Share of Net Pension Liability***

The following table shows the Authority's proportionate share of the Plan's net pension liability over the measurement period.

|                            | Increase (Decrease)                                  |                                                          |                                                         |
|----------------------------|------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|
|                            | Proportionate<br>Share of Total<br>Pension Liability | Proportionate<br>Share of Plan Fiduciary<br>Net Position | Proportionate<br>Share of Plan Net<br>Pension Liability |
| Balance at: 6/30/2022 (VD) | \$ 10,900,838                                        | \$ 8,340,055                                             | \$ 2,560,783                                            |
| Balance at: 6/30/2023 (MD) | 11,879,949                                           | 9,026,915                                                | 2,853,034                                               |
| Net Changes during 2022-23 | <u>\$ 979,111</u>                                    | <u>\$ 686,860</u>                                        | <u>\$ 292,251</u>                                       |

Valuation Date (VD), Measurement Date (MD).

The Authority's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The Authority's proportionate share of the miscellaneous plan net pension liability for the miscellaneous Plan as of the June 30, 2022 and 2023 measurement dates was as follows:

|                              |          |
|------------------------------|----------|
| Proportion - June 30, 2022   | 0.05473% |
| Proportion - June 30, 2023   | 0.05706% |
| Change - increase (decrease) | 0.00233% |

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Authority's proportionate share of the net pension liability of the Miscellaneous as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

|                       | Discount Rate - 1%<br>(5.90%) | Current Discount Rate<br>(6.90%) | Discount Rate + 1%<br>(7.90%) |
|-----------------------|-------------------------------|----------------------------------|-------------------------------|
| Net Pension Liability | \$ 4,459,746                  | \$ 2,853,034                     | \$ 1,530,571                  |

**11) EMPLOYEES' RETIREMENT PLAN (continued)**

***Proportionate Share of Net Pension Liability (continued)***

*Amortization of Deferred Outflows and Deferred Inflows of Resources*

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between 5-year straight-line amortization  
projected and actual earnings  
on pension plan investments

All other amounts                      Straight-line amortization over the expected average  
remaining service lives (EARSL) of all members that  
are provided with benefits (active, inactive and  
retired) as of the beginning of the measurement  
period

As of the start of the measurement period (July 1, 2022), the Authority's net pension liability was \$2,560,783. For the measurement period ending June 30, 2022 (the measurement date), the Authority incurred a pension expense of \$603,946.

As of June 30, 2024 the Authority has deferred outflows and deferred inflows of resources related to pensions as follows:

|                                                                                       | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Changes of assumptions                                                                | \$ 172,251                        | \$ -                             |
| Differences between expected and actual experience                                    | 145,748                           | 22,609                           |
| Differences between projected and actual investment earnings                          | 461,932                           | -                                |
| Differences between employer's contributions and proportionate share of contributions | -                                 | 92,735                           |
| Change in employer's proportion                                                       | 142,843                           | -                                |
| Pension contributions made subsequent to the measurement date                         | 346,225                           | -                                |
|                                                                                       | <u>          </u>                 | <u>          </u>                |
| Total                                                                                 | <u>\$ 1,268,999</u>               | <u>\$ 115,344</u>                |

**11) EMPLOYEES' RETIREMENT PLAN (continued)**

***Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$346,225 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Fiscal Year Ended<br>June 30, | Deferred Outflows/<br>(Inflows) of Resources |
|-------------------------------|----------------------------------------------|
| 2025                          | \$ 257,463                                   |
| 2026                          | 177,361                                      |
| 2027                          | 359,351                                      |
| 2028                          | 13,255                                       |
| 2029                          | -                                            |
| Thereafter                    | -                                            |

***Payable to the Pension Plan***

At June 30, 2024, the Authority reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

**12) DEFERRED COMPENSATION PLAN**

On August 20, 1996, the provisions of Internal Revenue Code (IRC) Section 457 were amended to require new plans to place all assets and income of the Plan in trust for the exclusive benefit of participants and their beneficiaries. Plans in existence as of the date of this change must place the Plan assets and income in trust by January 1, 1999. Once the assets and income are placed in trust the Authority no longer owns the amounts deferred by employees and related income. Prior to this IRC Section 457 Amendment, the deferred amounts and related income remained as property of the Authority until withdrawn by the employee.

During the 1997-98 fiscal years, March Joint Powers Authority created its Deferred Compensation Plan with assets and related income in trust as allowed by IRC Section 457 and as a result the asset and corresponding liability are not presented in these financial statements.

### **13) OTHER POST EMPLOYMENT BENEFITS**

#### ***Plan Description***

The Authority's defined benefit postemployment healthcare plan, (JPA Retiree Healthcare Plan "JRHP"), provides medical benefits to eligible retired employees and qualified dependents. JRHP is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. JRHP selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues an Annual Comprehensive Financial Report (ACFR). The ACFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS ACFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

#### ***Employees Covered***

As of June 30, 2023 actuarial valuation, the following current and former employees were covered by the benefit terms under the plan:

|                                                                  |                  |
|------------------------------------------------------------------|------------------|
| Active employees                                                 | 12               |
| Inactive employees or beneficiaries currently receiving benefits | 1                |
| Inactive employees entitled to, but not yet receiving benefits   | <u>-</u>         |
| Total                                                            | <u><u>13</u></u> |

#### ***Contributions***

The contribution requirements of plan members and the Authority are established and may be amended by the Joint Powers Commission. The Authority contributes the CalPERS minimum monthly contribution for the retiree or surviving dependent.

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the Authority's estimated implied subsidy was \$8,327.

#### ***Net OPEB Asset***

The Authority's net OPEB asset was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

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**13) OTHER POST EMPLOYMENT BENEFITS (continued)**

**Actuarial Assumptions:**

|                                 |                                                                                                                                                                |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date                  | June 30, 2023                                                                                                                                                  |
| Actuarial Cost Method           | Entry Age                                                                                                                                                      |
| Discount Rate                   | 6.75%                                                                                                                                                          |
| Investment Rate of Return       | 6.75%                                                                                                                                                          |
| Inflation                       | 2.50% per year                                                                                                                                                 |
| Salary Increases                | 2.75% per year                                                                                                                                                 |
| Medical Trend                   | 4.00%                                                                                                                                                          |
| Mortality Rate <sup>(1)</sup>   | 2021 CalPERS Active Mortality for Miscellaneous and School Employees                                                                                           |
| Retirement Rates <sup>(2)</sup> | Hired 2013 and later: 2021 CalPERS 2.0%@62 Rates for Miscellaneous Employees<br>Hired 2012 and earlier: 2021 CalPERS 2.7%@55 Rates for Miscellaneous Employees |

<sup>(1)</sup> The mortality assumptions are based on the 2021 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

<sup>(2)</sup> The retirement assumptions are based on the 2021 CalPERS 2.0%@62 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

**Net OPEB Asset (continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset are summarized in the following table:

| Asset Class                                    | Target Allocation | Real Return Years 1-10 <sup>1</sup> |
|------------------------------------------------|-------------------|-------------------------------------|
| All Equities                                   | 59%               | 7.55%                               |
| All Fixed Income                               | 25%               | 4.25%                               |
| Real Estate (REITs)                            | 8%                | 7.25%                               |
| Treasury Inflation Protected Securities (TIPS) | 5%                | 7.55%                               |
| All Commodities                                | 3%                | 3.00%                               |

<sup>1</sup> An expected inflation of 2.0% used for this period



**MARCH JOINT POWERS AUTHORITY**  
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**13) OTHER POST EMPLOYMENT BENEFITS (continued)**

***Discount Rate***

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

***Changes in the OPEB Liability***

The changes in the net OPEB liability for the Plan are as follows:

|                                                                     | Total OPEB<br>Liability (a) | Plan Fiduciary<br>Net Position (b) | Net OPEB<br>Liability/(Asset)<br>(c) = (a) - (b) |
|---------------------------------------------------------------------|-----------------------------|------------------------------------|--------------------------------------------------|
| <b>Balance at June 30, 2023</b><br>(Measurement Date June 30, 2022) | \$ 412,261                  | \$ 319,606                         | \$ 92,655                                        |
| <b>Changes recognized for the<br/>measurement period:</b>           |                             |                                    |                                                  |
| Service cost                                                        | 22,067                      | -                                  | 22,067                                           |
| Interest on the total OPEB Liability                                | 27,708                      | 20,526                             | 7,182                                            |
| Employer contributions                                              | -                           | 30,040                             | (30,040)                                         |
| Changes in assumptions                                              | (1,656)                     | -                                  | (1,656)                                          |
| Administrative expense                                              | -                           | (93)                               | 93                                               |
| Benefit payments                                                    | (30,040)                    | (30,040)                           | -                                                |
| Experience gains/losses                                             | (125,609)                   | -                                  | (125,609)                                        |
| <b>Net Changes</b>                                                  | <b>(107,530)</b>            | <b>20,433</b>                      | <b>(127,963)</b>                                 |
| <b>Balance at June 30, 2024</b><br>(Measurement Date June 30, 2023) | <b>\$ 304,731</b>           | <b>\$ 340,039</b>                  | <b>\$ (35,308)</b>                               |

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the Authority if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

|                            | 1% Decrease<br>(5.75%) | Current<br>Discount Rate<br>(6.75%) | 1% Increase<br>(7.75%) |
|----------------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability/(Asset) | \$ 5,869               | \$ (35,308)                         | \$ (69,610)            |

**13) OTHER POST EMPLOYMENT BENEFITS (continued)**

***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates***

The following presents the net OPEB liability of the Authority if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

|                            | 1% Decrease | Current<br>Healthcare Cost<br>Trend Rates | 1% Increase |
|----------------------------|-------------|-------------------------------------------|-------------|
| Net OPEB Liability/(Asset) | \$ (79,397) | \$ (35,308)                               | \$ 19,173   |

***OPEB Plan Fiduciary Net Position***

CERBT issues a publicly available financial report that may be obtained from the California Public Employees Retirement System Executive Office, 400 P Street, Sacramento, California 95814.

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss.

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2024, the Authority recognized OPEB expense of \$29,898. As of June 30, 2024, the Authority reported deferred outflows of resources related to OPEB from the following services:

|                                                                                  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| OPEB contributions subsequent to measurement date                                | \$ 12,095                            | \$ -                                |
| Changes of assumptions                                                           | 172,035                              | 1,479                               |
| Differences between expected<br>and actual experience                            | 5,974                                | 218,497                             |
| Net difference between projected and actual earnings on<br>OPEB plan investments | 23,625                               | -                                   |
| Total                                                                            | <u>\$ 213,729</u>                    | <u>\$ 219,976</u>                   |

**13) OTHER POST EMPLOYMENT BENEFITS (continued)**

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)***

The \$12,095 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as follows:

| Fiscal Year<br>Ended<br>June 30: | Deferred<br>Outflows/(Inflows) of<br>Resources |
|----------------------------------|------------------------------------------------|
| 2025                             | \$ 1,104                                       |
| 2026                             | (834)                                          |
| 2027                             | 11,033                                         |
| 2028                             | (3,830)                                        |
| 2029                             | (4,038)                                        |
| Thereafter:                      | (21,777)                                       |

***Changes in Assumptions***

There were no changes in assumptions since the prior measurement date.

**14) COMMITMENTS AND CONTINGENCIES**

The Authority is involved with various potential litigation matters. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial condition of the Authority.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority and the former March Joint Powers Redevelopment Agency have entered into developer agreements to attract new business to the areas formerly known as March Air Force Base. The following represents the Authority's significant commitments with certain developers.

**14) COMMITMENTS AND CONTINGENCIES (continued)**

***LNR Riverside, LLC***

On December 28, 2001, the West March Disposition and Development Agreement was entered into between the March Joint Powers Redevelopment Agency, LNR Riverside, LLC and the March Joint Powers Authority. The agreement is to develop 1,290 acres of property as West March Business Park. In consideration for the Agency transferring the property to LNR, in accordance with the agreement, LNR agrees to incur substantial costs in developing the property, including but not limited to installation of public infrastructure to service the property. The expected cost of such infrastructure will exceed \$100 million during the term of the agreement. The Agency will benefit from LNR's development of the property, as a result of sales and other tax revenues generated by the property and project and the jobs created by the project. No provision has been made for this commitment on the combined financial statements, as the project is not complete.

***March Healthcare Development, LLC***

On April 7, 2010, the March Lifecare Campus Disposition and Development Agreement was entered into between the March Joint Powers Redevelopment Agency and March Healthcare Development, LLC (MHD). In consideration for the Agency transferring the property to MHD, MHD will pay fair market value for the property as defined in the Disposition and Development Agreement. The Agency will benefit from March Healthcare's development of the property, as a result of sales and other tax revenues generated by the property and project and the jobs the project will create. The Agency will reimburse the Developer for the cost of certain Horizontal Improvements pursuant to the Agency Note in the principal amount of Twenty Million, Five Hundred Thousand Dollars (\$20,500,000), together with interest thereon at six percent (6%) per annum, payable from 80% of Net Property Tax Increment generated solely by the March LifeCare Campus project. Currently, no provision has been made for this commitment on the financial statements, as the project is not complete.

***March Inland Port Airport Authority – Joint Use Agreement with United States Air Force***

On February 21, 2001, the March Inland Port Airport Authority (MIPAA) entered into a Joint Use Agreement (JUA) with the United States Air Force (Air Force) for the joint use of flying facilities at March Air Reserve Base (MARB), California. The agreement was later amended in 2008 and then again in 2014 to reflect changes in operations and fee structure at the joint use airport. Under the terms of the agreement, the Air Force authorizes civil aircraft operations at MARB, subject to compliance with Federal Aviation Administration Regulations, Air Force Instructions and other applicable laws and regulations. The jointly used flying facilities (JUFF) include runways, taxiways, lighting systems, navigational aids, and related infrastructure.

In consideration for the use of the JUFF, MIPAA is responsible for providing, at its own expense, all necessary support facilities for civil aircraft operations, including parking, fueling, and vehicle parking. MIPAA is also responsible for maintenance, repairs, and compliance with environmental, air quality, and noise mitigation requirements, as well as security and safety obligations. The Air Force retains priority for military operations and may temporarily suspend civil operations for maintenance or emergencies.

**14) COMMITMENTS AND CONTINGENCIES (continued)**

***March Inland Port Airport Authority – Joint Use Agreement with United States Air Force (continued)***

Under current JUA terms, MIPAA is required to pay the Air Force an annual fee of \$25,000 for aircraft weighing less than 40,000 pounds, and landing fees for aircraft weighing more than 40,000 pounds. The fees are to reimburse the Air Force for MIPAA's fair share of maintenance and repairs on the JUFF, and payments are subject to annual inflation. Aircraft on official government business are not subject to these fees. Reimbursement payments would be required of MIPAA for any services provided by the Air Force that support civilian operations at the airport such as aircraft repair and fire protection.

Pursuant to Section 15 of the JUA, major repair projects or new construction required for the JUFF are not included under this agreement and will be subject to separate negotiations and written agreements between the local leadership of MARB and MIPAA. The JUA has a term of 25 years, with an automatic 15-year extension if MIPAA remains in compliance, and may be renegotiated, suspended, or terminated under certain conditions, including military necessity or violation of agreement terms.

No provision has been made for these commitments on the financial statements, as the obligations are contingent upon ongoing operations and future events.

**15) FAA OPERATIONAL GRANTS AND RELATED EXPENDITURES**

During the fiscal year ending on June 30, 2024, the Airport incurred \$713,244 in eligible operational expenses reimbursed under various FAA grants. These expenses included the Taxiway Realignment Project (\$523,545), and the Master Plan Project (\$189,699). The related grant revenue is presented as non-operating revenue.

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## **16) SUCCESSOR AGENCY OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of March Joint Powers Authority that previously had reported a redevelopment agency within the reporting entity of the Authority as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the Authority or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 18, 2012, the Joint Powers Commission elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of Authority Resolution Number JPA 12-04. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

### ***Successor Agency Long-term Obligations***

The following is a summary of the changes in the Successor Agency long-term obligations for the year:

| Description                                         | Beginning Balance    | Obligations Incurred | Obligations Satisfied | Ending Balance       | Due within 1 year   |
|-----------------------------------------------------|----------------------|----------------------|-----------------------|----------------------|---------------------|
| Loans payable                                       | \$ 81,180            | \$ -                 | \$ (81,180)           | \$ -                 | \$ -                |
| 2016 Series A Tax Allocation Bond Refunding Bond    | 27,625,000           | -                    | (995,000)             | 26,630,000           | 1,030,000           |
| Bond premiums (2016A Tax Allocation Refunding Bond) | 3,146,495            | -                    | (174,000)             | 2,972,495            | -                   |
| Total Long-term Obligations                         | <u>\$ 30,852,675</u> | <u>\$ -</u>          | <u>\$ (1,250,180)</u> | <u>\$ 29,602,495</u> | <u>\$ 1,030,000</u> |

### ***Loans Payable***

The aforementioned loans were made by the March Joint Powers Authority (the "Authority") to provide operating funds to the former March Joint Powers Redevelopment Agency. The loans will be repaid from tax increment at such time as excess funds exist. Interest expense incurred during the fiscal year ended June 30, 2024 is \$2,585. The balance was paid-in-full as of June 30, 2024.

**16) SUCCESSOR AGENCY OF FORMER REDEVELOPMENT AGENCY (continued)**

***2016 Tax Allocation Refunding Bonds - Series A, Direct Borrowing***

On September 28, 2016, the Successor Agency to the March Joint Powers Redevelopment Agency issued \$33,095,000 2016 Tax Allocation Refunding Bonds, Series A. The proceeds of these bonds will be used to refinance certain outstanding obligations of the Successor Agency. Interest on the bond is payable August 1st and February 1st of each year. Interest on the bond accrues at rates varying from 1.5% to 5% per annum. Principal on the serial bonds is payable in annual installments ranging from \$840,000 to \$2,030,000, commencing August 1, 2018 through August 1, 2041. The reserve requirement is covered by a bond insurance policy. Interest paid during the fiscal year ended June 30, 2024 was \$1,092,723.

Under the bond indenture, the principal due on the bonds is subject to an acceleration upon the occurrence of an event of default. If an event of default occurs, bond owners will be limited to enforcing the obligation of the Successor Agency to repay the bonds on an annual basis to the extent of the tax revenues. No real or personal property in the project area is pledged to secure the bonds and it is not anticipated that the Successor Agency will have available moneys sufficient to redeem all of the bonds upon the occurrence of an event of default.

Future debt service requirements are as follows:

| Year Ending<br>June 30, | Principal            | Interest             |
|-------------------------|----------------------|----------------------|
| 2025                    | \$ 1,030,000         | \$ 1,053,344         |
| 2026                    | 1,075,000            | 1,011,244            |
| 2027                    | 1,125,000            | 967,244              |
| 2028                    | 1,165,000            | 921,444              |
| 2029                    | 1,215,000            | 882,197              |
| 2030-2034               | 6,820,000            | 3,572,175            |
| 2035-2039               | 8,345,000            | 2,031,700            |
| 2040-2041               | 5,855,000            | 357,500              |
| Total                   | <u>\$ 26,630,000</u> | <u>\$ 10,796,848</u> |

***Contingencies***

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the Authority are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The Authority's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date, by an appropriate judicial authority that would resolve this issue unfavorably to the Authority.

**MARCH JOINT POWERS AUTHORITY**  
**Notes to Financial Statements**  
**Year Ended June 30, 2024**

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**17) PRIOR PERIOD RESTATEMENT – CORRECTION OF AN ERROR**

As discussed in Note 1, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, during the fiscal year ended June 30, 2024. In accordance with the provisions of GASB 100, the Authority is required to correct errors by restating prior period financial statements.

During the fiscal year ended June 30, 2024, the Authority identified an error in the reporting of capital assets related to land parcels. Certain parcels of land that had been transferred to third parties in prior years were not removed from the Authority's capital asset records. This resulted in an overstatement of both capital assets and net position in previously issued financial statements.

The error primarily arose due to the non-cash nature of these land transactions. In most cases, no cash is exchanged when the Authority acquires or transfers land under agreements with external parties. As a result, these transactions were not communicated to the finance department and were inadvertently excluded from asset disposition records.

To prevent recurrence, the Authority has implemented additional internal controls to ensure timely and accurate communication of land transfers to the finance department.

The correction of this error will be reflected in the restated beginning balances of capital assets and net position as follows:

|                                        | Governmental<br>Activities                | Business-Type<br>Activities   | Total                 |
|----------------------------------------|-------------------------------------------|-------------------------------|-----------------------|
| Net position, as previously reported   | \$129,775,521                             | \$ 71,148,040                 | \$ 200,923,561        |
| Restatement for correction of an error | <u>(52,123,000)</u>                       | <u>(13,998,286)</u>           | <u>(66,121,286)</u>   |
| Net position, as restated              | <u>\$ 77,652,521</u>                      | <u>\$ 57,149,754</u>          | <u>\$ 134,802,275</u> |
|                                        | March Inland<br>Port Airport<br>Authority | Total<br>Proprietary<br>Funds |                       |
| Net position, as previously reported   | \$ 61,989,036                             | \$ 61,989,036                 |                       |
| Restatement for correction of an error | <u>(13,998,286)</u>                       | <u>(13,998,286)</u>           |                       |
| Net position, as restated              | <u>\$ 47,990,750</u>                      | <u>\$ 47,990,750</u>          |                       |



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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**MARCH JOINT POWERS AUTHORITY**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**  
**as of the Measurement Date**  
**Last Ten Years**

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| Measurement Date | Proportion of the Net Pension Liability <sup>1</sup> | Proportionate Share of the Net Pension Liability | Covered Payroll | Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|------------------|------------------------------------------------------|--------------------------------------------------|-----------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 6/30/2014        | 0.014720%                                            | \$ 915,852                                       | \$ 1,285,648    | 71.24%                                                                              | 80.60%                                                                     |
| 6/30/2015        | 0.016049%                                            | 1,101,618                                        | 1,356,768       | 81.19%                                                                              | 79.18%                                                                     |
| 6/30/2016        | 0.016199%                                            | 1,401,724                                        | 1,409,298       | 99.46%                                                                              | 76.98%                                                                     |
| 6/30/2017        | 0.016917%                                            | 1,677,703                                        | 1,338,176       | 125.37%                                                                             | 77.93%                                                                     |
| 6/30/2018        | 0.016719%                                            | 1,611,042                                        | 1,394,381       | 115.54%                                                                             | 80.18%                                                                     |
| 6/30/2019        | 0.018789%                                            | 1,925,299                                        | 1,335,661       | 144.15%                                                                             | 77.44%                                                                     |
| 6/30/2020        | 0.019331%                                            | 2,103,313                                        | 1,485,395       | 141.60%                                                                             | 77.63%                                                                     |
| 6/30/2021        | 0.018843%                                            | 1,019,087                                        | 1,459,946       | 69.80%                                                                              | 89.86%                                                                     |
| 6/30/2022        | 0.022169%                                            | 2,560,783                                        | 1,517,593       | 168.74%                                                                             | 76.51%                                                                     |
| 6/30/2023        | 0.057060%                                            | 2,853,034                                        | 1,459,946       | 195.42%                                                                             | 75.98%                                                                     |

<sup>1</sup> Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

**MARCH JOINT POWERS AUTHORITY**  
**Required Supplementary Information**  
**Schedule of Pension Plan Contributions**  
**Last Ten Years**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|----------------------------------------------------------------------|----------------------------------|-----------------|--------------------------------------------------|
| 6/30/2015   | \$ 246,125                          | \$ (246,125)                                                         | \$ -                             | \$ 1,356,768    | 18.14%                                           |
| 6/30/2016   | 221,020                             | (221,020)                                                            | -                                | 1,409,298       | 15.68%                                           |
| 6/30/2017   | 215,802                             | (215,802)                                                            | -                                | 1,338,176       | 16.13%                                           |
| 6/30/2018   | 225,561                             | (225,561)                                                            | -                                | 1,394,381       | 16.18%                                           |
| 6/30/2019   | 240,596                             | (240,596)                                                            | -                                | 1,335,661       | 18.01%                                           |
| 6/30/2020   | 286,390                             | (286,390)                                                            | -                                | 1,485,395       | 19.28%                                           |
| 6/30/2021   | 288,096                             | (288,096)                                                            | -                                | 1,459,946       | 19.73%                                           |
| 6/30/2022   | 306,243                             | (306,243)                                                            | -                                | 1,465,266       | 20.90%                                           |
| 6/30/2023   | 345,435                             | (345,435)                                                            | -                                | 1,459,946       | 23.66%                                           |
| 6/30/2024   | 346,225                             | (346,225)                                                            | -                                | 1,493,032       | 23.19%                                           |

**Notes to Schedule:**

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**MARCH JOINT POWERS AUTHORITY**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Last Ten Years\***

| Measurement Period                                                          | 2017               | 2018               | 2019              | 2020              | 2021             | 2022             | 2023               |
|-----------------------------------------------------------------------------|--------------------|--------------------|-------------------|-------------------|------------------|------------------|--------------------|
| <b>Total OPEB Liability</b>                                                 |                    |                    |                   |                   |                  |                  |                    |
| Service cost                                                                | \$ 8,144           | \$ 8,368           | \$ 8,598          | \$ 21,040         | \$ 21,619        | \$ 21,476        | \$ 22,067          |
| Interest on the Total OPEB Liability                                        | 11,209             | 12,337             | 13,531            | 33,447            | 36,046           | 26,080           | 27,708             |
| Changes in assumptions                                                      | -                  | -                  | 273,148           | -                 | 16,952           | -                | (1,656)            |
| Benefit payments                                                            | (3,389)            | (3,525)            | (4,028)           | (32,986)          | (41,283)         | (27,388)         | (30,040)           |
| Experience gains/losses                                                     | -                  | -                  | 2,676             | (2,303)           | (150,912)        | 5,540            | (125,609)          |
| <b>Net change in Total OPEB Liability</b>                                   | <b>15,964</b>      | <b>17,180</b>      | <b>293,925</b>    | <b>19,198</b>     | <b>(117,578)</b> | <b>25,708</b>    | <b>(107,530)</b>   |
| <b>Total OPEB Liability, beginning</b>                                      | <b>157,864</b>     | <b>173,828</b>     | <b>191,008</b>    | <b>484,933</b>    | <b>504,131</b>   | <b>386,553</b>   | <b>412,261</b>     |
| <b>Total OPEB Liability, ending (a)</b>                                     | <b>173,828</b>     | <b>191,008</b>     | <b>484,933</b>    | <b>504,131</b>    | <b>386,553</b>   | <b>412,261</b>   | <b>304,731</b>     |
| <b>Plan Fiduciary Net Position</b>                                          |                    |                    |                   |                   |                  |                  |                    |
| Employer contributions                                                      | 30,189             | 37,525             | 34,028            | 32,986            | 41,283           | 27,388           | (30,040)           |
| Return on fiduciary net position                                            | -                  | -                  | -                 | -                 | -                | -                | 20,526             |
| Net investment income                                                       | 15,722             | 14,211             | 17,491            | 19,584            | 20,267           | (49,410)         | -                  |
| Investment gains/losses                                                     | -                  | 759                | (2,484)           | (9,695)           | 59,354           | -                | -                  |
| Benefit payments                                                            | (3,389)            | (3,525)            | (4,028)           | (32,986)          | (41,283)         | (27,388)         | 30,040             |
| Administrative expense                                                      | (131)              | (348)              | (51)              | (137)             | (109)            | (94)             | (93)               |
| Other                                                                       | -                  | 75                 | -                 | -                 | -                | -                | -                  |
| <b>Net change in Plan Fiduciary Net Position</b>                            | <b>42,391</b>      | <b>48,697</b>      | <b>44,956</b>     | <b>9,752</b>      | <b>79,512</b>    | <b>(49,504)</b>  | <b>20,433</b>      |
| <b>Plan Fiduciary Net Position, beginning</b>                               | <b>143,802</b>     | <b>186,193</b>     | <b>234,890</b>    | <b>279,846</b>    | <b>289,598</b>   | <b>369,110</b>   | <b>319,606</b>     |
| <b>Plan Fiduciary Net Position, ending (b)</b>                              | <b>186,193</b>     | <b>234,890</b>     | <b>279,846</b>    | <b>289,598</b>    | <b>369,110</b>   | <b>319,606</b>   | <b>340,039</b>     |
| <b>Net OPEB Liability/(Asset), ending (a) - (b)</b>                         | <b>\$ (12,365)</b> | <b>\$ (43,882)</b> | <b>\$ 205,087</b> | <b>\$ 214,533</b> | <b>\$ 17,443</b> | <b>\$ 92,655</b> | <b>\$ (35,308)</b> |
| Plan fiduciary net position as a percentage of the total OPEB liability     | 107.11%            | 122.97%            | 57.71%            | 57.44%            | 95.49%           | 77.53%           | 111.59%            |
| Covered-employee payroll <sup>1</sup>                                       | \$ 1,380,853       | \$ 1,567,809       | \$ 1,320,141      | \$ 1,452,353      | \$ 1,628,605     | \$ 1,699,022     | \$ 1,543,260       |
| Net OPEB liability as a percentage of covered-employee <sup>1</sup> payroll | -0.90%             | -2.80%             | 15.54%            | 14.77%            | 1.07%            | 5.45%            | -2.29%             |

<sup>1</sup>Contributions are fixed and not based on a measure of pay.

\* Measurement date 6/30/2017 (fiscal year 2018) was the first year of implementation. Additional years will be presented as information becomes available.

**MARCH JOINT POWERS AUTHORITY**  
**Required Supplementary Information**  
**Schedule of OPEB Plan Contributions**  
**Last Ten Years\***

| Fiscal Year Ended June 30                                             | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         |
|-----------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Statutorily required contributions                                    | \$ 7,187     | \$ 4,028     | \$ 4,896     | \$ 3,432     | \$ 1,788     | \$ 10,926    | \$ 3,768     |
| Contributions in relation to the statutorily required contributions   | (37,539)     | (34,028)     | (39,134)     | (3,432)      | (1,788)      | (10,926)     | (3,768)      |
| Contribution deficiency/(excess)                                      | \$ (30,352)  | \$ (30,000)  | \$ (34,238)  | \$ -         | \$ -         | \$ -         | \$ -         |
| Covered-employee payroll <sup>1</sup>                                 | \$ 1,567,809 | \$ 1,320,141 | \$ 1,452,353 | \$ 1,628,605 | \$ 1,699,022 | \$ 1,543,260 | \$ 1,626,464 |
| Contribution as a percentage of covered-employee <sup>1</sup> payroll | 2.39%        | 2.58%        | 2.69%        | 0.21%        | 0.11%        | 0.71%        | 0.23%        |

\* Measurement date 6/30/2017 (fiscal year 2018) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

<sup>1</sup>Contributions are fixed and not based on a measure of pay.

**Methods and assumptions used to determine contributions:**

|                           |                                                                       |
|---------------------------|-----------------------------------------------------------------------|
| Actuarial cost method     | Entry age                                                             |
| Discount rate             | 6.75%                                                                 |
| Investment rate of return | 6.75%                                                                 |
| General inflation         | 2.50%                                                                 |
| Medical trend             | 4%                                                                    |
| Mortality                 | 2021 CalPERS Retiree Mortality for miscellaneous and school employees |

**MARCH JOINT POWERS AUTHORITY**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual – General Fund**  
**Year Ended June 30, 2024**

|                                   | Budgeted Amounts |                |               | Variance                   |
|-----------------------------------|------------------|----------------|---------------|----------------------------|
|                                   | Original         | Final          | Actual        | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                   |                  |                |               |                            |
| Taxes                             | \$ 1,270,000     | \$ -           | \$ -          | \$ -                       |
| Licenses, permits and fees        | 3,569,000        | 2,235,000      | 1,551,766     | (683,234)                  |
| Investment earnings               | 168,000          | 433,500        | 1,341,852     | 908,352                    |
| Lease revenue                     | 140,461          | 140,461        | 100,115       | (40,346)                   |
| Other revenue                     | 323,100          | 332,100        | 310,667       | (21,433)                   |
| Total revenues                    | 5,470,561        | 3,141,061      | 3,304,400     | 163,339                    |
| <b>EXPENDITURES</b>               |                  |                |               |                            |
| Current:                          |                  |                |               |                            |
| Administration                    | 489,500          | 674,450        | 534,723       | 139,727                    |
| Salaries and benefits             | 1,219,884        | 1,258,884      | 1,330,286     | (71,402)                   |
| Police patrols/security           | 237,000          | 370,000        | 290,304       | 79,696                     |
| Contractual/professional services | 489,100          | 643,000        | 641,981       | 1,019                      |
| Legal                             | 233,500          | 245,000        | 233,693       | 11,307                     |
| Planning                          | 1,413,500        | 1,413,500      | 628,868       | 784,632                    |
| Maintenance and lease services    | 127,050          | 734,750        | 138,389       | 596,361                    |
| Buildings and grounds maintenance | 110,000          | 165,000        | 73,238        | 91,762                     |
| Total expenditures                | 4,319,534        | 5,504,584      | 3,871,482     | 1,633,102                  |
| Net change in fund balance        | \$ 1,151,027     | \$ (2,363,523) | (567,082)     | \$ 1,796,441               |
| Fund balance, beginning           |                  |                | 31,401,224    |                            |
| Fund balance, ending              |                  |                | \$ 30,834,142 |                            |



**MARCH JOINT POWERS AUTHORITY**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual – Special Revenue – Meridian LLMD No. 1**  
**Year Ended June 30, 2024**

---

|                                      | Budgeted Amounts |              |              | Variance                   |
|--------------------------------------|------------------|--------------|--------------|----------------------------|
|                                      | Original         | Final        | Actual       | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                      |                  |              |              |                            |
| Special assessments                  | \$ 2,236,000     | \$ 2,256,000 | \$ 2,115,452 | \$ (140,548)               |
| Total revenues                       | 2,236,000        | 2,256,000    | 2,115,452    | (140,548)                  |
| <b>EXPENDITURES</b>                  |                  |              |              |                            |
| Current:                             |                  |              |              |                            |
| Administration                       | 41,660           | 44,822       | 31,135       | 13,687                     |
| Salaries and benefits                | 113,523          | 136,228      | 54,412       | 81,816                     |
| Contractual/professional services    | 18,200           | 101,800      | 53,800       | 48,000                     |
| Project improvement costs            | 150,000          | 555,000      | 158,172      | 396,828                    |
| Maintenance and lease services       | 263,650          | 276,850      | 164,381      | 112,469                    |
| Buildings and grounds maintenance    | 993,000          | 1,304,500    | 1,222,056    | 82,444                     |
| Capital outlay                       | -                | 60,000       | 41,776       | 18,224                     |
| Total expenditures                   | 1,580,033        | 2,479,200    | 1,725,732    | 753,468                    |
| Excess of revenues over expenditures | \$ 655,967       | \$ (223,200) | 389,720      | \$ 612,920                 |
| Fund balance, beginning              |                  |              | 3,337,930    |                            |
| Fund balance, ending                 |                  |              | \$ 3,727,650 |                            |

**MARCH JOINT POWERS AUTHORITY**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual – Special Revenue – March Lifecare Campus CFD 2013-1**  
**Year Ended June 30, 2024**

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|                                      | Budgeted Amounts |             |            | Variance                   |
|--------------------------------------|------------------|-------------|------------|----------------------------|
|                                      | Original         | Final       | Actual     | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                      |                  |             |            |                            |
| Special assessments                  | \$ 74,061        | \$ 54,061   | \$ 42,467  | \$ (11,594)                |
| Total Revenues                       | 74,061           | 54,061      | 42,467     | (11,594)                   |
| <b>EXPENDITURES</b>                  |                  |             |            |                            |
| Current:                             |                  |             |            |                            |
| Administration                       | 3,500            | 5,000       | 3,253      | 1,747                      |
| Salaries and benefits                | 22,303           | 22,303      | 20,075     | 2,228                      |
| Contractual/professional services    | 6,090            | 3,000       | 5,000      | (2,000)                    |
| Maintenance and Repairs              | 24,700           | 34,000      | 32,796     | 1,204                      |
| Buildings and grounds maintenance    | 750              | 26,750      | 23,826     | 2,924                      |
| Total Expenditures                   | 57,343           | 91,053      | 84,950     | 6,103                      |
| Excess of revenues over expenditures | \$ 16,718        | \$ (36,992) | (42,483)   | \$ (5,491)                 |
| Fund balance, beginning              |                  |             | 179,367    |                            |
| Fund balance, ending                 |                  |             | \$ 136,884 |                            |

**MARCH JOINT POWERS AUTHORITY**  
**Notes to Required Supplementary Information**  
**Year Ended June 30, 2024**

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**1. BUDGETARY DATA**

The Authority uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The budget is prepared on a triennial basis, every three years.
2. Before the beginning of each triennial budget cycle, the Executive Director submits to the Finance Committee a proposed budget for the year commencing the following July 1 and the next two fiscal years.
3. The committee reviews the proposed budget and approves submittal to the Commission.
4. The budget is subsequently adopted through passage of a resolution by the Commission.
5. All appropriated amounts are as originally adopted or as amended by the Commissioners and lapse at each fiscal year-end.
6. Original appropriations are modified by supplementary appropriations and transfers among budget categories. The Commission approves all significant changes.
7. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
8. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
9. Budget information is presented for the General and Special Revenue Fund Types.

Expenditures for the year ended June 30, 2024, that exceeded the appropriations of the major funds are as follows:

| <b>Fund</b>                       | <b>Expenditures</b> | <b>Appropriations</b> | <b>Excess</b> |
|-----------------------------------|---------------------|-----------------------|---------------|
| General Fund:                     |                     |                       |               |
| Salaries and benefits             | 1,330,286           | 1,258,884             | (71,402)      |
| March LifeCare Campus CFD 2013-1: |                     |                       |               |
| Contractual/professional services | 5,000               | 3,000                 | (2,000)       |

## **Independent Auditor's Report**

To the Board of Commissioners  
March Joint Powers Authority  
Riverside, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of March Joint Powers Authority (the Authority), as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No.100, Accounting Changes and Error Corrections, for the year ended June 30, 2024. Our opinions are not modified with respect to this matter.

As described further in Note 17 to the financial statements, during the year ended June 30, 2024, the Authority recorded a prior period restatement. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, the schedule of proportionate share of the net pension liability and related ratios as of the measurement date, the schedule of pension plan contributions, the schedule of changes in the net OPEB liability and related ratios, the schedule of OPEB plan contributions and budgetary comparison schedules for the General Fund and major special revenue funds* as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Davis Farr LLP*

Irvine, California  
October 6, 2025

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS AUTHORITY**

***MJPA - Reports, Discussions and Action Items***  
***Agenda Item No. 9 (3)***

**Meeting Date:** October 15, 2025

**Report:** **RECEIVE AND FILE A REPORT FOR FOREIGN  
TRADE ZONE NO. 244**

**Motion:** Receive and file a report for Foreign Trade Zone No. 244

**Background:**

The March Joint Powers Authority (March JPA) serves as the Grantee for Foreign Trade Zone (FTZ) No. 244, which continues to be one of the top-performing FTZ programs in the State of California. In both 2022 and 2023, FTZ 244 ranked among the top four FTZ programs statewide, following only the larger programs serving the Ports of Los Angeles, Long Beach, and San Diego.

This ranking underscores the continued strength of FTZ 244's operations, its strategic location, and the value it provides to regional and international businesses through trade facilitation, duty savings, and enhanced global competitiveness. Since February of 2025, however, changes in federal trade policies that led to rising tariffs and the removal of certain exemptions have resulted in the unprecedented growth of FTZ applications nationwide. FTZs across the country have experienced a more than 300 percent increase in applications, with logistics and manufacturing sectors leading the surge in submissions to the Foreign Trade Zones Board and U.S. Customs and Border Protection.

Chief Executive Officer Grace Martin will provide insights on the challenges facing Foreign Trade Zone (FTZ) programs amid today's evolving political environment, as well as discuss opportunities within FTZ 244 to support business growth and economic development within Western Riverside County.

**Attachment(s):** None

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH INLAND PORT AIRPORT AUTHORITY**

***MIPAA Operations - Consent Calendar***  
***Agenda Item No. 10 (1)***

**Meeting Date:** October 15, 2025

**Report:** **RECEIVE AND FILE FINANCIAL STATUS REPORTS**

**Motion:** Move to receive and file Financial Status Reports

**Background:**

The monthly Financial Status Report is a summary of operational income and expenses for the months of July and August 2025 and for the fiscal year to date. It provides a summary of the March Inland Port Airport Authority's (MIPAA) ongoing activities related to the MIPAA approved FY 2025/26 budget.

**Attachment(s):** Financial Status Reports for July and August 2025



## *March Inland Port*

### **Balance Sheet General Fund – Fund 500 As of July 31, 2025**

---

#### **ASSETS**

|                              |                 |
|------------------------------|-----------------|
| Cash In Bank                 | \$ 4,756,753.95 |
| Investment Account           | 5,264,013.85    |
| Accounts Receivable          | 269,093.94      |
| Accounts Receivable - Leases | 76,456,407.78   |
| Fixed Assets                 | 36,352.00       |
| Improvements                 | 27,679,399.45   |
| Infrastructure               | 2,110,182.11    |
| Accumulated Depreciation     | (8,993,454.95)  |
| Land and Buildings           | 36,221,477.22   |
| Deferred Outflows - Pension  | 291,870.31      |
| Deferred Outflows - OPEB     | 79,369.00       |

|              |                          |
|--------------|--------------------------|
| Total Assets | <u>\$ 144,171,464.66</u> |
|--------------|--------------------------|

#### **LIABILITIES**

|                            |               |
|----------------------------|---------------|
| Debt to the JPA            | 2,687,896.35  |
| Payroll Liabilities        | 830,727.20    |
| Interest Payable           | 1,776,866.67  |
| Net Pension Liability      | 656,197.76    |
| OPEB Liability             | 21,311.00     |
| Compensated Absences       | 76,483.16     |
| Deferred Inflows - Pension | 85,071.47     |
| Deferred Inflows - OPEB    | 50,594.00     |
| Deferred Inflows - Leases  | 76,477,240.78 |

|                   |                      |
|-------------------|----------------------|
| Total Liabilities | <u>82,821,038.84</u> |
|-------------------|----------------------|

#### **FUND BALANCE**

|                                                           |                  |
|-----------------------------------------------------------|------------------|
| Net Position, Beginning of Fiscal Year                    | 61,307,141.56    |
| Change in Fund Balance for the month ending July 31, 2025 | <u>43,284.26</u> |

|                                    |                      |
|------------------------------------|----------------------|
| Ending Fund Balance, July 31, 2025 | <u>61,350,425.82</u> |
|------------------------------------|----------------------|

|                                    |                          |
|------------------------------------|--------------------------|
| Total Liabilities and Net Position | <u>\$ 144,171,464.66</u> |
|------------------------------------|--------------------------|

## *March Inland Port*

### **Balance Sheet General Fund – Fund 500 As of August 31, 2025**

---

#### **ASSETS**

|                              |                 |
|------------------------------|-----------------|
| Cash In Bank                 | \$ 4,426,985.71 |
| Investment Account           | 5,264,013.85    |
| Accounts Receivable          | 287,904.65      |
| Accounts Receivable - Leases | 76,456,407.78   |
| Fixed Assets                 | 36,352.00       |
| Improvements                 | 27,679,399.45   |
| Infrastructure               | 2,110,182.11    |
| Accumulated Depreciation     | (8,993,454.95)  |
| Land and Buildings           | 36,221,477.22   |
| Deferred Outflows - Pension  | 291,870.31      |
| Deferred Outflows - OPEB     | 79,369.00       |

|              |                          |
|--------------|--------------------------|
| Total Assets | <u>\$ 143,860,507.13</u> |
|--------------|--------------------------|

#### **LIABILITIES**

|                            |               |
|----------------------------|---------------|
| Debt to the JPA            | 2,687,896.35  |
| Payroll Liabilities        | 896,894.25    |
| Interest Payable           | 1,776,866.67  |
| Net Pension Liability      | 656,197.76    |
| OPEB Liability             | 21,311.00     |
| Compensated Absences       | 76,483.16     |
| Deferred Inflows - Pension | 85,071.47     |
| Deferred Inflows - OPEB    | 50,594.00     |
| Deferred Inflows - Leases  | 76,477,240.78 |

|                   |                      |
|-------------------|----------------------|
| Total Liabilities | <u>82,736,277.35</u> |
|-------------------|----------------------|

#### **FUND BALANCE**

|                                                             |                     |
|-------------------------------------------------------------|---------------------|
| Net Position, Beginning of Fiscal Year                      | 61,307,141.56       |
| Change in Fund Balance for the month ending August 31, 2025 | <u>(182,911.78)</u> |

|                                      |                      |
|--------------------------------------|----------------------|
| Ending Fund Balance, August 31, 2025 | <u>61,124,229.78</u> |
|--------------------------------------|----------------------|

|                                    |                          |
|------------------------------------|--------------------------|
| Total Liabilities and Net Position | <u>\$ 143,860,507.13</u> |
|------------------------------------|--------------------------|

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH INLAND PORT AIRPORT AUTHORITY**

***MIPAA Operations - Consent Calendar***  
***Agenda Item No. 10 (2)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE JULY AND AUGUST 2025**  
**DISBURSEMENTS**

**Motion:** Move to approve the check disbursements for the months of July and August 2025 or take other actions as deemed appropriate by the Commission.

**Background:**

This item is an action approving the expenses (checks) that were incurred in the months of July and August 2025 for the March Inland Port Airport Authority (MIPAA). A listing of those checks is attached and will be reported in the minutes as an action item.

**Attachment(s):** Listing of checks disbursed in July and August 2025 for the March Inland Port Airport Authority.

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 8/21/2025 11:03 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                  | Vendor No | Vendor Name                                | Check Date | Check Amount |
|---------------------------|-----------|--------------------------------------------|------------|--------------|
| 5005549                   | BESTBE    | Best Best & Krieger, LLP                   | 07/03/2025 | 5,691.30     |
| 5005550                   | ESA       | ESA                                        | 07/03/2025 | 15,301.00    |
| 5005551                   | FRONTIER  | Frontier Communications                    | 07/03/2025 | 965.08       |
| 5005552                   | GRAINGER  | Grainger                                   | 07/03/2025 | 63.24        |
| 5005553                   | MGS       | M.G.S.                                     | 07/03/2025 | 5,046.32     |
| 5005554                   | Million   | Million Air, Riverside                     | 07/03/2025 | 995.12       |
| 5005555                   | RAPIDFIR  | Rapid Fire Safety & Security LLC           | 07/03/2025 | 316.90       |
| 5005556                   | CGResour  | CG Resource Management & Engineering,      | 07/03/2025 | 5,820.00     |
| 5005557                   | CoffmanS  | Coffman Specialties                        | 07/03/2025 | 1,184,459.06 |
| 5005558                   | SCE4      | Southern California Edison                 | 07/03/2025 | 1,624.74     |
| 5005559                   | JanPro    | Commerical Cleaning Solutions, Inc.        | 07/03/2025 | 200.00       |
| 5005560                   | Automate  | Automated Gate Services, Inc.              | 07/24/2025 | 395.00       |
| 5005561                   | FRONTIER  | Frontier Communications                    | 07/24/2025 | 707.15       |
| 5005562                   | AAAE      | American Association of Airport Executive: | 07/24/2025 | 325.00       |
| 5005563                   | AMCG      | Aviation Management Consulting Group       | 07/24/2025 | 22,213.75    |
| 5005564                   | CRContra  | C.R. Contracting, LLC                      | 07/24/2025 | 151,843.50   |
| 5005565                   | FARR      | Davis Farr                                 | 07/24/2025 | 6,000.00     |
| 5005566                   | RivEnvir  | County of Riverside Department of Enviror  | 07/24/2025 | 2,858.00     |
| 5005567                   | WASTEM    | WM Corporate Services, Inc.                | 07/24/2025 | 245.67       |
| 5005568                   | USTREAS   | Treasurer Of The United States of America  | 07/24/2025 | 1,827.44     |
| 5005569                   | WMWD2     | Western Municipal Water District           | 07/24/2025 | 946.91       |
| 5005570                   | FRONTIER  | Frontier Communications                    | 07/31/2025 | 1,141.07     |
| 5005571                   | MGS       | M.G.S.                                     | 07/31/2025 | 427.50       |
| 5005572                   | USTREAS   | Treasurer Of The United States of America  | 07/31/2025 | 12,161.90    |
| Report Total (24 checks): |           |                                            |            | 1,421,575.65 |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:04 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                  | Vendor No | Vendor Name                                 | Check Date | Check Amount |
|---------------------------|-----------|---------------------------------------------|------------|--------------|
| 5005573                   | BESTBE    | Best Best & Krieger, LLP                    | 08/14/2025 | 28,467.90    |
| 5005574                   | C&S       | C & S Engineers, Inc.                       | 08/14/2025 | 106,740.12   |
| 5005575                   | FRONTIER  | Frontier Communications                     | 08/14/2025 | 178.27       |
| 5005576                   | Million   | Million Air, Riverside                      | 08/14/2025 | 1,307.85     |
| 5005577                   | AyalaA    | Amelia Ayala                                | 08/14/2025 | 3,250.00     |
| 5005578                   | CoffmanS  | Coffman Specialties                         | 08/14/2025 | 245,944.35   |
| 5005579                   | IndustFi  | Brenton S. Davis Industrial Fire Protection | 08/14/2025 | 2,685.00     |
| 5005580                   | RogersAn  | Rogers ,Anderson, Malody & Scott, LLP       | 08/14/2025 | 45,567.33    |
| 5005581                   | PettyCas  | PettyCash                                   | 08/14/2025 | 37.43        |
| 5005582                   | HOMEDE    | Home Depot Credit Services                  | 08/14/2025 | 37.40        |
| 5005583                   | WASTEM    | WM Corporate Services, Inc.                 | 08/14/2025 | 491.34       |
| 5005584                   | JanPro    | Commerical Cleaning Solutions, Inc.         | 08/14/2025 | 200.00       |
| 5005585                   | C&S       | C & S Engineers, Inc.                       | 08/21/2025 | 76,242.93    |
| 5005586                   | FRONTIER  | Frontier Communications                     | 08/21/2025 | 693.00       |
| 5005587                   | MGS       | M.G.S.                                      | 08/21/2025 | 189.00       |
| 5005588                   | VERIZ2    | Verizon Wireless                            | 08/21/2025 | 546.95       |
| 5005589                   | HBS       | Husch Blackwell Strategies LLC              | 08/21/2025 | 6,400.00     |
| 5005590                   | RRSE      | Riverside Rubber Stamp & Engraving          | 08/21/2025 | 22.44        |
| 5005591                   | HOMEDE    | Home Depot Credit Services                  | 08/21/2025 | 37.40        |
| 5005592                   | CanonF    | Canon Financial Services, Inc.              | 08/21/2025 | 897.37       |
| 5005593                   | WMWD2     | Western Municipal Water District            | 08/21/2025 | 913.85       |
| 5005594                   | WESTC     | West Coast Lights and Sirens                | 08/21/2025 | 6,351.82     |
| 5005595                   | BESTBE    | Best Best & Krieger, LLP                    | 08/28/2025 | 5,851.55     |
| 5005596                   | Calfire   | CAL Fire                                    | 08/28/2025 | 255.00       |
| 5005597                   | FRONTIER  | Frontier Communications                     | 08/28/2025 | 963.26       |
| 5005598                   | TrafficM  | Traffic Management Products, Inc.           | 08/28/2025 | 210.11       |
| Report Total (26 checks): |           |                                             |            | 534,481.67   |

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH INLAND PORT AIRPORT AUTHORITY**

***MIPAA Operations - Consent Calendar***  
***Agenda Item No. 10 (3)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE FAA GRANTS 3-06-0201-019-2025; 3-06-0201-020-2025; AND 3-06-0201-021-2025, TOTALING SIX MILLION TWO HUNDRED SIXTY NINE THOUSAND SEVEN HUNDRED THREE DOLLARS (\$6,269,703) FOR APRON RECONSTRUCTION PHASES 14 AND 15, AND AP-5 CRACK SEAL PROJECT, AND APPROVE THE SEPTEMBER 12, 2025 EXECUTION OF GRANTS BY THE CEO AND MIPAA LEGAL COUNSEL**

**Motion:** Move to approve FAA grants 3-06-0201-019-2025; 3-60-0201-020-2025; and 3-06-0201-021-2025, totaling six million two hundred sixty-nine thousand seven hundred three dollars (\$6,269,703) for apron reconstruction phases 14 and 15, and the AP-5 crack seal project, and approve the September 12, 2025, execution of grants by the CEO and MIPAA legal counsel.

**Background:**

On October 2nd, 2024, the Commission of the March Inland Port Airport Authority approved a 5-year Airport Capital Improvement Plan (ACIP) that included a) the design and construction of an AP-5 apron crack seal project and b) the construction of Apron reconstruction Phases 14 and 15 of the approved airport Pavement Management Plan (PMP). The total cost of both projects equaled six million, six hundred and ninety-six million dollars (\$6,696,000). The Commission not only approved ACIP projects for 2025, it approved the submittal of two grant applications to the FAA for the two projects. FAA grant applications sought 90 percent funding from the FAA with a 10 percent funding match by MIPAA.

In December 2024, the Federal Aviation Administration (FAA) concurred with the proposed projects and associated grant applications, providing the March Inland Port Airport Authority (MIPAA) with authorization to proceed. Both projects were successfully completed in September 2025. On September 7, 2025, the FAA issued the following grant awards to MIPAA totaling six million, two hundred and sixty-nine thousand and seven hundred and three dollars (\$6,269,703) representing approximately 95 percent of total project costs.

- |                             |                                    |
|-----------------------------|------------------------------------|
| 1) Grant 3-06-0201-019-2025 | \$3,271,054 (Apron reconstruction) |
| 2) Grant 3-06-0201-021-2025 | \$2,713,919 (Apron reconstruction) |
| 3) Grant 3-06-0201-020-2025 | \$284,730 (AP-5 Crack Seal)        |

The FAA required execution of the grant awards by September 12, 2025. Given the short turnaround time for grant execution, and the consistency of the awards with the Commission's October 2024 ACIP actions, the three grants were executed by the Chief Executive Officer and MIPAA legal counsel. Staff is now requesting retroactive approval of the aforementioned grants by the Commission, as well as formal approval of the September 12, 2025 execution of the grants by the Chief Executive Officer and MIPAA legal counsel.

**Attachment(s):**

- |                             |                                    |
|-----------------------------|------------------------------------|
| 1) Grant 3-06-0201-019-2025 | \$3,271,054 (Apron reconstruction) |
| 2) Grant 3-06-0201-21-2025  | \$2,713,919 (Apron reconstruction) |
| 3) Grant 3-06-0201-020-2025 | \$284,730 (AP-5 Crack Seal)        |



U.S. Department  
of Transportation  
Federal Aviation  
Administration

Airports Division  
Western-Pacific  
Region  
California

Los Angeles Airports  
District Office:  
777 S Aviation Blvd,  
Ste 150  
El Segundo, CA 90245

September 5, 2025

Grace I. Martin  
Chief Executive Officer  
March Inland Port Airport Authority  
14205 Meridian Parkway  
Suite 140  
Riverside California 92518-2038

Dear Grace I. Martin:

The Grant Offer for Airport Improvement Program (AIP) Project No. 3-06-0201-019-2025 at March ARB Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

**You may not make any modification to the text, terms or conditions of the grant offer.**

***Steps You Must Take to Enter Into Agreement.***

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **September 12, 2025**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

**Payment.** Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.



**Project Timing.** The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these Federal funds. We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in “inactive” status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

**Reporting.** Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31<sup>st</sup> of each year this grant is open:
  1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
  2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit [FAA Form 5100-140, Performance Report](#) within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit [FAA Form 5370-1, Construction Progress and Inspection Report](#), within 30 days of the end of each Federal fiscal quarter.

**Audit Requirements.** As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR Part 200. Subpart F requires non-Federal entities that expend \$1,000,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

**Closeout.** Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

**FAA Contact Information.** Sarwar (Sam) Samad, (424) 405-7281, sam.samad@faa.gov is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,

  
 Cathryn G. Cason (09/05/2025 07:25:17 PDT)

Cathryn G. Cason  
 Manager



U.S. Department  
of Transportation  
Federal Aviation  
Administration

**FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM (AIP)**

**FY 2025 AIP**

**GRANT AGREEMENT**

**Part I - Offer**

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Federal Award Offer Date      September 5, 2025

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Airport/Planning Area      March ARB Airport

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Airport Infrastructure Grant  
Number      3-06-0201-019-2025

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Unique Entity Identifier      EGJ8FCJ1LNP9

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TO:      March Joint Powers Authority

(herein called the "Sponsor") (For Co-Sponsors, list all Co-Sponsor names. The word "Sponsor" in this Grant Agreement also applies to a Co-Sponsor.)

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

**WHEREAS**, the Sponsor has submitted to the FAA a Project Application dated April 21, 2025, for a grant of Federal funds for a project at or associated with the March ARB Airport, which is included as part of this Grant Agreement; and

**WHEREAS**, the FAA has approved a project for the March ARB Airport (herein called the "Project") consisting of the following:

Reconstruct Apron

which is more fully described in the Project Application.

**NOW THEREFORE**, Pursuant to and for the purpose of carrying out the Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018

(Public Law Number (P.L.) 115-254); the Department of Transportation Appropriations Act, 2021 ( P.L. 116-260, Division L); the Consolidated Appropriations Act, 2022 ( P.L. 117-103); Consolidated Appropriations Act, 2023 ( P.L. 117-328); Consolidated Appropriations Act, 2024 (P.L. 118-42); Consolidated Appropriations Act, 2025 (P.L. 119-4); FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application; and in consideration of: (a) the Sponsor's adoption and ratification of the Grant Assurances dated April 2025, interpreted and applied consistent with the FAA Reauthorization Act of 2024; (b) the Sponsor's acceptance of this Offer; and (c) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurance and conditions as herein provided;

**THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay (95) % of the allowable costs incurred accomplishing the Project as the United States share of the Project.**

**Assistance Listings Number (Formerly CFDA Number): 20.106**

**This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

### **CONDITIONS**

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$3,271,054.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$0 for planning

\$3,271,054 for airport development or noise program implementation; and,

\$0 for land acquisition.

2. **Grant Performance.** This Grant Agreement is subject to the following Federal award requirements:

- a. Period of Performance:

1. Shall start on the date the Sponsor formally accepts this Agreement and is the date signed by the last Sponsor signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods (2 Code of Federal Regulations (CFR) § 200.1) except as noted in 49 U.S.C § 47142(b).

- b. Budget Period:

1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the Period of Performance provided in paragraph 2(a)(1). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the Budget Period except as noted in 49 U.S.C § 47142(b).
2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.

- c. Close Out and Termination

Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the Period of Performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the Period of Performance end date with the information available at the end of 120 days (2 CFR § 200.344). The FAA may terminate this agreement and all of its obligations under this agreement if any of the following occurs:

- (a) (1) The Sponsor fails to obtain or provide any Sponsor grant contribution as required by the agreement;
  - (2) A completion date for the Project or a component of the Project is listed in the agreement and the Recipient fails to meet that milestone by six months after the date listed in the agreement;
  - (3) The Sponsor fails to comply with the terms and conditions of this agreement, including a material failure to comply with the Project Schedule even if it is beyond the reasonable control of the Sponsor;
  - (4) Circumstances cause changes to the Project that the FAA determines are inconsistent with the FAA's basis for selecting the Project to receive a grant; or
  - (5) The FAA determines that termination of this agreement is in the public interest.
- (b) In terminating this agreement under this section, the FAA may elect to consider only the interests of the FAA.
- (c) The Sponsor may request that the FAA terminate the agreement under this section.

3. **Ineligible or Unallowable Costs.** In accordance with 49 U.S.C. § 47110, the Sponsor is prohibited from including any costs in the grant funded portions of the project that the FAA has determined to be ineligible or unallowable, including costs incurred to carry out airport development implementing policies and initiatives repealed by Executive Order 14148, provided such costs are not otherwise permitted by statute.
4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this Agreement, 49 U.S.C. Chapters 471 and 475, the regulations, policies, and procedures of the Secretary. Per 2 CFR §

200.308, the Sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months or a 25 percent reduction in time devoted to the project. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the grant assurances, which are part of this Agreement.

7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 12, 2025, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds and Mandatory Disclosure.**
  - a. The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
  - b. The Sponsor, a recipient, and a subrecipient under this Federal grant must promptly comply with the mandatory disclosure requirements as established under 2 CFR § 200.113, including reporting requirements related to recipient integrity and performance in accordance with Appendix XII to 2 CFR Part 200.
10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this Grant Agreement.
11. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**
  - a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR § 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
  - b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/content/entity-registration>.

12. **Electronic Grant Payment(s)**. Unless otherwise directed by the FAA, the Sponsor must make each payment request under this Agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
13. **Informal Letter Amendment of AIP Projects**. If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Environmental Standards**. The Sponsor is required to comply with all applicable environmental standards, as further defined in the Grant Assurances, for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.
15. **Financial Reporting and Payment Requirements**. The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
16. **Buy American**. Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this Grant. The Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.
17. **Build America, Buy America**. The Sponsor must comply with the requirements under the Build America, Buy America Act (P.L. 117-58).
18. **Maximum Obligation Increase**. In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant:
  - a. May not be increased for a planning project;
  - b. May be increased by not more than 15 percent for development projects, if funds are available;
  - c. May be increased by not more than the greater of the following for a land project, if funds are available:
    1. 15 percent; or
    2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the Sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in 49 U.S.C. § 47110, or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided herein for any amount increased over the initial grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

**19. Audits for Sponsors.**

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than \$1,000,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

**20. Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:

- a. Verify the non-Federal entity is eligible to participate in this Federal program by:
  1. Checking the System for Award Management (SAM.gov) exclusions to determine if the non-Federal entity is excluded or disqualified; or
  2. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or
  3. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions with their contractors and sub-contractors.
- c. Immediately disclose in writing to the FAA whenever (1) the Sponsor learns they have entered into a covered transaction with an ineligible entity or (2) the Public Sponsor suspends or debars a contractor, person, or entity.

**21. Ban on Texting While Driving.**

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
  1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
  2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
    - i. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

- ii. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this Grant.

## 22. **Trafficking in Persons.**

- 1. *Posting of contact information.*
  - a. The Sponsor must post the contact information of the national human trafficking hotline (including options to reach out to the hotline such as through phone, text, or TTY) in all public airport restrooms.
- 2. *Provisions applicable to a recipient that is a private entity.*
  - a. Under this Grant, the recipient, its employees, subrecipients under this Grant, and subrecipient's employees must not engage in:
    - i. Severe forms of trafficking in persons;
    - ii. The procurement of a commercial sex act during the period of time that the grant or cooperative agreement is in effect;
    - iii. The use of forced labor in the performance of this grant; or any subaward; or
    - iv. Acts that directly support or advance trafficking in persons, including the following acts:
      - a) Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;
      - b) Failing to provide return transportation of pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:
        - 1. Exempted from the requirement to provide or pay for such return transportation by the federal department or agency providing or entering into the grant; or
        - 2. The employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or witness in a human trafficking enforcement action;
      - c) Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;
      - d) Charging recruited employees a placement or recruitment fee; or
      - e) Providing or arranging housing that fails to meet the host country's housing and safety standards.
  - b. The FAA may unilaterally terminate this Grant or take any remedial actions authorized by 22 U.S.C. § 7104b(c), without penalty, if any private entity under this Grant:
    - i. Is determined to have violated a prohibition in paragraph (2)(a) of this Grant; or
    - ii. Has an employee that is determined to have violated a prohibition in paragraph(2)(a) of this Grant through conduct that is either:
      - a) Associated with the performance under this Grant; or



- b) Imputed to the recipient or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR Part 1200.

3. *Provisions applicable to a recipient other than a private entity.*

- a. The FAA may unilaterally terminate this award or take any remedial actions authorized by 22 U.S.C. § 7104b(c), without penalty, if subrecipient than is a private entity under this award:
  - i. Is determined to have violated a prohibition in paragraph (2)(a) of this Grant or
  - ii. Has an employee that is determined to have violated a prohibition in paragraph (2)(a) of this Grant through conduct that is either:
    - a) Associated with the performance under this Grant; or
    - b) Imputed to the recipient or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR Part 1200.

4. *Provisions applicable to any recipient.*

- a. The recipient must inform the FAA and the DOT Inspector General immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (2)(a) of this Grant.
- b. The FAA's right to unilaterally terminate this Grant as described in paragraphs (2)(b) or (3)(a) of this Grant, implements the requirements of 22 U.S.C. chapter 78, and is in addition to all other remedies for noncompliance that are available to the FAA under this Grant.
- c. The recipient must include the requirements of paragraph (2)(a) of this Grant award term in any subaward it makes to a private entity.
- d. If applicable, the recipient must also comply with the compliance plan and certification requirements in 2 CFR 175.105(b).

5. *Definitions. For purposes of this Grant award, term:*

- a. "Employee" means either:
  - i. An individual employed by the recipient or a subrecipient who is engaged in the performance of the project or program under this Grant; or
  - ii. Another person engaged in the performance of the project or program under this Grant and not compensated by the recipient including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing requirements.
- b. "Private Entity" means:

- i. Any entity, including for-profit organizations, nonprofit organizations, institutions of higher education, and hospitals. The term does not include foreign public entities, Indian Tribes, local governments, or states as defined in 2 CFR 200.1.
  - ii. The terms “severe forms of trafficking in persons,” “commercial sex act,” “sex trafficking,” “Abuse or threatened abuse of law or legal process,” “coercion,” “debt bondage,” and “involuntary servitude” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).
23. **AIP Funded Work Included in a PFC Application.** Within 120 days of acceptance of this Grant Agreement, the Sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The airport sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.
24. **Exhibit “A” Property Map.** The Exhibit “A” Property Map dated May 05, 2025, is incorporated herein by reference or is submitted with the project application and made part of this Grant Agreement.
25. **Employee Protection from Reprisal.** In accordance with 2 CFR § 200.217 and 41 U.S.C. § 4701, an employee of a grantee, subgrantee contractor, recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. The grantee, subgrantee, contractor, recipient, or subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. § 4712. See statutory requirements for whistleblower protections at 10 U.S.C. § 4701, 41 U.S.C. § 4712, 41 U.S.C. § 4304, and 10 U.S.C. § 4310.
26. **Prohibited Telecommunications and Video Surveillance Services and Equipment.** The Sponsor agrees to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [P.L. 115-232 § 889(f)(1)] and 2 CFR § 200.216.
27. **Critical Infrastructure Security and Resilience.** The Sponsor acknowledges that it has considered and addressed physical and cybersecurity and resilience in its project planning, design, and oversight, as determined by the DOT and the Department of Homeland Security (DHS). For airports that do not have specific DOT or DHS cybersecurity requirements, the FAA encourages the voluntary adoption of the cybersecurity requirements from the Transportation Security Administration and Federal Security Director identified for security risk Category X airports.
28. **Title VI of the Civil Rights Act.** As a condition of a grant award, the Sponsor shall demonstrate that it complies with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq) and implementing regulations (49 CFR part 21), the Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.), U.S. Department of Transportation and Federal Aviation Administration (FAA) Assurances, and other relevant civil rights statutes, regulations, or authorities, including any amendments or updates thereto. This may include, as applicable, providing a current Title VI

Program Plan to the FAA for approval, in the format and according to the timeline required by the FAA, and other information about the communities that will be benefited and impacted by the project. A completed FAA Title VI Pre-Grant Award Checklist is required for every grant application, unless excused by the FAA. The Sponsor shall affirmatively ensure that when carrying out any project supported by this grant that it complies with all federal nondiscrimination and civil rights laws based on race, color, national origin, sex, creed, age, disability, genetic information, in consideration for federal financial assistance. The Department's and FAA's Office of Civil Rights may provide resources and technical assistance to recipients to ensure full and sustainable compliance with Federal civil rights requirements. Failure to comply with civil rights requirements will be considered a violation of the agreement or contract and be subject to any enforcement action as authorized by law.

29. **FAA Reauthorization Act of 2024.** This grant agreement is subject to the terms and conditions contained herein including the terms known as the Grant Assurances as they were published in the Federal Register on April 2025. On May 16, 2024, the FAA Reauthorization Act of 2024 made certain amendments to 49 U.S.C. chapter 471. The Reauthorization Act will require FAA to make certain amendments to the assurances in order to best achieve consistency with the statute. Federal law requires that FAA publish any amendments to the assurances in the Federal Register along with an opportunity to comment. In order not to delay the offer of this grant, the existing assurances are attached herein; however, FAA shall interpret and apply these assurances consistent with the Reauthorization Act. To the extent there is a conflict between the assurances and Federal statutes, the statutes shall apply. The full text of the FAA Reauthorization Act of 2024 is at <https://www.congress.gov/bill/118th-congress/house-bill/3935/text>.

30. **Applicable Federal Anti-Discrimination Laws.** The sponsor agrees:

- a. that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code; and
- b. to certify that it does not operate any programs promoting diversity, equity, and inclusion (DEI) that violate any applicable Federal anti-discrimination laws.

31. **Federal Law and Public Policy Requirements.** The Sponsor shall ensure that Federal funding is expended in full accordance with the United States Constitution, Federal law, and statutory and public policy requirements: including but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination; and the Sponsor will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in and the enforcement of Federal immigration law.

32. **National Airspace System Requirements**

- a. The Sponsor shall cooperate with FAA activities installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System, including

waiving permitting requirements and other restrictions affecting those activities to the maximum extent possible, and assisting the FAA in securing waivers of permitting or other restrictions from other authorities. The Sponsor shall not take actions that frustrate or prevent the FAA from installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System.

- b. If FAA determines that the Sponsor has violated subsection (a), the FAA may impose a remedy, including:
    - (1) additional conditions on the award;
    - (2) consistent with 49 U.S.C. chapter 471, any remedy permitted under 2 C.F.R. 200.339–200.340, including withholding of payments; disallowance of previously reimbursed costs, requiring refunds from the Recipient to the DOT; suspension or termination of the award; or suspension and debarment under 2 C.F.R. part 180; or
    - (3) any other remedy legally available.
  - c. (In imposing a remedy under this condition, the FAA may elect to consider the interests of only the FAA.
  - d. The Sponsor acknowledges that amounts that the FAA requires the Sponsor to refund to the FAA due to a remedy under this condition constitute a debt to the Federal Government that the FAA may collect under 2 C.F.R. 200.346 and the Federal Claims Collection Standards (31 C.F.R. parts 900–904).
33. **Signage Costs for Construction Projects.** The Sponsor agrees that it will require the prime contractor of a Federally- assisted airport improvement project to post signs consistent with a DOT/FAA-prescribed format, as may be requested by the DOT/FAA, and further agrees to remove any signs posted in response to requests received prior to February 1, 2025.
34. **Title 8 - U.S.C., Chapter 12, Subchapter II - Immigration.** The sponsor will follow applicable federal laws pertaining to Subchapter 12, and be subject to the penalties set forth in 8 U.S.C. § 1324, Bringing in and harboring certain aliens, and 8 U.S.C. § 1327, Aiding or assisting certain aliens to enter

### SPECIAL CONDITIONS

35. **Disadvantaged Business Enterprise (DBE)/Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program.** The Sponsor understands and agrees that it will not submit payment reimbursement requests until the Sponsor has received from the FAA Office of Civil Rights approval of its DBE Program (reflecting compliance with 49 CFR Part 26 including any amendments thereto), and if applicable, its ACDBE program (reflecting compliance with 49 CFR Part 23, including any amendments thereto).
36. **Pavement Maintenance Management Program.** The Sponsor agrees that it will implement an effective airport pavement maintenance management program as required by Airport Sponsor Grant Assurance 11, Pavement Preventive Maintenance-Management, which is codified at 49 U.S.C.

§ 47105(e). The Sponsor agrees that it will use the program for the useful life of any pavement constructed, reconstructed, rehabilitated, or repaired with Federal financial assistance at the airport. The Sponsor further agrees that the program will:

- a. Follow the current version of FAA Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements, establishing an effective maintenance program, specific types of distress and its probable cause, inspection guidelines, and recommended methods of repair;
- b. Detail the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed;
- c. Include a Pavement Inventory, Inspection Schedule, Record Keeping, Information Retrieval, and Reference, meeting the following requirements:
  1. Pavement Inventory. The following must be depicted in an appropriate form and level of detail:
    - i. Location of all runways, taxiways, and aprons;
    - ii. Dimensions;
    - iii. Type of pavement; and,
    - iv. Year of construction or most recent major reconstruction, rehabilitation, or repair.
  2. Inspection Schedule.
    - i. Detailed Inspection. A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in the current version of Advisory Circular 150/5380-6, the frequency of inspections may be extended to three years.
    - ii. Drive-By Inspection. A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition. For drive-by inspections, the date of inspection and any maintenance performed must be recorded.
  3. Record Keeping. Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The type of distress, location, and remedial action, scheduled or performed, must be documented. The minimum information is:
    - i. Inspection date;
    - ii. Location;
    - iii. Distress types; and
    - iv. Maintenance scheduled or performed.
  4. Information Retrieval System. The Sponsor must be able to retrieve the information and records produced by the pavement survey to provide a report to the FAA as may be required.

37. **Plans and Specifications Prior to Bidding.** The Sponsor agrees that it will submit plans and specifications for FAA review prior to advertising for bids.

38. **Plans and Specifications Approval Based Upon Certification.** The FAA and the Sponsor agree that the FAA's approval of the Sponsor's Plans and Specification is based primarily upon the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor understands that:
- a. The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to published FAA airport development grant standards or to notify the FAA of any limitations to competition within the project;
  - b. The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements; and
  - c. If the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under this Grant and associated grants.
39. **Buy American Executive Orders.** The Sponsor agrees to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.
40. **Duffy Plaintiff Special Term.** Pursuant to the court's preliminary injunction order in State of California v. Duffy, 1:25-cv-00208-JJM-PAS (D.R.I.) (June 19, 2025), DOT will not impose or enforce the challenged immigration enforcement condition\* or any materially similar terms and conditions, to any grant funds awarded, directly or indirectly, to Plaintiff States or local government entities within those States (collectively referred to as "Plaintiff State Entities"), or otherwise rescind, withhold, terminate, or take other adverse action, absent specific statutory authority, based on the challenged immigration enforcement condition while DOT is subject to an injunction. DOT will not require Plaintiff State Entities to make any certification or other representation related to compliance with the challenged immigration enforcement condition nor will DOT construe acceptance of funding from DOT as certification as to the challenged immigration enforcement condition.

\*The challenged immigration enforcement condition:

"[T]he Recipient will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in the enforcement of Federal immigration law."

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>1</sup>

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**

*Cathryn G. Cason*

Cathryn G. Cason (09/05/2025 07:25:17 PDT)

*(Signature)*

Cathryn G. Cason

*(Typed Name)*

Manager, Los Angeles Airports District Office

*(Title of FAA Official)*

<sup>1</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

## Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the Project Application.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>2</sup>

Dated September 7, 2025

March Joint Powers Authority

(Name of Sponsor)



(Signature of Sponsor's Authorized Official)

By: Grace Martin

(Typed Name of Sponsor's Authorized Official)

Title: CEO

(Title of Sponsor's Authorized Official)

<sup>2</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.



**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, Thomas Rice, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of California. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative, who has been duly authorized to execute this Grant Agreement, which is in all respects due and proper and in accordance with the laws of the said State; and Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018 (P.L. 115-254); the Department of Transportation Appropriations Act, 2021 (P.L. 116-260, Division L); the Consolidated Appropriations Act, 2022 (P.L. 117-103); Consolidated Appropriations Act, 2023 (P.L. 117-328); Consolidated Appropriations Act, 2024 (P.L. 118-42); FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>3</sup>

Dated at September 11, 2025

By:   
Thomas Rice (09/11/2025 09:05:45 PDT)  
 (Signature of Sponsor's Attorney)

<sup>3</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

## **ASSURANCES**

### **AIRPORT SPONSORS**

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#### **A. General.**

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

#### **B. Duration and Applicability.**

##### **1. Airport Development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

##### **2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

##### **3. Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, 37, and 40 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

**C. Sponsor Certification.**

The sponsor hereby assures and certifies, with respect to this grant that:

**1. General Federal Requirements**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant. Performance under this agreement shall be governed by and in compliance with the following requirements, as applicable, to the type of organization of the Sponsor and any applicable sub-recipients. The applicable provisions to this agreement include, but are not limited to, the following:

**FEDERAL LEGISLATION**

- a. 49 U.S.C. subtitle VII, as amended.
- b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.<sup>1</sup>
- c. Federal Fair Labor Standards Act — 29 U.S.C. § 201, et seq.
- d. Hatch Act — 5 U.S.C. § 1501, et seq.<sup>2</sup>
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, et seq.<sup>1, 2</sup>
- f. National Historic Preservation Act of 1966 — Section 106 — 54 U.S.C. § 306108.<sup>1</sup>
- g. Archeological and Historic Preservation Act of 1974 — 54 U.S.C. § 312501, et seq.<sup>1</sup>
- h. Native Americans Grave Repatriation Act — 25 U.S.C. § 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended — 42 U.S.C. § 7401, et seq.
- j. Coastal Zone Management Act, P.L. 92-583, as amended — 16 U.S.C. § 1451, et seq.
- k. Flood Disaster Protection Act of 1973 — Section 102(a) - 42 U.S.C. § 4012a.<sup>1</sup>
- l. 49 U.S.C. § 303, (formerly known as Section 4(f)).
- m. Rehabilitation Act of 1973 — 29 U.S.C. § 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 — 42 U.S.C. § 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968, as amended — 42 U.S.C. § 4151, et seq.<sup>1</sup>
- s. Powerplant and Industrial Fuel Use Act of 1978 — Section 403 — 42 U.S.C. § 8373.<sup>1</sup>
- t. Contract Work Hours and Safety Standards Act — 40 U.S.C. § 3701, et seq.<sup>1</sup>
- u. Copeland Anti-kickback Act — 18 U.S.C. § 874.<sup>1</sup>

- v. National Environmental Policy Act of 1969 – 42 U.S.C. § 4321, et seq.<sup>1</sup>
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.
- x. Single Audit Act of 1984 – 31 U.S.C. § 7501, et seq.<sup>2</sup>
- y. Drug-Free Workplace Act of 1988 – 41 U.S.C. §§ 8101 through 8105.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).
- aa. Civil Rights Restoration Act of 1987, P.L. 100-259.
- bb. Infrastructure Investment and Jobs Act, P.L. 117-58, Title VIII.
- cc. Build America, Buy America Act, P.L. 117-58, Title IX.
- dd. Endangered Species Act – 16 U.S.C. 1531, et seq.
- ee. Title IX of the Education Amendments of 1972, as amended – 20 U.S.C. 1681–1683 and 1685–1687.
- ff. Drug Abuse Office and Treatment Act of 1972, as amended – 21 U.S.C. 1101, et seq.
- gg. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 U.S.C. § 4541, et seq.
- hh. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 U.S.C. § 4541, et seq.
- ii. Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions – 31 U.S.C. § 1352.

#### **EXECUTIVE ORDERS**

- a. Executive Order 11990 – Protection of Wetlands
- b. Executive Order 11988 – Floodplain Management
- c. Executive Order 12372 – Intergovernmental Review of Federal Programs
- d. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction<sup>1</sup>
- e. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America's Workers
- f. Executive Order 14149 – Restoring Freedom of Speech and Ending Federal Censorship
- g. Executive Order 14151 – Ending Radical and Wasteful Government DEI Programs and Preferencing
- h. Executive Order 14154 – Unleashing American Energy
- i. Executive Order 14168 – Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government
- j. Executive Order 14173 – Ending Illegal Discrimination and Restoring Merit-Based Opportunity

**FEDERAL REGULATIONS**

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200 and 1201 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.<sup>3, 4, 5</sup>
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 14 CFR Part 13 – Investigative and Enforcement Procedures.
- e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.
- f. 14 CFR Part 150 – Airport Noise Compatibility Planning.
- g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.
- h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.
- i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.<sup>1</sup>
- j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.<sup>1</sup>
- k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).<sup>1</sup>
- l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).<sup>1</sup>
- m. 49 CFR Part 20 – New Restrictions on Lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.<sup>1, 2</sup>
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.<sup>1</sup>
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.
- t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).

- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.
- x. 49 CFR Part 41 – Seismic Safety.

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**FOOTNOTES TO ASSURANCE (C)(1)**


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- <sup>1</sup> These laws do not apply to airport planning sponsors.
- <sup>2</sup> These laws do not apply to private sponsors.
- <sup>3</sup> 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
- <sup>4</sup> Cost principles established in 2 CFR Part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- <sup>5</sup> Audit requirements established in 2 CFR Part 200 subpart F are the guidelines for audits.

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**SPECIFIC ASSURANCES**


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Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

**2. Responsibility and Authority of the Sponsor.**
**a. Public Agency Sponsor:**

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

**b. Private Sponsor:**

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

**3. Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

**4. Good Title.**

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

## **5. Preserving Rights and Powers.**

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.
- b. Subject to 49 U.S.C. § 47107(a)(16) and (x), it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors

of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

**6. Consistency with Local Plans.**

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

**7. Consideration of Local Interest.**

It has given fair consideration to the interest of communities in or near where the project may be located.

**8. Consultation with Users.**

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

**9. Public Hearings.**

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

**10. Metropolitan Planning Organization.**

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

**11. Pavement Preventive Maintenance-Management.**

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

**12. Terminal Development Prerequisites.**

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.



**13. Accounting System, Audit, and Record Keeping Requirements.**

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

**14. Minimum Wage Rates.**

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

**15. Veteran's Preference.**

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

**16. Conformity to Plans and Specifications.**

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

**17. Construction Inspection and Approval.**

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in

accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

#### **18. Planning Projects.**

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

#### **19. Operation and Maintenance.**

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
  1. Operating the airport's aeronautical facilities whenever required;
  2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
  3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions

interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

## **20. Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

## **21. Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

## **22. Economic Nondiscrimination.**

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:
  - 1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
  - 2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
- e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers

which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

- f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.
- g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
- h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
- i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

### **23. Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

### **24. Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for

which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

## **25. Airport Revenues.**

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
  1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.
  2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
  3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
- c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. § 47107.

## **26. Reports and Inspections.**

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the

public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and
- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
  - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
  - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

## **27. Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

## **28. Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

**29. Airport Layout Plan.**

- a. The airport owner or operator will maintain a current airport layout plan of the airport showing:
  - 1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
  - 2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
  - 3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
  - 4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.
- b. Subject to subsection 49 U.S.C. § 47107(x), the Secretary will review and approve or disapprove the plan and any revision or modification of the plan before the plan, revision, or modification takes effect.
- c. The owner or operator will not make or allow any alteration in the airport or any of its facilities unless the alteration—
  - 1. is outside the scope of the Secretary's review and approval authority as set forth in subsection (x); or
  - 2. complies with the portions of the plan approved by the Secretary.
- d. When the airport owner or operator makes a change or alteration in the airport or the facilities which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:
  - 1. eliminate such adverse effect in a manner approved by the Secretary; or
  - 2. bear all costs of relocating such property or its replacement to a site acceptable to the Secretary and of restoring the property or its replacement to the level of safety, utility, efficiency, and cost of operation that existed before the alteration was made, except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

**30. Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d to 2000d-4); creed and sex per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
  1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
  2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
  3. Real Property. Where the sponsor receives a grant or other 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.
- c. Duration.

The sponsor agrees that it is obligated to this assurance 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 sponsor, or any transferee for the longer of the following periods:

1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
  2. So long as the sponsor retains ownership or possession of the property.
- d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The (**March Joint Powers Authority**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 ( 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, all businesses will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex , age, or disability in consideration for an award."

- e. Required Contract Provisions.
  1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
  2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.



3. It will insert non-discrimination contract clauses 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 sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex, age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor 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.
- f. It will provide for such methods of administration for the program as are found by the Secretary 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.
- g. It 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.

### **31. Disposal of Land.**

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
  1. Reinvestment in an approved noise compatibility project;
  2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
  3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
  4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
  5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United

States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
  2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
  3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
  4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
  5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.
- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
- d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

### **32. Engineering and Design Services.**

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U.S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

### **33. Foreign Market Restrictions.**

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

### **34. Policies, Standards, and Specifications.**

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars ([https://www.faa.gov/sites/faa.gov/files/aip-pfc-checklist\\_0.pdf](https://www.faa.gov/sites/faa.gov/files/aip-pfc-checklist_0.pdf)) for AIP projects as of April 21, 2025.

**35. Relocation and Real Property Acquisition.**

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

**36. Access By Intercity Buses.**

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

**37. Disadvantaged Business Enterprises.**

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

**38. Hangar Construction.**

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

**39. Competitive Access.**

- a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:
  - 1. Describes the requests;
  - 2. Provides an explanation as to why the requests could not be accommodated; and

3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

#### **40. Access to Leaded Aviation Gasoline**

- a. If 100-octane low lead aviation gasoline (100LL) was made available at an airport, at any time during calendar year 2022, an airport owner or operator may not restrict or prohibit the sale of, or self-fueling with, 100-octane low lead aviation gasoline.
- b. This requirement remains until the earlier of December 31, 2030, or the date on which the airport or any retail fuel seller at the airport makes available an unleaded aviation gasoline that has been authorized for use by the FAA as a replacement for 100-octane low lead aviation gasoline for use in nearly all piston-engine aircraft and engine models; and meets either an industry consensus standard or other standard that facilitates the safe use, production, and distribution of such unleaded aviation gasoline, as determined appropriate by the FAA.
- c. An airport owner or operator understands and agrees, that any violation of this grant assurance is subject to civil penalties as provided for in 49 U.S.C. § 46301(a)(8).





U.S. Department  
of Transportation  
Federal Aviation  
Administration

Airports Division  
Western-Pacific  
Region  
California

Los Angeles Airports  
District Office:  
777 S Aviation Blvd,  
Ste 150  
El Segundo, CA 90245

September 5, 2025

Grace I. Martin  
Chief Executive Officer  
March Inland Port Airport Authority  
14205 Meridian Parkway  
Suite 140  
Riverside California 92518-2038

Dear Grace I. Martin:

The Grant Offer for Airport Improvement Program (AIP) Project No. 3-06-0201-020-2025 at March ARB Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

**You may not make any modification to the text, terms or conditions of the grant offer.**

***Steps You Must Take to Enter Into Agreement.***

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **September 12, 2025**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

**Payment.** Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

**Project Timing.** The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these Federal funds. We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in “inactive” status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

**Reporting.** Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31<sup>st</sup> of each year this grant is open:
  1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
  2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit [FAA Form 5100-140, Performance Report](#) within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit [FAA Form 5370-1, Construction Progress and Inspection Report](#), within 30 days of the end of each Federal fiscal quarter.

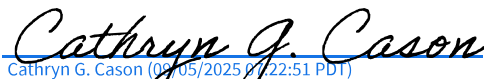
**Audit Requirements.** As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR Part 200. Subpart F requires non-Federal entities that expend \$1,000,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

**Closeout.** Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

**FAA Contact Information.** Sarwar (Sam) Samad, (424) 405-7428, sam.samad@faa.gov is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,

  
Cathryn G. Cason (05/05/2025 07:22:51 PDT)

Cathryn G. Cason  
Manager



U.S. Department  
of Transportation  
Federal Aviation  
Administration

**FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM (AIP)**

**FY 2025 AIP**

**GRANT AGREEMENT**

**Part I - Offer**

---

Federal Award Offer Date      September 5, 2025

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Airport/Planning Area      March ARB Airport

---

Airport Infrastructure Grant  
Number      3-06-0201-020-2025

---

Unique Entity Identifier      EGJ8FCJ1LNP9

---

TO:      March Joint Powers Authority

(herein called the "Sponsor") (For Co-Sponsors, list all Co-Sponsor names. The word "Sponsor" in this Grant Agreement also applies to a Co-Sponsor.)

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

**WHEREAS**, the Sponsor has submitted to the FAA a Project Application dated February 25, 2025, for a grant of Federal funds for a project at or associated with the March ARB Airport, which is included as part of this Grant Agreement; and

**WHEREAS**, the FAA has approved a project for the March ARB Airport (herein called the "Project") consisting of the following:

Reseal/Resurface Apron

which is more fully described in the Project Application.

**NOW THEREFORE**, Pursuant to and for the purpose of carrying out the Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018



(Public Law Number (P.L.) 115-254); the Department of Transportation Appropriations Act, 2021 ( P.L. 116-260, Division L); the Consolidated Appropriations Act, 2022 ( P.L. 117-103); Consolidated Appropriations Act, 2023 ( P.L. 117-328); Consolidated Appropriations Act, 2024 (P.L. 118-42); Consolidated Appropriations Act, 2025 (P.L. 119-4); FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application; and in consideration of: (a) the Sponsor's adoption and ratification of the Grant Assurances dated April 2025, interpreted and applied consistent with the FAA Reauthorization Act of 2024; (b) the Sponsor's acceptance of this Offer; and (c) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurance and conditions as herein provided;

**THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay (95) % of the allowable costs incurred accomplishing the Project as the United States share of the Project.**

**Assistance Listings Number (Formerly CFDA Number): 20.106**

**This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

### **CONDITIONS**

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$284,730.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$0 for planning

\$284,730 for airport development or noise program implementation; and,

\$0 for land acquisition.

2. **Grant Performance.** This Grant Agreement is subject to the following Federal award requirements:

- a. Period of Performance:

1. Shall start on the date the Sponsor formally accepts this Agreement and is the date signed by the last Sponsor signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods (2 Code of Federal Regulations (CFR) § 200.1) except as noted in 49 U.S.C § 47142(b).

- b. Budget Period:

1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the Period of Performance provided in paragraph 2(a)(1). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the Budget Period except as noted in 49 U.S.C § 47142(b).
2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.

- c. Close Out and Termination

Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the Period of Performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the Period of Performance end date with the information available at the end of 120 days (2 CFR § 200.344). The FAA may terminate this agreement and all of its obligations under this agreement if any of the following occurs:

- (a) (1) The Sponsor fails to obtain or provide any Sponsor grant contribution as required by the agreement;
  - (2) A completion date for the Project or a component of the Project is listed in the agreement and the Recipient fails to meet that milestone by six months after the date listed in the agreement;
  - (3) The Sponsor fails to comply with the terms and conditions of this agreement, including a material failure to comply with the Project Schedule even if it is beyond the reasonable control of the Sponsor;
  - (4) Circumstances cause changes to the Project that the FAA determines are inconsistent with the FAA's basis for selecting the Project to receive a grant; or
  - (5) The FAA determines that termination of this agreement is in the public interest.
- (b) In terminating this agreement under this section, the FAA may elect to consider only the interests of the FAA.
  - (c) The Sponsor may request that the FAA terminate the agreement under this section.

3. **Ineligible or Unallowable Costs.** In accordance with 49 U.S.C. § 47110, the Sponsor is prohibited from including any costs in the grant funded portions of the project that the FAA has determined to be ineligible or unallowable, including costs incurred to carry out airport development implementing policies and initiatives repealed by Executive Order 14148, provided such costs are not otherwise permitted by statute.
4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this Agreement, 49 U.S.C. Chapters 471 and 475, the regulations, policies, and procedures of the Secretary. Per 2 CFR §

200.308, the Sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months or a 25 percent reduction in time devoted to the project. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the grant assurances, which are part of this Agreement.

7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 12, 2025, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds and Mandatory Disclosure.**
  - a. The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
  - b. The Sponsor, a recipient, and a subrecipient under this Federal grant must promptly comply with the mandatory disclosure requirements as established under 2 CFR § 200.113, including reporting requirements related to recipient integrity and performance in accordance with Appendix XII to 2 CFR Part 200.
10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this Grant Agreement.
11. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**
  - a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR § 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
  - b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/content/entity-registration>.

12. **Electronic Grant Payment(s)**. Unless otherwise directed by the FAA, the Sponsor must make each payment request under this Agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
13. **Informal Letter Amendment of AIP Projects**. If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Environmental Standards**. The Sponsor is required to comply with all applicable environmental standards, as further defined in the Grant Assurances, for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.
15. **Financial Reporting and Payment Requirements**. The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
16. **Buy American**. Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this Grant. The Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.
17. **Build America, Buy America**. The Sponsor must comply with the requirements under the Build America, Buy America Act (P.L. 117-58).
18. **Maximum Obligation Increase**. In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant:
  - a. May not be increased for a planning project;
  - b. May be increased by not more than 15 percent for development projects, if funds are available;
  - c. May be increased by not more than the greater of the following for a land project, if funds are available:
    1. 15 percent; or
    2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the Sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in 49 U.S.C. § 47110, or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided herein for any amount increased over the initial grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

**19. Audits for Sponsors.**

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than \$1,000,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

**20. Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:

- a. Verify the non-Federal entity is eligible to participate in this Federal program by:
  1. Checking the System for Award Management (SAM.gov) exclusions to determine if the non-Federal entity is excluded or disqualified; or
  2. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or
  3. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions with their contractors and sub-contractors.
- c. Immediately disclose in writing to the FAA whenever (1) the Sponsor learns they have entered into a covered transaction with an ineligible entity or (2) the Public Sponsor suspends or debar a contractor, person, or entity.

**21. Ban on Texting While Driving.**

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
  1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
  2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
    - i. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

- ii. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this Grant.

## 22. **Trafficking in Persons.**

- 1. *Posting of contact information.*
  - a. The Sponsor must post the contact information of the national human trafficking hotline (including options to reach out to the hotline such as through phone, text, or TTY) in all public airport restrooms.
- 2. *Provisions applicable to a recipient that is a private entity.*
  - a. Under this Grant, the recipient, its employees, subrecipients under this Grant, and subrecipient's employees must not engage in:
    - i. Severe forms of trafficking in persons;
    - ii. The procurement of a commercial sex act during the period of time that the grant or cooperative agreement is in effect;
    - iii. The use of forced labor in the performance of this grant; or any subaward; or
    - iv. Acts that directly support or advance trafficking in persons, including the following acts:
      - a) Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;
      - b) Failing to provide return transportation of pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:
        - 1. Exempted from the requirement to provide or pay for such return transportation by the federal department or agency providing or entering into the grant; or
        - 2. The employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or witness in a human trafficking enforcement action;
      - c) Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;
      - d) Charging recruited employees a placement or recruitment fee; or
      - e) Providing or arranging housing that fails to meet the host country's housing and safety standards.
  - b. The FAA may unilaterally terminate this Grant or take any remedial actions authorized by 22 U.S.C. § 7104b(c), without penalty, if any private entity under this Grant:
    - i. Is determined to have violated a prohibition in paragraph (2)(a) of this Grant; or
    - ii. Has an employee that is determined to have violated a prohibition in paragraph(2)(a) of this Grant through conduct that is either:
      - a) Associated with the performance under this Grant; or

- b) Imputed to the recipient or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR Part 1200.

3. *Provisions applicable to a recipient other than a private entity.*

- a. The FAA may unilaterally terminate this award or take any remedial actions authorized by 22 U.S.C. § 7104b(c), without penalty, if subrecipient than is a private entity under this award:
  - i. Is determined to have violated a prohibition in paragraph (2)(a) of this Grant or
  - ii. Has an employee that is determined to have violated a prohibition in paragraph (2)(a) of this Grant through conduct that is either:
    - a) Associated with the performance under this Grant; or
    - b) Imputed to the recipient or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 2 CFR Part 1200.

4. *Provisions applicable to any recipient.*

- a. The recipient must inform the FAA and the DOT Inspector General immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (2)(a) of this Grant.
- b. The FAA's right to unilaterally terminate this Grant as described in paragraphs (2)(b) or (3)(a) of this Grant, implements the requirements of 22 U.S.C. chapter 78, and is in addition to all other remedies for noncompliance that are available to the FAA under this Grant.
- c. The recipient must include the requirements of paragraph (2)(a) of this Grant award term in any subaward it makes to a private entity.
- d. If applicable, the recipient must also comply with the compliance plan and certification requirements in 2 CFR 175.105(b).

5. *Definitions. For purposes of this Grant award, term:*

- a. "Employee" means either:
  - i. An individual employed by the recipient or a subrecipient who is engaged in the performance of the project or program under this Grant; or
  - ii. Another person engaged in the performance of the project or program under this Grant and not compensated by the recipient including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing requirements.
- b. "Private Entity" means:

- i. Any entity, including for-profit organizations, nonprofit organizations, institutions of higher education, and hospitals. The term does not include foreign public entities, Indian Tribes, local governments, or states as defined in 2 CFR 200.1.
  - ii. The terms “severe forms of trafficking in persons,” “commercial sex act,” “sex trafficking,” “Abuse or threatened abuse of law or legal process,” “coercion,” “debt bondage,” and “involuntary servitude” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).
23. **AIP Funded Work Included in a PFC Application.** Within 120 days of acceptance of this Grant Agreement, the Sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The airport sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.
24. **Exhibit “A” Property Map.** The Exhibit “A” Property Map dated May 05, 2025, is incorporated herein by reference or is submitted with the project application and made part of this Grant Agreement.
25. **Employee Protection from Reprisal.** In accordance with 2 CFR § 200.217 and 41 U.S.C. § 4701, an employee of a grantee, subgrantee contractor, recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. The grantee, subgrantee, contractor, recipient, or subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. § 4712. See statutory requirements for whistleblower protections at 10 U.S.C. § 4701, 41 U.S.C. § 4712, 41 U.S.C. § 4304, and 10 U.S.C. § 4310.
26. **Prohibited Telecommunications and Video Surveillance Services and Equipment.** The Sponsor agrees to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [P.L. 115-232 § 889(f)(1)] and 2 CFR § 200.216.
27. **Critical Infrastructure Security and Resilience.** The Sponsor acknowledges that it has considered and addressed physical and cybersecurity and resilience in its project planning, design, and oversight, as determined by the DOT and the Department of Homeland Security (DHS). For airports that do not have specific DOT or DHS cybersecurity requirements, the FAA encourages the voluntary adoption of the cybersecurity requirements from the Transportation Security Administration and Federal Security Director identified for security risk Category X airports.
28. **Title VI of the Civil Rights Act.** As a condition of a grant award, the Sponsor shall demonstrate that it complies with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq) and implementing regulations (49 CFR part 21), the Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.), U.S. Department of Transportation and Federal Aviation Administration (FAA) Assurances, and other relevant civil rights statutes, regulations, or authorities, including any amendments or updates thereto. This may include, as applicable, providing a current Title VI



Program Plan to the FAA for approval, in the format and according to the timeline required by the FAA, and other information about the communities that will be benefited and impacted by the project. A completed FAA Title VI Pre-Grant Award Checklist is required for every grant application, unless excused by the FAA. The Sponsor shall affirmatively ensure that when carrying out any project supported by this grant that it complies with all federal nondiscrimination and civil rights laws based on race, color, national origin, sex, creed, age, disability, genetic information, in consideration for federal financial assistance. The Department's and FAA's Office of Civil Rights may provide resources and technical assistance to recipients to ensure full and sustainable compliance with Federal civil rights requirements. Failure to comply with civil rights requirements will be considered a violation of the agreement or contract and be subject to any enforcement action as authorized by law.

29. **FAA Reauthorization Act of 2024.** This grant agreement is subject to the terms and conditions contained herein including the terms known as the Grant Assurances as they were published in the Federal Register on April 2025. On May 16, 2024, the FAA Reauthorization Act of 2024 made certain amendments to 49 U.S.C. chapter 471. The Reauthorization Act will require FAA to make certain amendments to the assurances in order to best achieve consistency with the statute. Federal law requires that FAA publish any amendments to the assurances in the Federal Register along with an opportunity to comment. In order not to delay the offer of this grant, the existing assurances are attached herein; however, FAA shall interpret and apply these assurances consistent with the Reauthorization Act. To the extent there is a conflict between the assurances and Federal statutes, the statutes shall apply. The full text of the FAA Reauthorization Act of 2024 is at <https://www.congress.gov/bill/118th-congress/house-bill/3935/text>.

30. **Applicable Federal Anti-Discrimination Laws.** The sponsor agrees:

- a. that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code; and
- b. to certify that it does not operate any programs promoting diversity, equity, and inclusion (DEI) that violate any applicable Federal anti-discrimination laws.

31. **Federal Law and Public Policy Requirements.** The Sponsor shall ensure that Federal funding is expended in full accordance with the United States Constitution, Federal law, and statutory and public policy requirements: including but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination; and the Sponsor will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in and the enforcement of Federal immigration law.

32. **National Airspace System Requirements**

- a. The Sponsor shall cooperate with FAA activities installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System, including

waiving permitting requirements and other restrictions affecting those activities to the maximum extent possible, and assisting the FAA in securing waivers of permitting or other restrictions from other authorities. The Sponsor shall not take actions that frustrate or prevent the FAA from installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System.

- b. If FAA determines that the Sponsor has violated subsection (a), the FAA may impose a remedy, including:
    - (1) additional conditions on the award;
    - (2) consistent with 49 U.S.C. chapter 471, any remedy permitted under 2 C.F.R. 200.339–200.340, including withholding of payments; disallowance of previously reimbursed costs, requiring refunds from the Recipient to the DOT; suspension or termination of the award; or suspension and debarment under 2 C.F.R. part 180; or
    - (3) any other remedy legally available.
  - c. (In imposing a remedy under this condition, the FAA may elect to consider the interests of only the FAA.
  - d. The Sponsor acknowledges that amounts that the FAA requires the Sponsor to refund to the FAA due to a remedy under this condition constitute a debt to the Federal Government that the FAA may collect under 2 C.F.R. 200.346 and the Federal Claims Collection Standards (31 C.F.R. parts 900–904).
33. **Signage Costs for Construction Projects.** The Sponsor agrees that it will require the prime contractor of a Federally- assisted airport improvement project to post signs consistent with a DOT/FAA-prescribed format, as may be requested by the DOT/FAA, and further agrees to remove any signs posted in response to requests received prior to February 1, 2025.
34. **Title 8 - U.S.C., Chapter 12, Subchapter II - Immigration.** The sponsor will follow applicable federal laws pertaining to Subchapter 12, and be subject to the penalties set forth in 8 U.S.C. § 1324, Bringing in and harboring certain aliens, and 8 U.S.C. § 1327, Aiding or assisting certain aliens to enter

## SPECIAL CONDITIONS

35. **Disadvantaged Business Enterprise (DBE)/Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program.** The Sponsor understands and agrees that it will not submit payment reimbursement requests until the Sponsor has received from the FAA Office of Civil Rights approval of its DBE Program (reflecting compliance with 49 CFR Part 26 including any amendments thereto), and if applicable, its ACDBE program (reflecting compliance with 49 CFR Part 23, including any amendments thereto).
36. **Pavement Maintenance Management Program.** The Sponsor agrees that it will implement an effective airport pavement maintenance management program as required by Airport Sponsor Grant Assurance 11, Pavement Preventive Maintenance-Management, which is codified at 49 U.S.C.

§ 47105(e). The Sponsor agrees that it will use the program for the useful life of any pavement constructed, reconstructed, rehabilitated, or repaired with Federal financial assistance at the airport. The Sponsor further agrees that the program will:

- a. Follow the current version of FAA Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements, establishing an effective maintenance program, specific types of distress and its probable cause, inspection guidelines, and recommended methods of repair;
- b. Detail the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed;
- c. Include a Pavement Inventory, Inspection Schedule, Record Keeping, Information Retrieval, and Reference, meeting the following requirements:
  1. Pavement Inventory. The following must be depicted in an appropriate form and level of detail:
    - i. Location of all runways, taxiways, and aprons;
    - ii. Dimensions;
    - iii. Type of pavement; and,
    - iv. Year of construction or most recent major reconstruction, rehabilitation, or repair.
  2. Inspection Schedule.
    - i. Detailed Inspection. A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in the current version of Advisory Circular 150/5380-6, the frequency of inspections may be extended to three years.
    - ii. Drive-By Inspection. A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition. For drive-by inspections, the date of inspection and any maintenance performed must be recorded.
  3. Record Keeping. Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The type of distress, location, and remedial action, scheduled or performed, must be documented. The minimum information is:
    - i. Inspection date;
    - ii. Location;
    - iii. Distress types; and
    - iv. Maintenance scheduled or performed.
  4. Information Retrieval System. The Sponsor must be able to retrieve the information and records produced by the pavement survey to provide a report to the FAA as may be required.

37. **Plans and Specifications Prior to Bidding.** The Sponsor agrees that it will submit plans and specifications for FAA review prior to advertising for bids.

38. **Plans and Specifications Approval Based Upon Certification.** The FAA and the Sponsor agree that the FAA's approval of the Sponsor's Plans and Specification is based primarily upon the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor understands that:
- a. The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to published FAA airport development grant standards or to notify the FAA of any limitations to competition within the project;
  - b. The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements; and
  - c. If the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under this Grant and associated grants.
39. **Buy American Executive Orders.** The Sponsor agrees to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.
40. **Duffy Plaintiff Special Term.** Pursuant to the court's preliminary injunction order in State of California v. Duffy, 1:25-cv-00208-JJM-PAS (D.R.I.) (June 19, 2025), DOT will not impose or enforce the challenged immigration enforcement condition\* or any materially similar terms and conditions, to any grant funds awarded, directly or indirectly, to Plaintiff States or local government entities within those States (collectively referred to as "Plaintiff State Entities"), or otherwise rescind, withhold, terminate, or take other adverse action, absent specific statutory authority, based on the challenged immigration enforcement condition while DOT is subject to an injunction. DOT will not require Plaintiff State Entities to make any certification or other representation related to compliance with the challenged immigration enforcement condition nor will DOT construe acceptance of funding from DOT as certification as to the challenged immigration enforcement condition.

\*The challenged immigration enforcement condition:

"[T]he Recipient will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in the enforcement of Federal immigration law."

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>1</sup>

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**

*Cathryn G. Cason*  
Cathryn G. Cason (09/05/2025 07:22:51 PDT)

*(Signature)*

Cathryn G. Cason

*(Typed Name)*

Manager, Los Angeles Airports District Office

*(Title of FAA Official)*

<sup>1</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

## Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the Project Application.

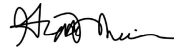
**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>2</sup>

Dated September 8, 2025

March Joint Powers Authority

(Name of Sponsor)



(Signature of Sponsor's Authorized Official)

By: Grace Martin

(Typed Name of Sponsor's Authorized Official)

Title: CEO

(Title of Sponsor's Authorized Official)

<sup>2</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, Thomas Rice, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of California. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative, who has been duly authorized to execute this Grant Agreement, which is in all respects due and proper and in accordance with the laws of the said State; and Title 49, United States Code (U.S.C.), Chapters 471 and 475; 49 U.S.C. §§ 40101 et seq., and 48103; FAA Reauthorization Act of 2018 (P.L. 115-254); the Department of Transportation Appropriations Act, 2021 (P.L. 116-260, Division L); the Consolidated Appropriations Act, 2022 (P.L. 117-103); Consolidated Appropriations Act, 2023 (P.L. 117-328); Consolidated Appropriations Act, 2024 (P.L. 118-42); FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>3</sup>

Dated at September 11, 2025

By:   
Thomas Rice (09/11/2025 09:07:47 PDT)  
*(Signature of Sponsor's Attorney)*

<sup>3</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

## ASSURANCES

### AIRPORT SPONSORS

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#### A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

#### B. Duration and Applicability.

##### 1. Airport Development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.

The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

##### 2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

##### 3. Airport Planning Undertaken by a Sponsor.

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, 37, and 40 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.



**C. Sponsor Certification.**

The sponsor hereby assures and certifies, with respect to this grant that:

**1. General Federal Requirements**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant. Performance under this agreement shall be governed by and in compliance with the following requirements, as applicable, to the type of organization of the Sponsor and any applicable sub-recipients. The applicable provisions to this agreement include, but are not limited to, the following:

**FEDERAL LEGISLATION**

- a. 49 U.S.C. subtitle VII, as amended.
- b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.<sup>1</sup>
- c. Federal Fair Labor Standards Act — 29 U.S.C. § 201, et seq.
- d. Hatch Act — 5 U.S.C. § 1501, et seq.<sup>2</sup>
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, et seq.<sup>1, 2</sup>
- f. National Historic Preservation Act of 1966 — Section 106 — 54 U.S.C. § 306108.<sup>1</sup>
- g. Archeological and Historic Preservation Act of 1974 — 54 U.S.C. § 312501, et seq.<sup>1</sup>
- h. Native Americans Grave Repatriation Act — 25 U.S.C. § 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended — 42 U.S.C. § 7401, et seq.
- j. Coastal Zone Management Act, P.L. 92-583, as amended — 16 U.S.C. § 1451, et seq.
- k. Flood Disaster Protection Act of 1973 — Section 102(a) - 42 U.S.C. § 4012a.<sup>1</sup>
- l. 49 U.S.C. § 303, (formerly known as Section 4(f)).
- m. Rehabilitation Act of 1973 — 29 U.S.C. § 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 — 42 U.S.C. § 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968, as amended — 42 U.S.C. § 4151, et seq.<sup>1</sup>
- s. Powerplant and Industrial Fuel Use Act of 1978 — Section 403 — 42 U.S.C. § 8373.<sup>1</sup>
- t. Contract Work Hours and Safety Standards Act — 40 U.S.C. § 3701, et seq.<sup>1</sup>
- u. Copeland Anti-kickback Act — 18 U.S.C. § 874.<sup>1</sup>

- v. National Environmental Policy Act of 1969 – 42 U.S.C. § 4321, et seq.<sup>1</sup>
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.
- x. Single Audit Act of 1984 – 31 U.S.C. § 7501, et seq.<sup>2</sup>
- y. Drug-Free Workplace Act of 1988 – 41 U.S.C. §§ 8101 through 8105.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).
- aa. Civil Rights Restoration Act of 1987, P.L. 100-259.
- bb. Infrastructure Investment and Jobs Act, P.L. 117-58, Title VIII.
- cc. Build America, Buy America Act, P.L. 117-58, Title IX.
- dd. Endangered Species Act – 16 U.S.C. 1531, et seq.
- ee. Title IX of the Education Amendments of 1972, as amended – 20 U.S.C. 1681–1683 and 1685–1687.
- ff. Drug Abuse Office and Treatment Act of 1972, as amended – 21 U.S.C. 1101, et seq.
- gg. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 U.S.C. § 4541, et seq.
- hh. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 U.S.C. § 4541, et seq.
- ii. Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions – 31 U.S.C. § 1352.

#### **EXECUTIVE ORDERS**

- a. Executive Order 11990 – Protection of Wetlands
- b. Executive Order 11988 – Floodplain Management
- c. Executive Order 12372 – Intergovernmental Review of Federal Programs
- d. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction<sup>1</sup>
- e. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America's Workers
- f. Executive Order 14149 – Restoring Freedom of Speech and Ending Federal Censorship
- g. Executive Order 14151 – Ending Radical and Wasteful Government DEI Programs and Preferencing
- h. Executive Order 14154 – Unleashing American Energy
- i. Executive Order 14168 – Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government
- j. Executive Order 14173 – Ending Illegal Discrimination and Restoring Merit-Based Opportunity

**FEDERAL REGULATIONS**

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200 and 1201 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.<sup>3, 4, 5</sup>
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 14 CFR Part 13 – Investigative and Enforcement Procedures.
- e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.
- f. 14 CFR Part 150 – Airport Noise Compatibility Planning.
- g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.
- h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.
- i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.<sup>1</sup>
- j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.<sup>1</sup>
- k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).<sup>1</sup>
- l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).<sup>1</sup>
- m. 49 CFR Part 20 – New Restrictions on Lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.<sup>1, 2</sup>
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.<sup>1</sup>
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.
- t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).

- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.
- x. 49 CFR Part 41 – Seismic Safety.

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**FOOTNOTES TO ASSURANCE (C)(1)**


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- <sup>1</sup> These laws do not apply to airport planning sponsors.
- <sup>2</sup> These laws do not apply to private sponsors.
- <sup>3</sup> 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
- <sup>4</sup> Cost principles established in 2 CFR Part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- <sup>5</sup> Audit requirements established in 2 CFR Part 200 subpart F are the guidelines for audits.

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**SPECIFIC ASSURANCES**


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Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

**2. Responsibility and Authority of the Sponsor.**
**a. Public Agency Sponsor:**

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

**b. Private Sponsor:**

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

**3. Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

**4. Good Title.**

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

## **5. Preserving Rights and Powers.**

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.
- b. Subject to 49 U.S.C. § 47107(a)(16) and (x), it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors

of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

**6. Consistency with Local Plans.**

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

**7. Consideration of Local Interest.**

It has given fair consideration to the interest of communities in or near where the project may be located.

**8. Consultation with Users.**

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

**9. Public Hearings.**

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

**10. Metropolitan Planning Organization.**

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

**11. Pavement Preventive Maintenance-Management.**

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

**12. Terminal Development Prerequisites.**

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

**13. Accounting System, Audit, and Record Keeping Requirements.**

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

**14. Minimum Wage Rates.**

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

**15. Veteran's Preference.**

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

**16. Conformity to Plans and Specifications.**

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

**17. Construction Inspection and Approval.**

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in

accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

#### **18. Planning Projects.**

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

#### **19. Operation and Maintenance.**

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
  1. Operating the airport's aeronautical facilities whenever required;
  2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
  3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions



interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

## **20. Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

## **21. Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

## **22. Economic Nondiscrimination.**

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:
  - 1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
  - 2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
- e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers

which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

- f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.
- g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
- h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
- i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

### **23. Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

### **24. Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for

which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

## **25. Airport Revenues.**

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
  1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.
  2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
  3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
- c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. § 47107.

## **26. Reports and Inspections.**

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the

public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and
- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
  - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
  - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

## **27. Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

## **28. Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

**29. Airport Layout Plan.**

- a. The airport owner or operator will maintain a current airport layout plan of the airport showing:
  - 1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
  - 2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
  - 3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
  - 4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.
- b. Subject to subsection 49 U.S.C. § 47107(x), the Secretary will review and approve or disapprove the plan and any revision or modification of the plan before the plan, revision, or modification takes effect.
- c. The owner or operator will not make or allow any alteration in the airport or any of its facilities unless the alteration—
  - 1. is outside the scope of the Secretary's review and approval authority as set forth in subsection (x); or
  - 2. complies with the portions of the plan approved by the Secretary.
- d. When the airport owner or operator makes a change or alteration in the airport or the facilities which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:
  - 1. eliminate such adverse effect in a manner approved by the Secretary; or
  - 2. bear all costs of relocating such property or its replacement to a site acceptable to the Secretary and of restoring the property or its replacement to the level of safety, utility, efficiency, and cost of operation that existed before the alteration was made, except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

**30. Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d to 2000d-4); creed and sex per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
  - 1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
  - 2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
  - 3. Real Property. Where the sponsor receives a grant or other 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.
- c. Duration.

The sponsor agrees that it is obligated to this assurance 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 sponsor, or any transferee for the longer of the following periods:

- 1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
  - 2. So long as the sponsor retains ownership or possession of the property.
- d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The (**March Joint Powers Authority**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 ( 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, all businesses will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex , age, or disability in consideration for an award."

- e. Required Contract Provisions.
  - 1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
  - 2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3. It will insert non-discrimination contract clauses 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 sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex, age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor 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.
- f. It will provide for such methods of administration for the program as are found by the Secretary 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.
- g. It 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.

### **31. Disposal of Land.**

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
  1. Reinvestment in an approved noise compatibility project;
  2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
  3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
  4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
  5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United

States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
  2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
  3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
  4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
  5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.
- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
- d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

### **32. Engineering and Design Services.**

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U.S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

### **33. Foreign Market Restrictions.**

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

### **34. Policies, Standards, and Specifications.**

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars ([https://www.faa.gov/sites/faa.gov/files/aip-pfc-checklist\\_0.pdf](https://www.faa.gov/sites/faa.gov/files/aip-pfc-checklist_0.pdf)) for AIP projects as of February 25, 2025.



**35. Relocation and Real Property Acquisition.**

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

**36. Access By Intercity Buses.**

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

**37. Disadvantaged Business Enterprises.**

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

**38. Hangar Construction.**

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

**39. Competitive Access.**

- a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:
  - 1. Describes the requests;
  - 2. Provides an explanation as to why the requests could not be accommodated; and

3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

#### **40. Access to Leaded Aviation Gasoline**

- a. If 100-octane low lead aviation gasoline (100LL) was made available at an airport, at any time during calendar year 2022, an airport owner or operator may not restrict or prohibit the sale of, or self-fueling with, 100-octane low lead aviation gasoline.
- b. This requirement remains until the earlier of December 31, 2030, or the date on which the airport or any retail fuel seller at the airport makes available an unleaded aviation gasoline that has been authorized for use by the FAA as a replacement for 100-octane low lead aviation gasoline for use in nearly all piston-engine aircraft and engine models; and meets either an industry consensus standard or other standard that facilitates the safe use, production, and distribution of such unleaded aviation gasoline, as determined appropriate by the FAA.
- c. An airport owner or operator understands and agrees, that any violation of this grant assurance is subject to civil penalties as provided for in 49 U.S.C. § 46301(a)(8).





U.S. Department  
of Transportation  
Federal Aviation  
Administration

Airports Division  
Western-Pacific  
Region  
California

Los Angeles Airports  
District Office:  
777 S Aviation Blvd,  
Ste 150  
El Segundo, CA  
90245

September 11, 2025

Grace I. Martin  
Chief Executive Officer  
March Inland Port Airport Authority  
14205 Meridian Parkway  
Suite 140  
Riverside, California 92518-2038

Dear Grace I. Martin:

The Grant Offer for Infrastructure Investment and Jobs Act (IIJA) Airport Infrastructure Grant (AIG) Project No. 3-06-0201-021-2025 at March ARB Airport is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

**You may not make any modification to the text, terms or conditions of the grant offer.**

***Steps You Must Take to Enter Into Agreement.***

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **September 15, 2025**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

**Payment.** Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

**Project Timing.** The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these Federal funds. We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in “inactive” status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

**Reporting.** Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31<sup>st</sup> of each year this grant is open:
  1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
  2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit [FAA Form 5100-140, Performance Report](#) within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit [FAA Form 5370-1, Construction Progress and Inspection Report](#), within 30 days of the end of each Federal fiscal quarter.

**Audit Requirements.** As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR Part 200. Subpart F requires non-Federal entities that expend \$1,000,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

**Closeout.** Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

**FAA Contact Information.** Sarwar (Sam) Samad, (424) 405-7428, sam.samad@faa.gov is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,

  
[Cathryn G. Cason \(09/11/2025 08:13:04 PDT\)](#)

Cathryn G. Cason  
 Manager



U.S. Department  
of Transportation  
Federal Aviation  
Administration

**FY 2025 AIRPORT INFRASTRUCTURE GRANT  
GRANT AGREEMENT  
Part I - Offer**

Federal Award Offer Date September 11, 2025

Airport/Planning Area March ARB Airport

Airport Infrastructure Grant  
Number 3-06-0201-021-2025

Unique Entity Identifier EGJ8FCJ1LNP9

TO: March Joint Powers Authority  
(herein called the "Sponsor") (For Co-Sponsors, list all Co-Sponsor names. The word "Sponsor" in this Grant Agreement also applies to a Co-Sponsor.)

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

**WHEREAS**, the Sponsor has submitted to the FAA a Project Application dated April 21, 2025, for a grant of Federal funds for a project at or associated with the March ARB Airport, which is included as part of this Grant Agreement; and

**WHEREAS**, the FAA has approved a project for the March ARB Airport (herein called the "Project") consisting of the following:

Reconstruct Apron, Phase 2

which is more fully described in the Project Application.

**NOW THEREFORE**, Pursuant to and for the purpose of carrying out the Infrastructure Investment and Jobs Act (IIJA) (Public Law (P.L.) 117-58) of 2021; FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application; and in consideration of (a) the Sponsor's adoption and ratification of the attached Grant Assurances dated April 2025, interpreted and applied consistent with the FAA Reauthorization Act of 2024; (b) the Sponsor's acceptance of this Offer; and (c) the

benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurance and conditions as herein provided;

**THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay (95) % of the allowable costs incurred accomplishing the Project as the United States share of the Project.**

**Assistance Listings Number (Formerly CFDA Number): 20.106**

**This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

### **CONDITIONS**

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$2,713,919.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$0 for planning

\$2,713,919 for airport development or noise program implementation; and,

\$0 for land acquisition.

2. **Grant Performance.** This Grant Agreement is subject to the following Federal award requirements:

- a. Period of Performance:

1. Shall start on the date the Sponsor formally accepts this Agreement and is the date signed by the last Sponsor signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce Sponsor obligations and assurances that extend beyond the closeout of this Grant Agreement.
2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or budget periods (2 Code of Federal Regulations (CFR) § 200.1) except as noted in 49 U.S.C § 47142(b).

- b. Budget Period:

1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the Period of Performance provided in paragraph 2(a)(1). Pursuant to 2 CFR § 200.403(h), the Sponsor may charge to the Grant only allowable costs incurred during the Budget Period and as stated in 49 U.S.C § 47142(b). Eligible project-related costs incurred on or after November 15, 2021 that comply with all Federal funding procurement requirements and FAA standards are allowable costs.
2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which Sponsors are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.

- c. Close Out and Termination

Unless the FAA authorizes a written extension, the Sponsor must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later

than 120 calendar days after the end date of the Period of Performance. If the Sponsor does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the Period of Performance end date with the information available at the end of 120 days (2 CFR § 200.344). The FAA may terminate this agreement and all of its obligations under this agreement if any of the following occurs:

- (a) (1) The Sponsor fails to obtain or provide any Sponsor grant contribution as required by the agreement;
  - (2) A completion date for the Project or a component of the Project is listed in the agreement and the Recipient fails to meet that milestone by six months after the date listed in the agreement;
  - (3) The Sponsor fails to comply with the terms and conditions of this agreement, including a material failure to comply with the Project Schedule even if it is beyond the reasonable control of the Sponsor;
  - (4) Circumstances cause changes to the Project that the FAA determines are inconsistent with the FAA's basis for selecting the Project to receive a grant; or
  - (5) The FAA determines that termination of this agreement is in the public interest.
- (b) In terminating this agreement under this section, the FAA may elect to consider only the interests of the FAA.
- (c) The Sponsor may request that the FAA terminate the agreement under this section.

3. **Ineligible or Unallowable Costs.** In accordance with P.L. 117-58, Division J, Title VIII, and 49 U.S.C. § 47110, the Sponsor is prohibited from including any costs in the grant funded portions of the project that the FAA has determined to be ineligible or unallowable, including costs incurred to carry out airport development implementing policies and initiatives repealed by Executive Order 14148, provided such costs are not otherwise permitted by statute.
4. **Indirect Costs - Sponsor.** The Sponsor may charge indirect costs under this award by applying the indirect cost rate identified in the project application as accepted by the FAA, to allowable costs for Sponsor direct salaries and wages.
5. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
6. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this Agreement, IIJA (P.L. 117-58), and the regulations, policies, and procedures of the Secretary. Per 2 CFR § 200.308, the Sponsor agrees to report and request prior FAA approval for any disengagement from performing the project that exceeds three months or a 25 percent reduction in time devoted to the



project. The report must include a reason for the project stoppage. The Sponsor also agrees to comply with the grant assurances, which are part of this Agreement.

7. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
8. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before September 15, 2025, or such subsequent date as may be prescribed in writing by the FAA.
9. **Improper Use of Federal Funds and Mandatory Disclosure.**
  - a. The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor, that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
  - b. The Sponsor, a recipient, and a subrecipient under this Federal grant must promptly comply with the mandatory disclosure requirements as established under 2 CFR § 200.113, including reporting requirements related to recipient integrity and performance in accordance with Appendix XII to 2 CFR Part 200.
10. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this Grant Agreement.
11. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**
  - a. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR § 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this Grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
  - b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/content/entity-registration>.
12. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this Agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

13. **Informal Letter Amendment of IJA Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can, subject to the availability of Federal funds, also issue a letter to the Sponsor increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.

14. **Environmental Standards.** The Sponsor is required to comply with all applicable environmental standards, as further defined in the Grant Assurances, for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this Grant Agreement.
15. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
16. **Buy American.** Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this Grant. The Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.
17. **Build America, Buy American.** The Sponsor must comply with the requirements under the Build America, Buy America Act (P.L. 117-58).
18. **Maximum Obligation Increase.** In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant:
- a. May not be increased for a planning project;
  - b. May be increased by not more than 15 percent for development projects, if funds are available;
  - c. May be increased by not more than the greater of the following for a land project, if funds are available:
    1. 15 percent; or
    2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the Sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in IJA (P.L. 117-58), or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided herein for any amount increased over the initial

grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

**19. Audits for Sponsors.**

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than \$1,000,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

**20. Suspension or Debarment.** When entering into a "covered transaction" as defined by 2 CFR § 180.200, the Sponsor must:

- a. Verify the non-Federal entity is eligible to participate in this Federal program by:
  1. Checking the System for Award Management (SAM.gov) exclusions to determine if the non-Federal entity is excluded or disqualified; or
  2. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or
  3. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
- b. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions with their contractors and sub-contractors.
- c. Immediately disclose in writing to the FAA whenever (1) the Sponsor learns it has entered into a covered transaction with an ineligible entity or (2) the Public Sponsor suspends or debars a contractor, person, or entity.

**21. Ban on Texting While Driving.**

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
  1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
  2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
    - i. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
    - ii. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting while driving in all subgrants, contracts, and subcontracts funded with this Grant.

## 22. Trafficking in Persons.

1. *Posting of contact information.*
  - a. The Sponsor must post the contact information of the national human trafficking hotline (including options to reach out to the hotline such as through phone, text, or TTY) in all public airport restrooms.
2. *Provisions applicable to a recipient that is a private entity.*
  - a. Under this Grant, the recipient, its employees, subrecipients under this Grant, and subrecipients employees must not engage in:
    - i. Severe forms of trafficking in persons;
    - ii. The procurement of commercial sex act during the period of time that the grant or cooperative agreement is in effect;
    - iii. The use of forced labor in the performance of this grant; or any subaward; or
    - iv. Acts that directly support or advance trafficking in person, including the following acts:
      - a) Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;
      - b) Failing to provide return transportation of pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:
        1. Exempted from the requirement to provide or pay for such return transportation by the federal department or agency providing or entering into the grant; or
        2. The employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or witness in a human trafficking enforcement action;
      - c) Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;
      - d) Charging recruited employees a placement or recruitment fee; or
      - e) Providing or arranging housing that fails to meet the host country's housing and safety standards.
  - b. The FAA, may unilaterally terminate this Grant, or take any remedial actions authorized by 22 U.S.C 7104b(c), without penalty, if any private entity under this Grant;
    - i. Is determined to have violated a prohibition in paragraph (2)(a) of this Grant;
    - ii. Has an employee that is determined to have violated a prohibition in paragraph (2)(a) of this Grant through conduct that is either:
      - a) Associated with performance under this Grant; or
      - b) Imputed to the recipient or subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR

Part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented by the FAA at 2 CFR Part 1200.

3. *Provision applicable to a recipient other than a private entity.*
  - a. The FAA may unilaterally terminate this award or take any remedial actions authorized by 22 U.S.C 7104b(c), without penalty, if subrecipient than is a private entity under this award;
    - i. Is determined to have violated a prohibition in paragraph (2)(a) of this Grant or
    - ii. Has an employee that is determined to have violated a prohibition in paragraph (2)(a) of this Grant through conduct that is either:
      - a) Associated with performance under this Grant; or
      - b) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR Part 1200.
4. *Provisions applicable to any recipient.*
  - a. The recipient must inform the FAA and the DOT Inspector General, immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (2)(a) of this Grant.
  - b. The FAA’s right to unilaterally terminate this Grant as described in paragraph (2)(b) or (3)(a) of this Grant, implements the requirements of 22 U.S.C. chapter 78 and is addition to all other remedies for noncompliance that are available to the FAA under this Grant:
  - c. The recipient must include the requirements of paragraph (2)(a) of this Grant award term in any subaward it makes to a private entity.
  - d. If applicable, the recipient must also comply with the compliance plan and certification requirements in 2 CFR 175.105(b).
5. *Definitions.* For purposes of this Grant award, term:
  - a. “Employee” means either:
    - i. An individual employed by the recipient or a subrecipient who is engaged in the performance of the project or program under this Grant; or
    - ii. Another person engaged in the performance of the project or program under this Grant and not compensated by the recipient including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or requirements.
  - b. “Private entity” means:
    - i. Any entity, including for profit organizations, nonprofit organizations, institutions of higher education, and hospitals. The term does not include foreign public entities, Indian Tribes, local governments, or states as defined in 2 CFR 200.1.
    - ii. The terms “severe forms of trafficking in persons,” “commercial sex act,” “sex trafficking,” “Abuse or threatened abuse of law or legal process,” “coercion,” “debt

bondage,” and “involuntary servitude” have the meaning given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

23. **IIJA Funded Work Included in a PFC Application.** Within 120 days of acceptance of this Grant Agreement, the Sponsor must submit to the FAA an amendment to any approved Passenger Facility Charge (PFC) application that contains an approved PFC project also covered under this Grant Agreement as described in the project application. The airport sponsor may not make any expenditure under this Grant Agreement until project work addressed under this Grant Agreement is removed from an approved PFC application by amendment.
24. **Exhibit “A” Property Map.** The Exhibit “A” Property Map dated May 05, 2025, is incorporated herein by reference or is submitted with the project application and made part of this Grant Agreement.
25. **Employee Protection from Reprisal.** In accordance with 2 CFR § 200.217 and 41 U.S.C. § 4701, an employee of a grantee, subgrantee contractor, recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. The grantee, subgrantee, contractor, recipient, or subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. § 4712. See statutory requirements for whistleblower protections at 10 U.S.C. § 4701, 41 U.S.C. § 4712, 41 U.S.C. § 4304, and 10 U.S.C. § 4310.
26. **Prohibited Telecommunications and Video Surveillance Services and Equipment.** The Sponsor agrees to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [P.L. 115-232 § 889(f)] and 2 CFR § 200.216.
27. **Critical Infrastructure Security and Resilience.** The Sponsor acknowledges that it has considered and addressed physical and cybersecurity and resilience in its project planning, design, and oversight, as determined by the DOT and the Department of Homeland Security (DHS). For airports that do not have specific DOT or DHS cybersecurity requirements, the FAA encourages the voluntary adoption of the cybersecurity requirements from the Transportation Security Administration and Federal Security Director identified for security risk Category X airports.
28. **Title VI of the Civil Rights Act.** As a condition of a grant award, the Sponsor shall demonstrate that it complies with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq) and implementing regulations (49 CFR part 21), the Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.), U.S. Department of Transportation and Federal Aviation Administration (FAA) Assurances, and other relevant civil rights statutes, regulations, or authorities, including any amendments or updates thereto. This may include, as applicable, providing a current Title VI Program Plan to the FAA for approval, in the format and according to the timeline required by the FAA, and other information about the communities that will be benefited and impacted by the project. A completed FAA Title VI Pre-Grant Award Checklist is required for every grant application, unless excused by the FAA. The Sponsor shall affirmatively ensure that when carrying out any project supported by this grant that it complies with all federal nondiscrimination and civil rights laws based on race, color, national origin, sex, creed, age, disability, genetic information, in

consideration for federal financial assistance. The Department's and FAA's Office of Civil Rights may provide resources and technical assistance to recipients to ensure full and sustainable compliance with Federal civil rights requirements. Failure to comply with civil rights requirements will be considered a violation of the agreement or contract and be subject to any enforcement action as authorized by law.

29. **FAA Reauthorization Act of 2024.** This grant agreement is subject to the terms and conditions contained herein including the terms known as the Grant Assurances as they were published in the Federal Register April 2025. On May 16, 2024, the FAA Reauthorization Act of 2024 made certain amendments to 49 U.S.C. chapter 471. The Reauthorization Act will require the FAA to make certain amendments to the assurances in order to best achieve consistency with the statute. Federal law requires that the FAA publish any amendments to the assurances in the Federal Register along with an opportunity to comment. In order not to delay the offer of this grant, the existing assurances are attached herein; however, the FAA shall interpret and apply these assurances consistent with the Reauthorization Act. To the extent there is a conflict between the assurances and Federal statutes, the statutes shall apply. The full text of the FAA Reauthorization Act of 2024 is at

<https://www.congress.gov/bill/118th-congress/house-bill/3935/text>

30. **Applicable Federal Anti-Discrimination Laws.** Pursuant to Section (3)(b)(iv), Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, the sponsor:

- a. Agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of 31 U.S.C. 3729(b)(4); and
- b. certifies that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable Federal anti-discrimination laws.

31. **Federal Law and Public Policy Requirements.** The Sponsor shall ensure that Federal funding is expended in full accordance with the United States Constitution, Federal law, and statutory and public policy requirements: including but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination; and the Sponsor will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in and the enforcement of Federal immigration law.

32. **National Airspace System Requirements**

- a. The Sponsor shall cooperate with FAA activities installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System, including waiving permitting requirements and other restrictions affecting those activities to the maximum extent possible, and assisting the FAA in securing waivers of permitting or other restrictions from other authorities. The Sponsor shall not take actions that frustrate or prevent the FAA from installing, maintaining, replacing, improving, or operating equipment and facilities in or supporting the National Airspace System.
- b. If the FAA determines that the Sponsor has violated subsection (a), the FAA may impose a remedy, including:
  - (1) additional conditions on the award;

- (2) consistent with 49 U.S.C chapter 471, any remedy permitted under 2 C.F.R. 200.339–200.340, including withholding of payments; disallowance of previously reimbursed costs, requiring refunds from the Recipient to the USDOT; suspension or termination of the award; or suspension and debarment under 2 CFR part 180; or
    - (3) any other remedy legally available.
  - c. In imposing a remedy under this condition, the FAA may elect to consider the interests of only the FAA.
  - d. The Sponsor acknowledges that amounts that the FAA requires the Sponsor to refund to the FAA due to a remedy under this condition constitute a debt to the Federal Government that the FAA may collect under 2 CFR 200.346 and the Federal Claims Collection Standards (31 CFR parts 900–904).
33. **Signage Costs for Construction Projects.** The airport grant recipient hereby agrees that it will require the prime contractor of a Federally- assisted airport improvement project to post signs consistent with a DOT/FAA-prescribed format, as may be requested by the DOT/FAA, and further agrees to remove any signs posted in response to requests received prior to February 1, 2025.
34. **Title 8 - U.S.C., Chapter 12, Subchapter II - Immigration.** The sponsor will follow applicable federal laws pertaining to Subchapter 12, and be subject to the penalties set forth in 8 U.S.C. § 1324, Bringing in and harboring certain aliens, and 8 U.S.C. § 1327, Aiding or assisting certain aliens to enter.



## SPECIAL CONDITIONS

35. **Disadvantaged Business Enterprise (DBE)/Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program.** The Sponsor understands and agrees that they will not submit payment reimbursement requests until the Sponsor has received from the FAA Office of Civil Rights approval of its DBE Program (reflecting compliance with 49 CFR Part 26, including any amendments thereto), and, if applicable, its ACDBE program (reflecting compliance with 49 CFR Part 23, including any amendments thereto).
36. **Pavement Maintenance Management Program.** The Sponsor agrees that it will implement an effective airport pavement maintenance management program as required by Airport Sponsor Grant Assurance 11, Pavement Preventive Maintenance-Management, which is codified at 49 U.S.C. § 47105(e). The Sponsor agrees that it will use the program for the useful life of any pavement constructed, reconstructed, rehabilitated, or repaired with Federal financial assistance at the airport. The Sponsor further agrees that the program will:
- a. Follow the current version of FAA Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements, establishing an effective maintenance program, specific types of distress and its probable cause, inspection guidelines, and recommended methods of repair;
  - b. Detail the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed;
  - c. Include a Pavement Inventory, Inspection Schedule, Record Keeping, Information Retrieval, and Reference, meeting the following requirements:
    1. Pavement Inventory. The following must be depicted in an appropriate form and level of detail:
      - i. Location of all runways, taxiways, and aprons;
      - ii. Dimensions;
      - iii. Type of pavement; and,
      - iv. Year of construction or most recent major reconstruction, rehabilitation, or repair.
    2. Inspection Schedule.
      - i. Detailed Inspection. A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in the current version of Advisory Circular 150/5380-6, the frequency of inspections may be extended to three years.
      - ii. Drive-By Inspection. A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition. For drive-by inspections, the date of inspection and any maintenance performed must be recorded.
    3. Record Keeping. Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The type of distress, location, and remedial action, scheduled or performed, must be documented. The minimum information is:
      - i. Inspection date;

- ii. Location;
  - iii. Distress types; and
  - iv. Maintenance scheduled or performed.
4. Information Retrieval System. The Sponsor must be able to retrieve the information and records produced by the pavement survey to provide a report to the FAA as may be required.

**37. Project Containing Paving Work in Excess of \$500,000.** The Sponsor agrees to:

- a. Furnish a construction management program to the FAA prior to the start of construction which details the measures and procedures to be used to comply with the quality control provisions of the construction contract, including, but not limited to, all quality control provisions and tests required by the Federal specifications. The program must include as a minimum:
  - 1. The name of the person representing the Sponsor who has overall responsibility for contract administration for the project and the authority to take necessary actions to comply with the contract;
  - 2. Names of testing laboratories and consulting engineer firms with quality control responsibilities on the project, together with a description of the services to be provided;
  - 3. Procedures for determining that the testing laboratories meet the requirements of the ASTM International standards on laboratory evaluation referenced in the contract specifications (i.e., ASTM D 3666, ASTM C 1077);
  - 4. Qualifications of engineering supervision and construction inspection personnel;
  - 5. A listing of all tests required by the contract specifications, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test; and
  - 6. Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, and that the proper corrective actions, where necessary, are undertaken.
- b. Submit at completion of the project, a final test and quality assurance report documenting the summary results of all tests performed and highlighting those tests that indicated failure or that did not meet the applicable test standard. The report must include the pay reductions applied and the reasons for accepting any out-of-tolerance material. Submit interim test and quality assurance reports when requested by the FAA.
- c. Failure to provide a complete report as described above, or failure to perform such tests, will, absent any compelling justification, result in a reduction in Federal participation for costs incurred in connection with construction of the applicable pavement. Such reduction will be at the discretion of the FAA and will be based on the type or types of required tests not performed or not documented and will be commensurate with the proportion of applicable pavement with respect to the total pavement constructed under the Grant Agreement.
- d. The FAA, at its discretion, reserves the right to conduct independent tests and to reduce grant payments accordingly if such independent tests determine that Sponsor test results are inaccurate.

38. **Plans and Specifications Prior to Bidding.** The Sponsor agrees that it will submit plans and specifications for FAA review prior to advertising for bids.
39. **Plans and Specifications Approval Based Upon Certification.** The FAA and the Sponsor agree that the FAA's approval of the Sponsor's Plans and Specification is based primarily upon the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor understands that:
- a. The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to published FAA airport development grant standards or to notify the FAA of any limitations to competition within the project;
  - b. The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements; and
  - c. If the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under this Grant and associated grants.
40. **Buy American Executive Orders.** The Sponsor agrees to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.
41. **Duffy Plaintiff Special Term.** Pursuant to the court's preliminary injunction order in State of California v. Duffy, 1:25-cv-00208-JJM-PAS (D.R.I.) (June 19, 2025), DOT will not impose or enforce the challenged immigration enforcement condition\* or any materially similar terms and conditions, to any grant funds awarded, directly or indirectly, to Plaintiff States or local government entities within those States (collectively referred to as "Plaintiff State Entities"), or otherwise rescind, withhold, terminate, or take other adverse action, absent specific statutory authority, based on the challenged immigration enforcement condition while DOT is subject to an injunction. DOT will not require Plaintiff State Entities to make any certification or other representation related to compliance with the challenged immigration enforcement condition nor will DOT construe acceptance of funding from DOT as certification as to the challenged immigration enforcement condition.

\*The challenged immigration enforcement condition:

"[T]he Recipient will cooperate with Federal officials in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in the enforcement of Federal immigration law."

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>1</sup>

**UNITED STATES OF AMERICA  
FEDERAL AVIATION ADMINISTRATION**

*Cathryn G. Cason*

Cathryn G. Cason (09/11/2025 08:13:04 PDT)

*(Signature)*

Cathryn G. Cason

*(Typed Name)*

Manager, Los Angeles Airports District Office

*(Title of FAA Official)*

<sup>1</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

## Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the Project Application.

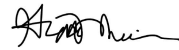
**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>2</sup>

Dated September 11, 2025

March Joint Powers Authority

*(Name of Sponsor)*



*(Signature of Sponsor's Authorized Official)*

**By:** Grace Martin

*(Typed Name of Sponsor's Authorized Official)*

**Title:** CEO

*(Title of Sponsor's Authorized Official)*

<sup>2</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

**CERTIFICATE OF SPONSOR'S ATTORNEY**

I, Thomas Rice, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of California. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative, who has been duly authorized to execute this Grant Agreement, which is in all respects due and proper and in accordance with the laws of the said State; the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58) of 2021; FAA Reauthorization Act of 2024 (P.L. 118-63); and the representations contained in the Project Application. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

**Please read the following information:** By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.<sup>3</sup>

Dated at September 12, 2025

By:   
Thomas Rice (09/12/2025 08:14:08 PDT)  
*(Signature of Sponsor's Attorney)*

<sup>3</sup> Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

## ASSURANCES

### AIRPORT SPONSORS

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#### A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

#### B. Duration and Applicability.

1. **Airport Development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, 37, and 40 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

**C. Sponsor Certification.**

The sponsor hereby assures and certifies, with respect to this grant that:

**1. General Federal Requirements**

The Sponsor will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant. Performance under this agreement shall be governed by and in compliance with the following requirements, as applicable, to the type of organization of the Sponsor and any applicable sub-recipients. The applicable provisions to this agreement include, but are not limited to, the following:

**FEDERAL LEGISLATION**

- a. 49 U.S.C. subtitle VII, as amended.
- b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.<sup>1</sup>
- c. Federal Fair Labor Standards Act — 29 U.S.C. § 201, et seq.
- d. Hatch Act — 5 U.S.C. § 1501, et seq.<sup>2</sup>
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601, et seq.<sup>1, 2</sup>
- f. National Historic Preservation Act of 1966 — Section 106 — 54 U.S.C. § 306108.<sup>1</sup>
- g. Archeological and Historic Preservation Act of 1974 — 54 U.S.C. § 312501, et seq.<sup>1</sup>
- h. Native Americans Grave Repatriation Act — 25 U.S.C. § 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended — 42 U.S.C. § 7401, et seq.
- j. Coastal Zone Management Act, P.L. 92-583, as amended — 16 U.S.C. § 1451, et seq.
- k. Flood Disaster Protection Act of 1973 — Section 102(a) - 42 U.S.C. § 4012a.<sup>1</sup>
- l. 49 U.S.C. § 303, (formerly known as Section 4(f)).
- m. Rehabilitation Act of 1973 — 29 U.S.C. § 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 — 42 U.S.C. § 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968, as amended — 42 U.S.C. § 4151, et seq.<sup>1</sup>
- s. Powerplant and Industrial Fuel Use Act of 1978 — Section 403 — 42 U.S.C. § 8373.<sup>1</sup>
- t. Contract Work Hours and Safety Standards Act — 40 U.S.C. § 3701, et seq.<sup>1</sup>
- u. Copeland Anti-kickback Act — 18 U.S.C. § 874.<sup>1</sup>
- v. National Environmental Policy Act of 1969 — 42 U.S.C. § 4321, et seq.<sup>1</sup>



- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.
- x. Single Audit Act of 1984 – 31 U.S.C. § 7501, et seq.<sup>2</sup>
- y. Drug-Free Workplace Act of 1988 – 41 U.S.C. §§ 8101 through 8105.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).
- aa. Civil Rights Restoration Act of 1987, P.L. 100-259.
- bb. Infrastructure Investment and Jobs Act, P.L. 117-58, Title VIII.
- cc. Build America, Buy America Act, P.L. 117-58, Title IX.
- dd. Endangered Species Act – 16 U.S.C. 1531, et seq.
- ee. Title IX of the Education Amendments of 1972, as amended – 20 U.S.C. 1681–1683 and 1685–1687.
- ff. Drug Abuse Office and Treatment Act of 1972, as amended – 21 U.S.C. 1101, et seq.
- gg. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 U.S.C. § 4541, et seq.
- hh. Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions – 31 U.S.C. § 1352.

#### **EXECUTIVE ORDERS**

- a. Executive Order 11990 – Protection of Wetlands
- b. Executive Order 11988 – Floodplain Management
- c. Executive Order 12372 – Intergovernmental Review of Federal Programs
- d. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction<sup>1</sup>
- e. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America's Workers
- f. Executive Order 14149 – Restoring Freedom of Speech and Ending Federal Censorship
- g. Executive Order 14151 – Ending Radical and Wasteful Government DEI Programs and Preferencing
- h. Executive Order 14154 – Unleashing American Energy
- i. Executive Order 14168 – Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government
- j. Executive Order 14173 – Ending Illegal Discrimination and Restoring Merit-Based Opportunity

#### **FEDERAL REGULATIONS**

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200 and 1201 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.<sup>3, 4, 5</sup>
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.

- d. 14 CFR Part 13 – Investigative and Enforcement Procedures.
- e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.
- f. 14 CFR Part 150 – Airport Noise Compatibility Planning.
- g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.
- h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.
- i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.<sup>1</sup>
- j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.<sup>1</sup>
- k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).<sup>1</sup>
- l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).<sup>1</sup>
- m. 49 CFR Part 20 – New Restrictions on Lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.<sup>1, 2</sup>
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.<sup>1</sup>
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.
- t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).
- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.
- x. 49 CFR Part 41 – Seismic Safety.

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**FOOTNOTES TO ASSURANCE (C)(1)**

<sup>1</sup> These laws do not apply to airport planning sponsors.

<sup>2</sup> These laws do not apply to private sponsors.

- <sup>3</sup> 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
- <sup>4</sup> Cost principles established in 2 CFR Part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- <sup>5</sup> Audit requirements established in 2 CFR Part 200 subpart F are the guidelines for audits.

## **SPECIFIC ASSURANCES**

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Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

### **1. Responsibility and Authority of the Sponsor.**

#### **a. Public Agency Sponsor:**

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

#### **b. Private Sponsor:**

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

### **2. Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

### **3. Good Title.**

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.
- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

### **4. Preserving Rights and Powers.**

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere

with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

- b. Subject to 49 U.S.C. 47107(a)(16) and (x), it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

## **5. Consistency with Local Plans.**

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

**6. Consideration of Local Interest.**

It has given fair consideration to the interest of communities in or near where the project may be located.

**7. Consultation with Users.**

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

**8. Public Hearings.**

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

**9. Metropolitan Planning Organization.**

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

**10. Pavement Preventive Maintenance-Management.**

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program, and it assures that it will use such program for the useful life of any pavement constructed, reconstructed, or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

**11. Terminal Development Prerequisites.**

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

**12. Accounting System, Audit, and Record Keeping Requirements.**

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

### **13. Minimum Wage Rates.**

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

### **14. Veteran's Preference.**

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

### **15. Conformity to Plans and Specifications.**

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary and incorporated into this Grant Agreement.

### **16. Construction Inspection and Approval.**

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

### **17. Planning Projects.**

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

#### **18. Operation and Maintenance.**

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
  - 1. Operating the airport's aeronautical facilities whenever required;
  - 2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
  - 3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

**19. Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

**20. Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

**21. Economic Nondiscrimination.**

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:
  1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
  2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
- e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.



- f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.
- g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
- h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
- i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

## **22. Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

## **23. Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

## 24. Airport Revenues.

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
  1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.
  2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
  3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
- c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. 47107.

## 25. Reports and Inspections.

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and

other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and
- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
  - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
  - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

## **26. Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

## **27. Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

## **28. Airport Layout Plan.**

- a. The airport owner or operator will maintain a current airport layout plan of the airport showing:
  - 1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
  3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and
  4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.
- b. Subject to subsection 49 U.S.C. 47107(x), the Secretary will review and approve or disapprove the plan and any revision or modification of the plan before the plan, revision, or modification takes effect.
  - c. The owner or operator will not make or allow any alteration in the airport or any of its facilities unless the alteration—
    1. is outside the scope of the Secretary's review and approval authority as set forth in subsection (x); or
    2. complies with the portions of the plan approved by the Secretary.
  - d. When the airport owner or operator makes a change or alteration in the airport or the facilities which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:
    1. eliminate such adverse effect in a manner approved by the Secretary; or
    2. bear all costs of relocating such property or its replacement to a site acceptable to the Secretary and of restoring the property or its replacement to the level of safety, utility, efficiency, and cost of operation that existed before the alteration was made, except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

## 29. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d to 2000d-4); creed and sex per 49 U.S.C. 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in 49 CFR 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability

1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.
3. Real Property. Where the sponsor receives a grant or other 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.

c. Duration.

The sponsor agrees that it is obligated to this assurance 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 sponsor, or any transferee for the longer of the following periods:

1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
2. So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The (**March Joint Powers Authority**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, all businesses will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex, age, or disability in consideration for an award."

e. Required Contract Provisions.

1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses 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 sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex, age, or

disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor 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.
- f. It will provide for such methods of administration for the program as are found by the Secretary 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.
- g. It 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.

### **30. Disposal of Land.**

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
  - 1. Reinvestment in an approved noise compatibility project;
  - 2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. 47117(e);
  - 3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. 47114, 47115, or 47117;
  - 4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
  - 5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;
  2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. 47117(e);
  3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. 47114, 47115, or 47117;
  4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
  5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.
- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
- d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

### **31. Engineering and Design Services.**

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U.S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

### **32. Foreign Market Restrictions.**

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

### **33. Policies, Standards, and Specifications.**

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars ([https://www.faa.gov/sites/faa.gov/files/aip-pfc-checklist\\_0.pdf](https://www.faa.gov/sites/faa.gov/files/aip-pfc-checklist_0.pdf)) for AIP projects as of April 21, 2025.

### **34. Relocation and Real Property Acquisition.**

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

- b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

### **35. Access By Intercity Buses.**

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

### **36. Disadvantaged Business Enterprises.**

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

### **37. Hangar Construction.**

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

### **38. Competitive Access.**

- a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:
  - 1. Describes the requests;
  - 2. Provides an explanation as to why the requests could not be accommodated; and
  - 3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.



- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six-month period prior to the applicable due date.

### **39. Access to Leaded Aviation Gasoline**

- a. If 100-octane low lead aviation gasoline (100LL) was made available at an airport, at any time during calendar year 2022, an airport owner or operator may not restrict or prohibit the sale of, or self-fueling with 100-octane low lead aviation gasoline.
- b. This requirement remains until the earlier of December 31, 2030, or the date on which the airport or any retail fuel seller at the airport makes available an unleaded aviation gasoline that has been authorized for use by the FAA as a replacement for 100-octane low lead aviation gasoline for use in nearly all piston-engine aircraft and engine models; and meets either an industry consensus standard or other standard that facilitates the safe use, production, and distribution of such unleaded aviation gasoline, as determined appropriate by the FAA.
- c. An airport owner or operator understands and agrees, that any violation of this grant assurance is subject to civil penalties as provided for in 49 U.S.C. § 46301(a)(8).

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH INLAND PORT AIRPORT AUTHORITY**

***MIPAA Operations - Consent Calendar***  
***Agenda Item No. 10 (4)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE AN AWARD OF CONTRACT FOR THE MARCH AIRFIELD OPERATIONS READINESS REPORT WITH CONVERGE STRATEGIES AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE CONTRACT**

**Motion:** Move to approve an award of contract for the March Airfield Operations Readiness Report with Converge Strategies and authorize the Chief Executive Officer to execute the contract.

**Background:**

On September 3<sup>rd</sup> Commission authorized staff to advertise a Request for Proposals (RFP) for a technical contractor that would complete a March Airfield Operations Readiness Report pursuant to the 2025 Office of Local Defense Community Cooperation (OLDCC) Grant for mission readiness at March. Staff received three proposals in response to the RFP. The proposals received were as follows:

| Company             | Bid Amount |
|---------------------|------------|
| AECOM               | \$670,740  |
| Matrix              | \$538,721  |
| Converge Strategies | \$594,754  |

**Recommendation:**

Contractors were scored based on responsiveness to RFP criteria that included, but were not limited to: a) relevant experience and technical expertise; b) understanding the project scope and approach; c) availability and capacity to perform the work; and d) quality of references. Of the three proposals received, Converge Strategies was determined to be the most responsive and responsible bidder. Staff recommends the award of contract for the March Airfield Operations Readiness Report with Converge Strategies, and authorize the Chief Executive Officer to execute the agreement.

**Attachment(s):** None

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH INLAND PORT AIRPORT AUTHORITY**

***MIPAA Operations - Consent Calendar***  
***Agenda Item No. 10 (5)***

**Meeting Date:** October 15, 2025

**Report/Action:** **APPROVE C&S COMPANIES SCOPE OF WORK FOR THE APRON RECONSTRUCTION PHASE 13 PROJECT AND AUTHORIZE MIPAA TO CONTRIBUTE \$1,951.00 TOWARDS THE DESIGN, BIDDING AND AWARDING OF THE PROJECT**

**Motion:** Move to approve C&S Companies Scope of Work for the Apron Reconstruction Phase 13 Project and authorize MIPAA to contribute \$1,951.00 towards the Design, Bidding and Awarding of the Project.

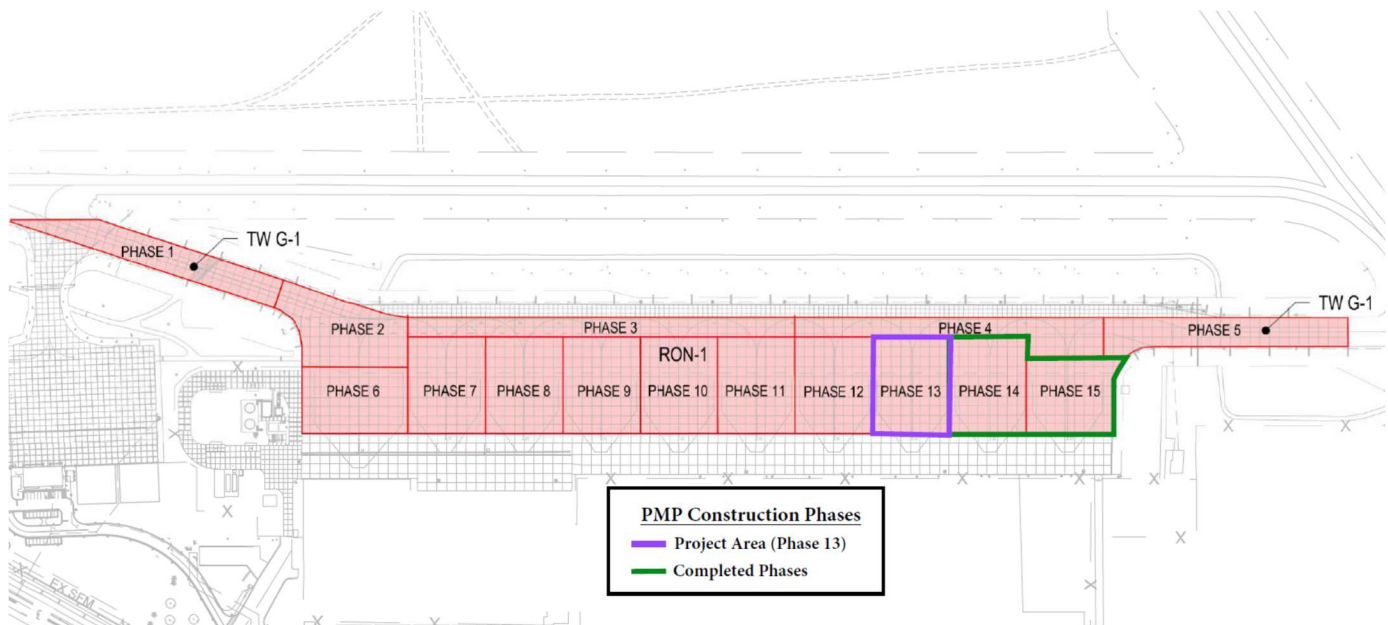
**Applicant:** March Inland Port Airport Authority (MIPAA)

**Background:**

On December 13, 2023, the Commission of the March Inland Port Airport Authority (MIPAA) approved an updated 5-year Airport Capital Improvement Plan (ACIP) consistent with FAA funding criteria. The ACIP included phases of the FAA approved Pavement Management Plan (PMP) for MIPAA, which have been identified as being in poor condition. Last year, the Joint Powers Commission authorized the reconstruction/rehabilitation of two projects from the 2023 PMP – 1)AP-5 Crack Seal Project, and 2) Apron Reconstruction Project Phases 14 and 15. Both projects have recently completed construction.

The attached scope of work by MIPAA engineer, C&S Companies, is to provide professional services for construction plan preparation and bidding services for the next phase – Apron Reconstruction Phase 13 Project. This project is proposed to be completed in a single phase and would replace an estimated 1.3 acres of deteriorated pavement. No expansion of pavement surface is proposed.

The following image outlines the location of the proposed project included within the FAA approved 2023 Pavement Management Plan and the previously completed phases.



### **NEPA**

A Categorical Exclusion was submitted to the FAA to analyze all environmental impacts associated with the project, pursuant to FAA Order 10501F Section 5-6.4F. Additionally, per the request of the FAA, all 15 phases of the PMP are to be analyzed under this categorical exclusion to avoid piecemealing.

### **CEQA:**

The project is categorically exempt from CEQA under the existing facilities exemption, CEQA Guidelines section 15301(d). The existing facilities exemption applies to the restoration or rehabilitation of damaged or deteriorated facilities so long as there is no expansion of use. The project proposes reconstruction of Phase 13 of the FAA approved PMP and does not involve any expansion of use for the Taxiway.

The project is also categorically exempt from CEQA under the replacement or reconstruction exemption, CEQA Guidelines section 15302, which applies to the replacement of existing facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the replaced structure. The project proposes reconstruction of Phase 13 of the FAA approved PMP on the same site. As replaced, Phase 13 will have the same purpose and capacity and there will be no expansion of use.

None of the exceptions to the use of a categorical exemption identified in CEQA Guidelines section 15300.2 apply here. No significant cumulative impacts would result from the proposed project. Nor is there any reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances, because no unusual circumstances are presented. The project is not located on a scenic highway and will not damage any scenic or historic resources. Finally, the project is not located on a hazardous waste site identified in the Cortese list.

### **Funding:**

The scope of work is proposed at approximately \$39,004.00 to be covered by FAA entitlement funds for MIPAA. FAA grant funds are allocated to cover 90% of the cost while the sponsor

covers the remaining 10%. The sponsor (MIPAA) would contribute \$1,951.00 (10%) toward the design, bidding and awarding of the project.

**Schedule:**

It is anticipated that construction plans will be approved by December 2025 with bidding slated for December/January 2026. At a future date, staff will bring back an action item requesting authorization to advertise for a Request for Proposals for the construction of Phase 13.

**Recommendation:**

Staff recommends approving C&S Companies' scope of work dated September 24, 2025 for the Apron Reconstruction Phase 13 Project and authorize MIPAA to contribute \$1,951.00 towards the design, bidding and awarding of the project.

**Attachment(s):**

- 1) C&S Companies Scope of Work
- 2) Notice of Exemption

## **SCHEDULE A**

### **SCOPE OF WORK**

|                           |                                                  |
|---------------------------|--------------------------------------------------|
| <b>Project Title:</b>     | <b>Apron Reconstruction Phase 13 - Repackage</b> |
| <b>Airport Name:</b>      | <b>RIV Airport</b>                               |
| <b>Services Provided:</b> | <b>Design</b>                                    |
| <b>Fee Type:</b>          | <b>Lump Sum</b>                                  |

C&S Engineers, Inc. (Consultant), shall provide required professional services to repackage the project plans, assist with bidding services for the construction of the Apron Reconstruction, Phase 13 Project at the RIV Airport by March Inland Port Airport Authority (Sponsor). The Project will be constructed by the Sponsor with grant assistance from the Federal Aviation Administration (FAA) Airport Improvement Program (AIP).

The purpose of this Task Order is to repackage the plans and specifications to consolidate the plans specific to Phase 13 and remove previously constructed phases from the project plans. The project includes replacing approximately 1.3 acres of existing pavement with a new pavement section.

Services to be provided by the Consultant shall include the following:

#### **Repackage Plans and Specifications**

The work to repackage the plans and update the specifications shall include the following items:

1. Update plan set to incorporate Apron Phase 13 pavement reconstruction
2. Update the specifications to AC 150/5370-10H standards.
3. Assist Sponsor with obtaining applicable Permits including Wildan approval.
4. Incorporate addendum and record drawing items into the new bid set.
5. Update the Construction Safety Phasing Plan (resubmission to the FAA will occur at a future date).
6. Update Engineer's Opinion of Probable cost and break out line items and quantities for the Base Bid.
7. Submit to the Sponsor for review and comment.
8. Finalize the plans and specifications based on Sponsor comments.
9. Send Sponsor final set for use in future bidding.

**Deliverables:**

*Draft and Final Set of Construction Documents – one electronic copy*

**Bid Phase**

The Bid Phase is that time frame between completion of the design process and beginning of actual construction when the Sponsor publicly advertises and receives bids, awards contracts to the lowest responsible bidder, and executes a construction contract to perform the work with the successful contractor(s). One bid phase will be conducted, for the re-packaged plan set. The Consultant shall assist the Sponsor during this Phase as required.

The specific services to be provided or furnished for this Phase of the Project are the following:

1. Assist the Sponsor in the advertisement of the Project and issuance of bid documents.
2. Receive and respond as required to questions from potential bidders regarding the Contract Documents.
3. Schedule and conduct one (1) pre-bid conference by the Sponsor and advise the Sponsor on matters relating to design. Prepare meeting minutes of the pre-bid conference(s).
4. Prepare addenda to the bid documents after advertisement and prior to bidding as required upon the Sponsor's approval.
5. Attend bid opening, as required. Upon receipt of bids, perform bid reviews. The bid review shall include items such as a check of the contractor's bid extensions, bid security, execution of bid, non-collusive bidding certificate, EEO certification, statement of surety's intent, addenda receipt, "Buy American" certificate, subcontractors and suppliers list, Disadvantaged Business Enterprise (DBE) certification, eligibility certification, corporate bidder's certification, non-discrimination statement and non-segregated facilities certificate. Request evidence of competency and evidence of financial responsibility from the contractor. Review contractor's list of personnel, list of equipment, and financial statement. Formal contact of the contractor's references shall be made upon Sponsor's request or if the contractor has no past working relationship with the Consultant, the Sponsor, or FAA.
6. Prepare final bid tabulation, recommendation/rejection of award to the Sponsor, and a sample award letter. Request concurrence of award from FAA.

### **DESIGN ASSUMPTIONS**

The conditions and considerations in developing the scope and fee for the project described above include:

1. No badging or training necessary and if needed we will be escorted to the investigation location.
2. Cost evaluations will be based on bid prices from recent project at the airport and other similar regional airports.
3. Uploading the as-built data on the AGIS website will not be required.
4. Underground utilities such as natural gas, sanitary sewer, and water will not be impacted.
5. Government agency fees for processing and permits are to be provided by SPONSOR.

### **DESIGN EXCLUSIONS (AIRFIELD/CIVIL)**

The scope and fee for the project described above excludes the following items, which can be provided for an additional fee, if requested:

1. The placement of boundary monumentation.
2. Underground utility inspections using a video camera.
3. Drainage studies, including hydrology or hydraulics unless otherwise identified above in scope of work.
4. Any services not specifically identified in this scope of work are not anticipated and excluded.
5. Unless requested, no hardcopies will be provided, only electronic submittals to be used.

END OF SCHEDULE





## CONSULTING/ENGINEERING COST SUMMARY SCHEDULE "B"

PROJECT NAME: Apron Pavement Reconstruction, Phase 13  
 PROJ DESCRIPTION: Repackage Plans and Bidding  
 CLIENT: March Inland Port Authority  
 CLIENT MANAGER: Dr. Grace Martin

DATE: September 24, 2025  
 A/E: C & S ENGINEERS, INC.  
 PROJECT NO: H78  
 PROJECT MANAGER: K. Gethers

### I. DIRECT SALARY , OVERHEAD & PROFIT COSTS:

| TITLE                    |                          | RATE OF PAY<br>(\$/HR) |        | @ | HOURS | COST |                 |
|--------------------------|--------------------------|------------------------|--------|---|-------|------|-----------------|
| A.                       | ADMINISTRATIVE ASSISTANT | \$                     | 111.00 | X | 18    | =    | \$1,998         |
| B.                       | MANAGING ENGINEER        | \$                     | 253.00 | X | 62    | =    | \$15,686        |
| C.                       | SENIOR PROJECT ENGINEER  | \$                     | 243.00 | X | 0     | =    | \$0             |
| D.                       | PROJECT ENGINEER         | \$                     | 195.00 | X | 52    | =    | \$10,140        |
| E.                       | ENGINEER                 | \$                     | 171.00 | X | 60    | =    | \$10,260        |
| TOTAL ESTIMATE OF LABOR: |                          |                        |        |   |       |      | <u>\$38,084</u> |

### II. ESTIMATE OF DIRECT EXPENSES:

|    |                      |     |         |   |          |          |   |          |
|----|----------------------|-----|---------|---|----------|----------|---|----------|
| A. | TRAVEL, BY AUTO:     | 200 | MILE* @ | 3 | TRIP @   | \$0.700  | = | \$420.00 |
| B. | TRAVEL, TOLL BRIDGE: | 0   | CAR @   | 0 | TRIP @   | \$6.00   | = | \$0.00   |
| C. | TRAVEL, BY AIR:      | 0   | TRIPS @ | 1 | PERSON @ | \$600.00 | = | \$0.00   |
| D. | RENTAL CAR:          | 0   | DAYS @  | 1 | PERSON @ | \$50.00  | = | \$0.00   |
| E. | PER DIEM:            | 0   | DAYS @  | 1 | PERSON @ | \$319.00 | = | \$0.00   |
| F. | PRINTING SERVICES:   | 1   | LS @    | 1 | MISC @   | \$500.00 | = | \$500.00 |

TOTAL ESTIMATE OF DIRECT EXPENSES: \$920.00

### III. SERVICES BY OTHERS:

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### III. TOTALS:

TOTAL COST FOR REPACKAGING PLANS AND BIDDING : \$39,004.00

**C&S ENGINEERS, INC.**  
**ARCHITECTURAL/ENGINEERING**  
**WORK SUMMARY**

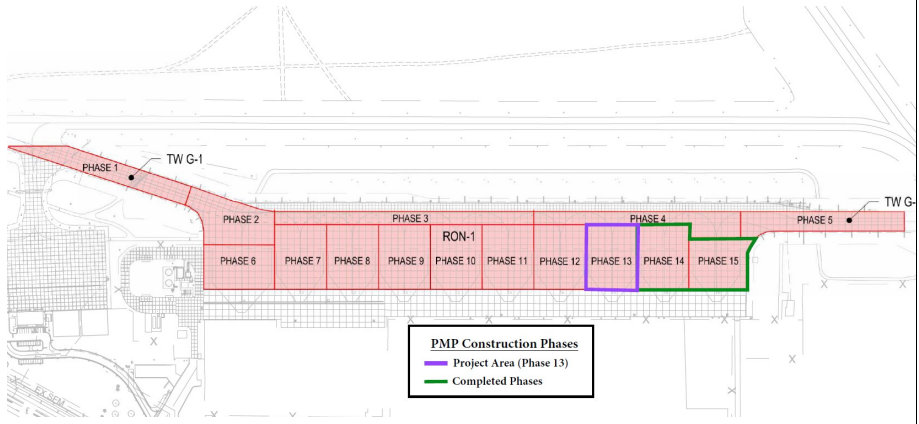
PROJECT: Apron Pavement Reconstruction, Phase 13  
SERVICES: Repackage Plans and Bidding  
CLIENT: March Inland Port Authority  
CLIENT MGR: Dr. Grace Martin

Date: September 24, 2025  
Department Manager: L. McIntosh  
Project Manager: K. Gethers  
Project Number: H78

| CONT NO. | PHASE NO. | TASK                                                    | Construction Observer | Grants Administrator | Senior Designer | Engineer  | Project Engineer | Senior Project Engineer | Managing Engineer | Administrative Assistant | TOTAL LABOR HOURS | TOTAL LABOR     | DIRECT COSTS    | SERVICES BY OTHERS | TOTALS             |
|----------|-----------|---------------------------------------------------------|-----------------------|----------------------|-----------------|-----------|------------------|-------------------------|-------------------|--------------------------|-------------------|-----------------|-----------------|--------------------|--------------------|
|          |           | <b>Task 1: Repackage Plans and Specifications</b>       |                       |                      |                 | <b>52</b> | <b>44</b>        |                         | <b>34</b>         | <b>4</b>                 | <b>134</b>        | <b>\$26,518</b> |                 |                    | <b>\$26,518.00</b> |
|          |           | 1.01: Project Management                                |                       |                      |                 |           |                  |                         | 12                |                          | 12                | \$3,036         |                 |                    | \$3,036.00         |
|          |           | 1.02: Update Plans                                      |                       |                      |                 | 40        | 12               |                         | 4                 |                          | 56                | \$10,192        |                 |                    | \$10,192.00        |
|          |           | 1.03: Update Specifications                             |                       |                      |                 |           | 10               |                         | 2                 | 2                        | 14                | \$2,678         |                 |                    | \$2,678.00         |
|          |           | 1.04: Update CSPP                                       |                       |                      |                 |           | 8                |                         | 2                 |                          | 10                | \$2,066         |                 |                    | \$2,066.00         |
|          |           | 1.05: Update Engineer's Opinion of Probable Cost        |                       |                      |                 | 4         | 8                |                         | 2                 |                          | 14                | \$2,750         |                 |                    | \$2,750.00         |
|          |           | 1.06: Quality Assurance/Quality Control & Revisions     |                       |                      |                 | 8         | 6                |                         | 8                 |                          | 22                | \$4,562         |                 |                    | \$4,562.00         |
|          |           | 1.07: Submit Final Design Documents                     |                       |                      |                 |           |                  |                         | 4                 | 2                        | 6                 | \$1,234         |                 |                    | \$1,234.00         |
|          |           | <b>Task 2: Bid Phase</b>                                |                       |                      |                 | <b>8</b>  | <b>8</b>         |                         | <b>28</b>         | <b>14</b>                | <b>58</b>         | <b>\$11,566</b> | <b>\$920.00</b> |                    | <b>\$12,486.00</b> |
|          |           | 2.01: Project Management                                |                       |                      |                 |           |                  |                         | 6                 |                          | 6                 | \$1,518         | \$460.00        |                    | \$1,978.00         |
|          |           | 2.02: Assist the Authority in Advertisement             |                       |                      |                 |           |                  |                         | 4                 |                          | 4                 | \$1,012         |                 |                    | \$1,012.00         |
|          |           | 2.03: Respond as Required to Bidder Questions           |                       |                      |                 |           | 8                |                         | 2                 | 2                        | 12                | \$2,288         |                 |                    | \$2,288.00         |
|          |           | 2.04: Conduct Pre-bid Conference                        |                       |                      |                 |           |                  |                         | 8                 |                          | 8                 | \$2,024         | \$460.00        |                    | \$2,484.00         |
|          |           | 2.05: Prepare Meeting Minutes of the Pre-bid Conference |                       |                      |                 |           |                  |                         |                   | 2                        | 2                 | \$222           |                 |                    | \$222.00           |
|          |           | 2.06: Prepare Addenda to the Bid Documents              |                       |                      |                 | 8         |                  |                         | 2                 | 2                        | 12                | \$2,096         |                 |                    | \$2,096.00         |
|          |           | 2.07: Perform Bid Reviews                               |                       |                      |                 |           |                  |                         | 2                 | 4                        | 6                 | \$950           |                 |                    | \$950.00           |
|          |           | 2.08: Prepare a Final Bid Tabulation                    |                       |                      |                 |           |                  |                         | 2                 | 4                        | 6                 | \$950           |                 |                    | \$950.00           |
|          |           | 2.09: Recommendation/Rejection of Award                 |                       |                      |                 |           |                  |                         | 2                 |                          | 2                 | \$506           |                 |                    | \$506.00           |
|          |           | <b>All Tasks Total</b>                                  |                       |                      |                 | <b>60</b> | <b>52</b>        |                         | <b>62</b>         | <b>18</b>                | <b>192</b>        | <b>38084</b>    | <b>920</b>      |                    | <b>\$39,004.00</b> |

## NOTICE OF EXEMPTION

|                                                                                                                                                                                                                                                                |                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>TO:</p> <p><input checked="" type="checkbox"/></p> <p>Office of Planning and Research<br/>P. O. Box 3044, Room 113<br/>Sacramento, CA 95812-3044</p> <p>And</p> <p>County of Riverside County Clerk<br/>2720 Gateway Drive<br/>Riverside, CA 92502-0751</p> | <p>FROM:</p> <p>(Public Agency) March Joint Powers Authority<br/>14205 Meridian Parkway, Suite 140<br/>Riverside, CA 92518</p> <p>Contact: Lauren Sotelo</p> <p>Phone: (951) 656-7000</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|    |                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Project Title:                                                                                                         | Apron Reconstruction Phase 13 Project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2. | Project Applicant:                                                                                                     | March Inland Port Airport Authority<br>17405 Heacock Street<br>Moreno Valley, CA 92551                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3. | Project Location –                                                                                                     | Cross Streets: Heacock Street and San Michele Road<br><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 4. | (a) Project Location – City: Riverside                                                                                 | (b) Project Location – County: Riverside                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 5. | Description of nature, purpose, and beneficiaries of Project:                                                          | <p>On December 13, 2023, the Commission of the March Inland Port Airport Authority (MIPAA) approved an updated 5-year Airport Capital Improvement Plan (ACIP) consistent with FAA funding criteria. The ACIP included phases of the FAA approved Pavement Management Plan (PMP) for MIPAA, which have been identified as being in poor condition. Last year, the Joint Powers Commission authorized the reconstruction/rehabilitation of two projects from the 2023 PMP – 1) AP-5 Crack Seal Project and 2) Apron Reconstruction Project Phases 14 and 15. Both projects have recently completed construction.</p> <p>The Apron Reconstruction Phase 13 Project is proposed to be completed in a single phase and would replace an estimated 1.3 acres of deteriorated pavement. No expansion of pavement surface is proposed.</p> |
| 6. | Name of Public Agency approving project:                                                                               | March Joint Powers Authority<br>14205 Meridian Parkway, Suite 140<br>Riverside, CA 92518                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 7. | Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial | March Inland Port Airport Authority<br>17405 Heacock Street                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity: | Moreno Valley, CA 92551                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 8. Exempt status: (check one)                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (a) <input type="checkbox"/> Ministerial project.                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (b) <input type="checkbox"/> Not a project.                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (c) <input type="checkbox"/> Emergency Project.                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (d) <input checked="" type="checkbox"/> Categorical Exemption.<br>State type and section number:                                                                                                     | 15301 (d): Class 1 Existing Facilities<br>15302 (c): Class 2 Replacement or Reconstruction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| (e) <input type="checkbox"/> Declared Emergency.                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (f) <input type="checkbox"/> Statutory Exemption.<br>State Code section number:                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (g) <input type="checkbox"/> Other.<br>Explanation:                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 9. Reason why project was exempt:                                                                                                                                                                    | <p>The project is categorically exempt from CEQA under the existing facilities exemption, CEQA Guidelines section 15301(d). The existing facilities exemption applies to the restoration or rehabilitation of damaged or deteriorated facilities so long as there is no expansion of use. The project proposes reconstruction of Phase 13 of the FAA approved PMP and does not involve any expansion of use for the Taxiway.</p> <p>The project is also categorically exempt from CEQA under the replacement or reconstruction exemption, CEQA Guidelines section 15302, which applies to the replacement of existing facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the replaced structure. The project proposes reconstruction of Phase 13 of the FAA approved PMP on the same site. As replaced, Phase 13 will have the same purpose and capacity and there will be no expansion of use.</p> <p>None of the exceptions to the use of a categorical exemption identified in CEQA Guidelines section 15300.2 apply here. No significant cumulative impacts would result from the proposed project. Nor is there any reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances, because no unusual circumstances are presented. The project is not located on a scenic highway and will not damage any scenic or historic resources. Finally, the project is not located on a hazardous waste site identified in the Cortese list.</p> |
| 10. Lead Agency Contact Person:                                                                                                                                                                      | Lauren Sotelo (Contract Planner)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Telephone:                                                                                                                                                                                           | (951) 656-7000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 11. If filed by applicant: Attach Preliminary Exemption Assessment (Form "B") before filing.                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 12. Has a Notice of Exemption been filed by the public agency approving the project? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

13. Was a public meeting held by the Lead Agency to consider the exemption? Yes ☒ No ☐

If yes, the date of the public meeting was: October 15, 2025

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: \_\_\_\_\_

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

☐ Signed by Lead Agency ☐ Signed by Applicant

Date Received for Filing: \_\_\_\_\_

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.

Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH INLAND PORT AIRPORT AUTHORITY**

***MIPAA - Reports, Discussions and Action Items***  
***Agenda Item No. 11 (1)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE A SUBLEASE CONSENT RELATED TO REUSE OF FORMER OFFICE AND STORAGE SPACE BETWEEN THE METREA STRATEGIC MOBILITY INC. AND ALAMEDA BC, LLC; APPROVE AN ASSOCIATED PARKING AGREEMENT FOR FIVE (5) PREFERENTIAL AIRCRAFT PARKING SPACES AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE AGREEMENT; AND DIRECT STAFF TO FILE A NOTICE OF EXEMPTION**

**Proposed Motion:** Move to approve a sublease consent related to the reuse of former office and storage space between the Metrea Strategic Mobility Inc. and Alameda BC, LLC; approve an associated parking agreement for five (5) preferential aircraft parking spaces and authorize the Chief Executive Officer to execute the agreement; and direct staff to file a Notice of Exemption.

**Background:**

The March Joint Powers Redevelopment Agency (“RDA”) entered into a Ground Lease with Marhub, LLC on October 6, 2004 (“Facility Lease”). The Facility Lease for approximately 30.18-acres accommodated the building and parking for an air cargo facility. Also, on October 6, 2004, the RDA entered into a Ground Lease with Global Port Ramp Services, LLC (“Ramp Lease”). The Ramp Lease for approximately 10.47-acres accommodated the ramp space adjacent to the air cargo facility. RDA’s interest in the Facility Lease and Ramp Lease was subsequently assigned to March Inland Port Airport Authority (“MIPAA”).

In December 2014, Marhub, LLC and Global Port Ramp Services, LLC requested MIPAA authorize the assignment of their interest in the Facility Lease and Ramp Lease to Westcore Properties AC, LLC. On December 17, 2014, the Commission adopted Resolutions #MIPAA 14-03 and #MIPAA 14-04 consenting to the assignment and assumption of the Facility Lease and Ramp Lease. Westcore Properties AC, LLC immediately assigned its interest in the Facility Lease and Ramp Lease to Westcore Cabot, LP and Southrail Equities, LLC, each with a fifty percent interest as tenants in common. In early 2015, Westcore Cabot, LP and Southrail Equities, LLC assigned their interest in the Facility Lease and Ramp Lease to Westcore March Air, LLC.

On April 15, 2015, in accordance with Section 7.5 of the Facility Lease, MIPAA granted two access easements for ingress and egress for utility purposes to Westcore March Air, LLC (“Utility Access Easements”). On December 7, 2015, in accordance with a settlement agreement between MIPAA and Westcore March Air, LLC, the Ramp Lease was terminated and the parties entered into a Terminable Non-Exclusive Easement Agreement (“Ramp Easement”).

On May 24, 2018, Westcore March Air, LLC submitted a request for MIPAA’s consent to the assignment of the Facility Lease, Ramp Easement and Utility Access Easements to Alameda BC, LLC. On June 13, 2018, Landlord consented to the assignment of the Master Lease and Easement Agreements from Westcore to Alameda BC, LLC, pursuant to a Ground Lease Assignment and an Assignment and Assumption of Easement Agreements.

In 2018, Alameda BC, LLC desired to sublease 214,593 square feet of the building to Amazon.com Services, Inc for air cargo operations. About 106,430 square feet had been leased by AMRO Fabrication Corporation since June of 2011. AMRO is a federal contractor specializing in the manufacturing and fabrication of aircraft and shuttle components for Department of Defense (DoD) aerospace contractors and NASA. AMRO vacated its space in March 2021, and Amazon Air concluded its operations and vacated the facility in May 2025.

### **Consent to the Sublease**

Alameda BC, LLC now desires to sublease the former AMRO unit to Metrea Strategic Mobility Inc. (Metrea). Metrea is an existing Department of Defense refueler for the Air Force and Navy that is based at March. The proposed lease would allow Metrea to utilize existing office spaces within the leasehold area for administrative purposes, while the existing warehouse space would be used for equipment and materials storage. No modifications of building space is proposed. In addition, Metrea is seeking preferential use of five (5) aircraft parking positions at the airport to support its operational needs.

To effectuate the reuse of an existing aviation facility, a Consent to Sublease is required. And to accommodate preferential parking spaces for Metrea’s existing operations at March, a parking agreement is necessary.

### **California Environmental Quality Act:**

The Project is categorically exempt from CEQA under the Class 1 Existing Facilities exemption, CEQA Guidelines section 15301, in that the approval of the Sublease and Parking Agreement would involve the operation, repair, maintenance, permitting, and leasing of an existing building located at 17101 Heacock Street, Moreno Valley, CA 92551.

Specifically, the tenant, Metrea, plans to occupy the existing 106,430 square foot building for administrative, manufacturing, repair, assembly, and storage of airplane parts and equipment. All uses would occur inside the building and have the same purpose and capacity with no expansion of use. Additionally, the approval of the associated Parking Agreement would allow Metrea preferential parking of 5 aircraft parking positions on the existing apron. No expansion of use on the existing apron is proposed.

**Staff Recommendation:**

Staff recommend the following actions:

- 1) Approve a Sublease Consent between the Metrea Strategic Mobility Inc. and Alameda BC, LLC,
- 2) Approve a Parking Agreement between the March Inland Port Airport Authority and Metrea, LLC, and Authorize the Chief Executive Officer to Execute the Agreement; and
- 3) Direct Staff to File a Notice of Exemption

**Attachment(s):**

- 1) Lease Agreement
- 2) Parking Agreement
- 3) Notice of Exemption



## **AGREEMENT OF LEASE**

**Property: 17101 Heacock Street  
Moreno Valley, California**

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## **EXHIBITS**

A - Site Plan

B - Improvements

C - Fair Market Rent Determination

D - Expansion Option

E – Depiction of Ramp Area

## AGREEMENT OF LEASE

AGREEMENT OF LEASE (this “Lease” or “Sublease”) made as of the \_\_\_\_ day of \_\_\_\_\_ 2025 between **ALAMEDA BC, LLC**, a Delaware limited liability company (the “Landlord”), and **METREA STRATEGIC MOBILITY INC.**, a California corporation (“Tenant”).

Landlord and Tenant agree as follows:

**1. Reference Data and Definitions.** The following sets forth some of the basic lease information and definitions used in this Lease:

**1.1 “Additional Rent”** shall mean Tenant’s Proportionate Share (as hereinafter defined) of Real Estate Taxes and of Operating Expenses, and all other sums (exclusive of Base Rent) payable by Tenant to Landlord under this Lease.

**1.2 “Base Rent”** shall mean the annual Base Rent payable by Tenant to Landlord from and after the Commencement Date. The Base Rent payable by Tenant to Landlord shall be in the amounts set forth below for the periods set forth below:

| <u>Period</u>       | <u>Annual Base Rent</u> | <u>Monthly Installment of Annual Base Rent</u> |
|---------------------|-------------------------|------------------------------------------------|
| Month 1 – Month 12  | \$653,500.00            | \$54,375.00                                    |
| Month 13 – Month 24 | \$962,978.64            | \$80,248.22                                    |
| Month 25 – Month 36 | \$1,001,497.80          | \$83,458.15                                    |
| Month 37 – Month 48 | \$1,041,557.76          | \$86,796.48                                    |
| Month 49 – Month 60 | \$1,083,220.08          | \$90,268.34                                    |

**1.3 “Broker”** shall mean Lee & Associates.

**1.4 “Building”** shall mean the approximately **277,270** square foot building located at **17101 Heacock Street, Moreno Valley, CA 92557**.

**1.5 “Commencement Date”** shall mean the date that is thirty (30) days after the Effective Date.

**1.6 “Common Areas”** shall mean the roadways, parking areas and landscaped areas on the Property, and the entrances, accessways and other areas located within the Building or otherwise on the Property intended for the common use of all tenants of the Property and their invitees.

**1.7 “Concession Costs”** shall mean leasing commissions and all other costs such as construction allowances, rent concessions, moving expenses, takeover obligations and other similar inducements, incurred in leasing, subleasing or assigning a lease or this Lease.

**1.8 “Default Rate”** shall mean the lesser of **(A)** a per annum rate equal to the Lease Interest Rate or **(B)** the maximum amount or rate that lawfully may be charged in the circumstances, if such a maximum exists.

**1.9 “Effective Date”** shall mean the date on which this Lease is signed and delivered by both Landlord and Tenant.

**1.10 “Excess Assignment Consideration”** shall mean an amount, if any, equal to: **(A)** the consideration whenever paid by any assignee for the assignment, less **(B)** Concession Costs, reasonably incurred by Tenant in connection with such assignment.

**1.11 “Excess Sublease Rent”** shall mean an amount, if any, equal to: **(A) (i)** all rent or other consideration paid to Tenant by any subtenant, for and during each month less **(ii)** the portion of Tenant’s Concession Costs reasonably incurred by Tenant in connection with such subletting and allocable to such month, less **(B) (i)** the monthly installment of Base Rent for such month plus **(ii)** such other rent or consideration attributable to such month, which would otherwise be required to be paid by Tenant to Landlord. In determining the amount of Excess Sublease Rent with respect to a sublease for less than all of the Premises, the amount of the monthly installment of Base Rent to be deducted pursuant to **clause (B)(i)** of this **Section 1.11** shall be determined by multiplying the then applicable square foot rate of the monthly installment of Base Rent by the area of the portion of the Premises which has been sublet.

**1.12 “Improvements”** has the meaning set forth in **Section 3.1(d)** of this Lease.

**1.13 “Improvements Costs”** shall mean any and all reasonable costs and expenses paid or incurred by Landlord to design, permit, construct, manage and complete the Improvements, including, but not limited to, a construction management fee payable to Landlord and equal to three percent (3%) of all hard costs of such Improvements.

**1.14 “Ground Lease”** shall mean that certain Ground Lease dated October 6, 2004 by and among March Inland Port Airport Authority (as successor-in-interest to March Joint Powers Redevelopment Agency, a public agency) (“**Ground Lessor**”), The March Joint Powers Authority, a public agency (the “**MJPA**”) and Landlord (as successor-in-interest to Marhub, LLC, a California limited liability company (“**Marhub**”)), and as affected by Memorandum of Assignment and Assumption of Ground Lease (Facility) dated December 23, 2014, by and among Marhub and Westcore Cabot, L.P., as to an undivided fifty percent tenancy in common interest and Southrail Equities, LLC as to an undivided fifty percent tenancy in common interest recorded December 26, 2015 as Instrument No. 2014-0493678 and by Memorandum of Assignment and Assumption of Ground Lease (Facility) to Westcore March Air, LLC, a Delaware limited liability company, recorded March 2, 2015 as Instrument No. 2015-0081801.

**1.15 “Landlord”** shall mean the Landlord named on page 1 of this Lease or any subsequent owner of such Landlord’s interest in the Property.

**1.16 “Landlord’s Address”:**

Alameda BC, LLC  
527 W 7<sup>th</sup> Street, Suite 200  
Los Angeles, California 90014  
Attn: Asset Management

**1.17 “Lease Interest Rate”** shall mean 400 basis points in excess of the Prime Rate in effect from time to time.

**1.18 “Lease Taxes”** shall mean any tax, assessment, levy or other charge by any federal, state or local law now or hereafter imposed directly or indirectly upon Landlord with respect to this Lease or the value thereof, or upon Tenant’s use or occupancy of the Premises, or upon the Base Rent, Additional Rent or any other sums payable under this Lease or upon this transaction.

**1.19 “Net Improvement Allowance”** shall mean, from time to time, the result of the Tenant Allowance less all amounts paid by Landlord on account of Improvements Costs.

**1.20 “Operating Expenses”** shall have the meaning set forth in **Section 6.1**.

**1.21 “Permitted Use”** shall mean manufacturing, repair, assembly, storage and distribution of airplane parts and equipment and the operation of a firefighting operation, any all ancillary uses related thereto (the “**Intended Use**”) and all other lawful purposes. Notwithstanding the foregoing, Tenant’s use of the Premises is in all events subject to **Section 7** of this Lease, the Ground Lease and to all other provisions hereof and the Ground Lease. Tenant acknowledges that the specification of a “**Permitted Use**” means only that Landlord has no objection to the specified use and does not include any representation or warranty by Landlord as to whether or not such specified use complies with Laws, and/or requires special governmental permits, except as expressly set forth in this Lease. In this regard, Tenant acknowledges that this **Section 1.21** is subject in all events to **Section 7** of this Lease.

**1.22 “Phase 1 Premises”** shall mean the approximately **75,000** square foot portion of the Premises identified as the “Phase 1 Premises” on the Site Plan.

**1.23 “Phase 2 Commencement Date”** shall the date that is twelve (12) months after the Effective Date.

**1.24 “Phase 2 Premises”** shall mean the approximately **31,340** square foot portion of the Premises identified as the “Phase 2 Premises” on the Site Plan.

**1.25 “Premises”** shall mean the approximately **106,430** square foot area within the Building commonly known as **17101 Heacock St., Moreno Valley, California**, as depicted on the Site Plan; provided, however, that prior to the Phase 2 Commencement Date, the term “Premises” shall mean the Phase 1 Premises only and shall exclude the Phase 2 Premises. Any statement of square footage set forth in this Lease or that may have been used in calculating Base Rent, Tenant’s Proportionate Share and/or Operating Expenses and Real Estate Taxes is an

approximation which Landlord and Tenant agree is reasonable, and the Base Rent and Tenant's Proportionate Share based thereon are not subject to revision whether or not the actual square footage is more or less.

**1.24 "Improvements Pricing Schedule"** shall mean a schedule of Improvements Costs based on the Landlord approved bid for the cost of the Improvements from a contractor reasonably acceptable to Landlord and Tenant.

**1.25 "Landlord Parties"** shall mean Landlord's contractors, agents, servants, employees, representatives, and licensees.

**1.26 "Prime Rate"** shall mean the rate of interest announced from time to time by Wells Fargo Bank, N.A. or its successor as its prime rate or, if such rate is discontinued, such comparable rate as Landlord reasonably designates by notice to Tenant.

**1.27 "Property"** shall mean the Building together with the parcel of land and all appurtenances thereto on which the Building is located as depicted on the Site Plan, together with all other improvements which may hereafter be constructed on such parcel of land.

**1.28 "Real Estate Taxes"** shall mean all real estate taxes and assessments, general or special, ordinary or extraordinary, foreseen or unforeseen assessed or imposed upon the Property but excluding **(1)** Landlord's income, franchise, state or inheritance or gift taxes; **(2)** any business license tax or business license fee imposed on Landlord that is generally applicable to all business owners or operators in the city, county or state that the Premises is located; **(3)** any assessment, imposition, fee, charge or tax which is to fund construction of any one of offsite improvements to develop or expand the Building; **(4)** late payment charges or other penalties; and **(5)** any taxes, assessments or other charges assessed against the Building which are paid directly by another tenant or occupant. If, due to a future change in the method of taxation, any tax shall be levied or imposed in substitution, in whole or in part, for (or in lieu of) any tax or addition to or increase in any tax which would otherwise be included within the definition of Real Estate Taxes, then such other tax shall be deemed to be included within Real Estate Taxes.

**1.29 "Rent"** shall mean Additional Rent and Base Rent, collectively.

**1.30 "Security Amount"** shall mean \$652,500.00. [OPEN PENDING REVIEW OF TENANT'S FINANCIAL STATEMENTS]

**1.31 "Security Deposit"** shall mean a security deposit in the Security Amount which Security Deposit shall be in the form of a letter of credit pursuant to the terms and conditions of **Section 5.3**.

**1.32 "Site Plan"** shall mean the site plan depicting the Property annexed to this Lease as **Exhibit A**.

**1.33 "Substantial Completion" and "Substantially Complete"** shall mean, with respect to the Premises, the date when the construction of the Improvements is substantially completed, excepting only "punch list items" (as that term is commonly used in the construction

industry) that will not materially interfere with completion of Tenant Work and/or Tenant's use of the Premises.

**1.34 "Tenant Allowance"** means **\$1,064,300.00**.

**1.35 "Tenant"** shall mean the Tenant named on page 1 of this Lease and such person's permitted successors and assigns, subject to the provisions of this Lease.

**1.36 "Tenant Delays"** shall mean delays in the design, construction or Substantial Completion of the Improvements by or on behalf of Landlord caused or contributed by Tenant or its agents, employees, representatives, contractors, subcontractors, consultants or invitees.

**1.37 "Tenant Parties"** shall mean Tenant's contractors, agents, servants, employees, invitees, and licensees.

**1.38 "Tenant Work"** shall mean any build out, fixturing and space preparation of any portion of the Premises to be performed by Tenant.

**1.39 "Tenant's Address"** shall mean:

**METREA STRATEGIC MOBILITY INC.**  
1222 22nd Street NW, 3rd Floor  
Washington D.C. 20037  
Attn: Jeri Looney, Esq.  
E-mail: legal@metrea.aero and jlo@metrea.aero

With a required copy for all default notices to:

Saul Ewing LLP  
1888 Century Park East, Suite 1500  
Los Angeles, California 90067  
Attention: Damon Juha  
E-mail: Damon.Juha@saul.com

**1.37 "Tenant's Proportionate Share"** shall be **38.38%** upon the occurrence of the Phase 2 Commencement Date. Between the Commencement Date and the Phase 2 Commencement, **"Tenant's Proportionate Share"** shall be **27.04%**.

**1.38 "Term"** shall mean the **sixty (60)** month period commencing on the Commencement Date and terminating on the last day of the calendar month in which the **five (5) year** anniversary of the Commencement Date occurs (the **"Expiration Date"**). In the event that Tenant validly exercises any of the Renewal Option(s) pursuant to **Section 4.2** of this Lease, then all references herein to the **"Term"** shall be deemed to include the applicable Renewal Periods.

## **2. Demise of Premises.**



(a) Subject to the terms of this Lease, and from and after the Commencement Date, Landlord leases to Tenant and Tenant leases from Landlord the Premises and grants to Tenant, so long as this Lease remains in effect, the non-exclusive right to use the Common Areas for their intended purposes in common with all others entitled to use them; provided, however, that Tenant shall not have any right to use the roof, or exterior walls of the Building. Tenant shall be entitled to use the Common Areas in the same manner and fashion as other tenants of the Building on a non-discriminatory basis.

(b) Landlord represents and warrants to Tenant that as of the Commencement Date: **(1)** it has the full right and power to execute and perform this Lease and to grant and convey the estate demised herein, **(2)** it owns a leasehold estate in the Building and the Property, **(3)** Landlord has not received written notice of any non-compliance of the Premises, Building, or Property with Laws which non-compliance remains uncured, and **(4)** Tenant has no knowledge of any zoning or title restrictions (including, without limitation, in the Ground Lease) which prohibit or materially limit the use of the Premises for the Intended Use and that such uses are permitted at the Premises under applicable zoning regulations. Landlord shall promptly notify Tenant of any noncompliance with Laws of which Landlord receives written notice after the Effective Date.

(c) Tenant shall have unrestricted access to the entire Premises (the Phase I Premises and the Phase II Premises) from the Effective Date and prior to the Commencement Date for the construction of the Tenant Work, installation of furnishings and equipment, installation of data and phone cabling, and business operations without being required to pay Rent, but the provisions of this Lease other than those provisions relating to the payment of Base Rent and Tenant's Proportionate Share of Real Estate Taxes and Operating Expenses shall apply during such pre-Commencement Date access. Prior to commencing any Tenant Work, Tenant shall provide Landlord with: (i) copies of all plans and specifications pertaining to the Tenant Work for which such access is being requested; (ii) copies of all licenses and permits required in connection with the performance of the work for which such access is being requested; and (iii) certificates of insurance naming Landlord as additional insured/loss payee as reasonably applicable. Any access to the Premises prior to the Commencement Date shall also be subject to (A) Tenant first providing to Landlord the certificates of insurance required under **Section 14.2** below, and (B) Tenant's payment to Landlord of any amounts (e.g., the prepaid Rent required under **Section 5.1** and the Security Deposit required under **Section 5.3**) required to be paid by Tenant to Landlord simultaneously with the execution and delivery of this Lease.

### **3. Possession.**

#### **3.1 Improvement Work.**

(a) Landlord shall deliver (i) the Phase 1 Premises to Tenant on or before the Commencement Date in broom clean condition, with the Premises, the Common Areas and all Building systems servicing the Phase 1 Premises in good order and good operating condition; and (ii) the Phase 2 Premises to Tenant on or before the date that is twelve (12) months after the Effective Date, in broom clean condition, with the Phase 2 Premises, the Common Areas and all Building systems servicing the Phase 2 Premises in good order and good operating condition (items **(i)** and **(ii)** collectively, the **"Delivery Condition"**). Within thirty (30) days following the Commencement Date (with respect to the Phase 1

Premises) and the Phase 2 Commencement Date (with respect to the Phase 2 Premises), Tenant shall have the right to notify Landlord, in writing, of any failure of the Delivery Condition, which failure, as Tenant's sole and exclusive remedy, shall be promptly corrected by Landlord, at Landlord's sole cost and expense (and not as an Operating Expense), if such failure existed as of the Commencement Date (for the Phase 1 Premises) or the Phase 2 Commencement Date (for the Phase 2 Premises); provided, however, that if any such failure results from Tenant Necessitated Repairs (as hereinafter defined), then Tenant shall reimburse Landlord for all reasonable costs incurred by Landlord to correct such condition within ten (10) days after written demand therefor.

(b) For purposes herein, a "**Tenant Necessitated Repair**" shall mean any work, maintenance, repairs or replacements that are required as a result of (1) any special equipment or systems installed by or for Tenant, (2) the moving and installation of Tenant's property, fixtures and equipment in the Building, (3) the moving of Tenant's property out of the Building, (4) an Event of Default, and/or (5) acts or omissions of Tenant or any Tenant Party.

(c) Landlord shall utilize the Tenant Allowance for purposes of constructing and paying for the Improvements in accordance with the terms and conditions of this Lease. Except as expressly set forth in this Lease, Tenant shall be solely liable for any cost of the Improvements in excess of the Tenant Allowance. Landlord shall cause the Improvements to be constructed in a good and workmanlike manner, using licensed tradesmen and in accordance with all applicable statutes, ordinances and building codes, governmental rules, regulations and orders relating to construction of the Improvements (but not matters arising because of Tenant Work or specific to the particular business Tenant seeks to engage in the Premises). Landlord will acquire all required permits and conduct all required inspections related to the Improvements. Landlord shall diligently proceed with the construction of the Improvements and use good faith efforts to Substantially Complete the Improvements promptly following the Commencement Date.

(d) The specific scope and description of the improvements to be performed by Landlord in or to the Premises for the benefit of Tenant (the "**Improvements**") have not been finalized as of the Effective Date. Within sixty (60) days following the date Tenant delivers to Landlord written notice of Tenant's proposed scope of the Improvements, Landlord and Tenant shall, in good faith, negotiate and agree upon (i) the final scope of the Improvements to be performed by Landlord, and (ii) the schedule for completion thereof. The date mutually agreed upon by the parties for completion of the Improvements shall be referred to herein as the "**Anticipated Completion Date**."

(e) Within twenty (20) days after such agreement, Landlord and Tenant shall execute an amendment to this Lease memorializing the final scope of the Improvements and the Anticipated Completion Date. Tenant acknowledges that Landlord shall have no obligation to commence or complete any Improvements until such amendment has been fully executed by both parties.

(f) Once the scope of work and schedule have been agreed upon, Landlord shall diligently proceed with the construction of the Improvements and shall use good faith

efforts to Substantially Complete the Improvements in accordance with such agreed terms.

(g) If Landlord fails to Substantially Complete the Improvements within sixty (60) days after the Anticipated Completion Date (as such period may be extended on account of Tenant Delays or Force Majeure Events) (the “**Outside Completion Date**”), for any reason other than Tenant Delays or Force Majeure Events, Landlord shall pay to Tenant, in the form of a credit against Base Rent, an amount equal to one (1) day of per diem Base Rent for each day after the Outside Completion Date until the date the Improvements are Substantially Complete. After one hundred eighty (180) days following the Outside Completion Date, the daily credit shall increase to two (2) days of per diem Base Rent for each additional day of delay (collectively, the “**Damages Payment**”). The Damages Payment shall constitute fixed and liquidated damages and Tenant’s sole and exclusive remedy hereunder, at law or in equity, on account of Landlord’s failure to Substantially Complete the Improvements on or before the Outside Completion Date (as such date may be extended for Tenant Delays or Force Majeure Events).

(h) In addition to (and not in lieu of) the Damages Payment described in **Section 3.1(g)**, if Landlord has not Substantially Completed the Improvements within one (1) year after the Outside Completion Date, then, as Tenant’s sole and exclusive remedy from and after such date, Tenant may, upon written notice to Landlord, exercise self-help to complete the Improvements; provided, that Landlord shall remain responsible for funding any amounts due under this Lease as the Tenant Allowance. Tenant shall remain entitled to any Damages Payment accrued through (but not after) the date Tenant elects to exercise self-help.

(i) In the event that the total Improvements Costs exceed the Tenant Allowance, Tenant shall be responsible for funding its pro rata share of each disbursement made to pay the Improvements Costs, such pro rata share to be calculated as the ratio of (i) the amount by which the total Improvements Costs exceed the Tenant Allowance to (ii) the total Improvements Costs. By way of example, if the Tenant Allowance is \$100 and the total Improvements Costs are \$200, Tenant shall be obligated to fund fifty percent (50%) of each disbursement made to pay the Improvements Costs. Tenant shall pay its pro rata share to Landlord from time to time during the progress of the construction of the Improvements, within twenty (20) days after receipt of Landlord’s invoice(s) therefor. In the event the total Improvements Costs are less than the Tenant Allowance, Landlord shall apply the unused portion of the Tenant Allowance as a credit against the next installment(s) of Base Rent thereafter becoming due.

(j) Prior to commencement of the Improvements, Landlord shall deliver to Tenant the Improvements Pricing Schedule. Such Improvements Pricing Schedule shall be an estimate only and Landlord shall have no liability for any payment of the Improvements Costs that are in excess of the Tenant Allowance in the event that the actual Improvements Costs exceed the Tenant Allowance.

(k) Upon Tenant’s receipt of the Improvements Pricing Schedule, Tenant shall review the costs shown therein and notify Landlord in writing within ten (10) business days

after receipt thereof of its approval or disapproval of the Improvements Pricing Schedule. In the event that Tenant fails to approve or disapprove in writing the Improvements Pricing Schedule within such ten (10) business day period, then Tenant shall be deemed to have approved the Improvements Pricing Schedule. Tenant's failure to timely approve the Improvements Pricing Schedule, whether by inaction or otherwise, shall constitute a Tenant Delay under this Lease, entitling Landlord to all rights and remedies available to it under this Lease in connection therewith, including, without limitation, any extension of the Anticipated Completion Date for the Improvements.

(I) Landlord agrees that Landlord shall obtain customary construction warranties of not less than one (1) year from the contractor(s) performing the construction of the Improvements.

**3.2 Punch List, and Acceptance Agreement.** As soon as the Improvements are Substantially Completed for the Premises, Landlord and Tenant shall together walk through the Premises and inspect all Improvements so Substantially Completed, using reasonable efforts to discover all uncompleted or defective construction in the Improvements. After such inspection has been completed, each party shall sign an acceptance agreement in a reasonably agreed upon form (herein the "**Acceptance Agreement**"), which shall include, by attachment, a list of all "punch list" items which the parties agree are to be corrected by Landlord in connection with the Premises. Landlord shall use reasonable efforts to complete and/or repair such "punch list" items within thirty (30) days after executing the applicable Acceptance Agreement. Tenant agrees that Tenant is familiar with the condition of the Premises, and Tenant hereby accepts the foregoing on an "AS-IS," "WHERE-IS" basis except as expressly set forth in this Lease. Tenant acknowledges that Landlord has not made any representation as to the condition of the foregoing or the suitability of the foregoing for Tenant's intended use, except as may be herein expressly set forth. Tenant represents and warrants that Tenant has made its own inspection of the foregoing. Landlord shall not be obligated to make any repairs, replacements or improvements (whether structural or otherwise) of any kind or nature to the foregoing in connection with, or in consideration of, this Lease, except as set forth herein. Tenant hereby waives all rights under the provisions of Sections 1941 and 1942 of the California Civil Code to (i) cause the Landlord to make any replacements or repairs or take other actions in relation to the Premises, (ii) make any replacements or repairs or take any other actions at Landlord's expense or (iii) vacate the Premises.

**3.3 Tenant Election to Perform Improvements and Disbursement of Tenant Allowance.** Notwithstanding anything to the contrary contained herein, Tenant shall have the right, exercisable by written notice to Landlord within sixty (60) days following the Effective Date, to elect to perform the Improvements itself (the "**Tenant Election**"). Upon Tenant's timely exercise of the Tenant Election:

(a) Landlord and Tenant shall execute an amendment to this Lease (the "**Allowance Amendment**") to document (i) Tenant's election to perform the Improvements, and (ii) the requirements and procedures for the disbursement of the Tenant Allowance to Tenant.

(b) The Allowance Amendment shall provide, among other things, that Tenant shall be solely liable for any cost of the Improvements in excess of the Tenant Allowance.

(c) If Tenant does not notify Landlord of the Tenant Election within the sixty-(60)-day election period specified above, Tenant shall be deemed to have elected that Landlord shall perform the Improvements, subject to all terms and conditions of **Section 3.1**.

#### **4. Term.**

**4.1 Commencement Date.** The term of this Lease with respect to the Phase 1 Premises shall commence on the Commencement Date and, with respect to the Phase 2 Premises, shall commence on the Phase 2 Commencement Date. Tenant's obligation to pay Base Rent and Additional Rent, with respect to the Phase 1 Premises only, shall commence on the Commencement Date. Tenant's obligation to pay Base Rent and Additional Rent with respect to the Phase 2 Premises shall commence on the Phase 2 Commencement Date. From and after the Commencement Date and throughout the initial Term, Tenant shall pay annual Base Rent in the amount and in the monthly installments required by **Section 1.2**; provided, however, if the Phase 2 Commencement Date has not occurred by Month 13, the Base Rent set forth in **Section 1.2** shall be adjusted to deduct the Base Rent that would be attributable to the Phase 2 Premises.

**4.2 Renewal.** If Tenant is not in material default (beyond applicable periods for notice and cure) under this Lease at the time the option to renew described below (the "**Renewal Option**") is exercised or as of the commencement of the applicable Renewal Period (as hereinafter defined), Tenant shall have two (2) options to extend the Term for a period of five (5) years each (each a "**Renewal Period**") commencing on the first day following the last day of the initial Term or the expiration of the first Renewal Period, as applicable, upon the same terms and conditions as are contained in this Lease, except as hereinafter provided. Monthly Base Rent for the first year of the applicable Renewal Period shall be equal to the greater of (i) the Fair Market Value Rental (as defined in **Exhibit C** attached hereto) or (ii) 104% of the monthly Base Rent last prevailing hereunder prior to the commencement of the applicable Renewal Period. The Fair Market Value Rental shall be determined in accordance with **Exhibit C**. Each Renewal Option shall be exercised by written notice to Landlord given no earlier than fifteen (15) months nor later than nine (9) months prior to the last day of the initial Term or the first Renewal Period, as applicable, of this Lease, and the failure to timely exercise such right shall mean that such right is null and void. The Renewal Option is personal to Tenant and to any Permitted Transferee (as hereinafter defined). In the event that Tenant assigns its interest under this Lease or subleases all or any portion of the Premises to any entity other than a Permitted Transferee, the provisions of the Renewal Option shall not be available to, or run to the benefit of, and may not be exercised by, any assignee or sublessee.

#### **5. Base Rent**

**5.1 Payment.** Base Rent shall be payable by Tenant to Landlord or to such other entity designated to Tenant in writing by Landlord, in equal monthly installments on or before the first day of each calendar month, in advance. All payments of Base Rent and Additional Rent shall be made without prior demand and without offset, deduction or counterclaim of any kind (except as expressly set forth in this Lease), in lawful money of the United States of America. Such payments shall be made at Landlord's Address or at such other place as Landlord shall designate from time to time. Tenant's agreement to lease the Premises and pay Base Rent,

Additional Rent and all other sums payable under this Lease are independent of any other covenant, agreement or term of this Lease except as otherwise provided in this Lease.

**5.2 Late Charges.** Any Rent payable by Tenant to Landlord under this Lease which is not paid within five (5) days after the same is due will be automatically subject to a late payment charge, as Additional Rent, of five percent (5%) of the delinquent amount, in each instance, to cover Landlord's additional administrative costs; provided that such charge shall not be due with respect to the first late payment in any calendar year, unless Landlord fails to receive such late payment within five (5) days after Tenant's receipt of written notice from Landlord that such payment has not been received.

**5.3 Security Deposit.** Simultaneously with the execution and delivery of this Lease, Tenant shall deliver the Security Deposit to Landlord in the Security Amount. The Security Deposit shall be posted in the form of an irrevocable, standby letter of credit ("**L/C**") issued by a national U.S. banking institution reasonably acceptable to Landlord, and in form and substance reasonably satisfactory to Landlord.<sup>1</sup> Landlord hereby approves \_\_\_\_\_ as an acceptable banking institution for the L/C. The Security Deposit shall be retained by Landlord as security for the faithful performance and observance by Tenant of its obligations under this Lease, it being expressly agreed that the Security Deposit is not an advance rental deposit or a measure of Landlord's damages. In addition to any other items that Landlord may reasonably require the L/C shall: **(a)** name Landlord as its beneficiary; **(b)** have an initial term of no less than one year; **(c)** renew for one year periods unless the issuer provides Landlord with at least 60 days' advance written notice that the L/C will not be renewed; **(d)** the L/C shall permit partial draws; **(e)** the sole and exclusive condition to any draw on the L/C shall be that Landlord certifies to the issuer that either or both of the following is/are true: **(I)** Tenant is the debtor in a pending bankruptcy proceeding; and **(II)** an event of default by Tenant has occurred under this Lease beyond applicable notice and cure periods; and **(f)** be transferable to successor landlords, including, successors by foreclosure or deed in lieu of foreclosure, on as many occasions as desired upon payment of a normal and customary fee chargeable to Tenant and not Landlord. Notwithstanding the foregoing, in the event that: **(x)** the expiration date of any L/C occurs before the expiration date of this Lease, **(y)** the issuer has advised Landlord that the issuer will not automatically renew the L/C; and **(z)** Tenant fails to deliver to Landlord at least **forty-five (45)** days prior to the expiration of such L/C either **(A)** an amendment thereto extending the expiration date of such L/C for not less than twelve (12) months, **(B)** a new L/C, in form and substance in accordance with **(a)** through **(f)** above and otherwise reasonably satisfactory to Landlord, or **(C)** a cash Security Deposit in place of the L/C, then Landlord may draw on such L/C and thereafter (in addition to any other remedies available to Landlord under this Lease) hold such proceeds as a cash Security Deposit and apply the proceeds in whatever manner or for whatever purpose Landlord reasonably deems appropriate in the event that an event of default occurs under this Lease on the part of Tenant beyond applicable notice and cure periods. If an event of default occurs hereunder on the part of Tenant beyond applicable notice and cure periods, Landlord may, without notice to Tenant, draw on the L/C (or any cash Security Deposit) and apply the proceeds to the liabilities of Tenant hereunder, in addition to any

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<sup>1</sup> NTD: Notwithstanding the foregoing, if Landlord is satisfied, in its sole discretion, with the financial statements for Tenant's affiliate provided by Tenant to Landlord, Landlord may elect instead to accept a guaranty of Tenant's obligations under this Lease from such affiliate, in lieu of the L/C requirement.

and all other remedies available to Landlord under this Lease. In the event Landlord draws against the L/C (or any cash Security Deposit), Tenant shall, upon demand, at Tenant's option, within fifteen (15) days after written notice from Landlord to Tenant either **(aa)** deposit with Landlord a sum equal to amount drawn under the L/C (or any cash Security Deposit) or **(bb)** deliver to Landlord an additional L/C in an amount equal to the amount drawn. If Tenant fully and faithfully complies with all the covenants hereunder, the Security Amount (or any balance thereof) together with Landlord's written consent to the cancellation of any and all outstanding L/Cs constituting part of the Security Deposit shall be delivered to Tenant within thirty (30) days after the last to occur of **(1)** the date the Term expires or terminates or **(2)** delivery to Landlord of possession of the Property. Landlord may assign the L/C or cash Security Deposit to any purchaser of Landlord's interest in the Property or any successor landlord, if applicable, whereupon Landlord shall be discharged from any further liability with respect to the L/C or cash Security Deposit provided that such assignee assumes such liabilities and obligations. In the event that Landlord exercises its right under the preceding sentence, Tenant shall fully cooperate with Landlord, in all reasonable respects, to cause an L/C to be assigned and conveyed to, or reissued to, such purchaser or successor landlord, as the case may be, and Tenant shall bear any reasonable expenses incurred in connection therewith in an amount up to \$1,000.00. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, other than the provisions of Section 1950.7(b) thereof and Tenant specifically agrees that the Landlord may apply such Security Deposit to the damages for breach of lease allowed under California Civil Code Section 1951.2, including any future rent/damages sustained by Landlord for the period of time after the Tenant vacates the Premises through the end of the Term of this Lease.

## **6. Additional Rent for Operating Expenses and Real Estate Taxes.**

**6.1 Definitions.** "Operating Expenses" shall mean any and all actual, reasonable costs and expenses paid or incurred by Landlord in connection with the management, operation, maintenance and repair of the Property including, without limitation:

- (e)** the cost of electricity, gas, water, sewer service, and other systems and utilities serving Common Areas, and the cost of supplies and equipment and maintenance and service contracts in connection therewith;
- (f)** the cost of repairs, replacements, maintenance and cleaning, including, without limitation, the cost of janitorial and other service agreements, snow removal and trash removal with respect to Common Areas;
- (g)** the cost of all repairs and maintenance associated with the landscaped areas, surface parking areas and truck courts of the Property, including, without limitation, the cost of associated roof maintenance in connection with the Property;
- (h)** the cost of fire, extended coverage, boiler, sprinkler, apparatus, public liability, property damage, rent, earthquake and other insurance as Landlord carries with respect to the Property, including

the amounts of any deductible payment for such insurance incurred by Landlord in connection with any claim thereunder;

- (i) an annual management fee not to exceed 3% of gross rents from all tenants of the Building (the “**Management Fee**”);
- (j) reasonable fees, charges and other costs, including, without limitation, consulting fees, attorneys’ fees and accounting fees of all contractors engaged by Landlord in connection with the operation, maintenance or repair of the Property;
- (k) the cost of any capital improvements made to the Property after the date of this Lease (amortized over the useful life in accordance with generally accepted accounting principles consistently applied, “**GAAP**”), together with interest on the unamortized balance(s) at a reasonable financing charge per annum not to exceed 8%, but only for costs incurred in order to comply with new Laws or changes in Laws in effect as of the Effective Date, or to construct improvements which will reduce other Operating Expenses (limited to the extent of the projected reduction) (the “**Permitted Capital Expenses**”);
- (l) the cost of supplies, materials and equipment used in the management, operation, maintenance and repair of the Property, including, without limitation, any rental fees for any such supplies, materials and equipment;
- (m) fees, costs and disbursements incurred in connection with proceedings to contest, determine, or reduce Operating Expenses or Real Estate Taxes;
- (n) the fee for a bi-annual roof inspection contract, the costs of Landlord Repairs (as hereinafter defined) pursuant to **Section 9.3** and fire monitoring of the Building; and
- (o) the cost payable by the Property pursuant to any declaration of protective covenants or comparable recorded instrument affecting the Property.

“**Operating Expenses**” shall not include:

- (1) leasing commissions, accountants’ or attorneys’ fees, costs and disbursements and other expenses incurred in connection with proposals, negotiations, or disputes with tenants or other occupants or prospective tenants or other occupants, or associated with the enforcement of any leases or the defense of Landlord’s title to or interest in the Property or any part thereof;



- (2) except as specifically provided in this Lease with regard to amortization of Permitted Capital Expenses, interest on debt or amortization payments on any mortgages or deeds of trust or any other borrowings of Landlord;
- (3) except for Permitted Capital Expenses, any other expense that under GAAP would not be considered a maintenance or operating expense or any costs which should be capitalized under GAAP;
- (4) salaries, benefits or other compensation paid to leasing agents, promotional directors, officers, directors and executives of Landlord above the rank of building managers, or not involved in the day-to-day operations or management of the Property (except for out-of-pocket expenses of such persons related to the Property);
- (5) all contributions to any organizations, whether political or charitable;
- (6) interest or penalties for late payments;
- (7) any cost or expenditure for which Landlord is reimbursed, whether by insurance proceeds, warranties, service contracts or otherwise, except through rent adjustment or other tax or operating expense pass-through provisions;
- (8) depreciation, amortization and other non-cash items (*i.e.*, items not involving the payment of money, irrespective of whether Landlord utilizes the cash or accrual method of accounting), such as reserves for bad debts and the like;
- (9) expenses in connection with services or other benefits of a type which are not provided to Tenant but are provided to another tenant or occupant;
- (10) costs incurred by Landlord to comply with its obligations under **Section 7.4** (Hazardous Substances) and under its indemnity;
- (11) costs incurred by Landlord for alterations or improvements for other tenants of the Property when such alterations and improvements are specific to such tenants;
- (12) any cost associated with the initial construction of any buildings and capital improvements constituting the Property, or subsequent capital expenditures for the remodeling or renovation of all or part of the Property (as distinguished in each case from operation and/or maintenance) except for Permitted Capital Expenses;

- (13) cost of repairs or replacements incurred by reason of fire or other casualty or condemnation to the extent Landlord is compensated therefor, or would have been compensated had Landlord carried insurance required to be carried by Landlord under this Lease, and the cost any repair or replacement required of Landlord pursuant to the reconstruction obligations of Landlord under any tenant leases on account of uninsured casualty damage;
- (14) any utilities which are directly metered or sub-metered to tenants of the Property;
- (15) costs of correcting manifest defects in the design or construction of the Property; provided, however, that manifest defects shall not include ordinary wear and tear, and the foregoing exclusion shall terminate on the second (2nd) anniversary of the Effective Date, after which such costs may be included in Operating Expenses to the extent permitted under this Lease;
- (16) any cost or expense (including costs of repairs or replacements) to the extent resulting from the negligent acts or omissions or willful acts of Landlord, its agents, servants or employees;
- (17) any cost (including attorneys' fees and disbursements) of any claim, cause of action, judgment, settlement or arbitration award resulting from any actual or alleged tort liability of Landlord and/or any amounts owed by Landlord pursuant to contractual indemnifications of others;
- (18) costs incurred as a result of a lease default by Landlord or any tenant;
- (19) legal fees and expenses relating to the defense of Landlord's title to, or interest in, the Property;
- (20) interest, late charges or penalties incurred as a result of Landlord's failure to pay bills in a timely manner, unless such failure is due to Tenant's default;
- (21) any costs, fines or fees payable by Landlord due to non-compliance by Landlord with applicable law that Landlord is required to comply with hereunder, including Americans with Disabilities Act compliance costs when triggered by the operations of other tenants;
- (22) any reserves for expenditures in any future year;
- (23) costs related to off-site improvements installed by Landlord, except to the extent directly benefitting the Premises;

- (24) except for the Management Fee, payments by Landlord to an affiliate for goods and services to the extent such payments exceed the amount that would have been paid in the absence of such relationship; and
- (25) Landlord's general corporate overhead and administrative expenses to the extent such expenses are not related to the operation, repair and maintenance of the Property.

**6.2 Payment of Real Estate Taxes.** Commencing on the Commencement Date, Tenant shall be obligated to pay to Landlord Tenant's Proportionate Share of all Real Estate Taxes as Additional Rent. Without limitation of the foregoing, commencing on the Commencement Date, Tenant shall pay to Landlord, as Additional Rent, one twelfth (1/12th) of Tenant's Proportionate Share of Real Estate Taxes on or before the first day of each month during any calendar year, in advance, in an amount reasonably estimated by Landlord in good faith and billed by Landlord to Tenant. Landlord shall have the right to reasonably revise such estimate from time to time, but no more than two (2) times a calendar year. As soon as practicable after the expiration of each fiscal year for Real Estate Taxes, but no later than one hundred twenty (120) days thereafter, Landlord shall furnish Tenant with a statement ("**Landlord's Tax Statement**") setting forth in reasonable detail the actual amount of Real Estate Taxes for such year and Tenant's Proportionate Share of Real Estate Taxes. If the actual amount of Tenant's Proportionate Share of Real Estate Taxes due for such year differs from the estimated amount of Tenant's Proportionate Share of Real Estate Taxes paid by Tenant for such year, then, if Tenant owes any amounts to Landlord, such amounts shall be paid by Tenant (whether or not this Lease has terminated) within thirty (30) days after receipt of Landlord's Tax Statement, and if Landlord owes any amounts to Tenant, such amounts shall be credited against the next installments of Base Rent and Additional Rent due from Tenant (or if the Lease has terminated for any reason other than Tenant's default, paid to Tenant within thirty (30) days after delivery of Landlord's Tax Statement).

**6.3 Payment of Operating Expenses.** Commencing on the Commencement Date, Tenant shall be obligated to pay to Landlord Tenant's Proportionate Share of all Operating Expenses as Additional Rent. Without limitation of the foregoing, commencing on the Commencement Date, Tenant shall pay to Landlord, as Additional Rent, one twelfth (1/12th) of Tenant's Proportionate Share of Operating Expenses for the Property for each calendar year on or before the first day of each month during such year, in advance, in an amount reasonably estimated by Landlord in good faith and billed by Landlord to Tenant. Landlord shall have the right to reasonably revise such estimate from time to time, but no more than two (2) times a calendar year. As soon as practicable after the expiration of each calendar year but no later than one hundred twenty (120) days thereafter, Landlord shall furnish Tenant with a statement ("**Landlord's Operating Expense Statement**"), setting forth in reasonable detail the actual amount of Operating Expenses for the Property for such year and Tenant's Proportionate Share of Operating Expenses. If the actual amount of Tenant's Proportionate Share of Operating Expenses due for such year payable by Tenant differs from the estimated amount of Operating Expenses paid by Tenant for such year, then, if Tenant owes any amounts to Landlord, such amounts shall be paid by Tenant (whether or not this Lease has terminated) within thirty (30) days after receipt of Landlord's Operating Expense Statement, and if Landlord owes any amounts to Tenant, such amounts shall be credited against the next installments of Base Rent and Additional Rent due from Tenant (or if

the Lease has terminated for any reason other than Tenant's default, paid to Tenant within thirty (30) days after delivery of Landlord's Operating Expense Statement).

**6.4 Tenant's Audit Rights.** Landlord shall keep reasonably detailed records of all Operating Expenses and Real Estate Taxes for a period of at least three (3) years. Not more frequently than once in every 12-month period and after at least twenty (20) days' prior written notice to Landlord, Tenant together with any representative, agents, attorneys, advisors or consultants of Tenant shall be permitted to audit the records of the Operating Expenses and Real Estate Taxes. If Tenant exercises its audit rights as provided above, Tenant shall conduct any inspection at a reasonable time and in a manner so as not to unduly disrupt the conduct of Landlord's business. Any such inspection by Tenant shall be for the sole purpose of verifying the Operating Expenses and/or Real Estate Taxes. Tenant shall hold any information obtained during any such inspection in confidence, except that Tenant shall be permitted to disclose such information to its attorneys and advisors, provided Tenant informs such parties of the confidential nature of such information and uses good faith and diligent efforts to cause such parties to maintain such information as confidential. Any shortfall or excess revealed and verified by Tenant's audit shall be paid to the applicable party within thirty (30) days after that party is notified of the shortfall or excess to the extent such overage or shortfall has not previously been adjusted pursuant to this Lease. If Tenant's inspection of the records for any given year or partial year reveals that Tenant was overcharged for Operating Expenses or Real Estate Taxes by an amount of greater than eight percent (8%), Tenant paid such overage and such overage was not otherwise adjusted pursuant to the terms of this Lease, Landlord shall reimburse Tenant for its reasonable, third party costs of the audit, up to an amount not to exceed \$15,000.

**6.5 Tax Appeal.** Provided this Lease is not previously cancelled or terminated and Landlord has not contested the Real Estate Taxes or reasonably determined that no such tax contest should occur, and there shall be no Event of Default, Tenant shall have the right to contest the amount or validity of any Real Estate Tax or assessment assessed and levied against the Premises or the Property, or to seek a reduction in the valuation of the Building in which the Premises is located assessed for real estate tax purposes, by appropriate proceedings diligently conducted in good faith (the "**Tax Appeal**"), but only after notice to Landlord (a "**Tax Appeal Notice**"). Landlord shall have a period of thirty (30) days after receipt of a Tax Appeal Notice to elect to conduct the Tax Appeal or advise Tenant it will not conduct a Tax Appeal. If Landlord does not commence a Tax Appeal, Tenant may conduct a Tax Appeal. Landlord shall reasonably cooperate with any such Tax Appeal, at the cost and expense of Tenant. Tenant shall keep Landlord reasonably and regularly apprised concerning the progress and results of any Tax Appeal conducted by Tenant.

## **7. Use; Compliance With Law.**

**7.1 Permitted Use.** The Premises shall be used only for the Permitted Use and for no other purpose. Subject to compliance with applicable Law and the terms of the Ground Lease, Tenant shall be permitted to use the Premises twenty-four hours per day, seven (7) days per week. Tenant shall comply with all recorded covenants, conditions and restrictions, and the provisions of all ground or underlying leases, now or hereafter affecting the Property. Landlord represents and warrants that, as of the Effective Date, no leases or other occupancy agreements at the Building prohibit the Intended Use.

**7.2 Compliance with Laws.** Tenant, at Tenant's expense, shall comply with and cause all of the Tenant Parties to comply with all **(i)** applicable laws, ordinances, rules and regulations of governmental and quasi-governmental authorities ("**Laws**"), to the extent arising from Tenant's specific use of the Premises or Alterations performed by Tenant, **(ii)** the Ground Lease, and **(iii)** all recorded covenants, conditions, easements and restrictions (collectively, the "**Easements**") applicable to the Premises or the use or occupancy thereof, in each case solely to the extent that Landlord has provided copies of such Easements to Tenant in advance prior to the execution of this Lease or Tenant has approved or consented to such Easements after the Effective Date. Tenant's use of the Premises is subject in all events to the Easements. Without limiting the generality of the foregoing, Tenant shall comply with the requirements of **(a)** the Occupational Safety and Health Act (and all regulations promulgated thereunder), and **(b)** the Americans with Disabilities Act (and all regulations promulgated thereunder), as the same may be amended from time to time, to the extent arising from Tenant's specific use of the Premises or Alterations performed by Tenant. The foregoing obligation of Tenant shall not however permit Tenant to make, without Landlord's prior written approval, any alterations to the Premises which otherwise would require Landlord's approval under this Lease, and Tenant shall comply with all of the requirements of this Lease in making any such alterations. Landlord, shall comply with and cause all of the Landlord Parties to comply with **(i)** all Laws applicable to the Property, **(ii)** the Ground Lease, and **(iii)** all Easements applicable to the Property. Without limiting the generality of the foregoing, Landlord shall comply with the requirements of **(a)** the Occupational Safety and Health Act (and all regulations promulgated thereunder), and **(b)** the ADA (and all regulations promulgated thereunder), as the same may be amended from time to time, with respect to the Property. The cost of such compliance shall constitute an Operating Expenses unless excluded by the terms of **Section 6.1.**

#### **7.4 Hazardous Substances.**

**7.4.1 Definitions.** "**Hazardous Substance**" shall mean any hazardous or toxic substance, material or waste which is or becomes regulated by any local, state or federal governmental authority having jurisdiction. The term "**Hazardous Substance**" includes, without limitation, any material or substance which is **(i)** designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), **(ii)** defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), **(iii)** defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601), **(iv)** petroleum, **(v)** asbestos or asbestos-containing materials, **(vi)** polychlorinated biphenyls and **(vii)** petroleum products.

**7.4.2 Compliance with Law.** Tenant shall conduct, and cause to be conducted, all operations and activity at the Premises in compliance with, and in all other respects shall comply with, all applicable present and future federal, state, municipal and other governmental statutes, ordinances, regulations, orders, directives and other requirements, and all present and future requirements of common law, concerning the protection of public health, safety or the environment (collectively "**Environmental Statutes**").

**7.4.3 Permits.** Tenant, in a timely manner, shall, to the extent required due to Tenant's use of the Premises or arising out of Tenant's actions at the Property, obtain and

maintain in full force and effect all permits, licenses and approvals, and shall make and file all notifications and registrations as required by Environmental Statutes. Tenant shall at all times comply with the terms and conditions of any such permits, licenses, approvals, notifications and registrations.

**7.4.4 Documents.** Tenant shall provide to Landlord copies of the following pertaining to the Premises, the Property or Tenant's use thereof, promptly after each shall have been submitted, prepared or received by Tenant: **(A)** all applications and associated materials submitted to any governmental agency relating to any Environmental Statute; **(B)** all notifications, registrations, reports and other documents, and supporting information, prepared, submitted or maintained in connection with any Environmental Statute or otherwise relating to environmental conditions; **(C)** all permits, licenses, approvals, and amendments or modifications thereof, obtained under any Environmental Statute; and **(D)** any correspondence, notice of violation, summons, order, complaint, or other document received by Tenant pertaining to compliance with or liability under any Environmental Statute.

**7.4.5 Operations.** Tenant shall not cause in, on or under, or suffer or permit to occur in, on or under, the Premises any generation, use, manufacturing, refining, transportation, emission, release, treatment, storage, disposal, presence or handling of Hazardous Substances, except that limited quantities of Hazardous Substances may be used, handled or stored on the Premises, provided such is incident to and reasonably necessary for the maintenance of the Premises or Tenant's operations for the Permitted Use and is in compliance with all Environmental Statutes and other applicable governmental requirements. Should a release of any Hazardous Substance occur at the Premises or the Property as the result of the acts or omissions of Tenant and/or any of the Tenant Parties, Tenant shall immediately contain, remove and dispose of, off the Premises or the Property, such Hazardous Substances and any material that was contaminated by the release, and remedy and mitigate all threats to human health or the environment relating to such release. When conducting any such measures Tenant shall comply with all Environmental Statutes.

**7.4.6 Inspection.** Subject to **Section 21**, upon not less than forty-eight (48) hours' prior telephonic or written notice (except in case of an emergency in which event Landlord shall provide such telephonic or written notice as Landlord is able to under the circumstances), Tenant agrees to permit Landlord and its authorized representatives to enter, inspect and assess the Premises at reasonable times for the purpose of determining Tenant's compliance with the provisions of this Section. Such inspections and assessments may include obtaining samples and performing tests of soil, surface water, groundwater or other media.

**7.4.7 Tanks.** Tenant shall not install or cause the installation of any above ground or underground storage tank at the Premises.

**7.4.8 Indemnification.** Notwithstanding any other provision in this Lease to the contrary, Tenant hereby agrees to indemnify and to hold harmless Landlord, Ground Lessor, the MJPA and each of their respective officers, directors, shareholders, partners and principals of, from and against any and all expense, loss, cost, claim, damage, penalty, fine, or liability of any kind or nature suffered by Landlord, Ground Lessor or the MJPA by reason of the presence or release of Hazardous Substances at or from the Premises or the Property, or any

violation of Environmental Statutes by the Premises or the Property, in each case, as a result of the acts or omissions of Tenant or the Tenant Parties or Tenant's breach of any of the provisions of this **Section 7**, including without limitation: **(A)** any and all expenses that Landlord, Ground Lessor, or the MJPA may incur in complying with any Environmental Statutes, **(B)** any and all costs that Landlord, Ground Lessor, or the MJPA may incur in monitoring, studying, assessing, containing, removing, remedying, mitigating, or otherwise responding to, the presence or release of any Hazardous Substance at or from the Premises or the Property, **(C)** any and all costs for which Landlord, Ground Lessor, or the MJPA may be liable to any governmental agency for monitoring, studying, assessing, containing, removing, remedying, mitigating, or otherwise responding to, the presence or release of any Hazardous Substance at or from the Premises or the Property, **(D)** any and all fines or penalties assessed, or threatened to be assessed, upon Landlord, Ground Lessor, or the MJPA by reason of a failure of Tenant to comply with any obligations, covenants or conditions set forth in this Section, and **(E)** any and all reasonable legal fees and costs incurred by Landlord, Ground Lessor, or the MJPA in connection with any of the foregoing. Tenant's obligations under this Section shall survive the expiration or earlier termination of the Term of this Lease. Notwithstanding anything to the contrary in this **Section 7.4.8**, Tenant shall have no liability to Landlord, Ground Lessor, or the MJPA with respect to Hazardous Substances present at the Property due to the acts or omissions of any party other than Tenant and the Tenant Parties.

Landlord represents and warrants to Tenant, as of the date hereof and to Landlord's actual knowledge, that, except as disclosed in the Phase I Environmental Site Assessment dated May 1, 2018 and prepared by Environmental Resources Management ("**Phase I**"), no Hazardous Substances are present in, on, or under the Property in violation of any Environmental Statute. Landlord shall comply with, and cause the Premises and the Property to comply with, all Environmental Statutes except to the extent Tenant is required to do so under this Section above.

Notwithstanding anything to the contrary in this Lease, and subject to **Section 18.5**, Landlord hereby agrees to indemnify and to hold harmless Tenant and its officers, directors, shareholders, partners and principals from and against third-party claims, losses, costs, fines, penalties, and reasonable expenses (including reasonable attorneys' fees) to the extent arising out of the presence or release of Hazardous Substances in violation of Environmental Statutes at or from the Premises or the Property, or any violation of Environmental Statutes by the Premises or the Property, to the extent arising from the acts or omissions of Landlord or the Landlord Parties or to the extent affecting the Premises or the Property on or before the Commencement Date. For the avoidance of doubt, Landlord shall have no obligation under this Section with respect to any Hazardous Substances or violations to the extent caused or aggravated by Tenant or Tenant's Parties, their contractors or invitees.

## **7.5     Common Areas.**

**7.5.1** Tenant shall have the non-exclusive right to use the Common Areas in common with other persons permitted under this Lease or persons approved by Landlord during the Term, subject to reasonable rules and regulations uniformly established by Landlord and the provisions of this Lease.

**7.5.2** Landlord reserves the right, at any time and from time to time, without the consent of or liability to Tenant, to **(i)** make alterations or additions to the Property and the Common Areas, to change, add to, eliminate or reduce the extent, size, shape, number or configuration of any aspect of the Property and Common Areas, **(ii)** close to the general public all or any portion of the Property to the extent and for the period necessary to avoid any dedication to the public, provided Tenant has reasonable means of ingress and egress to the Premises, **(iii)** effect any repairs or further construction, **(iv)** change the arrangement, character, use or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, landscaping, toilets, mechanical, plumbing, electrical or other operating systems or any other portions of the Common Areas or other parts of the Property provided such alterations or additions **(a)** do not materially adversely affect the use of the Common Areas by Tenant, or ingress to or egress from the Premises, or **(b)** are required by any applicable Laws, and **(v)** change the name, number or designation by which the Property is commonly known; provided, however, Landlord shall use reasonable efforts to limit and minimize any disruption of Tenant's use of the Premises in connection with Landlord's actions undertaken pursuant to this Section and in no event shall any such changes permanently and materially obstruct or materially adversely affect access to or visibility of the Premises, or materially reduce the parking directly serving the Premises.

## **8. Alterations and Tenant's Property.**

### **8.1 Alterations Defined.**

**8.1.1** Tenant shall not make or suffer or allow to be made any alterations, additions or improvements in or to the Premises (collectively, "**Alterations**") without first obtaining Landlord's written consent, based on detailed plans and specifications submitted by Tenant; provided Landlord's consent will not be required if **(a)** the proposed Alterations will not affect the structure or the HVAC Systems (as hereinafter defined), mechanical, electrical, plumbing or life safety systems of the Building (collectively, "**Building Systems**") and **(b)** the total cost to acquire and install the proposed Alterations will be no more than **(i) \$50,000** in any one instance and **(ii) \$200,000** in the aggregate during any calendar year. In all instances where Landlord's consent is so required, it may be granted or withheld by Landlord in its sole and absolute subjective discretion if the Alterations would affect any Building Systems or the structural integrity of the Building. Otherwise, such consent will not be unreasonably withheld, conditioned or delayed. In all events, Tenant shall notify Landlord prior to commencing Alterations other than de minimis Alterations.

**8.1.2** Tenant agrees that all such work (regardless of whether Landlord's consent is required) shall be done at Tenant's sole cost and expense, in accordance with the plans and specifications approved by Landlord and in a good and workmanlike manner, that the structural integrity of the Building shall not be impaired, and that no liens shall attach to all or any part of the Premises, the Building, or the Property by reason thereof. Tenant shall obtain, at its sole expense, all permits required for such work.

**8.2 Removal of Property.** Except as hereinafter provided, all Alterations made by Tenant shall become the property of Landlord and shall be surrendered to Landlord upon the expiration or earlier termination of this Lease, except as otherwise set forth in this Lease. However **(i)** movable equipment, trade fixtures, personal property, furniture, or any other items that can be



removed without material harm to the Premises or the Building will remain Tenant's property; and (ii) any racks installed by Tenant (collectively, "**Tenant Owned Property**") shall not become the property of Landlord but shall be removed by Tenant upon the expiration or earlier termination of this Lease. All Tenant Owned Property shall be removed from the Premises at Tenant's sole cost and expense at the expiration or sooner termination of this Lease. When granting consent for any Alterations that require Landlord's consent, Landlord shall indicate whether it will require the removal of those Alterations at the expiration or earlier termination of the Lease. Prior to making any Alterations not requiring Landlord's consent, Tenant may request in writing that Landlord notify Tenant in writing whether Landlord shall require Tenant to remove such Alterations prior to expiration or earlier termination of the Lease ("**Alterations Removal Notice**"). In the event Tenant fails to deliver an Alterations Removal Notice to Landlord, Landlord shall have the right to request that Tenant remove any Alterations for which an Alterations Removal Notice was not delivered to Landlord. Tenant shall remove those Alterations that Landlord requested be removed under the prior three sentences at the expiration or earlier termination of the Lease. Tenant shall repair at its sole cost and expense all damage caused to the Premises or the Building by removal of any Alterations that Tenant is required to remove or Tenant Owned Property. Landlord may remove any Tenant Owned Property or Alterations that Tenant is required but fails to remove at the expiration or earlier termination of the Lease and Tenant shall pay to Landlord the reasonable cost of removal. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

## **9. Repairs and Other Work.**

### **9.1 Tenant's Obligations.**

**9.1.1** Except as set forth in **Section 9.3** below, Tenant shall maintain in good, clean and sanitary order and condition the Premises, including without limiting the generality of the foregoing, all plumbing, HVAC Systems, electrical, lighting facilities and equipment within the Premises, fixtures, interior walls, ceilings, decking, floors, windows, doors, plate glass and skylights located within the Premises, and signs (except Landlord's signs, if any) located on the Premises ("**Tenant Required Maintenance**"). Tenant shall enter into a preventative maintenance contract for the HVAC Systems on terms and with a provider reasonably acceptable to Landlord ("**HVAC Maintenance Contract**"), which contract shall call for quarterly maintenance, inspection and repair of such HVAC Systems. If Tenant fails to timely deliver to Landlord the HVAC Maintenance Contract (or any applicable renewal or replacement thereof), then Landlord shall have the right to contract directly for the periodic maintenance of the HVAC Systems and to charge the cost thereof back to Tenant as Additional Rent.

**9.1.2** Tenant will not overload the electrical wiring serving the Premises or within the Premises, and will install at its expense, subject to the provisions of this Lease, any additional electrical wiring which may be required in connection with Tenant's apparatus.

**9.1.3** Tenant will repair, at its expense, any damage to the Premises, or to the Property, arising out of Tenant's use or occupancy thereof, including damage caused by bringing into the Premises any property for Tenant's use or by the installation or removal of such property, all regardless of fault, or by whom such damage shall be caused, unless caused by Landlord, its agents, employees, or contractors; provided, however, that to the extent such damages

is not within the Premises and is of a type covered (or required to be covered) by Landlord's property insurance, Tenant's obligation shall be limited to payment to Landlord of the amount of Landlord's applicable deductible or self-insured retention, and Landlord shall look solely to such insurance for the balance.

**9.1.4** Subject to **Section 21**, if Tenant fails to perform Tenant's obligations under this **Section 9.1**, Landlord may enter upon the Premises after thirty (30) days' prior written notice to Tenant (except in the event of an emergency, in which case no notice shall be required), perform such obligations on Tenant's behalf, and put the Premises in good order, condition and repair, and Tenant shall promptly pay to Landlord a sum equal to 105% of the cost thereof within thirty (30) days of written demand by Landlord.

**9.1.5** Notwithstanding anything in the Lease to the contrary, if (a) any Tenant Required Maintenance constitutes Capital Work (as hereinafter defined), (b) such Tenant Required Maintenance is not a Tenant Necessitated Repair, and (c) such Tenant Required Maintenance is unrelated to (and does not require or include any of Tenant's Property and/or Alterations) (such Tenant Required Maintenance that satisfies all of the requirements of subsections (a), (b), and (c) of this sentence, "**Tenant Capital Work**"), then within a reasonable period of time after Tenant's written request (a "**Tenant Capital Work Request**"), Landlord shall perform such Tenant Capital Work on behalf of Tenant, and Tenant shall reimburse Landlord as additional Rent for the cost of performing such Tenant Capital Work (the "**Tenant Capital Work Costs**"), which cost shall be amortized on a straight line basis over the useful life of the applicable Tenant Capital Work, as determined in accordance with GAAP. The amortized Tenant Capital Work Costs, together with a reasonable finance charge on the unamortized balance, shall be payable by Tenant to Landlord as Additional Rent on or prior to the first day of each calendar month during the remainder of the Term, including any extensions of the Term, commencing on the first (1st) day of the first (1st) full calendar month after the month in which such Tenant Capital Work is substantially completed. Notwithstanding anything herein to the contrary, in the event any such Tenant Capital Work constitutes a Tenant Necessitated Repair, then (x) Tenant shall be solely responsible for the cost of such Tenant Capital Work, (y) such costs shall not be amortized, and (z) in the event Landlord has paid such costs, Tenant shall reimburse Landlord for such costs within thirty (30) days after presentation of invoices therefor. For purposes herein, "**Capital Work**" means any replacement that is required to be capitalized under GAAP.

**9.2** **Conditions Applicable to Repairs and Other Work.** All repairs, replacements and reconstruction (including, without limitation, all Alterations) made by or on behalf of Tenant shall be made and performed: **(a)** at Tenant's cost and expense and at such time and in such manner as Landlord may reasonably designate, **(b)** by contractors or mechanics reasonably approved by Landlord, **(c)** at least equal in quality of materials and workmanship to the original work or installation, **(d)** in accordance with such reasonable requirements as Landlord may impose with respect to insurance to be obtained by Tenant in connection with the proposed work, **(e)** in accordance with all applicable laws and regulations of governmental authorities having jurisdiction over the Premises, and **(f)** Tenant shall provide Landlord with as built drawings of such Alterations, if Tenant obtains as built drawings in connection with same.

**9.3** **Landlord's Obligations.** Landlord shall be responsible for the performance of all repair, maintenance and replacement of all structural elements, imbedded

plumbing, roof and exterior walls of the Building, except to the extent such is part of any Alterations, and shall maintain same in good, clean and sanitary order and condition. The cost of: (a) all such repairs and maintenance pursuant to the first sentence of this **Section 9.3** (the “**Landlord Repairs**”) shall be reimbursed to Landlord as Operating Expenses, except as otherwise expressly set forth in **Section 6.1.**, and (b) all replacements pursuant to the first sentence of this **Section 9.3** shall be paid for by Landlord at its sole cost and expense, except as otherwise expressly set forth in **Section 6.1.** Provided, however, if any such work, maintenance, repairs or replacements are required as a result of the negligence or misconduct of Tenant or any Tenant Parties, Tenant’s failure to repair and maintain the Premises or the misuse of the Premises or the Property by Tenant or the Tenant Parties, Tenant shall reimburse Landlord for all reasonable costs paid or incurred by Landlord for such work upon demand as Additional Rent. Landlord shall also be responsible for the performance of landscaping and snow removal and repairs and maintenance of the exterior parking areas, sidewalks, truck courts and HVAC Systems that are shared by more than one occupant of the Building provided that the cost of such activities shall be reimbursable as Operating Expense. Subject to **Section 18.4** below, Tenant hereby waives the benefit of California Civil Code Sections 1941 and 1942, and any other statute providing a right to make repairs and deduct the cost thereof from the rent.

**9.4 HVAC Replacement Costs** In the event that during Term of this Lease (including any renewals) any of the HVAC Systems servicing the Premises requires replacement as reasonably determined by Landlord and Tenant, Landlord shall cause such HVAC Systems to be replaced on behalf of Tenant and Tenant shall reimburse Landlord as Additional Rent for the cost of replacing such HVAC Systems, which cost shall be reasonably amortized over the useful life of the HVAC System replaced determined in accordance with GAAP (“**HVAC Replacement Costs**”). The amortized HVAC Replacement Costs, together with interest on the unamortized balance(s) at the rate of eight percent (8%) per annum, shall be payable by Tenant to Landlord as Additional Rent on or prior to the first day of each calendar month during the remainder of the Term (including any applicable Renewal Period, if any). The foregoing is subject to the provisions of **Section 9.1.3**, and in such event or if replacement of HVAC Systems is required as a result of the negligence or misconduct of Tenant or any Tenant Parties or the misuse of the Premises or the Property by Tenant or Tenant Parties, Tenant shall solely pay for all applicable costs.

**10. Liens.** Tenant shall keep the Premises and the Property free from any liens arising out of any work performed or material furnished to or for the Premises by or for Tenant. If Tenant shall not, within thirty (30) days following notice of the imposition of any such lien, cause same to be released of record by payment or posting of a bond satisfactory to Landlord, Landlord, in addition to all other remedies provided under this Lease and by law, shall have the right (but not the obligation) to cause the lien to be released by such means as Landlord shall deem proper, including, without limitation, payment of the claim giving rise to such lien. All such sums reasonably paid by Landlord and all expenses incurred by it in connection therewith shall be considered Additional Rent and shall be payable by Tenant within ten (10) days after receipt of written demand. Landlord may record, at its election, notices of non-responsibility pursuant to California Civil Code Section 8444 in connection with any work performed by Tenant. Tenant shall indemnify, defend and hold harmless Landlord, Ground Lessor, and the MJPA and each of their respective agents, employees and contractors from and against any damages, losses or costs arising out of any such claim and from any liens or encumbrances arising from any work performed by Tenant or on behalf of Tenant in the Premises or the Property. Tenant’s indemnification of

Landlord, Ground Lessor, and the MJPA contained in this Paragraph shall survive the expiration or earlier termination of this Lease. All of the aforesaid rights of Landlord, Ground Lessor, and the MJPA shall be in addition to any remedies which either Landlord, Ground Lessor, the MJPA or Tenant may have available to them at law or in equity. Notwithstanding anything in this Lease to the contrary, Tenant is not authorized to act for or on behalf of Landlord, Ground Lessor, or the MJPA as Landlord's, Ground Lessor's or the MJPA's agent or otherwise, for any purposes of constructing improvements, additions or alterations to the Premises.

## **11. Subordination.**

**11.1** This Lease shall be subject and subordinate at all times to **(a)** all ground leases or underlying leases that may now exist or hereafter be executed affecting the Property or any portion thereof, **(b)** the lien of any mortgage, deed of trust or other security instrument that may now exist or hereafter be executed in any amount for which the Property or any portion thereof, any ground leases or underlying leases, or Landlord's interest or estate therein is specified as security, and **(c)** all modifications, renewals, supplements, consolidations and replacements thereof. If any ground lease or underlying lease terminates for any reason or any mortgage, deed of trust or other security instrument is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant, notwithstanding any subordination, shall attorn to and become the tenant of the successor in interest to Landlord at the option of such successor in interest.

**11.2** Within ten (10) days following request by Landlord, Tenant agrees to execute any documents reasonably required to effectuate the foregoing subordination or such other reasonable and customary SNDA submitted by Landlord to Tenant in form reasonably satisfactory to Tenant, which documents may contain such other terms as any mortgagee or prospective mortgagee may reasonably require, or to make this Lease prior to the lien of any mortgage, deed of trust or underlying lease, as the case may be.

**11.3** Notwithstanding anything contained in the preceding paragraphs to the contrary, the subordination of this Lease to any future mortgage, deed of trust or other security instrument hereafter placed on or against the Property is subject to the condition that the holder of such mortgage, deed of trust or other security instrument enter into a subordination, non-disturbance and attornment agreement with Tenant in form reasonably acceptable to Tenant ("SNDA") providing that, in the event such holder succeeds to the interest of Landlord hereunder through foreclosure or otherwise, such holder or its successor or assign shall honor this Lease and not disturb Tenant in its possession of the Premises except upon an event of default by Tenant beyond applicable periods of notice and cure.

**11.4** Prior to the Effective Date, Landlord has obtained and delivered to Tenant Landlord's current mortgagor's form of SNDA. Tenant, at Tenant's sole cost and expense, shall be responsible for negotiating the SNDA with the current mortgagee; provided, however, that Landlord agrees that Landlord shall reasonably cooperate with Tenant, at no out-of-pocket cost or expense to Landlord, in obtaining a signed copy of the SNDA from the current mortgagee in the form of SNDA approved by the current Mortgagee for execution. Tenant acknowledges and agrees that in the event that Tenant and the current mortgagee fail to execute and deliver an SNDA, such failure shall not be deemed a default by Landlord hereunder nor entitle Tenant to any rights or remedies against Landlord.

**12. Inability to Perform.** If, by reason of acts of God, governmental restrictions, strikes, labor disturbances, shortages of materials or supplies, actions or inactions of governmental authorities or any other cause or event beyond Landlord's or Tenant's reasonable control (collectively, "**Force Majeure Events**"), Landlord or Tenant is unable to furnish or is delayed in furnishing any utility or service required to be furnished by either party under the provisions of this Lease, or either party hereto is unable to perform or make or is delayed in performing or making any installations, decorations, repairs, alterations, additions or improvements required to be performed or made under this Lease, no such inability or delay shall impose any liability upon such non-performing party or provide the other party with any right to offset, deduction or abatement of Rent by reason of inconvenience or annoyance to such other party, or otherwise. The terms of this **Section 12** shall not be applicable to or excuse any failing on the part of Tenant to satisfy Tenant's obligations to pay Rent or either party to make any required payments to the other party.

**13. Destruction.**

**13.1 Repair.** Subject to the provisions of **Sections 13.2, 13.3** and **13.4** below, if any portion of the Building is damaged by fire, earthquake, flood or other casualty, Landlord shall proceed immediately to make such repairs in accordance with **Section 13.4**.

**13.2 Tenant's Right to Terminate.** If (i) such damage causes more than fifty percent (50%) of the Premises to be untenantable by Tenant or, (ii) in the reasonable estimate of an independent architect or contractor (the "Damage Estimate"), such damage cannot be repaired within nine (9) months after the date of the event causing such damage (under a normal construction schedule not requiring the payment of overtime or premium), then Tenant may terminate this Lease by delivery of written notice to Landlord within thirty (30) days after the date on which the Damage Estimate is delivered to Tenant by Landlord. In the event of termination pursuant to this **Section 13.2**, the termination shall be effective as of the date upon which Landlord receives timely notice from Tenant terminating the Lease. Upon termination, Rent shall be apportioned as of the date of the damage and all prepaid Rent shall be repaid to Tenant (less the amount necessary to cure any monetary default of Tenant under this Lease existing as of the date of termination). Landlord agrees to provide Tenant with such estimate within thirty (30) days after Landlord has received written notice of such casualty.

**13.3 Landlord's Right to Terminate.** If (i) the cost to repair damage to or destruction of the Property exceeds fifty percent (50%) of replacement cost of the Building and other improvements on the Property for a casualty of the type covered by the insurance required to be carried under **Section 14.5**, or (ii) the Premises or any other portion of the Property is damaged by a casualty not of the type covered by the insurance required to be carried under **Section 14.5** and the amount by which the cost to repair such damage exceeds available insurance proceeds, if any, is greater than twenty percent (20%) of the then replacement cost of the Building and other improvements on the Property, or (iii) such damage cannot be repaired within twelve (12) months after the casualty (under a normal construction schedule not requiring the payment of overtime or premium), Landlord may terminate this Lease by delivery of written notice to Tenant within thirty (30) days after the date on which the Damage Estimate is delivered to Landlord. In the event of termination pursuant to this **Section 13.3**, the termination shall be effective as of the date upon which Tenant receives timely notice from Landlord terminating the Lease. Upon

termination, Rent shall be apportioned as of the date of the damage and all prepaid Rent shall be repaid to Tenant (less the amount necessary to cure any monetary default of Tenant under this Lease existing as of the date of termination).

**13.4 Extent of Repair Obligations.** If this Lease is not terminated, Landlord's repair obligation shall extend to the structure of the Building and all improvements (except those constructed or installed by Tenant, if any and the Tenant Owned Property) in the Premises at the date possession of the Premises was delivered to Tenant, and Tenant shall repair all other portions of the Premises (including, without limitation, Alterations and Tenant Owned Property). All such repairs shall be performed in a good and workmanlike manner, with due diligence, and shall restore the items repaired to substantially the same usefulness and construction as existed immediately before the damage. All work by Tenant shall be performed in accordance with the requirements of **Section 9.2** above. In the event of any termination of this Lease, the proceeds from any insurance carried by Landlord and paid by reason of damage to or destruction of the Property or any portion thereof, or any other element, component or property insured by Landlord (exclusive of proceeds for damage to Tenant Owned Property), shall belong to and be paid to Landlord.

**13.5 Adjustment of Rent.** If a casualty renders all or part of the Premises untenantable, Rent shall proportionately abate commencing on the date of the casualty and ending when the Premises are delivered to Tenant with Landlord's restoration obligation substantially complete. The extent of the abatement shall be based upon the portion of the Premises rendered untenantable, inaccessible or unfit for use in a reasonable business manner for the purposes stated in this Lease. Tenant hereby waives and releases all statutory rights and remedies in favor of Tenant in the event of damage or destruction, including, without limitation those available under California Civil Code Sections 1932 and 1933(4).

**13.6 Mutual Waiver of Subrogation.** Notwithstanding anything to the contrary in this Lease, Landlord and Tenant mutually waive their respective rights of recovery against each other and each other's officers, directors, constituent partners, agents and employees, and Tenant waives such rights against each lessor under any ground or underlying lease and each lender under any mortgage or deed of trust or other lien encumbering the Property or any portion thereof or interest therein, to the extent any loss is or would be covered by fire, extended coverage, and other property insurance policies required to be carried under this Lease or otherwise carried by the waiving party, and the rights of the insurance carriers of such policy or policies to be subrogated to the rights of the insured under the applicable policy. Each party shall cause its insurance policy to be endorsed to evidence compliance with such waiver.

#### **14. Insurance.**

**14.1 Insurance on Tenant's Property.** Tenant shall procure at its cost and expense and keep in effect during the Term insurance coverage for all risks of physical loss or damage insuring the full replacement value of Alterations, Tenant's trade fixtures, furnishings, equipment, plate glass, signs and all other items of Tenant Owned Property and other personal property of Tenant. Landlord shall not be liable for any damage or damages of any nature whatsoever to persons or property caused by explosion, fire, theft or breakage, vandalism, falling plaster, by sprinkler, drainage or plumbing systems, or air conditioning equipment, by the interruption of any public utility or service, by steam, gas, electricity, water, rain or other

substances leaking, issuing or flowing into any part of the Premises, by natural occurrence, acts of the public enemy, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, or by anything done or omitted to be done by any tenant, occupant or person in the Building, it being agreed that Tenant shall be responsible for obtaining appropriate insurance to protect its interests.

**14.2 Tenant's Liability Insurance.** Tenant shall procure at its cost and expense and maintain throughout the Term comprehensive commercial general liability insurance applicable to the Premises with a minimum combined single limit of liability of Three Million Dollars (\$3,000,000), statutory worker's compensation insurance, and employer's liability insurance with a One Million Dollar (\$1,000,000) minimum limit covering all of Tenant's employees. Such liability insurance shall include, without limitation, products and completed operations liability insurance, fire and legal liability insurance. At Landlord's request Tenant shall increase such insurance coverage to a level that is commercially reasonably required by Landlord: **(i)** pursuant to the good faith recommendation of Landlord's professional insurance advisors, **(ii)** if such increased insurance is required by similar landlords of buildings of similar quality in the Moreno Valley submarket, or **(iii)** such increased insurance is required by Landlord's lender.

**14.3 Form of Policies.** Tenant's insurance shall be issued by companies authorized to do business in the State of California. Tenant shall have the right to provide insurance coverage pursuant to blanket policies obtained by Tenant if the blanket policies expressly afford coverage required by this **Section 14**. All insurance policies required to be carried by Tenant under this Lease (except for worker's compensation insurance) shall **(i)** name Landlord, and any other reasonable number of parties designated by Landlord as additional insureds, **(ii)** as to liability coverages, be written on an "occurrence" basis, **(iii)** provide that Landlord shall receive thirty (30) days' notice from the insurer before any cancellation or change in coverage, and **(iv)** contain a provision that no act or omission of Tenant shall affect or limit the obligation of the insurer to pay the amount of any loss sustained. Each such policy shall contain a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord. Tenant shall deliver reasonably satisfactory evidence of such insurance to Landlord on or before the date Tenant first enters or occupies the Premises, and thereafter at least thirty (30) days before the expiration dates of expiring policies. Notwithstanding the foregoing, if any such insurance expires without having been renewed by Tenant, Landlord shall have the option, in addition to Landlord's other remedies to procure such insurance for the account of Tenant immediately and without notice to Tenant, and the cost thereof shall be paid to Landlord as Additional Rent. The limits of the insurance required under this Lease shall not limit liability of Tenant, except as set forth in **Section 13.6** above.

**14.4 Compliance with Insurance Requirements.** Tenant shall not do anything, or suffer or permit anything to be done, in or about the Premises that shall invalidate or be in conflict with the provisions of any fire or other insurance policies covering the Building. Tenant, at Tenant's expense, shall comply with, and shall cause all occupants of the Premises to comply with, all applicable customary rules, orders, regulations or requirements of any board of fire underwriters or other similar body.

**14.5 Landlord's Insurance.** Landlord will purchase and maintain a standard policy of "all risk" insurance with customary exclusions covering the Building in the full replacement cost of the Building, together with rent loss insurance and windstorm coverage (on a full replacement cost basis). Landlord will purchase and maintain broad form commercial general liability insurance with a minimum combined single limit of liability of at least Three Million Dollars (\$3,000,000), written by companies authorized to do business in the State of California. All costs of insurance carried by Landlord and referred to in this Section or otherwise will constitute Operating Expenses.

**15. Eminent Domain.**

**15.1 Effect of Taking.** If all of the Premises is condemned or taken in any permanent manner before or during the Term for any public or quasi-public use, or any permanent transfer of the Premises is made in avoidance of an exercise of the power of eminent domain (each of which events shall be referred to as a "**taking**"), this Lease shall automatically terminate as of the date of the vesting of title as a result of such taking. If a part of the Premises is so taken, this Lease shall automatically terminate as to the portion of the Premises so taken as of the date of the vesting of title as a result of such taking. If such portion of the Property is taken as to render the balance of the Premises unusable by Tenant for the Intended Use, as reasonably determined by Tenant and Landlord, this Lease may be terminated by Tenant, as of the date of the vesting of title as a result of such taking, by written notice to Landlord given within sixty (60) days following notice to Landlord of the date on which said vesting will occur. If this Lease is not terminated as a result of any taking, Landlord shall restore the Building to an architecturally whole unit.

**15.2 Award.** Landlord shall be entitled to the entire award for any taking, including, without limitation, any award made for the value of the leasehold estate created by this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award that may be made in any taking, together with any and all rights of Tenant now or hereafter arising in or to such award or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any separate award made to Tenant for its relocation expenses, the taking of personal property and fixtures belonging to Tenant, the unamortized value of improvements made or paid for by Tenant or the interruption of or damage to Tenant's business. Landlord and Tenant hereby waive any statutory right in conflict with the provisions of this Section 15.2, including, without limitation, rights under California Code of Civil Procedure Sections 1265.110, 1265.120 and 1265.130.

**15.3 Adjustment of Rent.** In the event of a partial taking that does not result in a termination of this Lease as to the entire Premises, Base Rent and Additional Rent shall be equitably adjusted in relation to the portions of the Premises and Building taken or rendered unusable by such taking.

**15.4 Temporary Taking.** If all or any portion of the Premises is taken for a limited period of time before or during the Term, this Lease shall remain in full force and effect; provided, however, that Rent shall abate during such limited period in proportion to the portion of the Premises taken by such taking. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking; provided, however, that nothing contained herein shall



be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any separate award made to Tenant for its relocation expenses, the taking of personal property and fixtures belonging to Tenant, the unamortized value of improvements made or paid for by Tenant or the interruption of or damage to Tenant's business. Any temporary taking of all or a portion of the Premises which continues for six (6) months shall be deemed a permanent taking of the Premises or such portion.

**16. Assignment; Subleasing.**

**16.1 Consent Required.** Neither Tenant nor any sublessee or assignee of Tenant, directly or indirectly, voluntarily or by operation of law, shall sell, assign, encumber, mortgage, pledge or otherwise transfer or hypothecate all or any part of the Premises or Tenant's leasehold estate hereunder, including, without limitation, by transfer of a controlling interest (i.e. greater than a 49% interest) of stock, membership interests or partnership interests, or by merger or dissolution, which transfer of a controlling interest, merger or dissolution shall be deemed an assignment for purposes of this Lease (each such act is referred to as an "**Assignment**"), or sublet the Premises or any portion thereof or permit the Premises to be occupied by anyone other than Tenant (each such act is referred to as a "**Sublease**"), without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Landlord may withhold consent to an encumbrance, mortgage or pledge of Tenant's leasehold estate hereunder in its sole and absolute discretion. Any Assignment or Sublease that is not in compliance with this **Section 16** shall be void. At the option of Landlord, any Assignment that is not in compliance with this **Section 16** shall constitute a material default by Tenant under this Lease. Landlord and Tenant agree that Tenant's sole and exclusive remedy for any alleged wrongful refusal or delay of consent under this **Section 16** shall be an action for specific performance, declaratory and injunctive relief. Without limitation of the terms of Section 35.11, Tenant hereby waives, relinquishes and releases any and all rights to damages of any kind, or the right to terminate this Lease under Section 1953.10 of the California Civil Code, and under all similar Laws now or hereafter in effect. The acceptance of Rent by Landlord from a proposed assignee, sublessee or occupant of the Premises shall not constitute consent to such Assignment or Sublease by Landlord. Fifty percent (50%) of the Excess Assignment Consideration which is attributable to this Lease in connection with any Assignment, and fifty percent (50%) of the Excess Sublease Rent, shall be payable to Landlord as Additional Rent, except that the terms of this sentence shall not apply to any assignment or sublease that is permitted by **Section 16.5** below without Landlord's consent. The right to such amounts is expressly reserved from the grant of Tenant's leasehold estate for the benefit of Landlord.

**16.2 Notice.** Any request by Tenant for Landlord's consent to a specific Assignment or Sublease shall include **(a)** the name of the proposed assignee, sublessee or occupant, **(b)** the nature of the proposed assignee's sublessee's or occupant's business to be carried on in the Premises, **(c)** a copy of the proposed Assignment or Sublease, and **(d)** such financial information (in the event of an Assignment) and such other information as Landlord may reasonably request concerning the proposed assignee, sublessee or occupant or its business. Landlord shall respond in writing, stating the reasons for any disapproval, within fifteen (15) days after receipt of all information reasonably necessary to evaluate the proposed Assignment or Sublease.

**16.3 No Release.** No consent by Landlord to any Assignment or Sublease by Tenant, and no specification in this Lease of a right of Tenant's to make any Assignment or Sublease, shall relieve Tenant of any obligation to be performed by Tenant under this Lease, whether arising before or after **(a)** the Assignment or Sublease or **(b)** any extension of the Term (pursuant to exercise of an option granted in this Lease). The consent by Landlord to any Assignment or Sublease shall not relieve Tenant or any successor of Tenant from the obligation to obtain Landlord's express written consent to any other Assignment or Sublease.

**16.4 Cost of Processing Request.** Tenant shall pay to Landlord the reasonable amount of Landlord's cost of processing every proposed Assignment or Sublease, including without limitation reasonable legal review fees and expenses, together with the reasonable amount of all direct and indirect expenses incurred by Landlord arising from any assignee, occupant or sublessee taking occupancy (including, without limitation, security service, janitorial and cleaning service, and rubbish removal service) up to an amount not to exceed \$2,500 in any one instance.

**16.5 Corporate or Partnership Transfers.** Notwithstanding the foregoing, provided that **(i)** Tenant is not in default under this Lease beyond applicable notice and cure periods, and **(ii)** no such transaction is undertaken with the intent of circumventing Tenant's liability under this Lease, Tenant may assign this Lease to any affiliate or subsidiary of Tenant or in connection with a merger or other consolidation of Tenant or to a purchaser of all or substantially of Tenant's assets and may sublease all or some portion of the Premises to an affiliate or subsidiary of Tenant without Landlord's consent (each, a "**Permitted Transfer**" and such transferee, a "**Permitted Transferee**") provided: **(a)** Tenant shall remain liable hereunder; **(b)** Tenant provides reasonable prior written notice to Landlord of such Assignment or Sublease; **(c)** after such transaction is effected, the tangible net worth of the named "Tenant" herein (excluding goodwill) is equal to or greater than the tangible net worth of Tenant as of the date of this Lease; and **(d)** Landlord shall have received final copies of all documentation effecting such transfer on or before its effective date, subject to a confidentiality agreement reasonably acceptable to Landlord and Tenant. In addition, a sale or transfer of the capital stock, memberships or interests of Tenant shall not be deemed an Assignment or Sublease hereunder if Tenant a result of such transfer, becomes a publicly traded corporation.

**16.6 Assumption of Obligations.** Each assignee or other transferee of Tenant's interest under this Lease, other than Landlord, shall assume all obligations of Tenant under this Lease and shall be and remain liable jointly and severally with Tenant for the payment of Base Rent and Additional Rent, and for the performance of all the terms, covenants, conditions and agreements contained in this Lease which are to be performed by Tenant. Each sublessee of all or any portion of the Premises shall agree in writing for the benefit of Landlord **(a)** to comply with and agree to the provisions of this Lease, and **(b)** that such sublease (and all further subleases of any portion of the Premises) shall terminate upon any termination of this Lease, regardless of whether or not such termination is voluntary. No Assignment or Sublease shall be valid or effective unless the assignee or sublessee or Tenant shall deliver to Landlord a fully-executed counterpart of the Assignment or Sublease and an instrument that contains a covenant of assumption by the assignee or agreement of the sublessee, reasonably satisfactory in substance and form to Landlord, consistent with the requirements of this **Section 16.6**. The failure or refusal of the assignee to execute such instrument of assumption or of the sublessee to execute the agreement described above shall not release or discharge the assignee or sublessee from its obligations that

would have been contained in such instrument or agreement, all of which obligations shall run automatically to such assignee or sublessee.

**16.7 Invalid Assignment and Subleases.** Notwithstanding anything to the contrary contained in this **Section 16**, in no event may Tenant enter into an Assignment or Sublease if, at the time of such Assignment or Sublease, Tenant is in default under this Lease beyond applicable periods of notice and cure.

**17. Utilities and Services.**

**17.1 Utilities.** Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share of all electric, gas, water and sewer utilities consumed at the Property that are not separately metered. Tenant shall pay directly to the providing utility companies all utilities that are separately metered to the Premises.

**17.2 Certain Services.** Tenant shall contract separately for the provision, at Tenant's sole cost, of janitorial service and trash removal for the Premises and Landlord will have no obligation to provide any such services to the Premises.

**17.3 Involuntary Cessation of Services.** Landlord reserves the right, without any liability to Tenant and without affecting Tenant's covenants and obligations hereunder, to stop service of any or all of the HVAC Systems, electric, sanitary, and other systems serving the Premises, or to stop any other services required by Landlord under this Lease, whenever and for so long as may be necessary by reason of **(i)** accidents, emergencies, strikes, or the making of repairs or changes which Landlord, in good faith, deems necessary or **(ii)** any other cause beyond Landlord's reasonable control. No such interruption of service shall be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof, or render Landlord liable to Tenant for damages, or relieve Tenant from performance of Tenant's obligations under this Lease, including, but not limited to, the obligation to pay Rent; provided, however, that if any interruption of services persists for a period in excess of three (3) consecutive business days Tenant shall, as Tenant's sole remedy, be entitled to a proportionate abatement of Rent to the extent, if any, of any actual loss of use of the Premises by Tenant.

**18. Default.**

**18.1 Events of Default by Tenant.** Except as otherwise provided in this Lease, the failure to perform or honor any covenant, condition or other obligation of Tenant or the failure of any representation made by Tenant under this Lease shall constitute a default by Tenant upon expiration of the applicable grace period set forth in this Section. Tenant shall have a period of five (5) business days from the date it receives written notice from Landlord that any payment of Rent was not paid when due within which to cure any default in the payment of Rent. Except as otherwise provided in **Section 19**, Tenant shall have a period of thirty (30) days from the date of written notice from Landlord within which to cure any other default under this Lease; provided, however, that with respect to any default (other than a default which can be cured by the payment of money) that cannot reasonably be cured within thirty (30) days, the default shall not be deemed to be uncured if Tenant commences to cure within thirty (30) days from Landlord's notice, continues to prosecute diligently the curing of such default and actually cures such default within

one hundred eighty (180) days after Landlord's notice. Notwithstanding anything contained in this **Section 18.1**, Landlord shall not be obligated to provide Tenant with notice of substantially similar defaults more than two (2) times in any twelve (12) month period. The notices provided for in **Section 18.1** hereof shall be in lieu of any notices required by the California Code of Civil Procedures Section 1161 et seq.

**18.2 Remedies.** Upon the occurrence of a default by Tenant that is not cured by Tenant within the applicable grace periods specified in **Section 18.1**, Landlord shall have all of the following rights and remedies in addition to all other rights and remedies available to Landlord at law or in equity:

**18.2.1** The right to terminate Tenant's right to possession of the Premises and to recover (i) all Rent which shall have accrued and remain unpaid through the date of termination; plus (ii) the amount by which the unpaid Rent for the balance of the Term, discounted to present value at the Prime Rate then in effect, shall exceed the then fair rental value of the Premises for the balance of the Term (assuming reasonable allowance for downtime and free rent prior to the commencement of such fair market rent), similarly discounted, plus (iii) any other amount necessary to compensate Landlord for all the damages caused by Tenant's failure to perform its obligations under this Lease (including, without limitation, reasonable attorneys' and accountants' fees, costs of repairs of the Premises, interest costs and brokers' fees incurred upon any reletting of the Premises).

**18.2.2** As set forth in California civil code Section 1951.4, continue the Lease and either (a) continue Tenant's right to possession, in which event Tenant may sublet or assign the Lease subject only to reasonable limitations or (b) terminate Tenant's right to possession and in the case of either (a) or (b), recover the Rent as it becomes due. Acts of maintenance, efforts to relet, and/or the appointment of a receiver shall not of themselves constitute a termination of the Tenant's right to possession. In the case of (a), even though a Tenant default may have occurred, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right of possession, and Landlord may enforce all of Landlord's rights and remedies under this Lease, including, without limitation, the remedy described in California Civil Code Section 1951.4 (Landlord may continue the Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations) to recover Rent as it becomes due.

**18.2.3** The right and power to enter the Premises and remove therefrom all persons and property, to store such property in a public warehouse or elsewhere at the cost of and for the account of Tenant, and to sell such property and apply the proceeds therefrom pursuant to applicable law. In such event, Landlord may from time to time sublet the Premises or any part thereof for such term or terms (which may extend beyond the Term) and at such rent and such other terms as Landlord in its reasonable judgment may deem advisable, with the right to make alterations and repairs (in character substantially similar to those commonly made in warehouse and distribution facilities in the Moreno Valley area) to the Premises. Upon each such subletting, rents received from such subletting shall be applied by Landlord, first, to payment of any costs of such subletting (including, without limitation, reasonable attorneys' and accountants' fees, costs of alterations of the Premises, interest costs, and brokers' fees) and of any such alterations and repairs; second, to payment of Base Rent and Additional Rent due and unpaid hereunder; and the

residue, if any, shall be held by Landlord and applied in payment of future Base Rent and Additional Rent as they become due. If any rental or other charges due under such sublease shall not be promptly paid to Landlord by the sublessees, or if such rentals received from such subletting during any month are less than Base Rent and Additional Rent to be paid during that month by Tenant, Tenant shall pay any such deficiency to Landlord the costs of such subletting (including, without limitation, reasonable attorneys' and accountants' fees, costs of alterations of the Premises, interest costs and brokers' fees), and any other amounts due Landlord under this **Section 18.2**. Such deficiency shall be calculated and paid monthly. No taking possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to Tenant. Landlord's subletting the Premises without termination shall not constitute a waiver of Landlord's right to elect to terminate this Lease for such previous breach.

**18.2.4** The right to have a receiver appointed for Tenant, upon application by Landlord, to take possession of the Premises, to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Landlord pursuant to this Section.

**18.2.5** The right to specific performance of any or all of Tenant's obligations under this Lease, and to damages for delay in or failure of such performance.

**18.2.6** Landlord shall use reasonable efforts to mitigate damages resulting from a default by Tenant.

**18.2.7** Tenant hereby waives the provisions of California Civil Code Section 3275 and California Code of Civil Procedure Sections 1174(c) and 1179.

**18.2.8** To the extent permitted by applicable Law, Tenant hereby waives any rights Tenant would otherwise have pursuant to California Civil Code Section 1511.

**18.3 Remedies Cumulative.** The exercise of any remedy provided by law or the provisions of this Lease shall not exclude any other remedies unless they are expressly excluded by this Lease. Tenant hereby waives any right of redemption or relief from forfeiture following termination of, or exercise of any remedy by Landlord with respect to, this Lease.

**18.4 Events of Default by Landlord and Tenant's Remedies.** The failure by Landlord to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Landlord, where such failure shall continue for a period of thirty (30) days after written notice thereof by Tenant to Landlord, shall be deemed to be a default by Landlord under this Lease; provided, however, that if the nature of Landlord's default is such that more than thirty (30) days are reasonably required for its cure, then Landlord shall not be deemed to be in default if Landlord commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. In the event of a default by Landlord beyond applicable cure periods, Tenant shall have the right, at its election, to: **(a)** sue for damages directly resulting from such default by Landlord; or **(b)** perform the obligations described in the notice in which case Landlord shall reimburse Tenant for the reasonable cost of the performance of such obligations within thirty (30) days after Tenant's submission of an invoice therefor. If Tenant elects to proceed under **clause (b)** above, then the Landlord's default shall be deemed to have been cured when Tenant's expense has been reimbursed in full. In the event Tenant commences a suit

for damages sustained by reason of a Landlord default and prevails in such suit and obtains a final, non-appealable judgment with respect to such suit, Tenant may then set-off the amount of such judgment against the amounts due to Landlord under this Lease. Tenant shall have no other right to set-off.

**18.5 Limitation of Liability.** None of Landlord's covenants, undertakings or agreements under this Lease is made or intended as personal covenants, undertakings or agreements by Landlord, or by any of Landlord's shareholders, directors, officers, trustees or constituent partners. All liability for damage or breach or nonperformance by Landlord shall be collectible only out of Landlord's interest from time to time in the Property (including, without limitation, rent, insurance and condemnation proceeds therefrom), and no personal liability is assumed by nor at any time may be asserted against Landlord or any of Landlord's shareholders, directors, officers, trustees or constituent partners. In no event shall either Landlord or Tenant be liable to the other for special, indirect, incidental, or consequential damages whatsoever; provided, however, that the foregoing limitation shall not apply with respect to liabilities of Tenant arising out of any failure by Tenant to comply with its obligations under **Section 27.10** of this Lease.

**18.6 Transfer of Landlord's Interest.** Upon the sale or other conveyance or transfer of Landlord's interest in the Property, the transferor shall be relieved of all covenants and obligations of Landlord arising under this Lease from and after the closing of such sale, conveyance or transfer, provided the transferee assumes the obligations of Landlord under this Lease from and after the date of transfer.

**19. Insolvency or Bankruptcy.** The occurrence of any of the following shall, at Landlord's option, constitute a breach of this Lease by Tenant: **(i)** the appointment of a receiver to take possession of all or substantially all of the assets of Tenant or the Premises, **(ii)** an assignment by Tenant for the benefit of creditors, **(iii)** any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted, **(iv)** the filing of any voluntary petition in bankruptcy by Tenant, or the filing of any involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for a period of ninety (90) days, **(v)** the attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or the Premises, if such attachment or other seizure remains undismissed or undischarged for a period of sixty (60) days after the levy thereof, **(vi)** the admission of Tenant in writing of its inability to pay its debts as they become due, **(vii)** the filing by Tenant of any answer admitting or failing timely to contest a material allegation of a petition filed against Tenant in any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation or dissolution of Tenant or similar relief, **(viii)** if within sixty (60) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or **(ix)** the occurrence of any of the foregoing with respect to any guarantor of Tenant's obligations under this Lease. Upon the occurrence of any such event or at any time thereafter, Landlord may elect to exercise any of its remedies under **Section 18** above or any other remedy available at law or in equity. In no event shall this Lease be assigned or assignable by operation of law or by voluntary or involuntary bankruptcy proceedings or otherwise, and in no event shall this Lease or any rights or privileges under this Lease be an asset of Tenant under any bankruptcy, insolvency or reorganization proceedings. If, upon the occurrence of any of the events enumerated

above, under applicable law Tenant or the trustee in bankruptcy has the right to affirm this Lease and continue to perform the obligations of Tenant under this Lease, Tenant or such trustee, in such time period as may be permitted by the bankruptcy court having jurisdiction, shall cure all defaults of Tenant outstanding under this Lease as of the date of the affirmance of this Lease and provide to Landlord such adequate assurances as may be necessary to ensure Landlord of the continued performance of Tenant's obligations under this Lease. Notwithstanding the provisions of **Section 18.1**, there shall be no cure periods for any breach or default under this **Section 19** except as expressly provided in this **Section 19**.

**20. Fees and Expenses; Indemnity; Payment.**

**20.1 Landlord's Right to Remedy Defaults.** If Tenant shall default in the performance of any of its obligations under this Lease after notice and expiration of the applicable cure period, Landlord, at any time thereafter and without additional notice, may remedy such default for Tenant's account and at Tenant's reasonable expense, without waiving any other rights or remedies of Landlord with respect to such default. Notwithstanding the foregoing, Landlord shall have the right to cure any failure by Tenant to perform any of its obligations under this Lease without notice to Tenant if such failure results in an immediate threat to life or safety of any person. Notwithstanding anything contained in this Lease, Landlord shall not be liable for, and there shall be no abatement of Rent with respect to, any injury to or interference with Tenant's business arising from the exercise by Landlord of its rights under this **Section 20.1**.

**20.2 Indemnity.** Subject to **Section 13.6** above, Tenant shall indemnify, defend and hold Landlord, Ground Lessor, and the MJPA harmless from and against any and all claims, losses, costs, liabilities, damages and expenses including, without limitation, penalties, fines and reasonable attorneys' fees, to the extent incurred in connection with or arising from the use or occupancy or manner of use or occupancy of the Premises or any injury or damage caused by the negligence or willful misconduct of Tenant, Tenant Parties or any person occupying the Premises through Tenant. Subject to **Section 13.6** above, Landlord shall indemnify, defend and hold Tenant harmless from and against any and all claims, losses, costs, liabilities, damages and expenses including, without limitation, penalties, fines and reasonable attorneys' fees, to the extent incurred in connection with or arising from (a) any injury or damage caused by the negligence or willful misconduct of Landlord or Landlord Parties, and (b) the presence of Hazardous Substances introduced in, on, under or about the Premises prior to the date Tenant first entered or occupied the Premises or as a result of the actions of Landlord or Landlord Parties. Nothing contained in this **Section 20.2** shall be deemed to exculpate Landlord from, or indemnify Landlord for, Landlord's negligent or willful acts or omissions. The terms of this **Section 20.2** shall survive the expiration or sooner termination of this Lease.

**20.3 Interest on Past Due Obligations.** Unless otherwise specifically provided herein, any amount due from Tenant to Landlord under this Lease which is not paid within ten (10) days after written notice from Landlord shall bear interest from the due date until paid at the Default Rate.

**21. Access to Premises.** Subject to Tenant's security requirements, Landlord reserves for itself and its agents, employees and independent contractors the right to enter the Premises upon at least forty-eight (48) hours' notice to inspect the Premises, to supply any service to be

provided by Landlord to Tenant, to prospective purchasers, mortgagees, beneficiaries or (no earlier than nine (9) months prior to the expiration of this Lease) tenants, to post notices of non-responsibility, to determine whether Tenant is complying with its obligations under this Lease, and to alter, improve or repair the Premises or any other portion of the Building. Landlord's right to enter the Premises shall include the right to grant reasonable access to the Premises to governmental or utility employees. Landlord may erect, use and maintain scaffolding, pipes, conduits and other necessary structures in and through the Premises or any other portion of the Building where reasonably required by the character of the work to be performed in making repairs or improvements, provided that the entrance to the Premises shall not be blocked or access interfered with thereby, and that there is no unreasonable interference with the business of Tenant. In the event of an emergency, Landlord shall have the right to enter the Premises at any time on oral notice. Except to the extent caused by Landlord's gross negligence or willful misconduct, Tenant waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, any right to abatement of Rent, or any other loss occasioned by Landlord's exercise of any of its rights under this **Section 21**. Any entry to the Premises or portions thereof obtained by Landlord in accordance with this **Section 21** shall not be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof. Landlord shall perform any work or exercise any other rights pursuant to this **Section 21** in a manner designed to cause as little interference with Tenant's use of the Premises as is reasonably practical, provided, however, that Landlord and Tenant shall cooperate as to the timing and staging of any such work. To the extent reasonably practicable, any entry shall occur during normal business hours. Notwithstanding anything to the contrary in this Lease, any access by Landlord to the Premises shall be conditioned on pre-clearance pursuant to Tenant's security procedures including, without limitation, documentary evidence that all personnel accessing such space and United States citizens and consent to background checks. In addition, any access shall be subject to all Laws including, without limitation, International Traffic in Arms Regulations (ITAR).

**22. Notices.** Except as otherwise expressly provided in this Lease, any payment required to be made and any bills, statements, notices, demands, requests or other communications given or required to be given under this Lease shall be effective only if rendered or given in writing, sent by personal delivery, registered or certified mail, return receipt requested, or by overnight courier service, addressed **(a)** to Tenant at Tenant's Address, **(b)** to Landlord at Landlord's Address, or **(c)** to such other address as either Landlord or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this **Section 22**. Any such bill, statement, notice, demand, request or other communication shall be deemed to have been rendered or given on the date of receipt or refusal to accept delivery or on the first business day after having been deposited with a commercial overnight delivery service.

**23. No Waiver.** Neither this Lease nor any term or provision of this Lease may be waived, and no breach thereof shall be waived, except by a written instrument signed by the party against which the enforcement of the waiver is sought. No failure by Landlord or Tenant to insist upon the strict performance of any obligation of the other party under this Lease or to exercise any right, power or remedy consequent upon a breach thereof, no acceptance of full or partial Base Rent or Additional Rent during the continuance of any such breach, no course of conduct between Landlord and Tenant, and no acceptance of the keys or to possession of the Premises before the



termination of the Term by Landlord or any employee of Landlord shall constitute a waiver of any such breach or a waiver or modification of any term, covenant or condition of this Lease or operate as a surrender of this Lease. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof. No payment by Tenant or receipt by Landlord of a lesser amount than the aggregate of all Base Rent and Additional Rent then due under this Lease shall be deemed to be other than on account of the first items of such Base Rent and Additional Rent then accruing or becoming due, unless Landlord elects otherwise. No endorsement or statement on any check and no letter accompanying any check or other payment of Base Rent or Additional Rent in any such lesser amount and no acceptance by Landlord of any such check or other payment shall constitute an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Base Rent or Additional Rent or to pursue any other legal remedy.

**24. Estoppel Certificates.** Within ten (10) days following receipt of a written request from Landlord, Tenant shall execute and deliver to Landlord, without cost to Landlord, an estoppel certificate in such form as Landlord may reasonably request certifying **(a)** that this Lease is in full force and effect and unmodified or stating the nature of any modification; **(b)** the date to which rent has been paid; **(c)** that there are not, to Tenant's knowledge, any uncured events of defaults or specifying such events of defaults if any are claimed; and **(d)** any other matters or state of facts reasonably required by Landlord or any mortgagee respecting the Lease. Tenant shall cause any guarantor to join in the estoppel certificate for purposes of the certifying that such guaranty remains in full force and effect. It is intended that any such certificate may be relied upon by the party receiving the same and any prospective purchaser, investor, ground or underlying lessor or mortgagee or beneficiary of all or any part of the Property.

**25. Rules and Regulations.** Tenant shall faithfully observe and comply with and cause all of its employees and invitees to observe and comply with all reasonable rules and regulations which may from time to time be put into effect by Landlord; provided, however, any new rules and regulations or amendments of existing rules and regulations shall not materially increase Tenant's liability or obligations under this Lease. In the event of any conflict between any such rule or regulation and this Lease, this Lease shall govern. Landlord shall enforce any rules and regulations in a non-discriminatory manner.

**26. Tenant's Taxes.** In addition to all other sums to be paid by Tenant under this Lease, Tenant shall pay, before delinquency, any and all taxes levied or assessed during the Term, whether or not now customary or within the contemplation of the parties, **(a)** upon Tenant's improvements, equipment, furniture, fixtures and other personal property located in the Premises, **(b)** upon or measured by Base Rent or Additional Rent, or both, payable under this Lease, including without limitation any sales, gross receipts or excise tax levied upon or measured by Base Rent or Additional Rent by any governmental body having jurisdiction with respect to the receipt of such rental; or **(c)** upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof. Tenant shall reimburse Landlord upon demand for any and all such taxes paid or payable by Landlord (other than state and federal personal or corporate income taxes measured by the net income of Landlord from all sources). Notwithstanding anything to the contrary in this **Section 26**, Tenant shall have the right to contest any taxes payable by Tenant under this Section

provided that Tenant, at its sole cost and expense, diligently undertakes and pursues any such contest in appropriate proceedings, indemnifies Landlord against and holds Landlord harmless from all loss or damages that Landlord shall suffer by reason of such contest, and does not permit any lien to be placed on the Building or any part thereof or interest therein.

**27. Miscellaneous.**

**27.1 Annual Financial Statements.** Within twenty (20) days following the request of Landlord (but no more than once a year unless **(a)** Tenant is in default beyond applicable periods of notice and cure or **(b)** such request is in connection with a potential sale or refinancing of the Property), at any time during the Term that Tenant is not a “publicly traded company” (i.e., ownership interests are listed on a public securities exchange), then Tenant shall furnish to Landlord financial statements certified as true and correct by a certified public accountant (or the officer of Tenant with primary responsibility as to financial matters if Tenant’s financial statements are not audited or reviewed by a certified public accountant) and prepared in accordance with generally accepted accounting principles applied on a consistent basis from year to year, subject to a confidentiality agreement reasonably acceptable to Landlord and Tenant.

**27.2 References.** All personal pronouns used in this Lease, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. The use herein of the word “including” or “include” when following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation”, or “but not limited to,” or words of similar import) is used with reference thereto. All references to “mortgage” and “mortgagee” shall include deeds of trust and beneficiaries under deeds of trust, respectively. All Exhibits referenced and attached to this Lease are incorporated in this Lease by this reference. The captions preceding the Sections of this Lease have been inserted solely as a matter of convenience, and such captions in no way define or limit the scope or intent of any provision of this Lease.

**27.3 Intentionally Omitted.**

**27.4 Successors and Assigns.** The terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and, except as otherwise provided herein, their respective personal representatives and successors and assigns; provided, however, that upon the sale, assignment or transfer by Landlord (or by any subsequent Landlord) of its interest in the Building as owner or lessee, including, without limitation, any transfer upon or in lieu of foreclosure or by operation of law, Landlord (or subsequent Landlord) shall be relieved from all subsequent obligations or liabilities under this Lease, and all obligations subsequent to such sale, assignment or transfer (but not any obligations or liabilities that have accrued prior to the date of such sale, assignment or transfer) shall be binding upon the grantee, assignee or other transferee of such interest, to the extent assumed by its successor. Any such grantee, assignee or transferee, by accepting such interest, shall be deemed to have assumed such subsequent obligations and liabilities.

**27.5 Severability.** If any provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this

Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall remain in effect and shall be enforceable to the full extent permitted by law.

**27.6 Construction.** This Lease shall be governed by and construed in accordance with the laws of the State in which the Building is located, without regard for such State's choice of law requirements, and venue of any legal action will be in the county where the Building is located.

**27.7 Integration.** The terms of this Lease (including, without limitation, the Exhibits to this Lease) are intended by the parties as a final expression of their agreement with respect to such terms as are included in this Lease and may not be contradicted by evidence of any prior or contemporaneous agreement, arrangement, understanding or negotiation (whether oral or written). The parties further intend that this Lease constitutes the complete and exclusive statement of its terms, and no extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Lease. Neither Landlord nor Landlord's agents have made any representations or warranties with respect to the Premises, the Building, the Property or this Lease except as expressly set forth herein. The language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning and not construed for or against any party by reason of such party having drafted such language.

**27.8 Surrender.** Upon the expiration or sooner termination of the Term, Tenant will quietly and peacefully surrender to Landlord the Premises in the condition in which they are required to be kept as provided in this Lease, ordinary wear and tear and damage by casualty that is not Tenant's obligation to repair or replace excepted.

**27.9 Quiet Enjoyment.** Upon Tenant paying the Base Rent and Additional Rent and performing all of Tenant's obligations under this Lease, Tenant may peacefully and quietly enjoy the Premises during the Term as against all persons or entities claiming by, through or under Landlord subject, however, to the provisions of this Lease and to any mortgages or deeds of trust or ground or underlying leases referred to in **Section 11**.

**27.10 Holding Over.** If Tenant shall hold over after the expiration of the Term, Tenant shall pay one hundred fifty percent (150%) of the Base Rent payable during the final full month of the Term (exclusive of abatements, if any), together, in either period, with an amount reasonably estimated by Landlord for the monthly Additional Rent payable under this Lease, and shall otherwise be on the terms and conditions herein specified so far as applicable (but expressly excluding all renewal or extension rights). No holding over by Tenant after the Term shall operate to extend the Term. Any holding over with Landlord's written consent shall be construed as a tenancy at sufferance or from month to month, at Landlord's option. Any holding over without Landlord's written consent shall entitle Landlord to reenter the Premises as provided in **Section 18**, and to enforce all other rights and remedies provided by law or this Lease. Notwithstanding anything in the preceding sentence or elsewhere in this Lease to the contrary, Tenant shall not be liable for consequential damages arising from Tenant's holdover unless (a) Landlord gives written notice (the "**Vacancy Notice**") to Tenant stating (i) that Landlord has entered into a letter of intent, letter or memorandum of understanding or another similar instrument with a proposed tenant or other third party to lease all or part of the Premises and (ii) the date Landlord requires Tenant to

vacate the Premises (the “**Vacancy Date**”), which date shall be the later of sixty (60) days after Tenant’s receipt of the Vacancy Notice and the Expiration Date, and (ii) Tenant fails to vacate the Premises on or before the Vacancy Date. This **Section 27.10** shall in no way constitute a consent by Landlord to any holding over by Tenant upon the expiration or earlier termination of this Lease, nor limit Landlord’s remedies in such event. This **Section 27.10** shall survive the expiration or any earlier termination of this Lease.

**27.11 Time of Essence.** Time is of the essence of each and every provision of this Lease.

**27.12 Broker’s Commissions.** Each party represents and warrants to the other that it has not entered into any agreement or incurred or created any obligation which might require the other party to pay any broker’s commission, finder’s fee or other commission or fee relating to the leasing of the Premises, other than the Broker referenced herein. Landlord shall pay Broker pursuant to the terms of a separate agreement between Landlord and the Broker. Each party shall indemnify, defend and hold harmless the other and the other’s constituent partners and their respective officers, directors, shareholders, agents and employees from and against all claims for any such commissions or fees made by anyone claiming by or through the indemnifying party.

**27.13 No Merger.** The voluntary or other surrender or termination of this Lease by Tenant, or a mutual cancellation hereof shall not work a merger, but, at Landlord’s sole option, shall either terminate all existing subleases or subtenancies or shall operate as an assignment to Landlord of all such subleases or subtenancies.

**27.14 Survival.** All of Tenant’s and Landlord’s covenants and obligations contained in this Lease which by their nature might not be fully performed or capable of performance before the expiration or earlier termination of this Lease shall survive such expiration or earlier termination. No provision of this Lease providing for termination in certain events shall be construed as a limitation or restriction of Landlord’s or Tenant’s rights and remedies at law or in equity available upon a breach by the other party of this Lease.

**27.15 Amendments.** No amendments or modifications of this Lease or any agreements in connection therewith shall be valid unless in writing duly executed by both Landlord and Tenant.

**27.16 Intentionally Omitted.**

**27.17 Anti Terrorism.**

**27.17.1** Tenant represents and warrants to and covenants with Landlord that (i) neither Tenant nor any of its affiliates nor, to Tenant’s knowledge, any of Tenant’s or its affiliates’ officers, directors, members, partners, shareholders or other equity interest holders (all of the foregoing persons and entities being referred to herein collectively as the “**Tenant Affiliates**”) currently is, nor shall any of them be, at any time during the Term, in violation of any laws relating to terrorism or money laundering that may now or hereafter be in effect (collectively, the “**Anti-Terrorism Laws**”), including, without limitation, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, any regulations of the U.S. Treasury Department’s Office of Foreign Assets Control (“**OFAC**”) related to Specially Designated

Nationals and Blocked Persons that may now or hereafter be in effect, and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (as heretofore or hereafter amended, the “**USA Patriot Act**”); (ii) to Tenant’s knowledge, none of the Tenant Affiliates is nor shall any of them be, during the Term, a Prohibited Person. A “**Prohibited Person**” is (1) a person or entity owned or controlled by, affiliated with, or acting for or on behalf of, any person or entity that is identified as a “Specially Designated National” on the then most current list published by OFAC at its official website, <http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>, or at any replacement website or other replacement official publication of such list, or (2) a person or entity who is identified as, or affiliated with, a person or entity designated as a terrorist, or associated with terrorism or money laundering, pursuant to regulations promulgated in connection with the USA Patriot Act); and (iii) Tenant has taken, and shall continue to take during the Term, reasonably appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented, and shall continue to implement during the Term, appropriate procedures to assure its continued compliance with the above-referenced laws. Tenant hereby defends, indemnifies, and holds harmless Landlord and its affiliates and their respective officers, directors, members, partners, shareholders and other equity interest holders from and against any and all claims, losses, costs, liabilities, damages and expenses suffered or incurred by any or all of Landlord or any of such other indemnitees arising from, or related to, any breach of the foregoing representations, warranties and covenants. At any time and from time to time during the Term, Tenant shall deliver to Landlord, within ten (10) days after receipt of a written request therefor, a written certification and such other evidence as Landlord may reasonably request evidencing and confirming Tenant’s compliance with this **Section 27.17**.

**27.17.2** Landlord represents and warrants to and covenants with Tenant that (i) neither Landlord nor any of its affiliates nor, to Landlord’s knowledge, any of Landlord’s or its affiliates’ officers, directors, members, partners, shareholders or other equity interest holders (all of the foregoing persons and entities being referred to herein collectively as the “**Landlord Affiliates**”) currently is, nor shall any of them be, at any time during the Term, in violation of the Anti-Terrorism Laws, including, without limitation, OFAC related to the USA Patriot Act; (ii) to Landlord’s knowledge, none of the Landlord Affiliates is nor shall any of them be, during the Term, a Prohibited Person. Landlord has taken, and shall continue to take during the Term, reasonably appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented, and shall continue to implement during the Term, appropriate procedures to assure its continued compliance with the above-referenced laws. Landlord hereby defends, indemnifies, and holds harmless Tenant and its affiliates and their respective officers, directors, members, partners, shareholders and other equity interest holders from and against any and all claims, losses, costs, liabilities, damages and expenses suffered or incurred by any or all of Tenant or any of such other indemnitees arising from, or related to, any breach of the foregoing representations, warranties and covenants. At any time and from time to time during the Term, Landlord shall deliver to Tenant, within ten (10) days after receipt of a written request therefor, a written certification and such other evidence as Landlord may reasonably request evidencing and confirming Tenant’s compliance with this **Section 27.17**.

**27.18 WAIVER OF JURY TRIAL.** LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY AND VOLUNTARILY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER IN

ANY MATTER ARISING OUT OF THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES OR ANY CLAIM OF INJURY OR DAMAGE.

**27.19 Energy Reporting.** If requested by Landlord, Tenant, at no cost to Tenant, agrees to deliver to Landlord such information and/or documents as Landlord requires from Tenant to comply with California Public Resources Code Section 25402.10, or successor statute(s), and related California Code of Regulation, relating to commercial building energy ratings. Tenant will provide Landlord with the Energy Star or similar rating for any of Tenant's and any subtenant's equipment in the Premises. Alternatively, Landlord may require Tenant to authorize the utility provider for the Premises to release Tenant's and any subtenant's utility records to the appropriate government agency or to permit Landlord direct access to Tenant's or any subtenant's utility records for the Premises, which Tenant and any subtenant will provide using the applicable utility provider's standard form authorization to receive customer information.

**27.20 DELIVERY FOR EXAMINATION.** DELIVERY OF THE LEASE TO EITHER PARTY SHALL NOT BIND ANY PARTY IN ANY MANNER, AND NO LEASE OR OBLIGATIONS OF LANDLORD OR TENANT SHALL ARISE UNTIL THIS INSTRUMENT IS SIGNED BY BOTH LANDLORD AND TENANT AND DELIVERY IS MADE TO EACH PARTY.

**28. Ground Lease.**

**28.1** Landlord represents and warrants to Tenant, as of the Effective Date, as follows:

**28.1.1** The Ground Lease has not been cancelled, modified, assigned, extended or amended. Landlord is the tenant under the Ground Lease. Landlord has entered into no agreements or understandings with Ground Lessor or MJPA concerning the Premises except as set forth in the Ground Lease.

**28.1.2** All ground rent, rent escalations and additional rent under the Ground Lease have been paid through the Effective Date.

**28.1.3** The Ground Lease is in full force and effect. To Landlord's actual knowledge as of the Effective Date, (a) there are no defaults by Ground Lessor or Landlord in the performance of their respective obligations under the Ground Lease, or circumstances which, with notice or passage of time, or both would become a default under the Ground Lease, and (b) all obligations of Landlord as tenant under the Ground Lease which shall have accrued on or before the Commencement Date shall have been performed on or before the Commencement Date.

**28.1.4** Landlord has obtained all required consents from the Ground Lessor and MJPA to this Lease.

**28.2** This Lease and Tenant's interest and rights hereunder are and shall be subject and subordinate at all times to the Ground Lease and all amendments, restatements, renewals, modifications, assignments and extensions thereof. By execution of this Lease, Tenant agrees to be bound by the covenants, conditions and restrictions of the Ground Lease.

**28.3** Except as otherwise expressly provided in this **Section 28** the covenants, agreements, provisions, and conditions of the Ground Lease, to the extent that they are not inconsistent with the terms of this Lease or otherwise inapplicable, are made a part of, and incorporated, into this Lease as if recited in full in this Lease. As between the parties to this Lease only, in the event of a conflict between the terms of the Ground Lease and the terms of this Lease, the terms of this Lease will control. Neither Landlord nor Tenant shall do, permit or suffer to be done anything which, if done, suffered or permitted, would constitute (with notice, the passage of time or both) a violation, default or breach of any of the terms, conditions or provisions of the Ground Lease, or which would or could cause the Ground Lease to be terminated or forfeited by virtue of any rights of termination or forfeiture reserved by or vested in Ground Lessor under the Ground Lease. Without limiting the foregoing, Tenant acknowledges and agrees that as required by Section 13.5(c) of the Ground Lease, Ground Lessor and the MJPA shall have the right to enforce the provisions of this Lease, including, without limitation, the collection of Rent and Landlord hereby authorize Tenant to comply with any instructions of Ground Lessor and the MJPA regarding same.

**28.4** Whenever the consent of the Ground Lessor is required under the Ground Lease for any event, transaction, action or omission contemplated to be taken or omitted by Tenant, it shall be a condition precedent to such event, transaction, action or omission that the prior written consent or approval of Landlord and Ground Lessor shall have been obtained. Tenant agrees that Landlord shall not have any duty or responsibility with respect to obtaining the consent or approval of Ground Lessor when the same is required or desired by Tenant other than **(i)** the transmission by Landlord to Ground Lessor of Tenant's request for such consent or approval, and **(ii)** Landlord's reasonable cooperation with Tenant to obtain such approval or consent; provided, however that such cooperation does not require Landlord to pay any sum or incur any out-of-pocket expense or to make any material performance or undertaking or institute any legal proceedings. Tenant agrees that Landlord shall not be liable to Tenant, and Tenant hereby waives and releases all claims against Landlord for any damages suffered by Tenant as a result of Ground Lessor's failure, for any reason, to grant its consent or approval as to any matter related to this Lease.

**28.5** Landlord agrees to perform all material obligations to be performed by Landlord as the "Tenant" under the Ground Lease in accordance with the terms thereof and not to terminate the Ground Lease voluntarily, or modify the Ground Lease in a manner that adversely affects Tenant's rights or increases Tenant's obligations under this Lease. Tenant and Landlord will each refrain from any act or omission that would result in the failure or breach of any of the covenants, provisions, or conditions of the Ground Lease on the part of the "Tenant" under the Ground Lease.

**28.6** In the event of termination of the Ground Lease or re-entry or possession of the Premises by Ground Lessor and the MJPA, Ground Lessor and the MJPA may, at their option, take over the right, title and interest of Landlord, as landlord under this Lease, and Tenant agrees, at the sole option of the Ground Lessor, to attorn to the Ground Lessor and the MJPA for the balance of the term of this Sublease and on the then executory terms of this Sublease; provided, however that in no event shall Ground Lessor or the MJPA be **(i)** liable for any previous act or omission of Landlord under this Lease, **(ii)** subject to any defense or offsets previously accrued in favor of Tenant against Landlord, **(iii)** bound by any amendment or modification of the Lease made without the written consent of Ground Lessor and the MJPA, or **(iv)** bound by any payment of rent

or additional rent which Tenant might have paid for more than one month in advance of the due date under this Lease. That attornment will be evidenced by an agreement in form and substance reasonably satisfactory to the Ground Lessor. Tenant agrees to execute and deliver such an agreement at any time within ten (10) business days after request by the Ground Lessor. Tenant waives the provisions of any law now or later in effect that may provide Tenant any right to terminate this Sublease or to surrender possession of the Subleased Premises in the event any proceeding is brought by the Ground Lessor to terminate the Ground Lease.

**28.7** Landlord and Tenant agree that Ground Lessor and the MJPA, may, after default by Landlord under the Ground Lease and the expiration of Landlord's time to cure such default, collect Rent from Tenant under this Lease and such payment to Ground Lessor and the MJPA shall constitute payment to Landlord under this Lease.

**28.8** Tenant agrees that Tenant shall comply with each of the terms of the Ground Lease and all laws, rules, regulations, orders, ordinances and minimum standards applicable to the Base (as defined in the Ground Lease) and operations at the Base.

**28.9** Despite anything to the contrary stated in Articles 3, 4 and 5 of the Ground Lease, the term of this Lease, monthly base rent and additional rent payable under this Lease, are as stated in **Sections 4, 5 and 6** of this Lease.

**28.10** The provisions of the following Articles and Sections of the Ground Lease shall not apply to this Lease: Articles 3, 4, 6, 14, 15, 18, 19, except that the parties acknowledge that Article 14 of the Ground Lease shall control with respect to any and all disputes involving Ground Lessor under the Ground Lease.

**29. Right of First Offer for Expansion.<sup>2</sup>**

**30. Signage.** Tenant may, at its own expense, erect a sign identifying Tenant on or adjacent to the entrance to the Premises, signage on the flight line side of the Premises, and signage on the front of the Building, provided that each shall be in keeping with the decor and other signs at the Property and; provided, further, all signage and the location, size and style thereof shall be subject to the prior written approval of Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) and shall be in compliance with all applicable Laws. Tenant agrees to maintain any sign in a good state of repair, and upon expiration of the Term, Tenant agrees to promptly remove such sign and repair any damage to the Premises resulting from the installation or removal thereof.

**31. Parking.** Tenant shall have a non-exclusive preferential right to use **five (5)** of the **ten (10)** aircraft parking spaces located in the ramp area shown on Exhibit E attached hereto (the "**Ramp Area**") solely for aircraft parking and air cargo loading, on documented terms mutually acceptable to Ground Lessor and Tenant. Subject to Ground Lessor's documented approval, Tenant shall also have a non-exclusive, non-preferential right to use any additional aircraft parking spaces in the Ramp Area, provided such spaces are not scheduled for use during the period Tenant

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<sup>2</sup> NTD: The parties agree to use good faith efforts to negotiate the terms of a right of first offer for expansion space prior to the execution of the lease.



seeks to use them. Tenant's use of the airport parking spaces shall be at Tenant's sole cost and risk and in no event shall Landlord have any liability or obligation to Tenant in connection with Tenant's use of such aircraft parking spaces.

**32. Roof.** Provided that Tenant is not in Default under this Lease, Tenant shall have the right, at Tenant's sole cost and expense, to install, maintain and operate for its use (and not for use by any third party) an antenna for LTE/5G/Satellite/UHF/VHF access, mounted on a non-penetrating structure, related plenum-rated cabling and other necessary and related equipment telecommunications antennae, microwave dishes and other communications equipment (collectively, an "**Antenna**") on the roof of the Building and run appropriate piping, duct work and other lines and similar items through spaces between the roof of the Building and the interior of the Building (solely for Tenant's own use and not on a revenue generating bases) under and subject to the following conditions:

**32.1** In the installation, operation and maintenance of the Antenna, Tenant shall comply with the requirements of any applicable roof warranty and shall not interfere with the Building Systems. Tenant shall comply with all Applicable Laws and prior to the installation of the Antenna, shall obtain and deliver to Landlord written evidence of any required permits and/or approvals.

**32.2** Tenant shall obtain Landlord's prior written approval of the specifications for the Antenna, such approval not to be unreasonably withheld, conditioned or delayed. The location of the Antenna shall be mutually acceptable to both Landlord and Tenant.

**32.3** If Tenant elects to install the Antenna on the roof, Tenant shall provide written notice to Landlord at least thirty (30) days prior to any such installation, which notice shall include the following: (i) a letter or report issued and certified by a structural engineer licensed in the State of California detailing the design load requirements and additional weight and stress that may be added to the roof and any structural components by the proposed system and confirming that the roof and the Building can support the additional weight and stress; (ii) confirmation that the installation thereof will not damage the roof; and (iii) written confirmation from the roofing system manufacturer that the installation and removal of such improvements on the roof will not void any existing roof warranty.

**32.4** Tenant shall pay all reasonable out-of-pocket costs incurred by Landlord in connection with the Antenna including without limitation all architectural, engineering, contractors' and legal fees.

**32.5** Landlord may require screening, or in the event any Antenna is oversized, Landlord may also require structural engineering and reinforcement.

**32.6** Tenant shall comply with the provisions of this Lease, including but not limited to **Article 8**.

**32.7** At least ten (10) business days prior to installation, Tenant shall notify Landlord of the date and time of the installation and Landlord shall arrange to have Landlord's property manager or other representative present with Tenant at the installation.

**32.8** Tenant shall maintain the Antenna in a safe, good and orderly condition. The installation, maintenance, repair and removal of the Antenna shall be performed at Tenant's sole expense in a manner which will not impair the integrity of, damage or adversely affect the warranty applicable to, the roof or any other portion of the Property.

**32.9** No later than the expiration or sooner termination of the Term, at Tenant's sole expense, Tenant shall remove the Antenna and repair any resulting damage to the Building and Property and restore that portion of the Building and Property on which the Antenna was located to the condition existing prior to the installation of such Antenna.

**32.10** Any electricity consumption applicable to the use, operation or maintenance of the Antenna shall be at the sole cost and expense of Tenant. To the extent that any changes in existing electrical facilities in the Building are required to meet the needs of Tenant's equipment, the changes shall be made at Tenant's expense, provided Landlord approves such changes, which approval shall not be unreasonably withheld.

**32.11** Tenant's indemnification under this Lease also applies to the Antenna and Tenant's use of any portion of the Property therefor. Without limiting the foregoing, Tenant solely shall be responsible for any damages or injury caused by or in any way relating to the Antenna, including, but not limited to, damage or injury caused by reason of the Antenna collapsing or being blown from the roof or any other portion of the Property.

**33. CASp.** Landlord hereby discloses to Tenant, in accordance with California Civil Code Section 1938, and Tenant hereby acknowledges that the Premises have not undergone an inspection by a Certified Access Specialist (CASp) to determine whether the Premises meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, and notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant hereby agree as follows: **(i)** any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp approved in advance by Landlord, subject to Landlord's rules and requirements; and **(ii)** Landlord shall have no obligation to perform any work or repairs identified in any such CASp inspection requested by Tenant; and **(iii)** to the extent that any work, repairs, replacements, or improvements are recommended or required by the CASp inspection requested by Tenant (or otherwise required as a result of any such CASp inspection or anything done by Tenant in its use or occupancy of the Premises), then, at Landlord's election, Tenant shall be required to perform the same at Tenant's sole cost and expense (subject to the terms and conditions of **Section 8** above, including Landlord's right to approve of detailed plans and specifications in advance); provided, however, Landlord shall have the option to perform any or

all of the foregoing at Tenant's sole cost and expense (with Tenant to reimburse Landlord within thirty (30) days of written demand for the actual out-of-pocket costs and expenses incurred by Landlord in performing the same).

**34. Security System.** Tenant shall be permitted to install security systems including, without limitation, access card systems, background check requirements for entry, security camera systems in the Building and/or on the Property at Tenant's sole cost and expense and Landlord hereby agrees to reasonably cooperate with same at no out-of-pocket cost or expense to Landlord. Promptly after the Effective Date, Landlord, at Landlord's sole cost and expense, shall re-key the external access to the Premises and deliver new keys to Tenant.

**35. Dispute Resolution.** Each controversy, dispute or claim between Landlord and Tenant arising out of, based upon or relating to this Lease, with the exception of claims relating to Landlord's exercise of any unlawful detainer rights pursuant to California law or rights or remedies used by Landlord to gain possession of the Premises or terminate Tenant's right of possession of the Premises (which disputes shall be resolved by suit filed in the Superior Court of Riverside County, California), will be resolved by a reference proceeding in Riverside County, California in accordance with the provisions of Sections 638 *et seq.* of the California Code of Civil Procedure ("CCP"), or their successor sections. The parties shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the judicial reference proceeding. In the event litigation is filed based on any such dispute, the following shall apply:

**35.1** The proceeding shall be brought and held in Riverside County, unless Landlord and Tenant agree to an alternative venue. In disputes required to be submitted to a reference proceeding, either party may seek injunctive or other provisional relief from the referee or from a court of competent jurisdiction as set forth herein. At the outset of the dispute, a party may file an application for any provisional or injunctive remedy with the court, but only upon the ground that the decision to which the applicant may be entitled to may be rendered ineffectual without such provisional or injunctive relief.

**35.2** Landlord and Tenant shall agree upon a single referee who shall have the power to try any and all of the issues raised, whether of fact or of law, which may be pertinent to the matters in dispute, and to issue a statement of decision thereon to the court. The referee shall be (1) a retired Judge; and (2) selected by mutual agreement of Landlord and Tenant; provided, however, if they cannot so agree within thirty (30) days after the filing of any claim, the referee shall be promptly selected by the Presiding Judge of the Riverside County Superior Court (or its representative). Each party shall have one peremptory challenge pursuant to CCP 170.6. The referee shall be appointed to sit as a temporary judge, with all of the powers of a temporary judge, as authorized by law, and upon selection should take and subscribe to the oath of office as provided for in Rule 244 of the California Rules of Court (or any subsequently enacted Rule).

**35.3** The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, to provide all temporary and/or provisional remedies and to enter equitable orders that will be binding upon the Parties.

**35.4** The referee may require one or more pre-trial conferences.

**35.5** Landlord and Tenant shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.

**35.6** Except as expressly set forth in this Lease, the referee shall determine the manner in which the reference proceeding is conducted, including the time and place of all hearings, the order or presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding.

**35.7** All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee. The party making such a request shall have the obligation to arrange for and pay for the court reporter. A stenographic record of the trial shall be made. The cost of the court reporter at the trial shall be borne equally by Landlord and Tenant.

**35.8** The referee's statement of decision shall contain findings of fact and conclusions of law to the extent applicable.

**35.9** The referee shall have the authority to rule on all post-trial motions in the same manner as a trial judge.

**35.10** Landlord and Tenant shall promptly and diligently cooperate with each other and the referee and perform such acts, as may be necessary, for an expeditious resolution of the dispute.

**35.11** All fees and costs of the referee shall be paid one-half by Landlord and one-half by Tenant. Each party shall initially bear its own costs and attorneys' fees, but upon motion of the prevailing party, the referee shall, in his statement of decision, award all costs and expenses, including fees and costs paid to the referee, and reasonable attorneys' fees (payable at standard hourly rates), to the prevailing party in accordance with California law. The prevailing party on appeal shall also be entitled to costs and reasonable attorneys' fees incurred in connection with any appeal from any judgment entered by the Superior Court.

**35.12** The statement of decision of the referee upon all of the issues considered by the referee shall be binding upon the parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon. The decision of the referee shall be appealable as if rendered by the court. This provision shall in no way be construed to limit any valid cause of action that may be brought by any party.

**35.13** The above procedures provide for resolution of disputes (except for unlawful detainer) through general judicial reference, or, in the alternative, binding arbitration. In either event, Landlord and Tenant expressly acknowledge and accept that they are waiving their respective rights to a jury trial. Each party further acknowledges and agrees that this paragraph has been negotiated at arms' length with the assistance of legal counsel and the legal effect fully explained, and that its provisions constitute a knowing and voluntary agreement.

**36. Confidentiality.** Landlord and Tenant shall use commercially reasonable efforts to keep confidential the content and all copies of this Lease, related documents and amendments now or hereafter entered, and all proposals, materials, information and matters relating to any of the foregoing (including any financial statements), and not to disclose, disseminate or distribute any of the same, or permit the same to occur, except on an “as needed” basis to the extent reasonably required for proper business purposes by each party’s employees, attorneys, insurers, auditors, lenders, brokers and assignees or subtenants, and except as may be required by Laws or court proceedings.

[Signature Page to Follow]

IN WITNESS WHEREOF, Landlord and Tenant have each caused their duly authorized representatives to execute this Lease on their behalf as of the date first above written.

LANDLORD

**ALAMEDA BC, LLC**, a Delaware limited liability company

By: **CHI WEST 110 BC, L.P.**, a Delaware limited partnership, its managing member

By: **CHI LTH GP, L.L.C.**, a Delaware limited liability company, its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT

**METREA STRATEGIC MOBILITY INC.**, a California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A

SITE PLAN

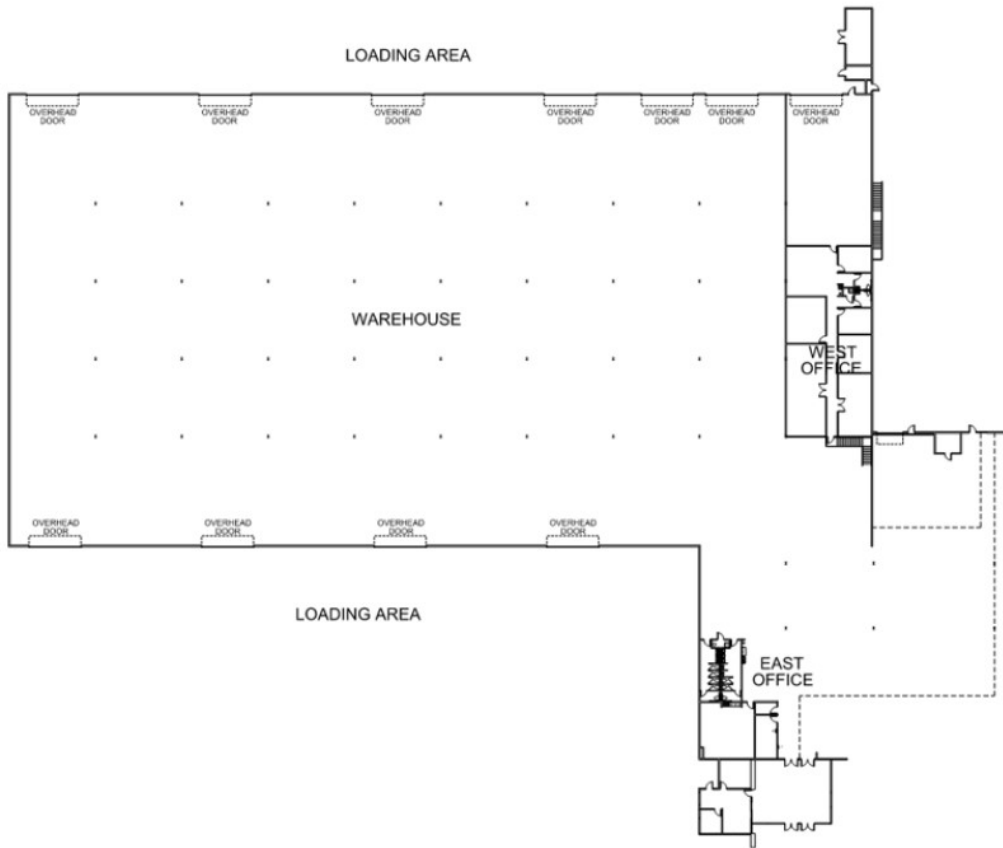


EXHIBIT B

INTENTIONALLY OMITTED



## EXHIBIT C

### FAIR MARKET RENT DETERMINATION

(a) If Tenant timely exercises the Renewal Option, Landlord shall send to Tenant, within fifteen (15) days of Landlord's receipt of Tenant's exercise notice, a notice (the "**Fair Market Value Rental Notice**") setting forth Landlord's designation of the fair market value of Base Rent for the Premises for the applicable Renewal Period (the "**Fair Market Value Rental**"). Landlord and Tenant shall promptly commence negotiations in an effort to reach a mutually acceptable determination of the Fair Market Value Rental. If, within thirty (30) days after the date of the Fair Market Value Rental Notice, Landlord and Tenant have not agreed upon in writing a mutually acceptable Fair Market Value Rental, then, by the close of business on the tenth (10th) business day following the end of such 30-day period each of Landlord and Tenant will submit to the other its final proposed Fair Market Value Rental. If either party fails to timely submit its final proposed Fair Market Value Rental to the other as required above, then the Fair Market Value Rental shall be deemed to be that submitted by the party who has so timely acted.

(b) Within ten (10) business days after the last of Landlord's or Tenant's proposed Fair Market Value Rental is submitted, each of Landlord and Tenant will appoint a person who is an appraiser and a member of the American Institute of Real Estate Appraisers, with not less than ten (10) years' commercial/industrial experience in the Moreno Valley area (each, an "**Arbitrator**") and with experience in leasing similar properties. The two (2) Arbitrators so appointed shall appoint an impartial third Arbitrator, similarly qualified, who has no business relationship with either Landlord or Tenant, within ten (10) days after the appointment of the last appointed Arbitrator, and shall notify the parties of the identity of such third Arbitrator. If the two (2) Arbitrators are unable to agree upon a third Arbitrator, either Landlord or Tenant may, upon not less than five (5) days' written notice to the other party, apply to the American Arbitration Association for appointment of a third similarly qualified Arbitrator. The three (3) Arbitrators are referred to in this Lease as the "**Arbitration Panel**." Within fifteen (15) days after the appointment of the third Arbitrator, the Arbitration Panel shall (i) conduct a hearing, at which Landlord and Tenant may each make supplemental oral and/or written presentations, with an opportunity for questioning by the members of the Arbitration Panel and (ii) select either the Landlord's proposed Fair Market Value Rental or the Tenant's proposed Fair Market Value Rental as the Fair Market Value Rental, which designation will constitute the Fair Market Value Rental for purposes of determining Base Rent for the applicable Renewal Period. The determination of the Arbitration Panel shall be limited solely to the issue of whether Landlord's or Tenant's proposed Fair Market Value Rental is closest to the actual Fair Market Value Rental, and the Arbitration Panel will have no right to propose a middle ground or to modify either of the two (2) proposals. The decision of a majority of the three (3) members of the Arbitration Panel shall be binding upon Landlord and Tenant. In the event of the failure, refusal or inability of an Arbitrator to act, a successor shall be appointed in the same manner as the original Arbitrator. Each party shall pay any cost of the Arbitrator selected by such party (and their own attorneys and consultants) and one half of the cost of the third Arbitrator so selected plus one half of any other costs incurred in resolving the disagreement regarding the Fair Market Value Rental.

(c) If Landlord and Tenant reach agreement regarding the Fair Market Value Rental, or if the Arbitration Panel determines the Fair Market Value Rental, then, within thirty (30) days,

the parties shall execute an amendment to this Lease confirming the terms and conditions applicable to the applicable Renewal Period, including the newly extended expiration date and the Base Rent determined in accordance with **Section 4.2** of the Lease.

EXHIBIT D

INTENTIONALLY OMITTED

EXHIBIT E

DEPICTION OF RAMP AREA

## **PARKING AGREEMENT MARCH INLAND PORT AIRPORT**

**THIS PARKING AGREEMENT** (the "Agreement") is made and entered into as of October \_\_\_\_, 2025, by and between the MARCH INLAND PORT AIRPORT AUTHORITY ("MIPAA"), a California public agency and Metrea Strategic Mobility, Inc. a publicly traded corporation ("Metrea"). MIPAA and Metrea are at times collectively referred to as the "Parties" herein.

### **RECITALS**

A. The MARCH JOINT POWERS AUTHORITY, a public body established under the laws of the State of California ("MJPA") and the Secretary of the Air Force, on behalf of the United States of America ("USAF"), entered into that certain Joint Use Agreement dated May 7, 1997, as amended (collectively the "JUA") whereby MJPA and the USAF agreed to jointly operate at March Air Reserve Base in Riverside County, California ("Airport").

B. MJPA formed MIPAA to operate, manage, and promote the civilian aviation activities at the Airport.

C. On March 19, 2014, the USAF and MIPAA entered into an updated joint use agreement in order to allow the MJPA to assign all of its rights and interest under the JUA to MIPAA (the "2014 JUA").

D. Pursuant to Section 1(d) of the 2014 JUA, civil aircraft using the Airport on official government business as provided in Air Force Instruction ("AFI") 10-1001, are not subject to the 2014 JUA and do not count as a landing or take-off for the purposes of the 2014 JUA.

E. Pursuant to Section 1(e) of the 2014 JUA, civil aircraft using the Airport are entitled to use the Airport for landings, take-offs, and ground movements of aircraft and will park only in areas owned by the March JPA or leased from the Air Force.

F. Pursuant to Section 1(e) of the 2014 JUA, civil and military aircraft on official government business shall have unobstructed access to any portions of the taxiway that may be within the boundary of properties leased from the Air Force by the March JPA.

G. Pursuant to Federal Aviation Administration ("FAA") Grant Assurance 22, MIPAA is required to make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities.

H. Metrea is a Department of Defense contractor for air-to-air refueling services and operates at the Airport in order to support the Department of Defense.

I. Metrea subleases property on the Airport through a sublease with Alameda BC, LLC, dated \_\_\_\_\_ ("Sublease").

J. This purpose of this Agreement is intended solely to provide Metrea with certain preferential aircraft parking spaces in exchange for Metrea's payment of the fees set forth herein.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, MIPAA and Metrea hereby agree as follows:

### **AGREEMENT**

1. **Definitions.** In addition to the words and phrases defined herein, the following words and phrases shall have the meanings set forth below:

- A. "Common Area" means those portions of the Airport used non-exclusively and non-preferentially by Metrea.
- B. "FAA" means the Federal Aviation Administration of the United States Government, and any federal agency succeeding to its jurisdiction.
- C. "Fees" means collectively the Landing Fees and Fuel Flowage Fees.
- D. "Fuel Flowage Fees" is defined below in Section 5.B.
- E. "Landing Fees" is defined below in Section 5.A.
- F. "MIPAA" shall mean March Inland Port Airport Authority
- G. "Maximum Gross Landing Weight" means that maximum certificated weight, in thousand (1,000) pound units, of each aircraft authorized by the FAA to land at the Airport as recited in Metrea's flight manual governing that aircraft type.

2. **Term and Commencement.** The initial term ("Initial Term") of this Agreement shall begin on October \_\_\_\_, 2025 (the "Commencement Date") and, unless sooner terminated in accordance with provisions of this Agreement, shall expire on October 1, 2030. Thereafter this Agreement shall be from month to month on all of the terms and conditions contained herein, unless terminated in accordance with the provisions of Section 3 below; provided that Metrea may elect to extend the Initial Term for a definite period of time, on all of the terms and conditions contained herein, by giving written notice of such election to MIPAA at any time after the expiration of the Initial Term. The Initial Term and any extension thereof are collectively referred to herein as the "Term".

3. **Termination.** This Agreement shall terminate if:

- A. The JUA is terminated and no conveyance of title occurs between the MJPA, MIPAA or their successors and assigns and the USAF; or
- B. The Sublease terminates for any reason other than Metrea acquiring Sublandlord's interest in the Ground Leases; or

- C. Metrea's contract with Department of Defense to provide air-to-air refueling services at the Airport is terminated; or
- D. If Metrea is in default of its obligations herein, and fails to commence curing such default within thirty (30) days after receipt of MIPAA's notice of such default, MIPAA may, in addition to all other rights, give written notice terminating this Agreement (the "MIPAA Termination Notice") at any time after such thirty (30) day period so long as such default remains outstanding. The termination shall be effective ten (10) calendar days from the date of Metrea's receipt of the MIPAA Termination Notice.
- E. At any time after the Initial Term, provided Metrea has not elected to extend the Initial Term in accordance with Section 2, either Metrea or MIPAA may terminate this Agreement by written notice to the other party, such termination to be effective ninety (90) days after the date of such notice.

4. **Preferential Use Area.** MIPAA hereby grants to Metrea the preferential right to use five (5) designated aircraft parking positions ("Preferential Spaces") at the Airport. The specific location(s) of the Preferential Spaces shall be identified in Exhibit "A" attached hereto, and may be modified from time to time by mutual agreement of the Parties.

- A. Nature of Preferential Use. Metrea shall have priority access to the Preferential Spaces over all other Airport users, subject to lawful governmental requirements and emergencies. If Metrea does not actively use a Preferential Space for more than seventy two (72) consecutive hours, MIPAA may temporarily allocate such space to another operator, provided that the space shall be returned to Metrea's preferential control upon request.
- B. Relocation Rights. MIPAA may, for operational, maintenance, or safety reasons, temporarily relocate Metrea to other comparable aircraft parking spaces. Such relocation shall provide substantially equivalent access, convenience, and utility for Metrea's operations.
- C. Condition of Use. Metrea's use of the Preferential Spaces shall at all times comply with applicable federal, state, and local laws, and with rules and regulations of MIPAA, the FAA, the USAF, and other authorities having jurisdiction over the Airport.
- D. No Leasehold Interest. This Agreement grants only a preferential right of use and does not create a leasehold, easement, or other interest in real property.
- E. Preservation of Operating Rights. Nothing in this Agreement shall be construed to limit, condition, or otherwise restrict Metrea's independent rights to operate at the Airport, including but not limited to landings, take-offs, and ground operations, as provided under the Joint Use Agreement, federal law, or any applicable Department of Defense contract. This Agreement grants only preferential use of designated parking positions in exchange for the payment of fees, and does not create, alter, or diminish Metrea's separate rights of access and operation.

**5. Airport Fees.**

- A. Landing Fees. Metrea shall pay landing fees ("Landing Fees") at the rates set by MIPAA. As of the date of this Agreement, the current Landing Fee is equal to one dollar and thirty-five cents (\$1.35) per one thousand (1000) pounds Maximum Gross Landing Weight.
- B. Fuel Flowage Fees. Metrea shall pay fuel flowage fees at the rates set by MIPAA and charged by MIPAA's FBO ("Fuel Flowage Fees"). As of the date of this Agreement, the current Fuel Flowage Fee equal to four and one-half cents (\$0.045) per gallon.
- C. Increase in Fees. MIPAA may reasonably increase the Landing Fees and Fuel Flowage Fees payable hereunder, provided (i) MIPAA shall give Metrea at least thirty (30) days' prior written notice before any increase; (ii) MIPAA shall meet and confer with Metrea prior to deciding on any Fee increase to discuss the need for such increase, and will give appropriate consideration to any comments or suggestions of Metrea prior to finalizing any increase; and (iii) the Fees shall at all times be competitive with the Fees charged by other airports of a similar size and nature in California.
- D. Other Fees. Other than the Fees, Metrea shall not be charged any other fees, charges, or assessments in connection with the services provided by MIPAA, or its assigned, hereunder.
- E. Reporting Requirements. All landings and fuel flowage must be reported on a monthly report from Metrea to MIPAA, or its assigned, within ten (10) calendar days following the end of the calendar month of operations. The ultimate responsibility for the reporting of landings and fuel flowage, and the payment of landing and fuel flowage fees as provided in Sections 5A and B herein, shall rest solely with Metrea. Failure of Metrea to timely submit its monthly report with payment shall be deemed a default of this Agreement.



**6. Insurance.**

- A. Without limiting Metrea's indemnification obligations pursuant to Section 7 below, throughout the Term, Metrea shall maintain in full force and effect, the forms of insurance specified in Exhibit B attached hereto and incorporated by reference herein. All such insurance shall be maintained with insurance underwriters in first-rate financial condition and reasonably acceptable to MIPAA. All liability insurance policies shall (i) name MIPAA, the MJPA, and the Successor Agency to the March RDA, as well as their officers, officials, employees and agents, as an additional insured; (ii) be written as primary policy coverage and not contributing with or in excess of any coverage which MIPAA, the MJPA, or the Successor Agency to the March RDA may carry; (iii) provide that the coverage may not be reduced below the levels required herein or canceled without thirty (30) days advance written notice to MIPAA.
- B. At least ten (10) calendar days prior to the start of the Term, Metrea shall furnish MIPAA with evidence of all insurance required hereunder. Within fifteen (15) days of the expiration of any then-current policy of insurance, Metrea shall deliver to MIPAA certificates of insurance and endorsements, signed by a person authorized by the insurer to bind coverage on its behalf, showing that Metrea is in compliance with the requirements hereunder. MIPAA reserves the right to require complete, certified copies of all required insurance policies at any time there is a casualty at the Airport which reasonably requires such.
- C. The parties understand and agree that the coverages and minimum limits of the insurance herein required may become inadequate during the term of this Agreement, and Metrea agrees that it will increase such coverages and minimum limits by reasonable amounts on request of the MIPAA.

**7. Indemnification.** Except for (i) the negligence or willful misconduct of MIPAA, MJPA, and the Successor Agency to the March RDA, their elected representatives, officers, agents, employees, contractors, subcontractors, licensees or invitees and the (ii) the failure of MIPAA to perform its obligations hereunder, Metrea shall indemnify, defend and hold harmless MIPAA, the MJPA, and the Successor Agency to the March RDA and their elected representatives, officers, agents and employees from and against all liabilities, losses, costs, suits, claims, judgments, expenses, fines, penalties, or demands of any kind (including, but not limited to, costs of investigation, attorney fees, court costs and expert fees) resulting from any injury, damage or death to any person or property, of any nature whatsoever arising out of Metrea's obligations under this Agreement or the use of the Preferential Use Area by Metrea, or any of its officers, representatives, agents, employees, contractors, subcontractors, licensees, or invitees, at the Airport. This Section 7 shall survive the termination or expiration of this Agreement. MIPAA and Metrea shall not be liable to each other for any special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action.

**8. Notice of Claims and Suit.** MIPAA and Metrea shall each give the other prompt and timely written notice of any personal injury or other accident claims, and of any lawsuit coming

to its knowledge when either such claim or lawsuit arises out of or is in any way connected with the operations of Metrea herein, or the construction or operation of Airport by MIPAA, which in any way, directly, indirectly, contingently or otherwise, might reasonably affect the parties' relationship under this Agreement.

**9. Notices.** Any notice that may or must be given by either party under this Agreement will be delivered (i) personally, (ii) by certified mail, return receipt requested, or (iii) by a nationally recognized overnight courier, addressed to the party to whom it is intended. A notice sent pursuant to the terms of this Section shall be deemed delivered (A) upon delivery, if delivered personally or by a nationally recognized overnight courier, or (B) three (3) business days after deposit into the United States mail. Either party shall have the right, by giving written notice to the other, to change the addressee or address at which its notices are to be received. Until any such change is made, notices shall be addressed and delivered as follows:

MIPAA:

MARCH INLAND PORT AIRPORT  
AUTHORITY

17405 Heacock Street  
Moreno Valley, CA 92551  
Attn: Chief Executive Officer

Metrea:

\_\_\_\_\_  
(Enter Address / Contact Info)

**10. Authority for Agreement.** Metrea and MIPAA each hereby warrant and represent to the other that such party has the right, power, and legal capacity to enter into, and perform its obligations under this Agreement, and no approvals or consents of any persons are necessary in connection with it, and the execution, delivery, and performance of this Agreement by the undersigned representatives have been duly authorized, and this Agreement will constitute a legal, valid, and binding obligation on such party, enforceable in accordance with its terms.

**11. California Law.** This Agreement shall be construed, interpreted and applied with the laws of the State of California. Venue shall be in the County of Riverside.

**12. Compliance with Agreements and Laws.** Metrea shall not, in connection with any of its use any of the Airport's facilities or permit the same to be used by any of its officers, representatives, agents, employees, contractors, subcontractors, licensees, subtenants, invitees, or suppliers for any illegal purpose and shall comply with all applicable ordinances, laws, rules, and regulations of any city, county, state, federal government or agency that has jurisdiction to pass laws or ordinances or to make and enforce rules and regulations governing conduct on and operations at the Airport and the use of its facilities.

**13. Consent.** Whenever the consent or approval of either party hereto is required or authorized herein, such consent or approval shall not be unreasonably withheld, unreasonably conditioned, or unreasonably delayed.

**14. Interpretation of Agreement.** Nothing herein contained shall be construed or interpreted, in any manner whatsoever, as limiting, relinquishing or waiving any of the rights of ownership enjoyed by MIPAA in and to Airport property, or in any manner waiving or limiting MIPAA's control over the operation and maintenance of the Airport property or in derogation of such governmental rights as MIPAA possesses, except as is specifically provided for herein.

**15. Nondiscrimination.** Metrea, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (i) no person on the grounds of race, color, creed, national origin, sex, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of airport facilities; (ii) that in the use of airport facilities, no person on the grounds of race, color, creed, national origin, sex, or handicap shall be excluded from participation in, denied the benefit of, or otherwise be subjected to discrimination; (iii) that Metrea shall use Airport in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as such Regulations may be amended.

**16. Nonexclusive Rights.** Nothing herein shall be construed to grant or authorize the granting of any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport.

**17. Nonwaiver of Rights.** The failure of either party to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial fees during the continuance of any such breach, shall constitute a waiver of any breach or of such covenant, agreement, term or condition.

**18. Time is of the Essence.** Time shall be of the essence in complying with the terms, conditions and provisions of this Agreement.

**19. Complete Agreement.** This Agreement constitutes the final, complete and exclusive statement between the parties to this Agreement pertaining to Operator's use of the Airport, supersedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors, and assigns. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement. Any agreement made after the date of this Agreement is ineffective to modify, waive, release, terminate, or effect an abandonment of this Agreement, in whole or in part, unless that agreement is in writing, is signed by the parties to this Agreement and specifically states that that agreement modifies this Agreement.

**20. Severability.** If any provision of this Agreement or the application of any provision of this Agreement to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder of this Agreement or the application of that provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be

affected, and each provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

**21. Word Usage.** Unless the context clearly requires otherwise, (i) the plural and singular numbers will each be deemed to include the other; (ii) the masculine, feminine, and neuter genders will each be deemed to include the others; (iii) "shall," "will," "must," "agrees," and "covenants" are each mandatory; (iv) "may" is permissive; (v) "or" is not exclusive; and (vi) "includes" and "including" are not limiting.

**22. Headings.** The headings of the Sections of this Agreement are inserted only as a matter of convenience, and they in no way define, limit, or describe the scope or intent of any provision of this Agreement, nor shall they be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

**23. Good Faith.** The Parties hereby recognize and agree that their continued cooperation is essential to the successful operation of the Airport. The Parties hereby agree to use good faith at all times in their dealings hereunder.

IN WITNESS WHEREOF the parties hereby execute this Agreement as of the date written above.

METREA

Metrea

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

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

Its: \_\_\_\_\_

MIPAA

March Inland Port Airport Authority,  
a California Public Agency

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

Name: Grace I. Martin, DPPD

Its: Chief Executive Officer

**Exhibit A**  
**Preferential Parking Spaces**

## **Exhibit B Insurance**

### Required Insurance

- A. General liability insurance protecting against any liability occasioned by any occurrence on or about any part of the Airport or appurtenances thereto, in the amount of Five Million and NO/100 Dollars (\$5,000,000.00) per occurrence and Ten Million and NO/100 Dollars (\$10,000,000.00) in the aggregate.
- B. Worker's compensation or similar insurance affording statutory coverage and containing statutory limits as required under the local worker's compensation or similar statutes but in no event less than One Million Dollars (\$1,000,000.00) for each accident/disease.
- C. Automobile insurance covering owned and non-owned vehicles with a combined single limit of One Million Dollars (\$1,000,000.00) for bodily injury and property damage for each accident.
- D. Aviation liability insurance in the minimum amount of Fifty Million Dollars (\$50,000,000.00).

## NOTICE OF EXEMPTION

|                                                                                                                                                         |                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Office of Planning and Research<br>P. O. Box 3044, Room 113<br>Sacramento, CA 95812-3044                            | FROM:<br>(Public Agency)      March Inland Port Airport Authority |
| <input checked="" type="checkbox"/> <b>County Clerk</b><br><br>Address:      2724 Gateway Drive<br>Riverside, CA 92507<br><br>County of:      Riverside | Address      17405 Heacock Street, Moreno Valley,<br>CA 92551     |

|                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Project Title:                                                                                                                                                                                                                                                                                                              | Sublease consent related to the reuse of former office and storage space between the Metrea Strategic Mobility Inc. and Alameda BC, LLC; and associated parking agreement for five (5) preferential aircraft parking spaces                   |
| 2. Project Applicant:                                                                                                                                                                                                                                                                                                          | Metrea Strategic Mobility, LLC.                                                                                                                                                                                                               |
| 3. Project Location –                                                                                                                                                                                                                                                                                                          | Metrea is proposing to occupy an existing 106,430 square feet air cargo facility and utilize five (5) aircraft parking spaces on the existing apron located at 17101 Heacock Street, Moreno Valley, CA 92551.                                 |
| 4. (a) Project Location – City: Unincorporated                                                                                                                                                                                                                                                                                 | (b) Project Location – County: Riverside                                                                                                                                                                                                      |
| 5. Description of nature, purpose, and beneficiaries of Project:                                                                                                                                                                                                                                                               | The approval of a Sublease consent related to the reuse of former office and storage space between the Metrea Strategic Mobility Inc. and Alameda BC, LLC; and associated parking agreement for five (5) preferential aircraft parking spaces |
| 6. Name of Public Agency approving project:                                                                                                                                                                                                                                                                                    | March Inland Port Airport Authority                                                                                                                                                                                                           |
| 7. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity: | Metrea Strategic Mobility Inc.<br>1222 22nd Street NW, 3rd Floor<br>Washington D.C. 20037<br>Contact: Jeri Looney, Esq.                                                                                                                       |
| 8. Exempt status: (check one)                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                               |
| (a) <input type="checkbox"/> Ministerial project.                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                               |
| (b) <input type="checkbox"/> Not a project.                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                               |
| (c) <input type="checkbox"/> Emergency Project.                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                               |
| (d) <input checked="" type="checkbox"/> Categorical Exemption.<br>State type and section number:                                                                                                                                                                                                                               | 15301 (d): Class 1 Existing Facilities                                                                                                                                                                                                        |
| (e) <input type="checkbox"/> Declared Emergency.                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                               |
| (f) <input type="checkbox"/> Statutory Exemption.<br>State Code section number:                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                               |

|                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (g) <input type="checkbox"/> Other. Explanation:                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 9. Reason why project was exempt:                                                                                                                                                                                      | <p>The Project is categorically exempt from CEQA under the Class 1 Existing Facilities exemption, CEQA Guidelines section 15301, in that the approval of the Sublease and Parking Agreement would involve the operation, repair, maintenance, permitting, and leasing of an existing building located at 17101 Heacock Street, Moreno Valley, CA 92551.</p> <p>Specifically, the tenant, Metrea, plans to occupy the existing 106,430 square foot building for administrative, manufacturing, repair, assembly, storage and distribution of airplane parts and equipment and the operation of a firefighting operation. All uses would occur inside the building and have the same purpose and capacity with no expansion of use. Additionally, the approval of the associated Parking Agreement would allow Metrea preferential parking of 5 aircraft parking positions on the existing apron. No expansion of use on the existing apron is proposed.</p> |
| 10. Lead Agency Contact Person:                                                                                                                                                                                        | Grace Martin, DPPD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Telephone:                                                                                                                                                                                                             | (951) 656-7000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 11. If filed by applicant: Attach Preliminary Exemption Assessment (Form "B") before filing.                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 12. Has a Notice of Exemption been filed by the public agency approving the project? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 13. Was a public meeting held by the Lead Agency to consider the exemption? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/><br>If yes, the date of the public hearing was: <u>October 15, 2025</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Title: Chief Executive Officer  
Name: Grace Martin, DPPD

☒ Signed by Lead Agency ☐ Signed by Applicant

Date Received for Filing: \_\_\_\_\_

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.



**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH INLAND PORT AIRPORT AUTHORITY**

***MIPAA - Reports, Discussions and Action Items***  
***Agenda Item No. 11 (2)***

**Meeting Date:**           October 15, 2025

**Action:**                   **RECEIVE AND FILE THE 2024 AUDIT OF MARCH**  
**INLAND PORT AIRPORT AUTHORITY**

**Proposed Motion:**    Receive and file the 2024 Audit of March Inland Port Airport Authority.

**Background:**

The 2024 audit of the March JPA entities was completed by Davis Farr LLP. Here to present the results of the audit is Jonathan Foster of Davis Farr.

**Attachment(s):**       March Inland Port Airport Authority Annual Financial Report

**MARCH INLAND PORT AIRPORT AUTHORITY**

**ANNUAL AUDIT REPORT**

Year Ended June 30, 2024

**MARCH INLAND PORT AIRPORT AUTHORITY  
ANNUAL AUDIT REPORT**

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## **Independent Auditor's Report**

To the Board of Commissioners  
March Inland Port Airport Authority  
Riverside, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the March Inland Port Airport Authority (the Airport), a component unit of the March Joint Powers Authority (the Authority), as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position and cash flows of the Airport as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Airport are intended to present the financial position, the changes in financial position and cash flows of only that portion of the business-type activities and the proprietary fund types of the Authority that are attributable to the transactions of the Airport. They do not purport, and do not present fairly the financial position of the March JPA Authority as of June 30, 2024, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described further in Note 10 to the financial statements, during the year ended June 30, 2025, the Authority recorded a prior period restatement. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No.100, Accounting Changes and Error Corrections, for the year ended June 30, 2024. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

The Airport's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Management has omitted *Management's Discussion and Analysis* for the Airport that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

*Davis Ferr LLP*

Irvine, California  
October 6, 2025

# MARCH INLAND PORT AIRPORT AUTHORITY

## Statement of Net Position June 30, 2024

### ASSETS

|                                       |               |
|---------------------------------------|---------------|
| Current assets:                       |               |
| Cash and cash equivalents             | \$ 10,392,587 |
| Receivable, net:                      |               |
| Accounts                              | 247,526       |
| Total current assets                  | 10,640,113    |
| Noncurrent assets:                    |               |
| Leases receivable                     | 76,521,817    |
| Capital assets, not being depreciated | 22,223,191    |
| Capital assets, net of depreciation   | 20,838,106    |
| Net OPEB Asset                        | 8,121         |
| Total noncurrent assets               | 119,591,235   |
| Total assets                          | 130,231,348   |

### DEFERRED OUTFLOWS OF RESOURCES

|                                      |         |
|--------------------------------------|---------|
| Pension related items                | 291,870 |
| OPEB related items                   | 49,158  |
| Total deferred outflows of resources | 341,028 |

### LIABILITIES

|                                            |           |
|--------------------------------------------|-----------|
| Current liabilities:                       |           |
| Accounts payable and accrued liabilities   | 105,150   |
| Compensated absences                       | 19,121    |
| Total current liabilities                  | 124,271   |
| Noncurrent liabilities:                    |           |
| Compensated absences                       | 57,362    |
| Unearned revenue                           | 20,833    |
| Net pension liability                      | 656,198   |
| Advances from March Joint Powers Authority | 4,464,763 |
| Total noncurrent liabilities               | 5,199,156 |
| Total liabilities                          | 5,323,427 |

### DEFERRED INFLOWS OF RESOURCES

|                                     |            |
|-------------------------------------|------------|
| Leases receivable related items     | 76,521,817 |
| Pension related items               | 26,529     |
| OPEB related items                  | 50,594     |
| Total deferred inflows of resources | 76,598,940 |

### NET POSITION

|                                  |               |
|----------------------------------|---------------|
| Net investment in capital assets | 43,061,297    |
| Restricted for net OPEB asset    | 8,121         |
| Unrestricted                     | 5,580,591     |
| Total net position               | \$ 48,650,009 |

*The accompanying notes are an integral part of this statement.*

## MARCH INLAND PORT AIRPORT AUTHORITY

### Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2024

---

#### OPERATING REVENUES

|                          |                  |
|--------------------------|------------------|
| Charges for services     | \$ 737,960       |
| Lease income             | 464,988          |
| Permit fees              | <u>3,000</u>     |
| Total operating revenues | <u>1,205,948</u> |

#### OPERATING EXPENSES

|                                 |                  |
|---------------------------------|------------------|
| Administrative                  | 824,560          |
| Professional services           | 200,158          |
| Salaries and employee benefits  | 663,997          |
| Repairs and maintenance         | 75,384           |
| Project improvement costs       | 237,789          |
| Depreciation                    | 783,795          |
| Services and environmental fees | <u>16,240</u>    |
| Total operating expenses        | <u>2,801,923</u> |
| Operating income (loss)         | (1,595,975)      |

#### NONOPERATING REVENUES (EXPENSES)

|                                        |                  |
|----------------------------------------|------------------|
| Intergovernmental revenue              | 104,264          |
| Interest income - leases               | 65,196           |
| Investment earnings                    | 2,190,275        |
| Interest expense                       | <u>(104,500)</u> |
| Total nonoperating revenues (expenses) | <u>2,255,235</u> |
| Change in net position                 | 659,260          |

#### NET POSITION

|                                                  |                      |
|--------------------------------------------------|----------------------|
| Net position - beginning, as previously reported | 61,989,035           |
| Restatement for correction of an error           | <u>(13,998,286)</u>  |
| Net position - beginning as restated             | <u>47,990,749</u>    |
| Net position - ending                            | <u>\$ 48,650,009</u> |

*The accompanying notes are an integral part of this statement.*



## MARCH INLAND PORT AIRPORT AUTHORITY

### Statement of Cash Flows Year Ended June 30, 2024

---

#### CASH FLOWS FROM OPERATING ACTIVITIES

|                                                   |              |
|---------------------------------------------------|--------------|
| Cash received from customers                      | \$ 3,079,712 |
| Cash payments for employee services (salaries)    | (582,696)    |
| Cash payments to suppliers for goods and services | (1,415,204)  |
| Cash received from Intergovernmental revenue      | 104,264      |

|                                           |           |
|-------------------------------------------|-----------|
| Net cash provided by operating activities | 1,186,076 |
|-------------------------------------------|-----------|

#### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

|                                |         |
|--------------------------------|---------|
| Advances to (from) other funds | 104,500 |
|--------------------------------|---------|

|                                                       |         |
|-------------------------------------------------------|---------|
| Net cash provided by non-capital financing activities | 104,500 |
|-------------------------------------------------------|---------|

#### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

|                |         |
|----------------|---------|
| Capital grants | 134,307 |
|----------------|---------|

|                                                               |         |
|---------------------------------------------------------------|---------|
| Net cash provided by capital and related financing activities | 134,307 |
|---------------------------------------------------------------|---------|

|                                           |           |
|-------------------------------------------|-----------|
| Net increase in cash and cash equivalents | 1,424,883 |
|-------------------------------------------|-----------|

|                                              |           |
|----------------------------------------------|-----------|
| Cash and cash equivalents, beginning of year | 8,967,704 |
|----------------------------------------------|-----------|

|                                        |               |
|----------------------------------------|---------------|
| Cash and cash equivalents, end of year | \$ 10,392,587 |
|----------------------------------------|---------------|

#### RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

|                                                                                                  |            |
|--------------------------------------------------------------------------------------------------|------------|
| Change in net position                                                                           | \$ 659,259 |
| Adjustments to change in net position to net cash<br>provided by (used for) operating activities |            |
| Depreciation                                                                                     | 783,795    |
| Interest expense                                                                                 | 104,500    |
| (Increase) decrease in accounts receivable, net                                                  | (162,343)  |
| (Increase) decrease in pension/OPEB related deferred outflows                                    | 12,532     |
| (Increase) decrease in compensated absences                                                      | 12,663     |
| Increase (decrease) in accounts payable and accrued liabilities                                  | (118,904)  |
| Increase (decrease) in unearned revenues                                                         | (154,167)  |
| Increase (decrease) in net pension liability                                                     | 67,218     |
| Increase (decrease) in net OPEB liability/asset                                                  | (29,432)   |
| Increase (decrease) in pension/OPEB related deferred inflows                                     | 10,955     |

|                                                        |              |
|--------------------------------------------------------|--------------|
| Total cash provided by (used for) operating activities | \$ 1,186,076 |
|--------------------------------------------------------|--------------|

*The accompanying notes are an integral part of this statement.*

## MARCH INLAND PORT AIRPORT AUTHORITY

### Notes to Financial Statements Year Ended June 30, 2024

---

#### NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A) Reporting Entity

The March Inland Port Airport Authority (the Airport) was formed on June 18, 1997 under a joint exercise of powers agreement between the cities of Perris, Moreno Valley, Riverside, and the County of Riverside for the purpose of formulating and implementing plans for the use and reuse of the property formerly known as March Air Force Base.

The Airport's office and records are located at 14205 Meridian Parkway, Suite 140, Riverside, California 92518.

The Airport Commissioners are as follows:

| Name                  | Title        | Representing          |
|-----------------------|--------------|-----------------------|
| Edward Delgado        | Chairman     | City of Moreno Valley |
| Michael Vargas        | Vice Chair   | City of Perris        |
| Chuck Conder          | Commissioner | City of Riverside     |
| Jim Perry             | Commissioner | City of Riverside     |
| Rita Rogers           | Commissioner | City of Perris        |
| Ulises Cabrera        | Commissioner | City of Moreno Valley |
| Kevin Jeffries        | Commissioner | County of Riverside   |
| Dr. Yxstian Gutierrez | Commissioner | County of Riverside   |

The March Joint Powers Commission meets on the first and third Wednesday of each month.

##### B) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Airport's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Airport reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Airport is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and space rentals. The Airport financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the accounting period in which are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows.

# MARCH INLAND PORT AIRPORT AUTHORITY

## Notes to Financial Statements Year Ended June 30, 2024

---

### NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### B) Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Proprietary funds, distinguishes operating revenues and expenses from those revenues and expenses that are nonoperating. Operating revenues are those revenues that are generated by airport services, rents and leases while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of airport services, rents, and leases.

When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted first.

#### C) Cash and Cash Equivalents

In accordance with generally accepted accounting principles, for purposes of the Statement of Cash Flows, all cash and investments with original maturities of 90 days or less are considered cash or cash equivalents.

#### D) Investments

As a governmental entity other than an external investment pool in accordance with generally accepted accounting principles, the Airport's investments are stated at fair value except for interest-earning investment contracts. As of June 30, 2024, the Airport held no investments therefore, no adjustment is reflected in these financial statements.

#### E) Uncollectible Accounts Receivable

The Airport uses the allowance method for uncollectible accounts receivable. Currently, the Airport believes all receivables are collectible based on prior experience. Therefore, there is no current allowance recorded.

#### F) Capital Assets

Capital assets, which include land, buildings, building improvements, machinery, vehicles, and infrastructure assets, are reported in the statement of net position. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. The cost of normal maintenance and repairs that do not add to the value of the asset's lives are not capitalized.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired.

# MARCH INLAND PORT AIRPORT AUTHORITY

## Notes to Financial Statements Year Ended June 30, 2024

---

### NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### F) Capital Assets (continued)

Donated capital assets are valued at their estimated acquisition value at the date of donation.

Capital assets with an initial cost of \$5,000 or more, used in operations, are depreciated over their estimated useful lives using the straight-line method. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The range of lives used for depreciation purposes for each capital asset class is as follows:

|                                |                |
|--------------------------------|----------------|
| Building and improvements      | 7 - 50 Years   |
| Vehicles                       | 5 Years        |
| Office equipment and furniture | 5 Years        |
| Infrastructure                 | 30 - 100 Years |

#### G) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Airport has deferred outflows related to pensions, and OPEB. This includes pension and OPEB contributions subsequent to the measurement date of the net pension liability and other amounts, which are amortized by an actuarial determined period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Airport has deferred inflows related to pensions, OPEB, and leases. These amounts are amortized by an actuarial determined period.

#### H) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses/expenditures, as appropriate, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

MARCH INLAND PORT AIRPORT AUTHORITY

Notes to Financial Statements  
Year Ended June 30, 2024

---

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)

I) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Airport's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. The Airport's net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, represents the Airport's proportionate share of the March Joint Powers Airport's related amounts. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2022                 |
| Measurement Date   | June 30, 2023                 |
| Measurement Period | July 1, 2023 to June 30, 2024 |

J) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Airport's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value. The Airport's net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, represents the Airport's proportionate share of the March Joint Powers Airport's related amounts. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2023                 |
| Measurement Date   | June 30, 2023                 |
| Measurement Period | July 1, 2023 to June 30, 2024 |

## MARCH INLAND PORT AIRPORT AUTHORITY

### Notes to Financial Statements Year Ended June 30, 2024

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#### NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### K) Net Position

Generally accepted accounting principles requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

##### L) Relationship to the March Joint Powers Authority

The Airport is an integral part of the reporting entity of the March Joint Powers Authority (herein referred to as the Authority). The funds of the Airport have been blended within the financial statements of the March Joint Powers Authority because the Board of Commissioners is the governing board of the Airport and exercises control over the operations of the Airport. Only the funds of the Airport are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the March Joint Powers Authority.

##### M) Compensated Absences

In accordance with generally accepted accounting principles, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement. All leave benefits are accrued when incurred. The balance as of June 30, 2024 was \$76,483.

|                      | <u>Beginning<br/>balance</u> | <u>Additions</u> | <u>Deletions</u>   | <u>Ending<br/>balance</u> | <u>Due within<br/>one year</u> |
|----------------------|------------------------------|------------------|--------------------|---------------------------|--------------------------------|
| Compensated absences | <u>\$ 63,820</u>             | <u>\$ 86,726</u> | <u>\$ (74,063)</u> | <u>\$ 76,483</u>          | <u>\$ 19,121</u>               |

# MARCH INLAND PORT AIRPORT AUTHORITY

## Notes to Financial Statements Year Ended June 30, 2024

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### NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### N) Implementation of New Pronouncement

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 100 – *Accounting Changes and Error Corrections*. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. For additional information, refer to Note 10.

### NOTE 2: CASH AND INVESTMENTS

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

|                           |                      |
|---------------------------|----------------------|
| Cash and cash equivalents | <u>\$ 10,392,587</u> |
|---------------------------|----------------------|

Cash and investments consist of the following:

|                                      |                      |
|--------------------------------------|----------------------|
| Deposits with financial institutions | <u>\$ 10,392,587</u> |
|--------------------------------------|----------------------|

*The remainder of this page left intentionally blank.*

# MARCH INLAND PORT AIRPORT AUTHORITY

## Notes to Financial Statements Year Ended June 30, 2024

### NOTE 2: CASH AND INVESTMENTS (continued)

#### *Investments Authorized by the California Government Code and the Authority's Investment Policy*

The table below identifies the investment types that are authorized by the Authority's investment policy. The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

| Authorized<br>Investment Type            | Maximum<br>Maturity | Percentage<br>of Portfolio <sup>(1)</sup> | Investment<br>in One Issuer |
|------------------------------------------|---------------------|-------------------------------------------|-----------------------------|
| Local agency bonds                       | 5 years             | None                                      | None                        |
| U.S. Treasury obligations                | 5 years             | None                                      | None                        |
| U.S. agency securities                   | 5 years             | None                                      | None                        |
| State of California notes/bonds          | 5 years             | None                                      | None                        |
| Banker's acceptances                     | 180 days            | 40%                                       | 30%                         |
| Prime commercial paper <sup>(2)(3)</sup> | 270 days            | 25%                                       | 10%                         |
| Negotiable certificates of deposit       | 5 years             | 30%                                       | None                        |
| Repurchase agreements                    | 1 year              | None                                      | None                        |
| Reverse repurchase agreements            | 92 days             | 20% of Base Value                         | None                        |
| Medium - Term Notes <sup>(3)</sup>       | 5 years             | 30%                                       | None                        |
| Mutual funds                             | N/A                 | 20%                                       | 10%                         |
| Money market mutual funds                | N/A                 | 20%                                       | 10%                         |
| Mortgage pass-through securities         | 5 years             | 20%                                       | None                        |
| Local Agency Investment Fund (LAIF)      | N/A                 | None                                      | \$75m                       |

<sup>(1)</sup> Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

<sup>(2)</sup> U.S. Corporation with assets greater than \$500 million.

<sup>(3)</sup> Rated "A" or better by Moody's or S&P.

#### *Investments Authorized by Debt Agreements*

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy.

#### *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.



## MARCH INLAND PORT AIRPORT AUTHORITY

### Notes to Financial Statements Year Ended June 30, 2024

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#### NOTE 2: CASH AND INVESTMENTS (continued)

##### *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

##### *Concentration of Credit Risk*

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Government Code.

##### *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, no deposits of the Authority with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2024, the Airport held no investments.

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## MARCH INLAND PORT AIRPORT AUTHORITY

### Notes to Financial Statements Year Ended June 30, 2024

#### NOTE 3: CAPITAL ASSETS

|                                              | Beginning<br>balance | Restatements    | Increases    | Decreases | Ending<br>balance |
|----------------------------------------------|----------------------|-----------------|--------------|-----------|-------------------|
| Capital assets, not being depreciated:       |                      |                 |              |           |                   |
| Land                                         | \$ 36,221,477        | \$ (13,998,286) | \$ -         | \$ -      | \$ 22,223,191     |
| Total capital assets, not being depreciated  | 36,221,477           | (13,998,286)    | -            | -         | 22,223,191        |
| Capital assets, being depreciated:           |                      |                 |              |           |                   |
| Building and improvements                    | 27,679,399           | -               | -            | -         | 27,679,399        |
| Vehicles                                     | 36,352               | -               | -            | -         | 36,352            |
| Infrastructure                               | 2,110,182            | -               | -            | -         | 2,110,182         |
| Total capital assets, being depreciated      | 29,825,933           | -               | -            | -         | 29,825,933        |
| Less accumulated depreciation:               |                      |                 |              |           |                   |
| Buildings and improvements                   | (7,630,497)          | -               | (743,433)    | -         | (8,373,930)       |
| Vehicles                                     | (10,819)             | -               | (5,192)      | -         | (16,011)          |
| Infrastructure                               | (562,716)            | -               | (35,170)     | -         | (597,886)         |
| Total accumulated depreciation               | (8,204,032)          | -               | (783,795)    | -         | (8,987,827)       |
| Total capital assets, being depreciated, net | 21,621,901           | -               | (783,795)    | -         | 20,838,106        |
| Capital assets, net of depreciation          | \$ 57,843,378        | \$ (13,998,286) | \$ (783,795) | \$ -      | \$ 43,061,297     |

#### NOTE 4: LEASES

The Authority has entered into several leases with various other entities. The leases vary in length from 87 months to 516 months. During the year, the Authority recognized \$65,196 and \$464,988 in interest and lease revenue, respectively. As of June 30, 2024, the lease receivable and deferred inflows of resources related to leases were \$76,521,817, respectively.

#### NOTE 5: ADVANCES PAYABLE

The Airport received temporary cash advances from the primary government (March Joint Powers Authority) to fund administrative costs until development of the March Inland Port reaches a point that it is self-sustaining. There is no stipulated due date on the \$2,687,896 advance amount. The \$2,687,896 advance is made up of several advances from previous years. Of this amount, \$597,896 is non-interest bearing and the amount of \$2,090,000 carries an interest rate of 5%. The outstanding interest related to the advances is \$1,776,867.

## **MARCH INLAND PORT AIRPORT AUTHORITY**

### **Notes to Financial Statements Year Ended June 30, 2024**

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#### **NOTE 6: PENSION PLAN**

The Airport participates in the Public Employees' Retirement System of the State of California covering all of its permanent employees. The excess, if any, of the actuarially computed value of vested benefits over the amounts available in the pension fund would be a liability of the March Joint Powers Authority as a whole, not of the Airport. Information regarding the plan description, funding status, actuarially determined contribution requirements and contributions made, and trend information may be found in the March Joint Powers Authority basic financial statements.

The Airport's share of the net pension liability at June 30, 2024 was \$656,198, with related deferred outflows of resources of \$291,870 and deferred inflows of resources of \$26,529.

#### **NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB)**

The Airport participates in the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), administered by California Public Employees' Retirement System covering all eligible retired employees and qualified dependents. The excess, if any, of the actuarially computed value of vested benefits over the amounts available in the CERBT fund would be a liability of the March Joint Powers Authority as a whole, not of the Airport. Information regarding the plan description, funding status, actuarially determined contribution requirements and contributions made, and trend information may be found in the March Joint Powers Authority basic financial statements.

The Airport's share of the net OPEB asset at June 30, 2024 was \$8,121, with related deferred outflows of resources of \$49,158 and deferred inflows of resources of \$50,594.

#### **NOTE 8: COMMITMENTS AND CONTINGENCIES**

##### **Grant Awards**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, however, the Airport believes that such disallowances, if any, would not be significant. Grant purchased or contributed properties, when sold, are required to be used for airport operations.

## MARCH INLAND PORT AIRPORT AUTHORITY

### Notes to Financial Statements Year Ended June 30, 2024

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#### NOTE 8: COMMITMENTS AND CONTINGENCIES (continued)

##### *March Inland Port Airport Authority – Joint Use Agreement with United States Air Force*

On February 21, 2001, the March Inland Port Airport Authority (MIPAA) entered into a Joint Use Agreement (JUA) with the United States Air Force (Air Force) for the joint use of flying facilities at March Air Reserve Base (MARB), California. The agreement was later amended in 2008 and then again in 2014 to reflect changes in operations and fee structure at the joint use airport. Under the terms of the agreement, the Air Force authorizes civil aircraft operations at MARB, subject to compliance with Federal Aviation Administration Regulations, Air Force Instructions and other applicable laws and regulations. The jointly used flying facilities (JUFF) include runways, taxiways, lighting systems, navigational aids, and related infrastructure.

In consideration for the use of the JUFF, MIPAA is responsible for providing, at its own expense, all necessary support facilities for civil aircraft operations, including parking, fueling, and vehicle parking. MIPAA is also responsible for maintenance, repairs, and compliance with environmental, air quality, and noise mitigation requirements, as well as security and safety obligations. The Air Force retains priority for military operations and may temporarily suspend civil operations for maintenance or emergencies.

Under current JUA terms, MIPAA is required to pay the Air Force an annual fee of \$25,000 for aircraft weighing less than 40,000 pounds, and landing fees for aircraft weighing more than 40,000 pounds. The fees are to reimburse the Air Force for MIPAA's fair share of maintenance and repairs on the JUFF, and payments are subject to annual inflation. Aircraft on official government business are not subject to these fees. Reimbursement payments would be required of MIPAA for any services provided by the Air Force that support civilian operations at the airport such as aircraft repair and fire protection.

Pursuant to Section 15 of the JUA, major repair projects or new construction required for the JUFF are not included under this agreement and will be subject to separate negotiations and written agreements between the local leadership of MARB and MIPAA. The JUA has a term of 25 years, with an automatic 15-year extension if MIPAA remains in compliance, and may be renegotiated, suspended, or terminated under certain conditions, including military necessity or violation of agreement terms.

No provision has been made for these commitments on the financial statements, as the obligations are contingent upon ongoing operations and future events.

#### NOTE 9: FAA OPERATIONAL GRANTS AND RELATED EXPENDITURES

During the fiscal year ending on June 30, 2024, the Airport incurred \$713,244 in eligible operational expenses reimbursed under various FAA grants. These expenses included the Taxiway Realignment Project (\$523,545), and the Master Plan Project (\$189,699). The related grant revenue is presented as non-operating revenue.

## MARCH INLAND PORT AIRPORT AUTHORITY

### Notes to Financial Statements Year Ended June 30, 2024

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#### NOTE 10: PRIOR PERIOD RESTATEMENT – CORRECTION OF AN ERROR

As discussed in Note 1, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, during the fiscal year ended June 30, 2024. In accordance with the provisions of GASB 100, the Authority is required to correct errors by restating prior period financial statements.

During the implementation, the Authority identified an error related to capital assets. Specifically, land previously included in the Authority's capital asset records had been transferred in prior years but was not removed from the financial records. This resulted in an overstatement of capital assets and net position in previously issued financial statements.

Accordingly, the beginning net position as of June 30, 2023, has been restated to correct this error. The impact of the restatement is summarized as follows:

|                                        |                      |
|----------------------------------------|----------------------|
| Net position, as previously reported   | \$ 61,989,035        |
| Restatement for correction of an error | <u>(13,998,286)</u>  |
| Net position, as restated              | <u>\$ 47,990,749</u> |

## **Independent Auditor's Report**

To the Board of Commissioners  
March Inland Port Airport Authority  
Riverside, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the March Inland Port Airport Authority (the Airport), a component unit of the March Joint Powers Authority (the Authority), as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position and cash flows of the Airport as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Airport are intended to present the financial position, the changes in financial position and cash flows of only that portion of the business-type activities and the proprietary fund types of the Authority that are attributable to the transactions of the Airport. They do not purport, and do not present fairly the financial position of the March JPA Authority as of June 30, 2024, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described further in Note 10 to the financial statements, during the year ended June 30, 2025, the Authority recorded a prior period restatement. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No.100, Accounting Changes and Error Corrections, for the year ended June 30, 2024. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

The Airport's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Management has omitted *Management's Discussion and Analysis* for the Airport that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

*Davis Ferr LLP*

Irvine, California  
October 6, 2025



# MARCH JOINT POWERS COMMISSION OF THE MARCH INLAND PORT AIRPORT AUTHORITY

## *MIPAA - Reports, Discussions and Action Items* *Agenda Item No. 11 (3)*

**Meeting Date:** October 15, 2025

**Action:** **APPROVE RESOLUTION MIPAA 25-07 IN SUPPORT  
OF UPDATING THE MARCH AIR RESERVE  
BASE/INLAND PORT AIRPORT LAND USE  
COMPATIBILITY PLAN (MARCH ARB ALUCP)**

**Motion:** Move to approve Resolution MIPAA 25-07 in support of updating the March Air Reserve Base/Inland Port Airport Land Use Compatibility Plan (March ARB ALUCP).

**Background:**

The proposal is a request by the Airport Land Use Commission (ALUC) requesting the five (5) regional jurisdictions included in the Airport Influence Area (*e.g., County of Riverside, Moreno Valley, Perris, Riverside, and the March Joint Powers Authority*) to adopt a Resolution in support of updating the 2014 March Air Reserve Base/Inland Port Airport Land Use Compatibility Plan (“March ARB ALUCP”) in the amount of \$125,000 with the March Joint Powers Authority making a fair share contribution of \$25,000 toward this effort.

The update is needed to be consistent with the adopted Department of Defense 2018 Air Installation Compatible Use Zone Study (2018 AICUZ) and the recently adopted 2024 March Air Reserve Base Compatibility Use Study (“2024 MCUS”), as the California Public Utility Code requires that an ALUCP for a military airport must be consistent with the safety and noise standards in the most recent AICUZ, and associated supporting study which now includes the 2024 MCUS.

The purpose of the March ARB ALUCP is to assist local agencies in ensuring compatible land uses in the vicinity of new and existing airports. By not amending the now outdated 2014 March ARB ALUCP, this may undermine the legitimacy and defensibility of regional land use in the General Plans of participating cities, as they refer to compliance with the March ARB ALUCP. The updated 2025 March ARB ALUCP will align the analysis already completed by the 2018 AICUZ and the 2024 MCUS, ensuring consistency. This includes updates to the land use compatibility criteria, as well as tables and footnotes to facilitate easier review.

The update to the March ARB ALUCP will be spearheaded by the Riverside County Airport Land Use Commission (ALUC) staff in recognition of the technical expertise of ALUC personnel in airport compatibility planning. The other stakeholders contributing to this effort will include the County of Riverside, and the cities of Moreno Valley, Perris and Riverside.

**Attachment(s):** Resolution MIPAA 25-07 ALUCP Plan Amendment

## **RESOLUTION MIPAA 25-07**

### **A RESOLUTION OF THE MARCH INLAND PORT AIRPORT AUTHORITY, TO SUPPORT THE CREATION OF AN AMENDMENT TO THE 2014 MARCH AIR RESERVE BASE/INLAND PORT AIRPORT LAND USE COMPATIBILITY PLAN (MARCH ARB/INLAND PORT ALUCP) TO ASSURE COMPATIBLE LAND USES NEAR MARCH AIR RESERVE BASE TO PROTECT THE FUTURE AVIATION OPERATIONS OF THE UNITED STATES MILITARY**

**WHEREAS**, the economic benefit from the continuing operation of March Air Reserve Base is a vital component of the regional economy estimated to be approximately \$579 Million Dollars annually, and thus protection of its operational capacity is vital to the local and regional economy; and

**WHEREAS**, the Riverside County Airport Land Use Commission (“RCALUC”) adopted the March Air Reserve Base/Inland Port Airport Land Use Compatibility Plan (“ALUCP”) in 2014 pursuant to the California State Aeronautics Act (Public Utilities Code Section 21670 et seq.), which requires airport land use compatibility planning to protect the public health, safety, and welfare and to ensure orderly development of areas surrounding airports; and

**WHEREAS**, the 2014 ALUCP established policies and compatibility zones to regulate land uses, densities, building heights, and other factors that could affect the safe and efficient operation of aircraft at and around March ARB and the Inland Port Airport, but evolving land use patterns, changes in flight operations, and new regional planning priorities have created the need to update and amend the ALUCP to reflect current conditions and future projections; and

**WHEREAS**, the amendment process will involve technical studies, environmental documentation under the California Environmental Quality Act (CEQA), and public engagement to evaluate and refine land use compatibility criteria, noise contours, accident potential zones, and other elements necessary to maintain alignment with current military operations and regional development policies; and

**WHEREAS**, the Cities of Riverside, Moreno Valley, and Perris, the County of Riverside, and the March Joint Powers Authority recognize the importance of coordinated regional planning to protect both the military mission and community development opportunities, and therefore seek to participate collaboratively in the ALUCP amendment process to ensure balanced and compatible growth.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** the Joint Powers Commission of the March Inland Port Airport Authority at its regular meeting held on October 15, 2025, that the March Joint Powers Commission hereby adopts the amended stipend policy; and

**SECTION 1.** The above recitals are true and correct and are incorporated herein by this reference.

**SECTION 2.** The Commission shall pledge support and participation in the process of Amending the 2014 March Air Reserve Base/ Inland Port Airport Land Use Compatibility Plan.

**SECTION 3.** The Commission recognizes that the Riverside County Airport Land Use Commission is the appropriate sponsor for the amendment.

**SECTION 4.** The Commission commits to provide in-kind technical support and/or financial support for the preparation of the amendment and appropriate environmental documentation. The budget for the amendment and the appropriate environmental documentation is estimated at One Hundred and Twenty Five Thousand and 00/100 Dollars (\$125,000.00) which will be shared equally by each of the above referenced jurisdictions and the March Joint Powers Authority or its successor agency. The commitment of financial support shall not exceed \$25,000.00 from each jurisdiction or agency.

**SECTION 5.** The Commission commits to use its best efforts to implement appropriate recommendations identified in the Amended MARCH ARB/INLAND PORT ALUCP to assure that only compatible development will occur in the Clear Zones, Accident Potential Zones, the areas within the March Air Reserve Base/Inland Port Airport Land Use Compatibility Plan to protect the future aviation operations of the United State Military.

**SECTION 6.** This Resolution shall be effective immediately upon adoption.

**PASSED, APPROVED, and ADOPTED** this 15th day of October, 2025.

---

Michael M. Vargas, Chair  
March Joint Powers Commission

**ATTEST:**

I, Cindy Camargo, Clerk of the March Joint Powers Commission, do hereby certify that the foregoing Resolution MIPAA 25-07 was duly and regularly adopted by the March Joint Powers Commission at its regularly scheduled meeting on October 15, 2025 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Dated: October 15, 2025

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Cindy Camargo  
Clerk, March Joint Powers Commission

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS UTILITIES AUTHORITY**

***MJPUA Operations - Consent Calendar***  
***Agenda Item No. 12 (1)***

**Meeting Date:** October 15, 2025

**Report:** **RECEIVE AND FILE FINANCIAL STATUS REPORTS**

**Motion:** Move to receive and file the Financial Status Reports

**Background:**

The monthly Financial Status Reports is a summary of operational income and expenses for the months of July and August 2025 and for the fiscal year to date. It provides a summary of the March Joint Powers Utilities Authority's (MJPUA) ongoing activities related to the approved FY 2024/25 budget.

**Attachment(s):** Financial Status Reports for July and August 2025.

## *March Joint Powers Authority*

### **Balance Sheet**

#### **March Joint Powers Utility Authority Fund 600**

**As of July 31, 2025**

---

#### **ASSETS**

|                     |                             |
|---------------------|-----------------------------|
| Cash In Bank        | \$ 249,141.10               |
| Accounts Receivable | <u>47,429.43</u>            |
| Total Assets        | <u><u>\$ 296,570.53</u></u> |

#### **LIABILITIES**

|                     |                   |
|---------------------|-------------------|
| Payroll Liabilities | 1,471.12          |
| JPA Loan Payable    | <u>450,000.00</u> |
| Total Liabilities   | <u>451,471.12</u> |

#### **FUND BALANCE**

|                                                           |                             |
|-----------------------------------------------------------|-----------------------------|
| Net Position, Beginning of Fiscal Year                    | (153,359.90)                |
| Change in Fund Balance for the month ending July 31, 2025 | <u>(1,540.69)</u>           |
| Ending Fund Balance, July 31, 2025                        | <u>(154,900.59)</u>         |
| Total Liabilities and Net Position                        | <u><u>\$ 296,570.53</u></u> |

## *March Joint Powers Authority*

### **Balance Sheet**

#### **March Joint Powers Utility Authority Fund 600**

**As of August 31, 2025**

---

#### **ASSETS**

|                     |                             |
|---------------------|-----------------------------|
| Cash In Bank        | \$ 243,533.80               |
| Accounts Receivable | <u>55,353.27</u>            |
| Total Assets        | <u><u>\$ 298,887.07</u></u> |

#### **LIABILITIES**

|                     |                   |
|---------------------|-------------------|
| Payroll Liabilities | 4,324.19          |
| JPA Loan Payable    | <u>450,000.00</u> |
| Total Liabilities   | <u>454,324.19</u> |

#### **FUND BALANCE**

|                                                             |                             |
|-------------------------------------------------------------|-----------------------------|
| Net Position, Beginning of Fiscal Year                      | (153,359.90)                |
| Change in Fund Balance for the month ending August 31, 2025 | <u>(2,077.22)</u>           |
| Ending Fund Balance, August 31, 2025                        | <u>(155,437.12)</u>         |
| Total Liabilities and Net Position                          | <u><u>\$ 298,887.07</u></u> |



**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS UTILITIES AUTHORITY**

***MJPUA Operations - Consent Calendar***  
***Agenda Item No. 12 (2)***

**Meeting Date:** October 15, 2025

**Action:** **APPROVE JULY AND AUGUST 2025**  
**DISBURSEMENTS**

**Motion:** Move to approve check disbursements for the months of July and August 2025 or take other actions as deemed appropriate by the Commission.

**Background:**

This item is also an action approving the expenses (checks) that were incurred in the months of July and August 2025 for the MJPUA. A listing of those checks is attached and will be reported in the minutes as an action item.

**Attachment(s):** 1) Listing of checks disbursed in July and August 2025 for the March Joint Powers Utilities Authority.

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 8/21/2025 11:04 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                 | Vendor No | Vendor Name | Check Date | Check Amount |
|--------------------------|-----------|-------------|------------|--------------|
| 6001084                  | SoCalGas  | SoCalGas    | 07/03/2025 | 12,338.82    |
| 6001085                  | FARR      | Davis Farr  | 07/24/2025 | 4,000.00     |
| Report Total (2 checks): |           |             |            | 16,338.82    |

# Accounts Payable

## Checks by Date - Summary by Check Number

User: finance@marchjpa.com  
Printed: 10/10/2025 12:01 AM



March Joint Powers Authority  
14205 Meridian Pkwy, Ste. 140  
Riverside, CA 92518  
(951) 656-7000  
www.marchjpa.com

| Check No                 | Vendor No | Vendor Name | Check Date | Check Amount |
|--------------------------|-----------|-------------|------------|--------------|
| 6001086                  | SoCalGas  | SoCalGas    | 08/14/2025 | 11,573.67    |
| Report Total (1 checks): |           |             |            | 11,573.67    |

**MARCH JOINT POWERS COMMISSION**  
**OF THE**  
**MARCH JOINT POWERS UTILITIES AUTHORITY**

***MJPUA - Reports, Discussions and Action Items***  
***Agenda Item No. 13 (1)***

**Meeting Date:** October 15, 2025

**Action:** **RECEIVE AND FILE THE 2024 AUDIT OF MARCH  
JOINT POWERS UTILITIES AUTHORITY**

**Motion:** Move to receive and file the 2024 Audit of March Joint Powers Utilities Authority.

**Background:**

The 2024 audit of the March JPA entities was completed by Davis Farr LLP. Here to present the results of the audit is Jonathan Foster of Davis Farr.

**Attachment(s):** March Joint Powers Utilities Authority Annual Financial Report

**MARCH JOINT POWERS UTILITIES AUTHORITY**  
**ANNUAL AUDIT REPORT**  
Year Ended June 30, 2024

**MARCH JOINT POWERS UTILITIES AUTHORITY  
ANNUAL AUDIT REPORT**

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## **Independent Auditor's Report**

To the Board of Commissioners  
March Joint Powers Utilities Authority  
Riverside, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the March Joint Powers Utilities Authority (the Utilities Authority), a component of the March Joint Powers Authority (the Authority), as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Utilities Authority, as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Utilities Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

The Utilities Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Utilities Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utilities Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Utilities Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Utilities Authority are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities and the proprietary fund types of the Authority that are attributable to the Utilities Authority. They do not purport, and do not present fairly the financial position of the March JPA Authority as of June 30, 2024, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



**Required Supplementary Information**

Management has omitted *Management's Discussion and Analysis* for the Utilities Authority that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025, on our consideration of the Utilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utilities Authority's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California  
October 6, 2025

# MARCH JOINT POWERS UTILITIES AUTHORITY

## Statement of Net Position June 30, 2024

---

### ASSETS

|                     |                |
|---------------------|----------------|
| Cash                | \$ 196,781     |
| Accounts receivable | <u>42,522</u>  |
| Total assets        | <u>239,303</u> |

### LIABILITIES

|                                                |                |
|------------------------------------------------|----------------|
| Current liabilities:                           |                |
| Accounts payable                               | 42             |
| Noncurrent liabilities:                        |                |
| Advances from the March Joint Powers Authority | <u>450,000</u> |
| Total liabilities                              | <u>450,042</u> |

### NET POSITION (DEFICIT)

|                    |                            |
|--------------------|----------------------------|
| Unrestricted       | <u>(210,739)</u>           |
| Total net position | <u><u>\$ (210,739)</u></u> |

*The accompanying notes are an integral part of this statement.*

## MARCH JOINT POWERS UTILITIES AUTHORITY

### Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2024

---

#### OPERATING REVENUES

|                          |                |
|--------------------------|----------------|
| Charges for services     | \$ 287,344     |
| Total operating revenues | <u>287,344</u> |

#### OPERATING EXPENSES

|                           |                |
|---------------------------|----------------|
| Administrative            | 3,500          |
| Purchased water/utilities | 207,797        |
| Maintenance               | <u>4,224</u>   |
| Total operating expenses  | <u>215,521</u> |
| Operating income          | 71,823         |

#### NET POSITION (DEFICIT)

|                   |                     |
|-------------------|---------------------|
| Beginning of year | <u>(282,562)</u>    |
| End of year       | <u>\$ (210,739)</u> |

*The accompanying notes are an integral part of this statement.*

## MARCH JOINT POWERS UTILITIES AUTHORITY

### Statement of Cash Flows Year Ended June 30, 2024

---

#### CASH FLOWS FROM OPERATING ACTIVITIES

|                                                      |                          |
|------------------------------------------------------|--------------------------|
| Cash received from customers                         | \$ 317,140               |
| Cash payments to suppliers for goods and services    | <u>(363,239)</u>         |
| Net cash provided by (used for) operating activities | <u>(46,099)</u>          |
| Net decrease in cash and cash equivalents            | (46,099)                 |
| Cash and cash equivalents, beginning of year         | <u>242,880</u>           |
| Cash and cash equivalents, end of year               | <u><u>\$ 196,781</u></u> |

#### RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

|                                                                                                       |                           |
|-------------------------------------------------------------------------------------------------------|---------------------------|
| Operating income (                                                                                    | \$ 71,823                 |
| Adjustments to reconcile operating income to net cash<br>provided by (used for) operating activities: |                           |
| (Increase) decrease in accounts receivable                                                            | 29,796                    |
| Increase (decrease) in accounts payable                                                               | <u>(147,718)</u>          |
| Net cash provided by operating activities                                                             | <u><u>\$ (46,099)</u></u> |

*The accompanying notes are an integral part of this statement.*

MARCH JOINT POWERS UTILITIES AUTHORITY

Notes to Financial Statements  
Year Ended June 30, 2024

---

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The March Joint Powers Utilities Authority (the “Utilities Authority”) was formed on August 8, 2002, by the City of Moreno Valley, a general law city of the State of California, the City of Perris, a general law city of the State of California, and the City of Riverside, a charter city and municipal corporation of the State of California. The purpose of the Utilities Authority is to provide construction, completion, reconstruction, extension, change, enlargement, acquisition, leasing, operation, maintenance, repair, and control of facilities for the generation, transmission, distribution, and sale of utilities and utilities service. The sale and service of utilities will be to municipalities, public utility districts, corporations, businesses, or persons located at the property formerly known as March Air Force Base.

The Utilities Authority’s office and records are located at 14205 Meridian Parkway, Suite 140, Riverside, California 92518.

The Authority Commissioners, as of June 30, 2024, are as follows:

| Name           | Title        | Representing          |
|----------------|--------------|-----------------------|
| Edward Delgado | Chair        | City of Moreno Valley |
| Michael Vargas | Vice Chair   | City of Perris        |
| Chuck Conder   | Commissioner | City of Riverside     |
| Jim Perry      | Commissioner | City of Riverside     |
| Rita Rogers    | Commissioner | City of Perris        |
| Ulises Cabrera | Commissioner | City of Moreno Valley |

The Joint Powers Utilities Authority Commission meets on the first and third Wednesday of each month.

The County of Riverside is a member agency of the March Joint Powers Authority, the primary government of the Utilities Authority. However, the County of Riverside elected not to be a member agency of the Utilities Authority.

B) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Utilities Authority’s basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

# MARCH JOINT POWERS UTILITIES AUTHORITY

## Notes to Financial Statements Year Ended June 30, 2024

---

### NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### B) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Utilities Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Utilities Authority is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and space rentals. The Utilities Authority financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the accounting period earned and expenses are recognized in the period incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by utility services while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of utility services.

When both restricted and unrestricted resources are available for use, it is the Utilities Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

#### C) Cash and Cash Equivalents

In accordance with generally accepted accounting principles, for purposes of the Statement of Cash Flows, all cash and investments with original maturities of 90 days or less are considered cash or cash equivalents.

#### D) Investments

As a governmental entity other than an external investment pool in accordance with generally accepted accounting principles, the Utilities Authority's investments are stated at fair value except for interest-earning investment contracts. As of June 30, 2024, the Utilities Authority held no investments therefore, no adjustment is reflected in these financial statements.

#### E) Uncollectible Accounts Receivable

The Utilities Authority uses the allowance method for uncollectible accounts receivable. Currently, the Utilities Authority believes all receivables are collectible based on prior experience. Therefore, there is no current allowance recorded.

## MARCH JOINT POWERS UTILITIES AUTHORITY

### Notes to Financial Statements Year Ended June 30, 2024

---

#### NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### F) Net Position

Generally accepted accounting principles requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted. Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

##### G) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses/expenditures, as appropriate, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

##### H) Relationship to the March Joint Powers Authority

The Utilities Authority is an integral part of the reporting entity of the March Joint Powers Authority. The funds of the Utilities Authority have been blended within the financial statements of the March Joint Powers Authority because the Board of Commissioners, excluding the County of Riverside Commissioners, is the governing board of the Utilities Authority and exercises control over the operations of the Utilities Authority. Only the funds of the Utilities Authority are included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the March Joint Powers Authority.

##### I) Implementation of New GASB Pronouncements

The Utilities Authority adopted Statement on Government Accounting Standards (GASB Statements) No.100, *Accounting for Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

# MARCH JOINT POWERS UTILITIES AUTHORITY

## Notes to Financial Statements Year Ended June 30, 2024

### NOTE 2: CASH AND INVESTMENTS

Cash and Investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

|      |                   |
|------|-------------------|
| Cash | <u>\$ 196,781</u> |
|------|-------------------|

Cash and investment consist of the following:

|                                      |                   |
|--------------------------------------|-------------------|
| Deposits with financial institutions | <u>\$ 196,781</u> |
|--------------------------------------|-------------------|

#### *Investments Authorized by the California Government Code and the Authority's Investment Policy*

The table below identifies the investment types that are authorized by the Utilities Authority's investment policy. The table also identifies certain provisions of the California Government Code (or the Utilities Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

| Authorized<br>Investment Type            | Maximum<br>Maturity | Percentage<br>of Portfolio <sup>(1)</sup> | Investment<br>in One Issuer |
|------------------------------------------|---------------------|-------------------------------------------|-----------------------------|
| Local agency bonds                       | 5 years             | None                                      | None                        |
| U.S. Treasury obligations                | 5 years             | None                                      | None                        |
| U.S. agency securities                   | 5 years             | None                                      | None                        |
| State of California notes/bonds          | 5 years             | None                                      | None                        |
| Banker's acceptances                     | 180 days            | 40%                                       | 30%                         |
| Prime commercial paper <sup>(2)(3)</sup> | 270 days            | 25%                                       | 10%                         |
| Negotiable certificates of deposit       | 5 years             | 30%                                       | None                        |
| Repurchase agreements                    | 1 year              | None                                      | None                        |
| Reverse repurchase agreements            | 92 days             | 20% of Base Value                         | None                        |
| Medium - Term Notes <sup>(3)</sup>       | 5 years             | 30%                                       | None                        |
| Mutual funds                             | N/A                 | 20%                                       | 10%                         |
| Money market mutual funds                | N/A                 | 20%                                       | 10%                         |
| Mortgage pass-through securities         | 5 years             | 20%                                       | None                        |
| Local Agency Investment Fund (LAIF)      | N/A                 | None                                      | \$75m                       |

<sup>(1)</sup> Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

<sup>(2)</sup> U.S. Corporation with assets greater than \$500 million.

<sup>(3)</sup> Rated "A" or better by Moody's or S&P.

#### *Investments Authorized by Debt Agreements*

Investment of debt proceeds held by bond trustee, are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Utilities Authority's investment policy.



## MARCH JOINT POWERS UTILITIES AUTHORITY

### Notes to Financial Statements Year Ended June 30, 2024

---

#### NOTE 2: CASH AND INVESTMENTS (Continued)

##### *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rates risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

##### *Concentration of Credit Risk*

The investment policy of the Utilities Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Government Code.

##### *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2024, no deposits of the Utilities Authority with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2024, the Utilities Authority held no investments.

##### *Fair Value Measurements*

The Utilities Authority has no investments subject to the fair value hierarchy.

## **MARCH JOINT POWERS UTILITIES AUTHORITY**

### **Notes to Financial Statements Year Ended June 30, 2024**

---

#### **NOTE 3: ADVANCES PAYABLE**

The Utilities Authority received temporary cash advances from the primary government (March Joint Powers Authority) to fund administrative costs until development of the March Joint Powers Utilities reaches a point that it is self-sustaining. There is no stipulated due date on the advances. The \$450,000 advance is made up of a prior year advance of \$150,000 and the remaining \$300,000 is made up of several advances from previous years. On June 15, 2011, the March Joint Powers Authority forgave all interest on the advances and waived any future interest earned on the advances.

#### **NOTE 4: DEFICIT NET POSITION**

The Utilities Authority has a deficit net position of \$210,739 for the year ending June 30, 2024. This deficit is expected to be eliminated by revenue in future periods.

## **Independent Auditor's Report**

To the Board of Commissioners  
March Joint Powers Utilities Authority  
Riverside, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the March Joint Powers Utilities Authority (the Utilities Authority), a component of the March Joint Powers Authority (the Authority), as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Utilities Authority, as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Utilities Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

The Utilities Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Utilities Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utilities Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Utilities Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Utilities Authority are intended to present the financial position, the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities and the proprietary fund types of the Authority that are attributable to the Utilities Authority. They do not purport, and do not present fairly the financial position of the March JPA Authority as of June 30, 2024, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Required Supplementary Information**

Management has omitted *Management's Discussion and Analysis* for the Utilities Authority that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2025, on our consideration of the Utilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Utilities Authority's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California  
October 6, 2025