REGULAR MEETING OF THE
MONTEREY PENINSULA AIRPORT DISTRICT
BOARD OF DIRECTORS

June 25, 2026 – 5:30 PM Pacific Time

Monterey Regional Airport
200 Fred Kane Drive, Suite 200
Monterey, CA 93940

The Monterey Peninsula Airport District holds regular meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, in person or emailed comments are preferred. Remote comments are allowed for Board meetings which take place in the Board Room, as outlined below.

The Monterey Peninsula Airport District will continue to broadcast the Board Meetings via Zoom video conference for viewing by the public. To view the Board meeting via Zoom video conference, please visit www.zoom.us/join and enter the following Meeting ID: **831 7098 4092.** If you do not have access to the internet, you may listen telephonically by calling (253) 215-8782 and entering the same Meeting ID.

Pursuant to Resolution 1862, members of the public may provide comments remotely for Board Meetings which are held in the Board Room. In the event that remote participation technology is unexpectedly not available, such as during an internet service outage, electrical outage, or other technological issue that prevents remote participation by the public, the meeting will not be continued or cancelled. Remote participation is provided as a courtesy and members of the public who rely upon remote participation to provide public comment do so at their own risk. When the Chair calls for public comment, attendees can queue to speak with the “Raise Hand” feature. On the Zoom application, click the “Raise Hand” button. On the phone, press *9. The Secretary to the Board will call speaker names and unmute speaker microphones. You will have up to 3 minutes to provide your oral comments, pursuant to Board policy.

Members of the public are encouraged to provide written public comment by sending an email to info@montereyairport.com and include the following subject line: “Public Comment Item # (insert the agenda item number relevant to your comment).” Written comments should be received by 7:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER/ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any person may address the Monterey Peninsula Airport District Board at this time on any item that is **NOT** on today’s agenda and should be within the jurisdiction of the Monterey Peninsula Airport District Board. Comments concerning matters set forth on this agenda will be heard at the time the matter is considered.

E. CONSENT AGENDA - ACTION ITEMS

The Consent Agenda consists of those items which are routine and for which a staff recommendation has been prepared. A Board member, member of the audience, or staff may request that an item be placed on the deferred consent agenda for further discussion. One motion will cover all items on the Consent Agenda. The motion to approve will authorize the action or recommendation indicated.

Approve 1. Minutes of the Regular Meeting of the Monterey Peninsula Airport District Board of Directors of May 28, 2026

Approve 2. Minutes of the Air Carrier Service – Marketing – Community Relations Committee Meeting of the Monterey Peninsula Airport District Board of Directors of June 15, 2026

Approve 3. Minutes of the Budget & Finance Committee Meeting of the Monterey Peninsula Airport District Board of Directors of June 15, 2026

F. DEFERRED CONSENT AGENDA – ACTION ITEMS

G. REGULAR AGENDA - ACTION ITEMS

Presentation 1. Construction Project Update

Adopt 2 Resolution No. 1934, A Resolution Authorizing a Contract with AeroCloud Systems Inc. for the Replacement Terminal Common Use Information Technology Systems and Services

Adopt 3. Resolution No. 1935, A Resolution Authorizing a Professional Services Agreement with C&S Companies to Provide Design Services for the Safety Enhancement Program (SEP) Taxiway A Realignment – Phase E1

Pass to Print 4. Pass to Print Ordinance No. 936 (First Reading) to Repeal Inactive Ordinances that Represent One-time Land and Easement Transactions Already on Record

Approve 5. Updated Employee Handbook - Personnel Policy Manual June 2026

Action 6. California Special Districts Association (CSDA) Board of Directors Ballot Selection

Adopt 7. Resolution No. 1917A, A Resolution Modifying the Time of the Regular Meetings of the Board of Directors of the Monterey Peninsula Airport District

Schedule 8. Calendar the November and December 2026 Board Meetings

H. BOARD REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

The Board receives Department Reports which do not require any action by the board.

Board Member questions (if any) for Standing Committees (Finance, Air Service, Lease)

Ad-Hoc Committee Reports:

Committee	Director
Local Jurisdiction Liaison	Directors Leffel & Pick

Liaison/Representatives Reports:

Agency Liaison/Representative	Director
Local Agency Formation Commission	Director Leffel
Regional Taxi Authority	Director Ahmadi
Transportation Agency for Monterey County	Director Pick / Miller Alternate

Special Districts Association Liaison	Director Leffel / Pick Alternate
Association of Monterey Bay Area Governments	Director Pick / Leffel Alternate

Board Member Reports on Conferences and Events attended at Monterey Peninsula Airport District Expense (if any) as Approved by the Board (per AB 1234 and the Finance & Accounting Policy Manual).

I. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- AMBAG Presentation on the 2050 Municipal Transportation Plan

J. DISCUSSION OF FUTURE AGENDAS

K. ADJOURNMENT

AGENDA DEADLINE

This is the final Agenda that has been posted on the bulletin board outside of the District Offices in the Terminal Building at the Monterey Regional Airport no less than 72 hours prior to the meeting.

All items submitted by the public for possible inclusion on the Board Agenda or in the Board packet must be received by 5:00 P.M. on the Friday before the first Wednesday of the month. This agenda is subject to revision and may be amended prior to the scheduled meeting.

Upon request and where feasible, the Monterey Peninsula Airport District will provide written agenda materials in appropriate alternate formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. To allow the District time within which to make appropriate arrangements, please submit a written request containing a brief description of the materials requested and preferred alternative format or auxiliary aid or service desired as far as possible in advance of the meeting. Requests should be sent to the District Secretary at 200 Fred Kane Drive, Suite 200, Monterey, California 93940.

MINUTES OF THE REGULAR MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

May 28, 2026 – 5:30 PM Pacific Time

The Monterey Peninsula Airport District holds regular meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Board Meeting in person and request to speak to the Board when the Chair calls for public comment. In general, in person or emailed comments are preferred. Remote comments are allowed for Board meetings which take place in the Board Room, as outlined below.

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Members of the public are encouraged to provide written public comment by sending an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 7:00 AM on the day of the meeting. All submitted comments will be provided to the Board for consideration and will be compiled as part of the record.

A. CALL TO ORDER/ROLL CALL

Chair Pick called to order the Regular Meeting of the Monterey Peninsula Airport District Board of Directors at 5:30 PM. Directors Ahmadi, Gaglioti, Leffel and Miller were present. The following staff were in attendance: Executive Director Morello, District Counsel Huber, Deputy Executive Director Robare, Controller Wilson, and Acting Board Secretary Adams.

B. PLEDGE OF ALLEGIANCE

Director Ahmadi led the Pledge of Allegiance.

C. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Executive Director Morello shared a video clip that aired on May 23, 2026 on KSBW Action News 8 of the Launch Party for the inaugural once-weekly seasonal nonstop service between Monterey Regional Airport (MRY) and Chicago O'Hare International Airport (ORD), operated by United Airlines.

Executive Director Morello introduced a new Monterey Peninsula Airport District employee, Mark Francis Colorina, who is the Operations Support Specialist working the evening shift.

Executive Director Morello announced two ten-year anniversaries: Danial Rocha-Fernandez, a Maintenance Worker, and Shelley Weiss, the Accounts Payable Accounting Specialist.

Director Miller commended staff for their organization of a successful and fun event for the Chicago Launch Party; Director Leffel concurred.

Director Ahmadi thanked Executive Director Morello for her recent presentation at the City of Monterey District 4 Community Meeting in Monterey, at the request of City of Monterey Councilmember Gino Garcia.

D. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Rochelle Noroyan, the CSDA (California Special Districts Association) Public Affairs Field Coordinator – Coastal Network, commented on her roll at CSDA and the benefits of CSDA membership.

Matt Pasztalaniec, a hangar tenant, the AOPA field representative for KMRY, and an unofficial representative of the local pilot's group, reported he was asked to bring to the board's attention the fact that the NW & NE hangars were inaccessible several times in the past two months because security gates were inoperable.

Marlana Brown, a member of the public and local resident, expressed her gratitude for the new direct flight to Chicago.

E. CONSENT AGENDA - ACTION ITEMS

Approve 1. Minutes of the Regular Meeting of the Monterey Peninsula Airport District Board of Directors of April 23, 2026

Approve 2. Minutes of the Special Meeting of the Monterey Peninsula Airport District Board of Directors of April 30, 2026

Approve 3. Minutes of the Air Carrier Service – Marketing – Community Relations Committee Meeting of the Monterey Peninsula Airport District Board of Directors of May 18, 2026

Approve 4. Minutes of the Budget & Finance Committee Meeting of the Monterey Peninsula Airport District Board of Directors of May 18, 2026

Director Leffel motioned to approve Consent Agenda Items E.1 – E.4. Director Miller seconded the motion. The motion was unanimously approved by a roll call vote of 5-0.

F. DEFERRED CONSENT AGENDA – ACTION ITEMS

None.

G. REGULAR AGENDA - ACTION ITEMS

Adopt 1. Resolution No. 1928, A Resolution Amending the Capital Budget of the Monterey Peninsula Airport District For Fiscal Year 2026

Executive Director Morello introduced Resolution No. 1928 emphasizing that this amendment is to the current fiscal year Capital Budget; it adds a capital project for the parking shuttle service.

No public comment.

Director Leffel motioned to adopt Resolution No. 1928, A Resolution Amending the Capital Budget of the Monterey Peninsula Airport District For Fiscal Year 2026. Director Ahmadi seconded the motion. The motion was unanimously approved by a roll call vote of 5-0.

Adopt 2. Resolution No. 1929, A Resolution Authorizing and Approving the Rates and Charges at the Monterey Regional Airport for Fiscal Year 2027

With respect to Items G.2 – G.5, Controller Wilson reviewed the minor adjustments that have been made to the Fiscal Year 2027 Operating Budget and Capital Improvement Program since the Special Board Meeting Budget Workshop on April 30, 2026.

Executive Director Morello reviewed the Fiscal Year 2027 Public Relations budget details.

There was no Public Comment.

Director Leffel motioned to adopt Resolution No. 1929, A Resolution Authorizing and Approving the Rates and Charges at the Monterey Regional Airport for Fiscal Year 2027. Director Gaglioti seconded the motion. The motion was unanimously approved by a roll call vote of 5-0.

Adopt 3. Resolution No. 1930, A Resolution Authorizing and Approving the Fiscal Year 2027 Salary Schedule, Listing Salary Ranges for the Monterey Peninsula Airport District

No Public Comment.

Chair Pick made comments to the Public, saying that the Board has reviewed the materials related to Items G.2 – G.5 during the April 30, 2026 Budget Workshop; the Finance Committee reviewed budget drafts twice; and the entire Fiscal Year 2027 binder of budget materials was provided to board members in ample time to review them. He stated the board has already had multiple times to digest the information, ask questions, and give input; any lack of questions tonight is only indicative of good staff preparation.

Executive Director Morello reported that the video of the April 30, 2026 Special Board meeting Budget Workshop was posted on the MPAD website.

Director Gaglioti motioned to adopt Resolution No. 1930, A Resolution Authorizing and Approving the Fiscal Year 2027 Salary Schedule, Listing Salary Ranges for the Monterey Peninsula Airport District. Director Leffel seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Adopt 4. Resolution No. 1931, A Resolution Authorizing and Approving the Operating Budget of the Monterey Peninsula Airport District for Fiscal Year 2027

No Public Comment.

Executive Director Morello answered questions from Directors. Chair Pick clarified that any recommendations for how a budget line item is spent should be agendized and reviewed by the appropriate Board Committee; adoption of Resolution No. 1931 approves the budget line items.

Director Leffel motioned to adopt Resolution No. 1931, A Resolution Authorizing and Approving the Operating Budget of the Monterey Peninsula Airport District for Fiscal Year 2027. Director Gaglioti seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Adopt 5. Resolution No. 1932, A Resolution Authorizing and Approving the Capital Budget of the Monterey Peninsula Airport District for Fiscal Year 2027

No Public Comment.

Director Gaglioti motioned to adopt Resolution No. 1932, A Resolution Authorizing and Approving the Capital Budget of the Monterey Peninsula Airport District for Fiscal Year 2027. Director Miller seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Approve 6. Second Amendment to Parking Concession Agreement and Shuttle Transportation Services Agreement with Republic Parking System, LLC

Executive Director Morello stated Item G.6 approves two agreements: the Second Amendment to the Parking Concession Agreement which adds twelve months to the existing agreement, and an agreement for Shuttle Transportation Services.

Deputy Executive Director Robare referred to the Scope of Services in the Shuttle Transportation Services Agreement and stated the schedule can be adjusted when flight schedules change.

No Public Comment.

Deputy Executive Director Robare answered questions from Directors.

Director Leffel motioned to approve the Second Amendment to Parking Concession Agreement and Shuttle Transportation Services Agreement with Republic Parking System, LLC. Director Gaglioti seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Approve 7. Director Attendance at Fiscal Year 2027 Conferences & Events

Executive Director Morello asked that Directors choose the three conferences they plan to attend in Fiscal Year 2027 (two off-site and one local) and for the Board to approve that attendance and the reimbursement of related travel expenses.

Director Gaglioti asked for approval to attend the SWAAAE Annual Summer Conference and the SWAAE Airport Management Short Course.

Director Leffel asked for approval to attend the ACI-NA Annual Conference & Expo, the SWAAAE Airport Management Short Course, and the AAAE Annual Conference and Exposition.

Director Miller asked for approval to attend the ACI-NA Annual Conference & Expo, the SWAAAE Airport Management Short Course, and the AAAE Annual Conference and Exposition.

Director Ahmadi asked for approval to attend the SWAAAE Airport Management Short Course and the CSDA Special Districts Legislative Days.

Director Pick asked for approval to attend the SWAAAE Airport Management Short Course.

No Public Comment.

Director Miller motioned to approve all requests as stated above. Director Leffel seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

Adopt 8. Resolution No. 1933, A Resolution Ordering an Election, Requesting the Monterey County Elections Department to Conduct the Election, Requesting Consolidation of the Election and Stating the Determination of the Board of Directors of the Monterey Peninsula Airport District with Respect to Candidates' Statements of Qualifications

District Counsel Huber stated there are two Board of Director seats up for re-election in 2026. The Board must approve a Resolution if they intend to have the Monterey County Elections Department Conduct the Election.

No Public Comment.

Director Leffel motioned to adopt Resolution No. 1933, A Resolution Ordering an Election, Requesting the Monterey County Elections Department to Conduct the Election, Requesting Consolidation of the Election and Stating the Determination of the Board of Directors of the Monterey Peninsula Airport District with Respect to Candidates' Statements of Qualifications. Director Ahmadi seconded the motion. The motion passed unanimously by a roll call vote of 5-0.

H. BOARD REPORTS AND ACCEPTANCE OF DEPARTMENT REPORTS

The Board receives Department Reports which do not require any action by the board.

Board Member questions (if any) for Standing Committees (Finance, Air Service, Lease)

Ad-Hoc Committee Reports:

Committee	Director
Local Jurisdiction Liaison	Directors Leffel & Pick

Liaison/Representatives Reports:

Agency Liaison/Representative	Director
Local Agency Formation Commission	Director Leffel
Regional Taxi Authority	Director Ahmadi
Transportation Agency for Monterey County (TAMC)	Director Pick / Miller Alternate
Special Districts Association Liaison	Director Leffel / Pick Alternate
Association of Monterey Bay Area Governments	Director Pick / Leffel Alternate

Board Member Reports on Conferences and Events attended at Monterey Peninsula Airport District Expense (if any) as Approved by the Board (per AB 1234 and the Finance & Accounting Policy Manual).

Director Miller distributed a written report entitled "98th Annual AAAE Conference Attendance Report" to the dais and Staff and gave a short overview of the report. Director Leffel, who also attended the AAAE Conference, added her comments regarding conference sessions she attended.

Controller Wilson, Executive Director Morello, and Deputy Executive Director Robare answered questions about Department Reports.

Local Jurisdiction Liaisons had nothing to report.

LAFCO did not meet.

Regional Taxi Authority did not meet.

Neither Director Pick nor Director Miller attended the TAMC meeting.

There was no Special Districts Association meeting.

Chair Pick had nothing to report from the AMBAG meeting.

I. CLOSED SESSION

1. **EMPLOYMENT.** Pursuant to Gov. Code section 54957(b), the Board will meet with District Counsel to consider the evaluation of performance related to the following position: Executive Director.

No Public Comment. The board entered Closed Session at 7:02 PM.

J. RECONVENE TO OPEN SESSION

The board reconvened to Open Session at 7:20 PM.

District Counsel Huber stated no reportable action was taken; Direction was given.

K. PENDING REQUESTS FOR FUTURE AGENDA ITEMS

- AMBAG Presentation on the 2050 Municipal Transportation Plan

L. DISCUSSION OF FUTURE AGENDAS

- *Consider Time/Day of Regular Board Meeting*
- *Determine November and December Board Meeting Dates*

M. ADJOURNMENT

The meeting adjourned at 7:29 PM.

Approved at the
Meeting of June 25, 2026

Danial Pick, Chair

A T T E S T

Christine Morello
District Secretary

MINUTES OF THE AIR CARRIER SERVICE - MARKETING - COMMUNITY RELATIONS COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

June 15, 2026 – 10:30 AM

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Committee Meeting in person and request to speak to the Committee Members when the Chair calls for public comment.

Alternatively, members of the public who desire to provide input as to any item can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Committee Members for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Air Carrier Service – Marketing – Community Relations Committee of the Monterey Peninsula Airport District Board of Directors was called to order at 10:31 AM. Director Gaglioti, Executive Director Morello, Deputy Executive Director Robare and Acting Board Secretary Adams were in attendance. Director Miller joined the meeting shortly after the Call to Order.

B. COMMUNICATIONS/ANNOUNCEMENTS/INFORMATIONAL ITEMS

Executive Director Morello informed Directors that Director Ahmadi submitted a proposal to legal counsel regarding an idea for Air Service marketing, and it is currently under review. She stated that the topic will be discussed at the next Air Service Committee meeting in July.

Robert Yoha, a member of the public, commented on a particular general aviation pilot that takes a sharp turn over his neighborhood at what appears to be 300-400 feet altitude. He asked for advice on who to contact to have that corrected. Director Gaglioti answered that the pilot is always following air traffic control's instructions and stated that the reason for that turn is either traffic separation or weather. He added that minimum safe altitudes are dictated by FAR (Federal Aviation Regulation) 14 CFR 91.119 which states in the first sentence that the altitude floors are not applicable when an aircraft is taking off or landing.

C. REGULAR AGENDA – ACTION ITEMS

Discuss 1. Noise Report

Deputy Executive Director Robare reviewed the Noise Report and remarked that comments that perceive low or unsafe flying are treated as an opportunity for the Operations team to educate the public.

Executive Director Morello added that the 737 commercial aircraft being employed for the Chicago flight and up-gauges for Denver and Los Angeles can appear lower in altitude due to their size and often prompt more comments initially because they are new.

Discuss 2. Air Carrier Service & Development Update

It was noted that there were only two cancelled flights in May.

Executive Director Morello stated that delayed flights were primarily to and from SFO and due to a combination of the closure of one of their runways for repaving and the FAA rule permanently restricting parallel landings.

Executive Director Morello gave a short report on meetings held with airline partners at the recent Jumpstart conference.

Executive Director Morello and Deputy Executive Director Robare answered questions from Directors.

There was a discussion about the fact that the airport is an essential service facility, and the airlines control their schedules based on the travel needs of those flying and aircraft availability.

Discuss 3. Local Marketing and Digital Outreach Update

Executive Director Morello reviewed the top referrals and highlighted partnerships with Visit Carmel and See Monterey.

Executive Director Morello answered questions from Directors.

Executive Director Morello stated that the airport parking is in another transition phase with a new temporary entrance to the long-term parking opening this morning and that digital media was employed for local outreach.

Discuss 4. Passenger Comments, Services and Amenities Update

Deputy Executive Director Robare reviewed the Terminal Feedback report noting that comments regarding the airlines are investigated and directed to the airline managers. She explained the circumstances that led to the delay on the tarmac upon arrival of the Phoenix flight. She also commented that Operations did reach out to the person who missed their flight to explain the airline regulations regarding boarding gate closures.

D. ADJOURNMENT

The meeting adjourned at 11:08 AM.

Approved at the
Meeting of June 25, 2026

Danial Pick, Chair

A T T E S T

Christine Morello
District Secretary

MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING OF THE MONTEREY PENINSULA AIRPORT DISTRICT BOARD OF DIRECTORS

June 15, 2026 – 3:30 PM

Due to the expiration of the COVID-19 California State of Emergency, the Monterey Peninsula Airport District will return to holding meetings at the Airport Board Room, with in-person attendance. Members of the public may attend the Committee Meeting in person and request to speak to the Committee Members when the Chair calls for public comment.

Alternatively, members of the public who desire to provide input as to any item can send an email to info@montereyairport.com and include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment)." Written comments should be received by 8:00 AM on the day of the meeting. All submitted comments will be provided to the Committee Members for consideration and will be compiled as part of the record.

A. CALL TO ORDER

The meeting of the Budget & Finance Committee of the Monterey Peninsula Airport District Board of Directors was called to order at 3:33 PM. Directors Pick and Leffel, Executive Director Morello, Controller Wilson, and Acting Board Secretary Adams were present.

B. COMMUNICATIONS / ANNOUNCEMENTS / INFORMATIONAL ITEMS

None.

C. REGULAR AGENDA – ACTION ITEMS

Review 1. Resolution No. 1934, A Resolution Authorizing the Expenditure of Funds for AeroCloud Systems for Terminal Information Technology Services

Executive Director Morello explained that AeroCloud Systems was selected to provide the Common Use Self-Service (CUSS), Universal Passenger Processing System (UPPS) and the Electronic Video Information Display System (EVIDS) at the replacement terminal. AeroCloud was initially subcontracted with Hensel Phelps Construction (HP), but due to AeroCloud's governing structure, HP recommended that the District, as owner of the facility, contract directly with AeroCloud. This would result in a deduction to HP's Guaranteed Maximum Price (GMP) #4 by $556,021.00.

Executive Director Morello answered questions from Directors.

Controller Wilson reviewed the components of cost.

There was a discussion regarding some of the technical components of the agreement and the operational needs in the future.

The Finance Committee recommended approval of Resolution No. 1934.

Review 2. Resolution No. 1935, A Resolution Authorizing the Expenditure of Funds with C&S Companies for Taxiway A Shift Engineering Design Services

Executive Director Morello introduced Resolution No. 1935 stating that the design services are initially funded by the airport and are included in the Fiscal Year 2027 Capital Improvement Program budget but will ultimately be incorporated into a grant application once design and construction bids are received.

The Finance Committee recommended approval of Resolution No. 1935.

Review 3. FYTD Financial Statements, April 2026

Controller Wilson reviewed the April 2026 FYTD Financial Statements highlighting that enplanements were essentially on budget, and the Profit and Loss Statement indicates a positive total Operating Income variance due primarily to higher Interest Income earned on the interim note investments and lower Operating Expenses due to timing of expenditures.

Controller Wilson updated the committee on where we are in the TIFIA loan process and reviewed the mechanics of the balance of the financing for the replacement terminal.

Executive Director Morello and Controller Wilson answered questions from Directors.

D. ADJOURNMENT

The meeting adjourned at 4:26 PM.

Approved at the
Meeting of June 25, 2026

Danial Pick, Chair

A T T E S T

Christine Morello
District Secretary

AGENDA ITEM: G-2
DATE: June 25, 2026

TO: Monterey Peninsula Airport District Board of Directors
FROM: Chris Morello, Executive Director
SUBJ: Resolution No. 1934, A Resolution Authorizing a Contract with AeroCloud Systems Inc. for the Replacement Terminal Common Use Information Technology Systems and Services

BACKGROUND. The Monterey Peninsula Airport District (MPAD) is currently constructing the replacement terminal building. As part of the project, AeroCloud Systems Inc. (AeroCloud) was selected through the procurement process to provide IT systems for common use terminal equipment (CUTE), including the Electronic Flight Information Display Systems (EFIDS), Universal Passenger Processing System (UPPS) and Common Use Self Service (CUSS). This airport owned passenger processing and information platform system will support airline operations from day one and scale with the airport's long-term growth.

DISCUSSION.

AeroCloud Information Technology Services Contract
The new terminal project is a major capital improvement initiative for MPAD intended to enhance passenger experience, operational efficiency, and long-term structural resilience. The terminal UPPS system is a critical feature of the new terminal to allow for the efficient use of the building by all airline partners.

AeroCloud was initially subcontracted with Hensel Phelps Construction (HP), but due to HP's contractual requirements and AeroCloud's governing structure, the contract was unable to be executed. As a result, HP recommended that the District, as owner of the facility, contract directly with AeroCloud for the AeroCloud systems and service. Contracting directly with the provider will allow the Airport to execute a Services Agreement with AeroCloud to provide management support for the system beyond the installation of the UPPS system and ensure protection to MPAD as it relates to functionality and ongoing support for the system. At the core the system will manage all flight data inputs, business logic, display rules, and distribution to devices, while providing monitoring and reporting across workstations, kiosks and peripherals.

Operational continuity is fundamental for the transition to the replacement terminal; contracting directly with AeroCloud will allow staff to understand system configuration and receive working knowledge of the system setup and component management.

"AeroCloud shall indemnify and hold Monterey Airport harmless in relation to all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis up to the total monetary value of the Agreement for the contracted period) and all other professional costs and expenses) suffered or incurred by Monterey Airport arising out of or in connection with the AeroCloud's negligent or non-performance of this Agreement. This indemnity shall not cover Monterey Airport to the extent that a claim under it results from Monterey Airport's negligence or willful misconduct. Nothing in this clause shall restrict or limit Monterey Airport's general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this indemnity. The limitation of liability set out in this Agreement shall not be applicable to this indemnity."

SCOPE OF SERVICES:

Terminal CUTE System
CUTE System offers:

- Direct relationship with AeroCloud
- Shared use airline counter and gate space

Total Hardware and Shipping Costs $368,058.14
Description and quantity:

- PC/workstation (with Mouse & Keyboard): PC (Workstation) - Dell i5 x22
- Monitor: Monitor - 24" Dell x22
- Boarding Pass Printer: Boarding Pass Printer – Epson x22
- Bag Tag Printer w/ Roll Holder: Bag Tag Printers with Roller Kits - TK180 METAL RFID x30
- Barcode Scanner/Boarding Gate Reader: Barcode Scanner/BGR – Zebra x11
- Handscanner – Zebra x11
- Document Printer: Document Printer – HP 3001dw x12
- Passport Swipe Reader: Passport Swipe Reader – Desko x22
- AeroCloud AEA Middleware x20
- Firewall x3
- Cables x22
- FIDS Boxes x26
- Common Use Self Service Kiosk x7
- CUSS Spares Kit x1
- FIDS Screens + Mounts x20

AeroCloud shall be responsible for Hardware Installation pursuant to clause 5.1(d) of the Framework Agreement

Implementation Services $51,591.00

- Project Management
- Software and Equipment Configuration
- Airline Onboarding
- Remote Testing
- Onsite Implementation and Airline Testing
- Onsite Training System Users
- Go Live

Subscription Services **$98,271.00**

- **AeroCloud CUPPS**: 20 workstations (Check-in: 10, Gate: 10) and 4 airlines {American, Allegiant, Alaska, United]
- **PPSM**: Yes
- **AeroCloud FIDS**: 20 screens and 20 Pi's
- **AeroCloud CUSS**: 7 Kiosks - 4 airlines {American, Allegiant, Alaska, United]

Which is inclusive of any fees for the Support Services) Year 1 – FIDS, CUPPS, CUSS

TOTAL CONTRACT SCOPE OF SERVICES **$517,920.14**

Staff recommends that the Board of Directors authorize and approve a not-to-exceed expenditure of $517,920.14 to AeroCloud Systems Inc. for common use terminal equipment including EFIDS UPPS, and CUSS.

Once approved Staff will then execute a deductive change order with Hensel Phelps Construction to remove this portion of the work from GMP #4.

BUDGET EFFECT. The recommended action deducts the cost of CUTE system from the GMP with HP Construction and reallocates the costs directly to the airport but does not increase the overall budget for the project.

SOURCE OF FUNDS. District funds, Terminal Project budget.

IMPACT ON OPERATIONS. N/A

RECOMMENDATION. Adopt Resolution No. 1934, A Resolution Authorizing a Contract With AeroCloud Systems Inc. for the Replacement Terminal Common Use Information Technology Systems and Services

ATTACHMENTS.

Resolution No. 1934
AeroCloud Systems Inc. Framework Agreement (twenty-seven pages)
Hensel Phelps Construction Deductive Change Order

RESOLUTION NO. 1934

A RESOLUTION AUTHORIZING A CONTRACT WITH AEROCLOUD SYSTEMS INC. FOR THE REPLACEMENT TERMINAL COMMON USE INFORMATION TECHNOLOGY SYSTEMS AND SERVICES

WHEREAS, the Monterey Peninsula Airport District ("District") is constructing a replacement terminal building at Monterey Regional Airport; and

WHEREAS, the replacement terminal project includes terminal common use information technology systems and services necessary to support passenger processing, shared-use airline counter and gate operations, flight information displays, gate information displays, and related terminal operations; and

WHEREAS, AeroCloud Systems Inc. ("AeroCloud") was selected to provide terminal common use equipment and related information technology systems and services, including implementation services, software and equipment configuration, airline onboarding, testing, training, hardware, and subscription and support services; and

WHEREAS, AeroCloud was initially expected to provide its scope through Hensel Phelps Construction (HP) but HP recommended that the District, as owner of the facility, contract directly with AeroCloud for the AeroCloud systems and services; and

WHEREAS, the proposed Framework Agreement and Commercial Addendum with AeroCloud provide for an initial service term and includes implementation services, hardware and shipping, subscription and support services, and service-level obligations for the passenger processing solutions; and

WHEREAS, the proposed initial not-to-exceed expenditure of $517,920.14 is available within the Terminal Project budget, will be deducted from HP GMP #4 by change order, and will support implementation of the terminal common use information technology systems and services described in the staff report and the AeroCloud agreement documents; and

WHEREAS, the Board of Directors desires to authorize the Executive Director to execute the AeroCloud agreement documents, authorize execution of the HP change order, and authorize expenditure of District funds for the AeroCloud terminal information technology systems and services, subject to the limitations set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are incorporated herein by reference.

Section 2. The Board of Directors hereby approves the Framework Agreement and Commercial Addendum with AeroCloud Systems Inc. for terminal common use information technology systems and services as presented to the Board.

Section 3. The Executive Director is authorized to execute the Framework Agreement, Commercial Addendum, and any related documents necessary or appropriate to implement the AeroCloud terminal information technology systems and services, subject to approval as to form by District Counsel.

Section 4. The Board of Directors hereby authorizes an initial not-to-exceed expenditure of $517,920.14 for AeroCloud terminal information technology systems and services, including implementation, hardware, subscription and support services, and related costs. Any amendment or change order that would increase the authorized not-to-exceed amount or materially alter the approved contract terms shall be brought back to the Board for further approval.

Section 5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 25th day of June 2026 by the following roll call vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSTAIN: DIRECTORS:
ABSENT: DIRECTORS:

Signed this 25th day of June 2026

Danial Pick, Chair

A T T E S T

Christine Morello
District Secretary

AEROCLOUD FRAMEWORK AGREEMENT

This Agreement is made as of 11 June 2026 ("**Effective Date**"), between AeroCloud Systems Inc. ("**AeroCloud**") and Monterey Peninsula Airport District ("**Subscriber**"). This Agreement sets forth the terms pursuant to which Subscriber shall be permitted to access and use the Services and Documentation during the applicable Initial Service Term. The parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. "**Agreement**" means these terms and conditions, the Exhibits appended hereto and any Commercial Addendum (and any Annex/Annexes appended thereto) incorporated from time to time into this Agreement.

1.2. "**Authorized Users**" means Subscriber's Master Users, employees, consultants, contractors, and/or agents who are authorized by Subscriber to access and use the Subscription Services and Documentation under the rights granted to Subscriber pursuant to this Agreement

1.3. "**Additional Services**" means any additional Implementation Services, Subscription Services, Support Services and/or other similar services which AeroCloud agrees to provide to Subscriber from time to time during the Initial Service Term, as set out in the applicable Commercial Addendum.

1.4. "**Commencement Date**" means the commencement date set out in the applicable Commercial Addendum.

1.5. "**Commercial Addendum**" means a commercial addendum which shall be substantially in the form set out in the Exhibit to this Agreement, including any Annex/Annexes incorporated into such commercial addendum.

1.6. "**Data Center**" means the location where the production instance of the Services is hosted for the Subscriber in its region. The Services are hosted on Amazons AWS Cloud Infrastructure using Locations based in their North American Data Centres (for Subscribers located outside of Europe/the UK) or European Data Centres (for Subscribers located within Europe/the UK).

1.7. "**Data Controller**" means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of Personal Data.

1.8. "**Data Processor**" means a natural or legal person, public authority, agency or other body which processes personal data on behalf of the Data Controller.

1.9. "**Data Protection Law**" means the applicable legislation protecting the fundamental rights and freedoms of persons and their right to privacy with regard to the processing of Personal Data under this Agreement.

1.10. "**Data Subject**" means an identified or identifiable natural person.

1.11. "**Default**" means any breach of a party's obligations under this Agreement, or any other default, act, omission, negligence, breach of statutory duty or statement by a party in connection with or in relation to the subject matter of this Agreement and in respect of which that party has a liability to the other party.

1.12. "**Delivery Location**" means the delivery location for the Hardware, as set out in the applicable Commercial Addendum.

1.13. "**Documentation**" means the then current technical and functional documentation, as well as any user instructions, roles and responsibilities descriptions (if applicable), for the Subscription Services and which are made available by AeroCloud to Subscriber from time to time. AeroCloud reserves the right to amend the Documentation at any time during the Initial Service Term.

1.14. "**Exclusions**" has the meaning given to it in Section 4.4.1.

1.15. "**Fees**" means the fees payable by Subscriber to AeroCloud in consideration for the licenses, services and/or Hardware provided under this Agreement, as set out in the applicable Commercial Addendum.

1.16. "**Hardware**" refers to the hardware agreed to be purchased by Subscriber from AeroCloud, as set out in the applicable Commercial Addendum.

1.17. "**Incident**" means an error, non-conformity, fault, incident or event that causes or may cause an interruption to, or reduction in expected functionality, performance or quality of the Subscription Services.

1.18. "**Implementation Services**" means the software implementation services and/or, pursuant to Section 5.1(d), hardware installation services provided by AeroCloud, as set out in the applicable Commercial Addendum.

1.19. "**Initial Service Term**" means the initial period set out in the applicable Commercial Addendum.

1.20. "**Invoicing Frequency**" means the invoicing frequency set out in the applicable Commercial Addendum.

1.21. "**Master Users**" means the key accounts of Subscriber granted access and use of the Services directly by AeroCloud, and who control and grant access and use of the Services to all other Authorized Users of Subscriber, as set out in the applicable Commercial Addendum.

1.22. "**Payment Terms**" means the payment terms set out in the applicable Commercial Addendum.

1.23. "**Passenger Processing Solutions**" means the following AeroCloud Subscription Services: CUPPS / eDesktop, eScan, eDCS, CUSS, SSBD.

1.24. "**Priority Levels**" means the priority levels set out in Section 4.3 and/or such priority levels set out in the applicable Commercial Addendum (if any).

1.25.

"**Permitted Unavailability**" means:

(a) any unavailability (including for maintenance carried out) during AeroCloud's standard maintenance window;

(b) unscheduled maintenance, provided that, where possible, AeroCloud has exercised reasonable efforts to give Subscriber advance notice;

(c) any unavailability to the extent that it is caused by any act, omission, breach or default of anyone, other than AeroCloud's personnel or any third party appointed by AeroCloud to provide Services on AeroCloud's behalf under this Agreement;

(d) any force majeure event under Section 15.5; and/or

(e) AeroCloud's suspension of Authorized Users' access to the Services in accordance with this Agreement.

1.26. **"Personal Data**" means any information relating to a Data Subject. For the purposes of this Agreement, it includes only personal data entered by Subscriber or its Authorised Users into or derived from their use of the Services. It also includes personal data supplied to or accessed by AeroCloud in order to provide support under this Agreement. Personal Data is a sub-set of Subscriber Data.

1.27. "**Respond**" means the acknowledgement by AeroCloud of the Incident and "Response" shall be construed accordingly.

1.28. "**Resultant Data**" means data and information related to Subscriber's use of the Services that is used by AeroCloud (and/or any of its affiliates) in an aggregate and anonymized manner, including to improve the Services and to compile statistical and performance information related to the provision and operation of the Services.

1.29. "**Scope Limitations**" means the limitations on Subscriber's use of the Services, as set out in the applicable Commercial Addendum.

1.30. "**Services**" means collectively the:

(a) Implementation Services;

(b) Subscription Services;

(c) Support Services; and

(d) Additional Services.

1.31. "**Security Breach**" means a confirmed (1) accidental or unlawful destruction, loss, alteration, or disclosure of Subscriber Personal Data, or (2) similar incident involving Personal Data for which a Data Processor is required under applicable law to provide notice to the Data Controller.

1.32. "**Subscriber Personal Data**" means that Personal Data processed by AeroCloud on behalf of Subscriber pursuant to or in connection with instructions.

1.33. "**Software**" means the web-based software applications provided by AeroCloud as part of the Subscription Services.

1.34. "**Subscription Services**" means the subscription services provided or to be provided by AeroCloud to Subscriber under this Agreement, as set out in the applicable Commercial Addendum.

1.35. "**Subscriber Data**" means all information, data, and other content, in any form or medium, that is inputted or otherwise provided, directly or indirectly, by Subscriber or an Authorized User (or a third party acting on Subscriber's or Authorized User's behalf) for the purpose of using the Subscription Services, including all intellectual property rights relating thereto. For the avoidance of doubt, Subscriber Data may include, depending on the Services, third party data relating to customers of third party airlines but does not include Resultant Data or any other information relating to the access and/or use of the Subscription Services by or on behalf of Subscriber or any Authorized User.

1.36. "**Support Services**" means the support services provided or to be provided by AeroCloud, as set out in Section 4.

1.37. In this Agreement (unless the context requires otherwise):

(a) the words "**including**", "**include**", "**for example**", "**in particular**" and words of similar effect shall be construed so that they do not limit the general effect of the words which precede them, and so that any examples that are given are not to be exclusive or limiting examples of the matters in question;

(b) references to the singular include the plural and vice versa;

(c) section headings are all for reference only and shall be ignored in construing this Agreement;

(d) references to any one gender do not exclude other genders;

(e) general references to a "person" shall be understood to include (as applicable), a natural person, a company, a partnership and an unincorporated association (in each case whether or not having separate legal personality); and

(f) reference to any statue, statutory provision or statutory instrument includes a reference to that statue, statutory provision or statutory instrument together with all rules and regulations made under them, in each case as from time to time amended, consolidated or re-enacted.

1.38. If there is any inconsistency or conflict between these terms and conditions and any Commercial Addendum, except as expressly stated, the following descending order of precedence shall apply:

(a) these terms and conditions; and

(b) any Commercial Addendum.

2. USE OF THE SUBSCRIPTION SERVICES AND DOCUMENTATION

2.1 Use of the Subscription Services

Subject to the terms and conditions of this Agreement, AeroCloud grants to Subscriber a limited, worldwide, non-exclusive, non-transferable right, without the right to grant sublicenses, to permit the Authorized Users to access and use the Subscription Services and use the Documentation in connection with the Subscription Services (including the right to make a reasonable number of copies of the Documentation, without any modification) during the applicable Initial Service Term, solely in connection with Subscriber's internal business operations.

2.2 Scope Limitations

Subscriber's right to permit Authorized Users to access and use the Subscription Services and Documentation is subject to the Scope Limitations and conditional upon Subscriber's and each Authorized User's compliance with the Scope Limitations.

2.3 Authorized Users

2.3.1. Prior to providing Authorized Users with access to the Subscription Services, Subscriber shall ensure that all Authorized Users are aware of the terms and conditions of this Agreement, including their obligation to comply with any other user instructions applicable to the Subscription Services which are made available by AeroCloud to Subscriber from time to time and shall procure that the Authorized Users comply with the same. Subscriber is responsible for the acts and omissions of the Authorized Users as if such acts and omissions were the acts and omissions of Subscriber.

2.3.2. Master Users shall be responsible for granting access to the Subscription Services to all Authorized Users in accordance with the terms of this Agreement. Master Users shall only provide Authorized Users with access to the Subscription Services via the access method provided by AeroCloud from time to time and shall not provide access or use to any person other than an Authorized User. Subscriber shall provide AeroCloud with prior written notice of any updates to the list of Master Users provided to AeroCloud, including when Master Users cease to be employed or engaged by Subscriber. The minimum number of required Master Users is 1 (one) and the maximum number of Master Users permitted at any one time under this Agreement is five (5) in total.

2.3.3. Subscriber warrants that it shall, and shall ensure that the Authorized Users shall:

(a) keep confidential and, except as provided for in this Agreement, not share with any third party any password that is provided or set to facilitate Authorized Users' access to the Subscription Services, and

(b) use commercially reasonable efforts to avoid introducing or permitting any virus or other malware or device (including any bugs, worms, logic bombs, trojan horses or any other malicious code) that may infect, cause damage to or otherwise adversely affect the operation and/or stability of the Subscription Services or AeroCloud's systems and/or networks or otherwise disrupt the provision of the Subscription Services.

2.4 Use Restrictions

2.4.1. Except to the extent explicitly permitted under this Agreement or by any applicable law (which is incapable of exclusion by agreement between the parties), Subscriber shall not, and shall not permit or authorize any Authorized User or third party to:

(a) attempt to copy, modify, duplicate, create derivative works from, frame, mirror, republish, download, display, transmit or distribute all or any part of the Software and/or Documentation in any form or media or by any means; or

(b) attempt to reverse engineer, disassemble, de-compile, reverse compile or otherwise attempt to derive, gain access to or reduce to human-readable form all or any part of the Software.

2.4.2. Subscriber shall not and shall not permit or authorize any Authorized User or third party to:

(a) rent, lease, license, sell, transfer, assign, distribute, display, disclose or otherwise commercially exploit or otherwise make the Subscription Services and/Documentation available to any third party except the Authorized Users, unless approved by AeroCloud in writing;

(b) use the Subscription Services to provide services to any third parties (e.g., as a service bureau);

(c) use the Subscription Services for any benchmarking activity or in connection with the development of any competitive product; nor circumvent or disable any security or other technological features or measures of the Subscription Services;

(d) remove any proprietary notices from the Software, Subscription Services and/or Documentation;

(e) attempt to obtain or assist any person (other than an Authorized User) in obtaining, access to the Subscription Services; or

(f) use the Subscription Services and/or Documentation in any manner or for any purpose that infringes, misappropriates or otherwise violates any intellectual property right or other right of any person or that violates any applicable law.

2.5 Compliance with Laws

Subscriber shall access and use the Subscription Services and Documentation in compliance with all applicable laws and regulations.

2.6 Protection against Unauthorized Use

Subscriber shall use all reasonable efforts to prevent any unauthorized access to, or use of, the Subscription Services and Documentation and immediately notify AeroCloud in writing of any unauthorized access or use that comes to Subscriber's attention. If there is unauthorized access or use by anyone who obtained access to the Subscription Services directly or indirectly through Subscriber or an Authorized User, Subscriber shall take all steps reasonably necessary to terminate the unauthorized use. Subscriber shall cooperate and assist with any actions taken by AeroCloud to prevent or terminate unauthorized access or use of the Subscription Services and/or Documentation.

2.7 Audit

2.7.1. AeroCloud reserves the right to (or appoint a third party acting on AeroCloud's behalf to) audit usage of the Subscription Services by all Authorized Users for the purpose of verifying Subscriber's and each Authorized User's compliance with the terms of this Agreement.

2.7.2. Without prejudice to AeroCloud's other rights and remedies, if any audit by or on behalf of AeroCloud demonstrates any:

(a) under-payment of Fees to AeroCloud, Subscriber shall pay to AeroCloud an amount equal to the underpayment by reference to the Fees in the relevant Commercial Addendum within five (5) business days of AeroCloud's request;

(b) non-compliance (other than under-payment which is dealt with under Section 2.7.2(a)) by Subscriber with any of its obligations under this Agreement, Subscriber shall promptly remedy the cause of such non-compliance and if Subscriber refuses to remedy or fails to remedy the non-compliance to AeroCloud's reasonable satisfaction, AeroCloud shall be entitled to suspend all or part of the Services until such time that AeroCloud is satisfied the non-compliance is remedied and will not re-occur;

(c) unauthorized access and/or use of the Subscription Services by Subscriber, an Authorized User or an unauthorized user, AeroCloud reserves the right, without prior notification, to deny Subscriber, any Authorized User and/or unauthorized user access to the Subscription Services by blocking the IP address(es) used to access the Subscription Services.

2.8 Additional Services and Proof of Concept

2.9 The parties may agree, from time to time during the Initial Service Term, to introduce Additional Services into this Agreement by agreeing and signing a Commercial Addendum. Each Commercial Addendum shall become incorporated into this Agreement once it has been signed by each party's authorized representative.

2.10 AeroCloud may agree, at any time during the initial Service Term, to provide Subscriber and its Authorized Users with access to and use of certain Subscription Services on a proof-of-concept basis. AeroCloud shall make the applicable Subscription Services available to the Authorized Users for a period of sixty (60) days upon receipt of payment of the proof-of-concept fee confirmed by AeroCloud (the "**POC Period**"). The proof of concept shall remain in place for the POC Period and Subscriber agrees and acknowledges that upon expiry of the POC Period (or earlier if agreed in writing between the parties) the proof of concept shall be replaced by the Commercial Addendum which shall, subject to any extension thereof in accordance with this Agreement, remain in effect for the Initial Service Term unless Subscriber gives AeroCloud at least seven (7) days' written notice prior to the expiry of the POC Period to terminate the proof of concept, in which case the proof of concept shall immediately terminate and the Commercial Addendum shall not come into effect or be binding on the parties in respect of such Subscription Services. Access and use of the Subscription Services during the POC Period shall be subject to the terms of this Agreement.

2.11 Third Party Providers

2.9.1. Subscriber acknowledges that the Services may enable or assist it to access the website content of, correspond with, and purchase products and services from, third parties via third-party websites and that it does so solely at its own risk.

2.9.2. AeroCloud makes no representation, warranty or commitment and shall have no liability or obligation whatsoever in relation to the content or use of, or correspondence with, any such third-party website, or any transactions completed, and any contract entered into by Subscriber, with any such third party. Any contract entered into and any transaction completed via any third-party website is between Subscriber and the relevant third party, and not AeroCloud. AeroCloud recommends that Subscriber refers to the third party's website terms and conditions and privacy policy prior to using the relevant third-party website. AeroCloud does not endorse or approve any third-party website nor the content of any of the third-party website made available via the Services.

3. IMPLEMENTATION SERVICES

3.1 General

3.1.1. AeroCloud warrants that the Implementation Services shall be performed in accordance with reasonable skill and care.

3.1.2. If the Implementation Services do not comply with Section 3.1.1, AeroCloud shall, at its own expense, exercise reasonable efforts to correct any such non-conformity as soon as reasonably practicable.

3.1.3. Subject to Section 13.1(c), the remedies set out in Section 3.1.2 constitute Subscriber's sole and exclusive remedy for any non-conformance with the warranty in Section 3.1.1.

3.2 Delivery

3.2.1. AeroCloud shall use commercially reasonable efforts to meet any performance dates set out in the applicable Commercial Addendum for the Implementation Services, but any such dates are approximate only, and the time of performance will not be of the essence.

3.2.2. AeroCloud shall not be responsible for any non-compliance of the Implementation Services with the warranty in Section 3.1.1 or any failure to provide the Implementation Services, to the extent any such non-compliance and/or failure is as a result of a failure by Subscriber to provide adequate instructions in relation to the Implementation Services (or subject matter thereof) or a failure by Subscriber to provide all requisite materials, facilities, access and suitable working conditions and/or comply with any Subscriber responsibilities set out in the applicable Commercial Addendum to enable the Implementation Services to be carried out safely and expeditiously ("**Subscriber Default**"). In the event of a Subscriber Default, without prejudice to any other rights and remedies that AeroCloud may have, the parties shall agree (acting reasonably and in good faith) an extension of time to perform the Implementation Services and Subscriber shall pay AeroCloud for any additional costs and expenses reasonably incurred by AeroCloud as a result of the Subscriber Default.

4. SUPPORT SERVICES

4.1 Availability

AeroCloud shall use commercially reasonable efforts to make the Subscription Services available not less than 99.9% (or such other percentage set out in the applicable Commercial Addendum) each month, except for periods of Permitted Unavailability and any time the Subscription Services are not available as a result of one or more Exclusions (defined below).

4.2 Incident Support

4.2.1. Provided Subscriber is current with its payment of the Fees, AeroCloud shall provide support to Subscriber in relation to Incident response and resolution. Unless otherwise agreed between the parties in the applicable Commercial Addendum, support for all Incidents (as set out in the table below) shall only be provided during AeroCloud's standard local EST business hours each business day AeroCloud is open for business.

4.2.2. Upon notification of an Incident by Subscriber or an Authorized User, AeroCloud shall:

(a) assign a Priority Level;

(b) Respond to the Incident in accordance with the target response times set out in Section 4.3; and

(c) use commercially reasonable efforts to resolve any Incident (or implement a work-around) within the target resolution times set out in Section 4.3, taking into account the nature of the Incident.

4.3 Priority Levels, Target Response and Target Resolution Times

Except to the extent different priority levels, target response times and/or target resolution times are set out in the applicable Commercial Addendum, the priority levels, target response times and target resolution times applicable to all Incidents are as follows:

Priority Level	**Target Response Time***	**Target Resolution Time***
Priority 1	2 business hours	1 business day
Priority 2	12 business hours	2 business days
Priority 3	1 business day	5 business days
Priority 4	3 business days	10 business days

*target response times shall apply from when the Incident notification is received by AeroCloud and target resolution times shall apply from the point AeroCloud Responds to an Incident.

4.4 Exclusions

4.4.1. Support Services shall not be provided by AeroCloud in respect of the following:

(a) third party services, infrastructure and/or products not provided by or on behalf of AeroCloud;

(b) failure of Subscriber's communications networks and/or facilities;

(c) use of the Subscription Services contrary to AeroCloud's instructions;

(d) failure of the Subscriber to comply with Section 5.1(d) and/or 5.1(e); and

(e) any changes implemented by Subscriber (or any third party on behalf of the Subscriber) to its environment(s), network, systems and/or infrastructure and such changes were not approved in writing by AeroCloud,

(together "**Exclusions**").

4.4.2. AeroCloud may agree, in its sole discretion, to provide Subscriber with Incident response and resolution support in relation to any one or more of the Exclusions. If AeroCloud agrees to provide Subscriber with Incident response and resolution support in respect of any one or more Exclusions, Subscriber shall pay all fees incurred by AeroCloud in its performance of such support, such fees to be calculated using AeroCloud's then current rates.

4.4.3. If Support Services are provided in circumstances where a reasonably skilled and competent operator would have judged Subscriber's requirement to have been unnecessary and/or AeroCloud performs the Support Services and AeroCloud subsequently finds that such support was required as a result of one or more of the Exclusions, AeroCloud shall be entitled to charge additional fees calculated using AeroCloud's then current rates.

5. SUBSCRIBER OBLIGATIONS

5.1 Subscriber shall:

(a) provide AeroCloud with all necessary co-operation and information as may be reasonably requested by AeroCloud in relation to this Agreement and/or its provision of the Services, including providing adequate working space and facilities for use by AeroCloud personnel for the purpose of pre-staging equipment, training Subscriber's staff and performing maintenance obligations (where applicable);

(b) provide AeroCloud personnel with access to the required Subscriber equipment and all relevant software for the purpose of providing the Services such access to be granted remotely, or where required by AeroCloud, on site connecting via ACS secure VPN;

(c) carry out all of its obligations set out in this Agreement in a timely and efficient manner;

(d) except where the applicable Commercial Addendum expressly states that AeroCloud is responsible for installation of the Hardware, be responsible for the installation of the Hardware (and in either case, providing a suitable environment for doing so);

(e) be responsible for use, maintenance and storage of the Hardware in accordance with the specification and the manufacturer's and AeroCloud's instructions, guidance and/or recommendations (whether given in writing or orally or on, before or after the Commencement Date) provided by the applicable manufacturer and/or AeroCloud from time to time (whether given in writing or orally or on, before or after the delivery of the Hardware), including ensuring the Hardware is, at all times, stored and used by the Subscriber in a temperature and humidity controlled environment in accordance with such specification, instructions, guidance and recommendations. If there is a conflict between the specification, instructions and/or recommendations it is the responsibility of the Subscriber to check which shall take precedence; and

(f) ensure that its network and system used in the receipt of the Services (and Hardware, where applicable) comply with any relevant specifications (including minimum system requirements) provided by AeroCloud from time to time.

5.2 Without prejudice to AeroCloud's other rights and remedies, the non-performance or delay in performance of AeroCloud's obligations under this Agreement shall be excused if and to the extent that such non-performance or delay in performance results from Subscriber's failure to comply with its obligations under this Agreement.

6. HARDWARE

6.1 Specification

6.1.1. AeroCloud may modify the specification of any Hardware to be supplied under this Agreement and/or substitute substantially conforming components provided the modifications and/or substitutions do not adversely affect the performance of the Hardware. AeroCloud will use reasonable endeavours to advise Subscriber of all such modifications or substitutions in advance of delivering the Hardware to Subscriber.

6.1.2. All illustrations or specifications contained in any sales material or publicity material produced by, or on behalf of, AeroCloud are approximate only and are only intended to convey a general idea of the Hardware and any typographical, clerical or other error or omission in any literature/document or information issued by AeroCloud will be correctable without notice or any liability to Subscriber.

6.2 Delivery

6.2.1. Delivery of the Hardware is completed on arrival of the Hardware at the Delivery Location. Any dates quoted (whether in writing or verbally) or set out in the applicable Commercial Addendum are approximate only and the time for delivery is not of the essence.

6.2.2. AeroCloud shall be entitled to make a partial delivery of the Hardware or delivery by instalments.

6.2.3. Subscriber must inspect the Hardware immediately upon their delivery to the Delivery Location to check whether the Hardware has been damaged in transit and the Hardware is as, and in the quantity, specified in the applicable Commercial Addendum. Any discrepancy between the Hardware delivered and those specified in the Commercial Addendum and/or any damage to the Hardware in transit must be notified to AeroCloud in writing within two (2) business days of receipt by Subscriber of the Hardware. No claim for damage in transit, non-compliance with the Commercial Addendum or non-delivery will be considered by AeroCloud unless Subscriber complies with the provisions of this Section and any remedy under this Section shall be limited, at

AeroCloud's option, to the replacement or repair of any Hardware.

6.2.4. If AeroCloud is prevented from carrying out delivery of the Hardware on the specified date because of any act or omission of Subscriber, its personnel and/or any third party providing services to Subscriber, AeroCloud may levy additional charges to recover its loss arising from this event.

6.2.5. Subscriber will be deemed to have accepted the Hardware as being in accordance with this Agreement unless Subscriber notifies AeroCloud in writing of any defect in materials or workmanship or failure to comply with specifications or any other failure of the Hardware which would be apparent on reasonable inspection of the Hardware within five (5) business days from the date of delivery of the Hardware.

6.2.6. In the event of a valid claim by Subscriber under Section 6.2.5, AeroCloud will use reasonable endeavours to provide Subscriber with reasonable assistance in making a claim under the warranty (if any) assigned pursuant to Section 6.4.

6.3 Risk and Title

6.3.1. Risk in the Hardware shall pass to Subscriber on delivery of the Hardware to the Delivery Location.

6.3.2. Title to the Hardware shall not pass to Subscriber until the Fees for the Hardware have been paid in full to AeroCloud by Subscriber.

6.3.3. Until title to the Hardware has passed to Subscriber, Subscriber shall:

(a) store the Hardware in accordance with this Agreement and separately from all other hardware held by Subscriber so that they remain readily identifiable as AeroCloud's property;

(b) maintain the Hardware in satisfactory condition and keep them insured against all risks for their full price on AeroCloud's behalf from the date of delivery;

(c) not destroy, deface or obscure any identifying mark or packaging on or relating to the Hardware; and

(d) hold the Equipment on a fiduciary basis as AeroCloud's bailee.

6.3.4. Without prejudice to Section 6.3.3, as collateral security for all of the Subscriber's payment obligations under this Agreement in respect of the Hardware, Subscriber hereby grants AeroCloud a first priority security interest in all Hardware purchased or to be purchased hereunder to the maximum extent permitted by law. Subscriber shall, at AeroCloud's reasonable expense, take all commercially reasonable action required by AeroCloud to further evidence and/or perfect such security interest, including without limitation executing and delivering a separate security agreement and UCC-1 financing statement.

6.4 Warranty

6.4.1. AeroCloud, to the extent that it is permitted to do so, hereby assigns the benefit of any warranty covering any defects in Hardware received by AeroCloud under an agreement with the manufacturer or supplier of the relevant Hardware. The warranty (if any) will be limited to that warranty provided by the manufacturer or supplier (as the case may be) as standard with the delivery of the Hardware and any validation procedures relating to that warranty shall be the responsibility of the Subscriber. Subscriber acknowledges and agrees that any failure by the Subscriber to comply with its obligations under this agreement relating to the use, storage and maintenance of the Hardware may invalidate the manufactures warranty.

6.4.2. The standard warranty of the manufacturer or supplier referred to in Section 6.4.1 is in lieu of all other terms or conditions whether express or implied concerning the quality or fitness for purpose of Hardware and all such other terms and conditions are hereby excluded.

6.5 Export Control

6.5.1. Subscriber acknowledges that certain Hardware may be subject to export controls and undertakes to apply for and obtain any necessary licenses or other consents that may be necessary to export or take any product (or any part thereof) out of the jurisdiction of delivery of the Hardware. Without prejudice to the foregoing, Subscriber shall be responsible for complying with any legislation governing:

(a) the importation of the Hardware into the country of destination; and

(b) the export and re-export of the Hardware;

and shall be responsible for the payment of any duties on it.

7. INTELLECTUAL PROPERTY AND DATA RIGHTS

7.1 AeroCloud Intellectual Property

All right, title and interest in and to the Services and the Documentation, including all intellectual property rights therein, are and shall remain with AeroCloud and, with respect to any third-party materials, the applicable third-party providers own all right, title and interest, including all intellectual property rights, in and to the third-party materials. Subscriber acknowledges that all intellectual property rights embodied in or practiced by the Hardware are and shall remain the sole property, as applicable, of AeroCloud or its suppliers, licensors or third party manufacturers. Subscriber acquires no other right, license or authorization with respect to any of the Services and the Documentation except as expressly set forth in Section 2.1 or any applicable third-party license. All other rights in and to the Services and Documentation are expressly reserved by AeroCloud. In furtherance of the foregoing, Subscriber hereby unconditionally and irrevocably assigns to AeroCloud all its right, title and interest in and to the Resultant Data, including all intellectual property rights relating thereto.

7.2 Subscriber Data

7.2.1 As between Subscriber and AeroCloud, Subscriber is and shall remain the sole and exclusive owner of all right, title and interest in and to the Subscriber Data, subject to the rights and permissions granted in Section 7.2.2 below.

7.2.2 Subscriber hereby grants to AeroCloud (its affiliates and any third party appointed by AeroCloud to provide any of the Services under this Agreement) a royalty-free, worldwide, non-exclusive, sublicensable license to use any and all Subscriber Data in connection with AeroCloud's performance of its obligations under this Agreement and/or provision of the Services.

7.2.3 Subscriber acknowledges that:

(a) AeroCloud has no control over any Subscriber Data hosted as part of the provision of the Services and does not purport to monitor the content of the Subscriber Data; and

(b) it has sole responsibility for and to ensure the legality, reliability, integrity, accuracy and quality of the Subscriber Data.

7.2.4. Subscriber shall ensure that the Subscriber Data (including the provision thereof to AeroCloud) does not breach any applicable law, infringe any third-party intellectual property rights, or include any material which is obscene, indecent, pornographic, offensive, defamatory, threatening, liable to incite racial hatred or menacing. Without prejudice to AeroCloud's other rights and remedies, if AeroCloud becomes aware of any allegation (or reasonably believes) that any Subscriber Data violates (or may violate) the foregoing, AeroCloud shall inform Subscriber and shall have the right to remove the offending Subscriber Data from the Subscription Services and suspend the Subscription Services until AeroCloud is satisfied that the violation will not re-occur, without notice to or approval from Subscriber.

7.3 Feedback

If Subscriber provides any feedback to AeroCloud concerning the Software, Services and/or the Documentation (including identifying potential errors and improvements), Subscriber hereby assigns to AeroCloud all its right, title and interest in and to the feedback, and AeroCloud shall be free to use, license and commercialize the feedback without payment to Subscriber or restriction.

7.4 Publicity

7.4.1. Each party agrees that it will not make or permit any person to make, any public announcement concerning this Agreement without the prior written consent of the other (such consent not to be unreasonably withheld or delayed), except as required by applicable law or as set out in Section 7.4.2 below.

7.4.2. Subscriber acknowledges and agrees that AeroCloud may from time to time include reference to this Agreement, the Services and/or the fact that Subscriber is a customer (including the use of Subscriber's logo) in publicity and/or marketing materials to be issued by AeroCloud to third parties or generally included on AeroCloud's website or in case studies. Where reasonably requested by AeroCloud, Subscriber will, acting reasonably and in good faith, act as a referee for AeroCloud with other potential customers for Services and/or other items which are the same as or similar to the Services.

8. FEES AND PAYMENT

8.1 Fees

Subscriber shall pay the Fees and any other amounts owing under this Agreement, in accordance with this Section 8. All Fees and other amounts payable by Subscriber are exclusive of taxes, and Subscriber shall be responsible for payment of all such taxes, excluding only taxes based solely on AeroCloud's income. Unless otherwise agreed in writing by AeroCloud, all prices for the Hardware are exclusive of AeroCloud's charges for delivery or handling which will be added to AeroCloud's invoice for the Hardware.

8.2 Invoicing and Payment Terms

8.2.1. AeroCloud shall invoice Subscriber in accordance with the applicable Invoicing Frequency. Subscriber shall pay all Fees to AeroCloud in accordance with the applicable Payment Terms and if no Payment Terms are expressed, within thirty (30) days of receipt of the relevant invoice.

8.2.2. The Fees (if paid upfront) payable by Subscriber to AeroCloud are non-cancellable and non-refundable, except as expressly set out in this Agreement.

8.3 Non-Payment

8.3.1. Without prejudice to AeroCloud's other rights and remedies, if AeroCloud has not received payment of Fees (or any other sums) by the due date, AeroCloud may, at its option:

(a) charge interest on the late payment at a rate of four per cent (4%) per annum, or the maximum legal rate, if less;

(b) suspend Subscriber's and each Authorized User's access and use of the Subscription Services and Documentation and suspend AeroCloud's performance of all or part of the Services, without liability, while the Fees remain unpaid; and/or

(c) suspend performance of all or part of the Services without liability, while the Fees remain unpaid.

8.4 Currency

All amounts payable under this Agreement are denominated and shall be payable by Subscriber in the currency set out in the applicable Commercial Addendum.

8.5 Taxes

Other than net income taxes imposed on AeroCloud, Subscriber shall bear all taxes (including value added tax), duties and other governmental charges (collectively, "**Taxes**") resulting from this Agreement. Subscriber shall pay any additional Taxes as are necessary to ensure that the net amounts received by AeroCloud after all such Taxes are paid are equal to the amounts that AeroCloud would have been entitled to in accordance with this Agreement as if the Taxes did not exist.

8.6 Set-off

Amounts due from Subscriber under or in connection with this Agreement shall be paid in full without any set-off, counterclaim, deduction or withholding (other than by any deduction or withholding of tax as may be required by applicable law).

9. TERM AND TERMINATION

9.1 Agreement Term

This Agreement (but excluding any Commercial Addendum) shall commence upon the Effective Date and continue unless terminated earlier in accordance with the terms of this Agreement.

9.2 Commercial Addendum Term

Each Commercial Addendum shall commence upon the Commencement Date and continue for the Initial Service Term unless the applicable Commercial Addendum is terminated earlier by either party providing at least sixty (60) days prior written notice before the end of the Initial Service Term that it wishes to terminate the applicable Commercial Addendum, in which case the applicable Commercial Addendum shall terminate upon the expiry of the Initial Service Term.

9.3 Fee Increases

AeroCloud shall be entitled to increase any of the Fees payable during an Initial Service Term upon at least ninety (90) days' prior notice to Subscriber and the relevant Commercial Addendum shall be deemed to have been amended accordingly.

9.4 Termination for Material Breach

Either party may terminate this Agreement and/or any Commercial Addendum immediately at any time by written notice to the other party, if the other party commits any material breach of its obligations under this Agreement and/or the relevant Commercial Addendum which is not capable of remedy, or if it is capable of remedy, fails to remedy the material breach in all material respects within thirty (30) days of receiving written notice of the material breach from the non-breaching party.

9.5 Termination by AeroCloud

9.5.1 AeroCloud may terminate this Agreement and/or any Commercial Addendum immediately at any time by written notice to Subscriber:

(a) if Subscriber fails to pay any Fees by the due date;

(b) there is any unauthorized use, or any unauthorized attempt to use, AeroCloud's intellectual property by Subscriber; or

(c) if Subscriber is in violation of applicable law or regulation.

9.6 Consequence of Termination

9.6.1 Upon termination of this Agreement and/or any Commercial Addendum for any reason:

(a) all licenses granted by AeroCloud under this Agreement shall immediately terminate and Subscriber shall immediately cease all use of the Software, Services and Documentation;

(b) each party shall return to the other party and make no further use of any equipment, property, documentation and other items (and all copies of them) belonging to the other; and

(c) Subscriber shall pay to AeroCloud any fees or other amounts that have accrued prior to the date of the termination.

9.6.2 The termination of this Agreement and/or Commercial Addendum for any reason:

(a) shall not affect any provision of this Agreement which is intended (expressly or by implication) to survive, or to come into effect in the event of, termination of this Agreement; and

(b) shall not prejudice or affect the rights or remedies of either party which have accrued up to and including the date of termination.

9.6.3 Termination of this Agreement shall not terminate any Commercial Addendum(s) then in effect, which shall continue to be governed by the terms of this Agreement and termination of a Commercial Addendum shall be without prejudice to the remainder of any other Commercial Addendum(s). Where only one or more Commercial Addendum(s) (and not all Commercial Addendums) have been terminated, the obligations under Section 9.6.1 shall apply only in respect of the terminated Commercial Addendum(s).

10. WARRANTIES AND DISCLAIMER

10.1 Mutual Warranties

10.1.1 Each party represents and warrants to the other that:

(a) this Agreement has been duly executed and delivered and constitutes a valid and binding agreement enforceable against such party in accordance with its terms;

(b) no authorization or approval from any third party is required in connection with such party's execution, delivery, or performance of this Agreement;

(c) it shall obtain and maintain all necessary licenses, consents, and permissions necessary for the performance (or in the case of the Subscriber, receipt and use) of the Services; and

(d) it complies and shall comply with applicable laws relating to the provision (or receipt and use, in the case of Subscriber) of the Services and Documentation and performance of its obligations under this Agreement.

10.2 AeroCloud Subscription Services Warranty

10.2.1 AeroCloud warrants the Subscription Services shall be performed in a professional manner consistent with good industry practice and that the Subscription Services shall substantially perform in accordance with the Documentation. Notwithstanding the foregoing, the above warranty shall not apply where the Services are provided to Subscriber during any POC Period.

10.2.2 The warranty in Section 10.2.1. shall not apply to the extent of any non-conformance which is caused by the use of the Subscription Services contrary to AeroCloud's instructions, or modification of the Subscription Services by any party other than AeroCloud or AeroCloud's duly authorized contractors or agents. If the Subscription Services do not conform with the warranty in Section 10.2.1, AeroCloud shall, at its own expense, exercise reasonable efforts to correct any such non-conformity as soon as reasonably practicable.

10.2.3 Subject to Section 13.1(c), the remedies set out in Section 10.2.2 constitute Subscriber's sole and exclusive remedy for any non-conformance with the warranty in Section 10.2.1.

10.3 Disclaimers

10.3.1. AeroCloud:

(a) does not warrant that Subscriber's (or Authorized User's) use of the Services shall be uninterrupted or error-free or that the Services or the information obtained by Subscriber or an Authorized User through the Services shall meet its requirements.

(b) is not responsible for any delays, delivery failures or any other loss or damage resulting from the transfer of data over communications networks and facilities, including the internet, and Subscriber acknowledges that the Services may be subject to limitations, delays and other problems inherent in the use of such communications facilities.

(c) *Except as expressly warranted in this Agreement and to the maximum extent permitted by applicable law, the Subscription Services, the Software, Documentation and other Services are provided "as is," and AeroCloud* *makes no (and hereby disclaims all) other warranties, representations, or conditions, whether written, oral, express, implied or statutory, including, without limitation, any implied warranties of satisfactory quality, course of dealing, trade usage or practice, merchantability, fitness for a particular purpose, title, non-infringement, quiet enjoyment, system integration and/or data accuracy.*

11. INTELLECTUAL PROPERTY INFRINGEMENT

11.1 AeroCloud Indemnification of Infringement Claims

11.1.1 AeroCloud shall, at its expense, defend Subscriber against any third-party claims that the Subscriber's use of the Software, the Subscription Services and/or the Documentation (save in relation to Section 12.1.1) infringes or misappropriates any UK or US patent, copyright, or trade secret right provided that:

(a) Subscriber gives AeroCloud prompt written notice of any such claim;

(b) Subscriber grants AeroCloud full, complete and sole control to defend and settlement any such claim;

(c) upon AeroCloud's reasonable request, Subscriber provides assistance, at AeroCloud's expense, in connection with the defense and settlement of such claim; and

(d) Subscriber complies with any settlement or court order made in connection with any such claim (e.g., relating to the future use of any infringing Subscription Services).

11.1.2 In the defense or settlement of any claim, AeroCloud may procure the right for Subscriber to continue using, replace or modify the Software, Subscription Services and/or Documentation (as the context requires) so that they become non-infringing or, if such remedies are not reasonably available, terminate this Agreement on prior written notice to Subscriber without any additional liability or obligation to pay damages or other additional costs to Subscriber.

11.2 Exclusions from Obligations

11.2.1 AeroCloud shall have no obligation under this Section 11 for any infringement or misappropriation to the extent that the infringement or misappropriation arises out of or is based upon:

(a) use of the Subscription Services, Software or Documentation in combination with other products or services not provided by AeroCloud;

(b) designs, requirements or specifications required by or provided by Subscriber;

(c) use of the Services by Subscriber (or an Authorized User) for a purpose (or purposes) not intended or outside the scope of the license granted to Subscriber;

(d) Subscriber's (or an Authorized User's) failure to use the Subscription Services and/or Documentation in accordance with this Agreement and any instructions provided by AeroCloud; and/or

(e) any modification of the Software, Subscription Services and/or Documentation not made or authorized in writing by AeroCloud.

11.3 Limited Remedy

Subject to Section 13.1(c), this Section 11 states AeroCloud's sole and exclusive liability, and Subscriber's sole and exclusive remedy, for the actual or alleged infringement or misappropriation of any intellectual property right or right of confidentiality.

12. SUBSCRIBER INDEMNIFICATION

12.1 Subscriber Indemnification of Infringement Claims

12.1.1 Subscriber shall, at its expense, defend AeroCloud (and its affiliates) against any third party claims arising out of or in connection with Subscriber's (or an Authorized User's) use of the Software, Services, Documentation to the extent that the third party claim arises out of or is based upon any of the circumstances set out in Section 11.2.111.2(a) to Section 11.2.111.2(e) (inclusive) and/or any breach of its obligations set out in this Agreement and/or the use, receipt, provision, processing and/or making available the Subscriber Data and shall indemnify AeroCloud (and its affiliates) from and against any and all claims, actions, proceedings, losses, damages, expenses, liabilities and/or costs (including without limitation court costs and reasonable legal fees) in judgement or settlement of such claims.

12.1.2 In respect of any third-party claim under Section 12.1.1, AeroCloud shall:

(a) give Subscriber prompt written notice of any such claim;

(b) grant Subscriber full and complete control over the defense and settlement of any such claim;

(c) upon Subscriber's reasonable request, provide assistance, at Subscriber's expense, in connection with the defense and settlement of any such claim;

(d) comply with any settlement or court order made in connection with any such claim; and

(e) not defend or settle any such claim without Subscriber's prior written consent (such consent not to be unreasonably withheld or delayed),

provided that AeroCloud shall have the right to participate in the defense of any such claim at its own expense and with counsel of its own choosing.

12.1.3 Subscriber shall have no obligation under this Section 12 for any third party claim that is solely based upon AeroCloud's use of the Subscriber Data in breach of its obligations set out in this Agreement.

13. LIMITATIONS OF LIABILITY

13.1 Nothing in this Agreement purports to exclude or limit:

(a) either party's liability for death or physical injury as a result of its negligence;

(b) either party's liability for willful misconduct, fraud or fraudulent misrepresentation;

(c) either party's liability for any liability that cannot be excluded by applicable law;

(d) either party's liability for breach of Section 14 by that party;

(e) Subscriber's obligation to pay the Fees due and payable under this Agreement;

(f) liability in respect of any indemnification obligations under Section 11 and Section 12; or

(g) Subscriber's (or any Authorized User's) breach of any of its obligations under Section 2.

13.2 *Subject to Sections 13.1, 13.3, 13.4 and 13.5, neither party shall be liable under this Agreement in contract or tort (including negligence and breach of statutory duty) for any:*

(a) Indirect, exemplary, incidental, special, punitive, reliance or consequential damages;

(b) loss of data (other than the costs of reconstituting data to the last available back-up);

(c) loss of goodwill; and/or

(d) loss of profit, business or revenue,

(in the case of Sections 13.2(b), 13.2(c) and 13.2(d) whether direct or indirect) arising under or in connection with this Agreement.

13.3 *Subject to Sections 13.1, 13.2, 13.4 and 13.5, each party's total aggregate liability in contract, tort (including negligence or breach of statutory duty) or otherwise arising under or in connection with this Agreement in respect of all Defaults (when taken together and not for each and every Default) that first occur during any contract year shall not exceed one hundred percent (100%) of the total Fees (excluding Fees for the Hardware) paid or payable by Subscriber to AeroCloud during the previous contract year, provided that if no Fees have been paid by Subscriber in the previous contract year (or there is no previous contract year which shall be the case in respect of the first contract year) the aggregate liability shall be fifty thousand pounds (£50,000). The parties acknowledge and agree that should a Default occur in one (1) contract year and continue into one (1) or more other contract years the liability cap for the contract year in which the Default first occurred shall apply to all liabilities arising from such Default.*

13.4 *Subject to Sections 13.1, 13.2, 13.3 and 13.5, AeroCloud's total aggregate liability in contract, tort (including negligence or breach of statutory duty) or otherwise arising under or in connection with this Agreement during any POC Period shall not exceed one hundred percent (100%) of the total fees paid by Subscriber to AeroCloud for any such proof of concept.*

13.5 Except as expressly provided in this Agreement:

(a) Subscriber assumes sole responsibility for results obtained from the use of the Services, the Software and the Documentation, and for conclusions drawn from such use. AeroCloud shall have no liability for any damage caused by errors or omissions in any information, instructions, or data provided to AeroCloud by or on behalf of Subscriber or an Authorized User in connection with the Services, or any actions taken by AeroCloud at Subscriber's direction.

14. CONFIDENTIALITY

14.1 Each party shall maintain as confidential and shall not disclose, copy or use any of the other party's confidential information, including the terms and conditions of this Agreement, that it may access or receive in connection with this Agreement except as needed in connection with the performance of its obligations or exercise of its rights under this Agreement. A party's Confidential Information shall not be deemed to include information that:

(a) is or becomes publicly known other than through any act or omission of the receiving party;

(b) was in the other party's lawful possession before the disclosure;

(c) is lawfully disclosed to the receiving party by a third party without restriction on disclosure; or

(d) is independently developed by the receiving party, which independent development can be shown by written evidence.

14.2 A party may disclose the other party's confidential information only to those employees, contractors, subcontractors, service providers and professional advisors of such party who need to know such information and shall not disclose any of the other party's confidential information to any third party unless such third party is bound by written confidentiality and limited use obligations at least as stringent as those contained herein.

14.3 A party may disclose confidential Information to the extent such confidential information is required to be disclosed by applicable law provided that, to the extent the relevant party is legally permitted to do so, the disclosing party gives the other as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this Section 14.3, takes into account the reasonable requests of the other in relation to the content of such disclosure.

14.4 Each party shall protect the other party's confidential information with the same degree of care (but no less than a reasonable degree of care) that such party uses to protect its own confidential information.

14.5 The confidentiality obligations shall survive the termination or expiration of this Agreement.

15. GENERAL

15.1 Data Processing

15.1.1. Subscriber shall be the Data Controller, and AeroCloud shall be the Data Processor, of the Subscriber Personal Data processed by AeroCloud in connection with the Services. Subscriber is solely responsible for ensuring that it complies with applicable Data Protection Law in processing and transferring Subscriber Personal Data to AeroCloud.

15.1.2. Subscriber, as Data Controller, determines the purposes of collecting and processing Subscriber Personal Data in the Services. The data processing Annex to the applicable Commercial Addendum specifies the categories of Data Subjects and the types of the Subscriber Personal Data to be processed by AeroCloud and the technical and organizational security measures AeroCloud applies to the Services, unless this Agreement states otherwise.

15.1.3. AeroCloud will follow documented instructions received from Subscriber with respect to Subscriber Personal Data, unless they are (i) legally prohibited or (ii) require material changes to the Services. AeroCloud may correct or remove any Subscriber Personal Data in accordance with the Subscriber's instruction. If AeroCloud cannot comply with an instruction or considers that complying with an instruction will breach Data Protection Law, it will promptly notify Subscriber (email permitted).

15.1.4. To process Subscriber Personal Data, AeroCloud will only use personnel who are bound to observe data and telecommunications secrecy under the Data Protection Law.

15.1.5. AeroCloud will use the appropriate technical and organizational measures stated in the data processing Annex to the applicable Commercial Addendum. This Annex applies to the production system of the Services. Subscriber should not store any Subscriber Personal Data in non-production environments.

15.1.6. AeroCloud provides the Services to AeroCloud's entire customer base hosted out of the same data center and receiving the same Services. Subscriber agrees AeroCloud may improve the measures taken in the data processing Annex to the applicable Commercial Addendum in protecting Subscriber Personal Data so long as it does not diminish the level of data protection.

15.1.7. AeroCloud will promptly inform Subscriber if it becomes aware of any Security Breach.

15.1.8. At Subscriber's request, AeroCloud will reasonably support Subscriber in dealing with requests from Data Subjects or regulatory authorities regarding AeroCloud's processing of Subscriber Personal Data and, taking into account the nature of the Services, provide reasonable assistance to the Subscriber, insofar as this is possible and at the Subscriber's cost, for the fulfilment of the Subscriber's obligations under Data Protection Law in respect of data security; data breach notification; data protection impact assessments; and prior consultation with regulatory authorities.

15.1.9. AeroCloud is authorized by the Subscriber to engage those subcontractors listed in the data processing Annex to the applicable Commercial Addendum to process the Subscriber Personal Data on its behalf ("Subprocessors"). AeroCloud shall ensure all Subprocessors are subject to contractual obligations which are the same as or equivalent to those imposed on AeroCloud under Sections 15.1.1 to 15.1.11. AeroCloud shall inform Subscriber of any intended changes concerning the addition or replacement of any Sub-processor within a reasonable time prior to implementation of such change. In the event of Subscriber objecting to such change, AeroCloud shall make reasonable efforts to address Subscriber's concerns (including making all reasonable efforts to find an alternative Subprocessor).

15.1.10. Upon termination or expiry of this Agreement, at Subscriber's option AeroCloud shall promptly return or permanently and securely delete the Subscriber Personal Data, and delete any existing copies in its possession (including backups) unless required to retain such Subscriber Personal Data under applicable law.

15.1.11. Subscriber or its independent third party auditor may audit AeroCloud's security practices relevant to Subscriber Personal Data processed by AeroCloud only if:

(a) AeroCloud has not provided sufficient evidence of its compliance with (1) the technical and organizational measures that protect the production systems of the Services and/or (2) AeroCloud' obligations under Data Protection Law in relation to the Subscriber Personal Data, through providing either: (i) a certification as to compliance with ISO 27001 or other standards (scope as defined in the certificate). Upon Subscriber's request ISO certifications are available through AeroCloud;

(b) a Security Breach has occurred;

(c) Subscriber has reasonable grounds to suspect that AeroCloud is not in compliance with its obligations under Sections 15.1.1 to15.1.11;

(d) an audit is formally requested by Subscriber's data protection authority; or

(e) mandatory Data Protection Law provides Subscriber with a direct audit right.

15.1.12. The Subscriber audit carried out in accordance with Section 15.1.11 will be limited to once in any twelve (12) month period, and limited in time to a maximum of three (3) business days and scope as reasonably agreed in advance between the parties. Reasonable advance notice of at least sixty (60) days is required, unless Data Protection Law requires earlier audit. AeroCloud and Subscriber will use current certifications or other audit reports to minimize repetitive audits.

15.1.13. Subscriber and AeroCloud will each bear their own expenses of audit, unless the Subscriber is auditing under Section 15.1.11(c) (unless such audit reveals a breach by AeroCloud in which case AeroCloud shall bear its own expenses of audit), 15.1.11(d) or 15.1.11(e). In those cases, Subscriber will bear its own expense and the cost of AeroCloud's internal resources required to conduct the audit. If an audit determines that AeroCloud has breached its obligations under this Agreement, AeroCloud will promptly remedy the breach at its own cost.

15.2 Relationship

Nothing in this Agreement is intended to create a partnership, joint venture or legal relationship of any kind between the parties that would impose liability on one party for the act or failure to act of the other party, or to provide either party with the right, power, or authority (express or implied) to create any duty or obligation of or other bind the other party.

15.3 Assignment and other dealings

15.3.1. Subject to Section 15.3.2 and Section 15.3.3, neither party may assign, novate, transfer, charge, sub-contract or otherwise dispose of or create any trust in relation to any or all of its rights and/or obligations under this Agreement, without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).

15.3.2. Notwithstanding Section 15.3.1, AeroCloud shall have the right to assign, novate or otherwise dispose of any of its rights and/or obligations under this Agreement without Subscriber's consent:

(a) to an affiliate; or

(b) in connection with any acquisition, merger, consolidation, sale of all or substantially all of AeroCloud's assets, or change in its control or any assignment by operation of law.

15.3.3. Notwithstanding Section 15.3.1, AeroCloud shall have the right to sub-contract the performance of any of the Services and any of its obligations under this Agreement to third parties without Subscriber's consent. AeroCloud shall remain liable under this Agreement for all acts and omissions of such sub-contractors as if such acts and omissions were its own.

15.4 Notices

Any notice required or permitted to be given in accordance with this Agreement shall be effective if it is in writing and sent by prepaid first-class post or recorded delivery post or by prepaid mail courier, to the appropriate party at the address set forth on the signature page to this Agreement. Either party may change its address for receipt of notice by notice to the other party in accordance with this Section 15.4. Notices are deemed to have been received (2) two business days following the date of mailing.

15.5 Force Majeure

Except with respect to Subscriber's payment obligations, neither party shall be liable for, or be considered to be in breach of or default under this Agreement on account of, any delay or failure to perform any of its obligations as required by this Agreement, as a result of any event beyond its reasonable control, so long as that party uses commercially reasonable efforts to mitigate the impact of the non-performance, and provides prompt written notice to the other party upon becoming aware of such event. Such written notice shall contain details of the event and its anticipated duration.

15.6 Dispute Resolution

In the event of any dispute arising under or relating to this Agreement, the parties shall attempt to resolve such dispute informally in good faith and without recourse to legal proceedings. Where either party considers that a dispute cannot be resolved informally in accordance with this Section 15.6 within acceptable timescales, the dissatisfied party may escalate the dispute to the other party's designated representative from time to time. Nothing in this Section 15.6 shall prevent either party from seeking injunctive or interim relief or raising court proceedings.

15.7 Waiver and Cumulative Remedies

15.7.1. The waiver by either party of any right or remedy under this Agreement does not waive any other right or remedy. The failure or delay in exercising any right or remedy shall not waive that or any other right or remedy. A waiver of any right or remedy under this Agreement is only effective if it is in writing.

15.7.2. The rights and remedies arising under, or in connection with, this Agreement are cumulative and, except where otherwise expressly provided in this Agreement, do not exclude any rights or remedies provided by law (including equitable remedies) or otherwise.

15.8 Indemnity

AeroCloud shall indemnify and hold Monterey Peninsula Airport District harmless in relation to all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis up to the total monetary value of the Agreement for the contracted period) and all other professional costs and expenses) suffered or incurred by Monterey Peninsula Airport District arising out of or in connection with the AeroCloud's negligent or non-performance of this Agreement. This indemnity shall not cover Monterey Airport to the extent that a claim under it results from Monterey Peninsula Airport District's negligence or wilful misconduct. Nothing in this clause shall restrict or limit Monterey Peninsula Airport District's general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this indemnity. The limitation of liability set out in this Agreement shall not be applicable to this indemnity.

15.9 Severability

If any provision of this Agreement is found to be illegal, unenforceable, or invalid, the remaining portions of this Agreement shall remain in full force and effect with whatever modification is necessary to give effect to the commercial intentions of the parties. If any material limitation or restriction on the use of the Services under this Agreement is found to be illegal, unenforceable or invalid, Subscriber's right to access and use the Services shall immediately terminate.

15.10 Counterparts

This Agreement may be executed in any number of identical counterparts, notwithstanding that the parties have not signed the same counterpart, with the same effect as if the parties had signed the same document. All counterparts shall be construed as and constitute the same agreement. This Agreement may also be executed and delivered by electronic means and such execution and delivery (but for the avoidance of doubt, not just delivery of the execution page) shall have the same force and effect of an original document with original signatures.

15.11 Entire Agreement

15.10.1. This Agreement, including all Exhibits hereto and Commercial Addendums constitutes the entire agreement between the parties relating to the subject matter contemplated by this Agreement and supersedes and extinguishes any previous agreement, warranty, statement, representation, understanding or undertaking (whether written or oral) given or made before the Effective Date by or on behalf of the parties and relating to its subject matter.

15.10.2. No representation, undertaking or promise shall be taken to have been given or be implied from anything said or written in negotiations between the parties prior to this Agreement except as expressly stated in this Agreement.

15.10.3. Neither party shall have any remedy in respect of any untrue statement made by the other upon which that party relied in entering into this Agreement (unless such untrue statement was made fraudulently) and that party's only remedies shall be for breach of contract as provided in this Agreement.

15.12 Amendments

Any amendment or modification to this Agreement shall be in writing and signed by or on behalf of both parties to this Agreement.

15.13 Third Party Rights

This Agreement is made for the benefit of the parties to it and is not intended to benefit or be enforceable by any other person.

15.14 Governing Law and Jurisdiction

15.13.1. This Agreement and any disputes or claims arising out of or in connection with its subject matter are governed by and construed in accordance with the laws of California.

15.13.2. The parties irrevocably agree that the state and federal courts located in the State of California in the County of Monterey have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement.

SIGNATURE PAGE

Signature:	
AeroCloud	**Subscriber**
Name: George Richardson	Name:
Title: CEO	Title:
Signature:	Signature:
Date:	Date:
Address: 1201 N Orange Street, Suite 7451, Wilmington, DE 19801-1186	Address:

EXHIBIT - COMMERCIAL ADDENDUM

This Commercial Addendum shall incorporate by reference, terms agreed in the 'Framework Agreement' dated 11 June 2026 for the provisions of subscription services and ancillary support services between: (1) AeroCloud Systems Inc. and (2) Monterey Peninsula Airport District ("**Framework Agreement**").

If you are entering into the Commercial Addendum for an entity, such as the company you work for, you represent that you have legal authority to bind that entity.

The Commercial Addendum may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one Commercial Addendum. Transmission of the executed signature page of a counterpart of the Commercial Addendum by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of the Commercial Addendum. If either method of delivery is adopted, without prejudice to the validity of the Commercial Addendum made, each party shall provide the other with the original of such counterpart as soon as reasonably possible thereafter. No counterpart shall be effective until each party has executed at least one (1) counterpart.

Service Term	
Commencement Date	The date of the last signature to this Commercial Addendum
Initial Service Term	5 (Five) years from and including the Commencement Date

Services:

Implementation Services

Implementation Services:
- o Project Management
- o Software and Equipment Configuration
- o Airline Onboarding
- o Remote Testing
- o Onsite Implementation and Airline Testing
- o Onsite Training System Users
- o Go Live

Subscription Services

- **AeroCloud CUPPS**: 20 workstations (Check-in: 10, Gate: 10) and 4 airlines {American, Allegiant, Alaska, United]
- **PPSM**: Yes
- **AeroCloud FIDS**: 20 screens and 20 Pi's
- **AeroCloud CUSS**: 7 Kiosks - 4 airlines {American, Allegiant, Alaska, United]

Additional Subscription Services

If Monterey Regional Airport wishes to deploy up to 10 additional units ("**Additional Unit**") after the Commencement Date of this Commercial Addendum, the next license shall increase per unit per year as per table below ("**Additional Annual License**").

The Additional Annual License figure will be pro-rated based on the month from which the additional unit has been added. For the avoidance of doubt this is only applicable to the Initial Service Term and not for any renewal periods.

If the number of total Additional Units exceeds 10, the additional license figure shall be discussed separately.

Additional Unit	Additional Annual Licence per Additional Unit (year 1-3)	Additional Annual Licence per Additional Unit (year 4-5)
CUPPS License	$1,965.00	$2,083.00
FIDS License	$1,508.00	$1,599.00
CUSS License	$4,097.00	$4,343.00
Additional Airline Application	$2,243.00	$2,378.00

Support Services

Annex applies to this Commercial Addendum and replaces the priority levels, target response and target resolution times set out in Section 4.3 in respect of the Passenger Processing Solutions only. For the avoidance of doubt, the remainder of Section 4 shall apply in entirety to the Passenger Processing Solutions.

Hardware				
Description and quantity: • PC/workstation (with Mouse & Keyboard): PC (Workstation) - Dell i5 x22 • Monitor: Monitor - 24" Dell x22 • Boarding Pass Printer: Boarding Pass Printer – Epson x22 • Bag Tag Printer w/ Roll Holder: Bag Tag Printers with Roller Kits - TK180 METAL RFID x30 • Barcode Scanner/Boarding Gate Reader: Barcode Scanner/BGR – Zebra x11 • Handscanner – Zebra x11 • Document Printer: Document Printer – HP 3001dw x12 • Passport Swipe Reader: Passport Swipe Reader – Desko x22 • AeroCloud AEA Middleware x20 • Firewall x3 • Cables x22 • FIDS Boxes x26 • Common Use Self Service Kiosk x7 • CUSS Spares Kit x1 • FIDS Screens + Mounts x20 AeroCloud shall be responsible for Hardware Installation pursuant to clause 5.1(d) of the Framework Agreement **Delivery location:** **Confirm with the airport – new terminal*				
Scope Limitations:				
n/a				
Master Users:				
To be determined by MRY Operations and IT Team.				
Fees, currency, invoicing and payment terms:				
Service	**Fees**	**Currency**	**Invoicing Frequency**	**Payment Terms**
Implementation Services	**$51,591.00**	USD	On the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 1 – FIDS, CUPPS, CUSS	**$98,271.00**	USD	On the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 2 – FIDS, CUPPS, CUSS	$98,271.00	USD	Annually in line with the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 3 – FIDS, CUPPS, CUSS	$98,271.00	USD	Annually in line with the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 4 – FIDS, CUPPS, CUSS	$102,201.84	USD	Annually in line with the commencement date	Due upon receipt of invoice
Subscription Services (which is inclusive of any fees for the Support Services) Year 5 – FIDS, CUPPS, CUSS	$106,289.91	USD	Annually in line with the commencement date	Due upon receipt of invoice
Total Hardware Costs	**Fees**	**Currency**	**Invoicing Frequency**	**Payment Terms**
Total Hardware & Shipping Costs	**$368,058.14**	USD	On the commencement date	Due upon receipt of invoice
TOTAL CONTRACT AT EXECUTION	**$517,920.14**	USD	On the commencement date	Due upon receipt of invoice

Signature:

AeroCloud	**Subscriber** Monterey Peninsula Airport District
Name: George Richardson	Name: Christine Morello
Title: CEO	Title: Executive Director

Signature:	Signature:
Date:	Date:

ANNEX 1 – PASSENGER PROCESSING SOLUTION SUPPORT SERVICE LEVELS

1. Purpose of this Annex

The purpose of this Annex is to set out the service levels for the supply of the Incident support services by AeroCloud to the Subscriber in respect of the Passenger Processing Solutions only. For the avoidance of doubt, the support service levels set out in Section 4 shall apply to all Subscription Services (except for the Passenger Processing Solutions) provided by AeroCloud to the Subscriber.

2. Support Hours

Unless otherwise agreed by AeroCloud in writing, the support services set out in paragraphs 3 and 4 for Priority of this Annex will be provided between 08.00 - 18.00 (EST Time) during AeroCloud's normal business days, except for critical and severe Incidents which shall be provided 24/7 by AeroCloud.

Subscriber must notify AeroCloud of all critical Incidents by phone to ensure the Incident is handled promptly.

3. Priority Levels and Target Response Times

The priority levels and target response times which apply to all Incidents relating to Passenger Processing Solutions only are as follows:

Reporting Method	Priority Level	Target Response Time*
Telephone		
	Priority 1 (Critical)	15 minutes
	Priority 2 (Severe)	15 minutes
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours
Email		
	Priority 1 (Critical)	4 hours
	Priority 2 (Severe)	4 hours
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours

***target response times shall apply from when the Incident notification is received by AeroCloud. Where AeroCloud sends a Response by email, such Response shall be deemed to have been received by the Subscriber if AeroCloud has not received an error message.

AeroCloud shall only be required to Respond to the applicable Incident using one of the reporting methods above and the reporting method shall be chosen by AeroCloud (at its discretion).

4. Priority Levels and Target Resolution Times

The priority levels and target resolution times which apply to all Incidents relating to Passenger Processing Solutions only are as follows:

Priority Level	Target Resolution Time*	Update Frequency
Priority 1 (Critical)	2 hours	30 minutes
Priority 2 (Severe)	4 hours	60 minutes
Priority 3 (Medium)	2 working days	Daily during working days
Priority 4 (Minor)	1 month	Weekly
Requests	Advised on request received	Advised on request received

*target resolution times shall apply from the point AeroCloud Responds to an Incident.

AeroCloud shall provide the Subscriber with regular updates on the Resolution status of the applicable Incident in accordance with the update frequency timescales set out in the above table.

5. Priority Levels

For the purpose of paragraphs 3 and 4 of this Annex, the priority levels shall be defined as follows:

Priority Level	Priority Level Description
Priority 1 (Critical)	An Incident which would make the applicable Passenger Processing Solution

	inoperable or unworkable. Critical Business Impact: Total system failure and interruption of business- critical applications affecting all customers or gateways to partner networks. Alternative or bypass is unavailable. Impact is to all customers.
Priority 2 (Severe)	An Incident which would make the applicable Passenger Processing Solution operationally inconvenient in use. Severe Business Impact: Complete or partial service interruption of business-critical applications affecting multiple customers or gateway to partner networks. Acceptable bypass is available. Impact is to more than 50% of customers or devices.
Priority 3 (Medium)	An Incident which is inconvenient but does not reduce the system'soperational capacity. Medium Business Impact: Partial service interruption of business-critical applications affecting a single customer or gateway to partner networks. Operational impact is minimal with no immediate impact on service delivery. Workaround is available. Impact is to less than 50% of customers or devices.
Priority 4 (Minor)	An Incident of a minor nature. Minimal Business Impact: Component, procedure, or personal applicationnot critical to a customer is unusable. Alternative is available; deferred maintenance is acceptable (problems reported to suppliers). Impact is to individual customer and service delivery minimal; possible minor inconvenience.
Requests	Non-operational requests such as requests for information, additional users etc. No Business Impact: Non-service affecting faults. Alternative or bypass is not applicable. Impact to customer is non-existent.

ANNEX 2 – DATA PROCESSING PARTICULARS

This Annex includes certain details of the processing of Subscriber Personal Data as required by Data Protection Law and AeroCloud's technical and organizational measures.

1. **DATA PROCESSING PARTICULARS**

Subject matter and duration of the Processing of the Personal Data

The subject matter and duration of the processing of the Subscriber Personal Data are set out in this Agreement.

The nature and purpose of the Processing of the Personal Data

The nature and purpose of the processing of the Subscriber Personal Data are set out in this Agreement.

The categories of Data Subject to whom the Subscriber Personal Data relates

Subscriber's Authorised Users of the Services.

The types of Subscriber Personal Data to be processed may include the following (as applicable):

User name, password, cell phone no. and any other applicable log-in credentials.

Authorised Subprocessors

Amazon Web Services, Microsoft Azure

2. **TECHNICAL AND ORGANIZATIONAL MEASURES**

The following sections define the AeroCloud's current security measures. AeroCloud may change these at any time without notice so long as it maintains a comparable or better level of security. This may mean that individual measures are replaced by new measures that serve the same purpose without diminishing the security level.

2.1. Physical Access Control.

AeroCloud's Cloud Infrastructure is hosted on Amazons AWS and is access controlled by their own policies and procedures which can be found at https://aws.amazon.com/compliance and https://aws.amazon.com/security/

2.2. System Access Control.

Data processing systems used to provide the AeroCloud Services must be prevented from being used without authorization.

Measures:

- Multiple authorization levels are used when granting access to sensitive systems, including those storing and processing Subscriber Personal Data. AeroCloud controls the creation of users within the system to ensure only valid authorized users have the appropriate access.
- All users access AeroCloud's systems with a unique identifier (user ID).
- AeroCloud has procedures in place to ensure that requested authorization changes are implemented only in accordance with the guidelines (for example, no rights are granted without authorization). If a user leaves the company, his or her access rights are revoked.
- The AeroCloud network is protected from the public network by firewalls.
- Security patch management is implemented to ensure regular and periodic deployment of relevant security updates.
- Full remote access to AeroCloud's critical cloud infrastructure is protected by strong authentication.

2.3. Data Access Control.

Persons entitled to use data processing systems gain access only to the Subscriber Personal Data that they have a right to access, and Subscriber Personal Data must not be read, copied, modified or removed without authorization in the course of processing, use and storage.

Measures:

- Access to personal, confidential or sensitive information is granted on a need-to-know basis. In other words, employees or external third parties have access to the information that they require in order to complete their work.
- All production servers are operated in the Data Centers or in secure server rooms. Security measures that protect applications processing personal, confidential or other sensitive information are regularly checked.
- AeroCloud does not allow the installation of personal software or other software that has not been approved by AeroCloud.

2.4. Data Transmission Control.

Except as necessary for the provision of the Services in accordance with this Agreement, Subscriber Personal Data must not be read, copied, modified or removed without authorization during transfer. Subscriber Personal Data transfer over AeroCloud internal networks are protected in the same manner as any other confidential data.

- When data is transferred between AeroCloud and its customers, the protection measures for the transferred Subscriber Personal Data are mutually agreed upon and made part of the relevant Agreement. This applies to both physical and network based data transfer. In any case, the Subscriber assumes responsibility for any data transfer once it is outside of AeroCloud-controlled systems (e.g. data being transmitted outside the firewall of the AeroCloud Data Center).

2.5. Data Input Control.

It will be possible to retrospectively examine and establish whether and by whom Subscriber Personal Data have been entered, modified or removed from AeroCloud data processing systems.

Measures:

- AeroCloud only allows authorized persons to access Subscriber Personal Data as required in the course of their work.
- AeroCloud has implemented a logging system for input & modification, or blocking of Subscriber Personal Data by AeroCloud within AeroCloud's products and services to the fullest extent possible.

2.6. Availability Control.

Personal Data will be protected against accidental or unauthorized destruction or loss.

Measures:

- AeroCloud employs backup processes and other measures that ensure rapid restoration of business critical systems as and when necessary.
- The Data Centers use uninterrupted power supplies (for example: UPS, batteries, generators, etc.) to ensure power availability.
- AeroCloud has defined contingency plans as well as business and disaster recovery strategies for the provided services.

2.7. Data Separation Control.

Subscriber Personal Data collected for different purposes can be processed separately.

Measures:

- AeroCloud uses the technical capabilities of the deployed software (for example: multi- tenancy, or separate system landscapes) to achieve data separation among Subscriber Personal Data originating from multiple customers.
- Subscribers have access only to their own data.
- If Subscriber Personal Data is required to handle a support incident from a specific customer, the data is assigned to that particular message and used only to process that message; it is not accessed to process any other messages. This data is stored in dedicated support systems.

2.8. Data Integrity Control .

Subscriber Personal Data will remain intact, complete and current during processing activities.

Measures:

AeroCloud has implemented a multi-layered defence strategy as a protection against unauthorized modifications.

In particular, AeroCloud uses the following to implement the control and measure sections described above. In particular:

- Firewalls;
- Security Monitoring Center;
- Antivirus software;
- Backup and recovery;
- External and internal penetration testing.

Monterey Regional Airport (MRY)

Electronic Video Information Display System (EVIDS), Universal Passenger Processing System (UPPS) & Common Use Self-Service (CUSS)

Matthew Blakeley
Commercial Sales Manager
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AeroCloud Systems Inc.
1201 N Orange Street
Suite 7451
Wilmington
DE 19801-1186

MONTEREY
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AeroCloud

Executive Summary

AeroCloud is pleased to submit this proposal to deliver the Monterey Regional Airport Replacement Terminal Facility EVIDS, UPPS, and CUSS systems. We understand that this project is not simply the installation of new technology, but the establishment of a stable, right-sized, airport-owned passenger processing and information platform that will support airline operations from day one and scale with the airport's long-term growth.

For Monterey Regional Airport, AeroCloud will act as a single entity to deliver a single, fully integrated passenger journey environment comprising:

A complete UPPS platform, incorporating CUPPS workstations at ticket counters and gate podiums, CUSS self-service kiosks, and PPSM operational monitoring and reporting tools.
A single integrated EVIDS solution, including all required public and operational displays, powered by AeroCloud's Flight Management System (FMS) backend to ensure accurate, consistent, and centrally controlled flight information distribution.

The proposed UPPS solution will support the required two single-position check-in counters, four dual-position check-in counters, five dual-position gate counters, and seven self-service kiosks. The solution includes all necessary software, hardware, airline enablement coordination, testing, commissioning, and structured training for airport and airline personnel.
The proposed EVIDS will meet all requirements to deliver a fully configured and coordinated display environment across check-in backwalls, gate information displays, baggage information displays, and post-security FIDs. All display templates, layouts, and content configurations will be developed in close collaboration with Monterey Regional Airport to ensure operational clarity, visual consistency, and adaptability for irregular operations.

At the core of both UPPS and EVIDS sits AeroCloud's cloud-native platform architecture. The FMS backend manages all flight data inputs, business logic, display rules, and distribution to devices, while PPSM provides monitoring and reporting across workstations, kiosks, and peripherals. In line with Alternate No.01a AeroCloud can provide a complete and fully functional cloud-based Airport Operational Database that meets all outlined requirements.

Operational continuity is fundamental to this project. AeroCloud will provide a structured commissioning programme, including configuration, staged deployment, integration testing, simulation exercises, and go-live support. The support model combines 24/7 monitoring via a follow-the-sun support model with escalation, documented field procedures, and on-site spares management to ensure consistent uptime and rapid recovery from any incident.

AeroCloud is committed to delivering a system that is stable at launch, manageable by airport staff, trusted by airline partners, and scalable for future growth.

Yours Sincerely,

George Richardson

CEO and Founder, AeroCloud Systems Inc

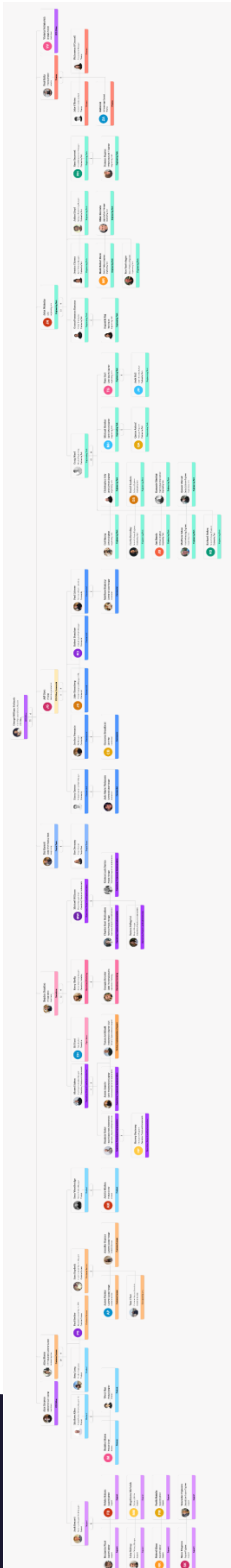
t: +44 (0) 1182 301 625

e: george.richardson@aerocloudsystems.com

w: www.aerocloudsystems.com

To ease visibility of the org chart, we have also provided it as a separate .png attachment as part of our proposal.

Key Personnel



Organizational Structure and Management Approach

AeroCloud will assign a dedicated project organization to the Monterey Regional Airport programme, structured to ensure clear accountability, disciplined governance, and efficient coordination with the Airport, Hensel Phelps, Royal Electric, airline stakeholders, and other project partners.

The Project Manager will serve as the single point of accountability for delivery of the EVIDS, UPPS, and CUSS systems. The Project Manager will be responsible for programme planning, stakeholder coordination, schedule alignment with terminal construction milestones, risk management, reporting, and change control. All design reviews, installation readiness milestones, commissioning approvals, and go-live authorizations will be coordinated through this role.

The UPPS/CUSS Technical Lead will oversee all aspects of system configuration, airline application enablement, interface definition (including AODB and airline DCS connectivity), peripheral configuration, and PPSM deployment. This role will lead structured airline onboarding workshops, define workstation and kiosk build standards, and coordinate system-level testing prior to site activation.

The Installation Lead will manage on-site deployment activities, including device staging, counter and gate equipment readiness, coordination of mounting interfaces, validation of power and network connections, and structured installation checklists. This role will also oversee spare device provisioning, pre-configuration of replacement hardware, and field documentation to support rapid device swap procedures.

Supporting these primary roles will be:
An EVIDS/FMS Solution Lead responsible for flight data configuration, display template development, business rule configuration, and commissioning of all FIDS endpoints.
A Service Delivery Manager responsible for transition to support, SLA management, escalation oversight, and long-term operational reporting.

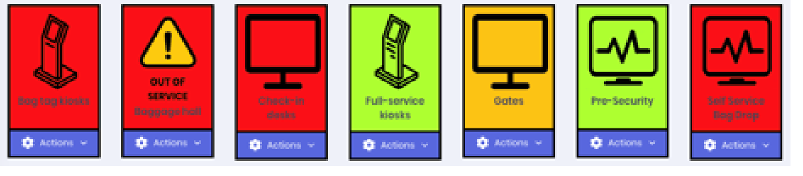
Delivery Phases

Initiation – Contract handover, project kick-off, confirm scope, governance, responsibilities, and initial stakeholder alignment.
Planning – Baseline delivery plan and schedule; confirm resourcing and compliance needs; lock workshop/testing/approval milestones.
Set-Up – Establish technical foundations (environments, core configuration, build standards) and begin onboarding activities in readiness for deployment.
Deployment – Install/configure solution components and peripherals; conduct end-to-end verification and formal training as the system is rolled out.
Testing & Acceptance (UAT) – Structured UAT with airlines/handlers and airport stakeholders to validate workflows and acceptance criteria ahead of go-live (scheduled within deployment/onboarding windows).
Go-Live (Under Project Support) – Controlled cutover into live operations with heightened support coverage and rapid response during the bedding-in period.
Business as Usual (BAU) – Transition into steady-state support and customer success model, with documentation/training/access fully handed over.
Closure & Post-Implementation Review – Formal closure, final documentation and acceptance, and completion of post-implementation review/report.

Proposer's Relevant Project Experience

Delivering Right-Sized, Scalable Airport Systems
AeroCloud specializes in delivering airport-owned, right-sized systems for regional and mid-sized airports. We provide CUPPS alongside Information Display Systems to airports such as TRI, SRQ, GRR, LNK, and PSP. Our platform architecture allows airports to deploy only the devices and modules required at commencement, while maintaining the ability to scale.

As our systems operate via a unified platform environment, expansion does not require system replacement. Additional devices are configured within the existing management framework, inheriting defined business rules, airline profiles, and monitoring configurations. This ensures our airports can scale operations without architectural redesign. Our PPSM (pictured below) is a unified monitoring and reporting tool for our common use systems.



Optimized Service Without Full-Time On-Site Presence
AeroCloud's service model is built around proactive monitoring and structured remote diagnostics. Workstations, kiosks, printers, and display endpoints are monitored for connectivity, peripheral health, and operational status. Alerts are generated automatically when devices disconnect or report degraded performance.

		Urgency			
		Minor	**Medium**	**Severe**	**Critical**
Impact	**Minor**	P4	P4	P3	P2
	Medium	P4	P3	P3	P2
	Severe	P3	P3	P2	P1
	Critical	P2	P2	P1	P1

For airports like MRY, we operate a 24/7 follow-the-sun support model with the outlined SLA matrix and priority levels. Incidents are categorized by severity. As device configuration is centrally managed, most software or configuration issues can be resolved remotely. Where hardware replacement is required, pre-configured spare devices can be deployed rapidly using documented swap procedures, minimizing operational disruption without requiring permanent on-site engineering presence.

Reporting Method	Priority Level	Target Response Time*
Telephone	Priority 1 (Critical)	15 minutes
	Priority 2 (Severe)	15 minutes
Email	Priority 1 (Critical)	4 hours
	Priority 2 (Severe)	4 hours
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours

Training Airport and Airline Staff
Common use environments can represent an operational shift for airport and airline personnel. AeroCloud provide structured, role-based training tailored roles such as airport administrators, airline supervisors, and frontline agents using a train-the-trainer approach.

For airports like MRY, a trainer-the-trainer approach is the ideal way to ensure that current users are well equipped while also ensuring that knowledge is-house to enable the training of future users. Documentation, quick-reference guides, and recorded knowledge materials are also provided to support training future users.

Training sessions and material include:
CUPPS login procedures and airline application access
Kiosk operational workflows
Device restart and first-line troubleshooting
PPSM operation: monitoring and reporting functionality
EVIDS display management and template adjustments
Operational reporting through PPSM dashboards

Start-Up, Testing, and Go-Live Support
When AeroCloud implements new terminal environments for airports like MRY, we apply a structured commissioning methodology. Devices are first configured and validated in a lab setting. For CUSS deployment, a temporary testing and training environment will be established in coordination with the Airport to enable airline application validation and staff familiarization prior to installation in public areas.

Following physical installation, end-to-end integration testing will confirm:
Airline application functionality on CUPPS and kiosks
AODB data exchange accuracy
FMS flight data processing
Display content correctness across all EVIDS endpoints
Peripheral device functionality

Simulation exercises will replicate operational scenarios, including irregular operations and flight changes, to validate display update timing and passenger information consistency. AeroCloud personnel will support the Airport through the initial live operational period to ensure stable transition.

Key Risks and Mitigation
Adopting airport-owned UPPS and EVIDS systems introduces governance and operational responsibility to the Airport. Key risks include airline onboarding timelines, data quality dependencies for AODB exchanges, and device-level hardware failures.

These risks are mitigated through early airline engagement workshops, clearly defined interface specifications, structured test plans, pre-configured spare devices, proactive monitoring, and clearly documented operational procedures. This structured approach ensures Monterey Regional Airport enters live operations with validated systems and defined support pathways.

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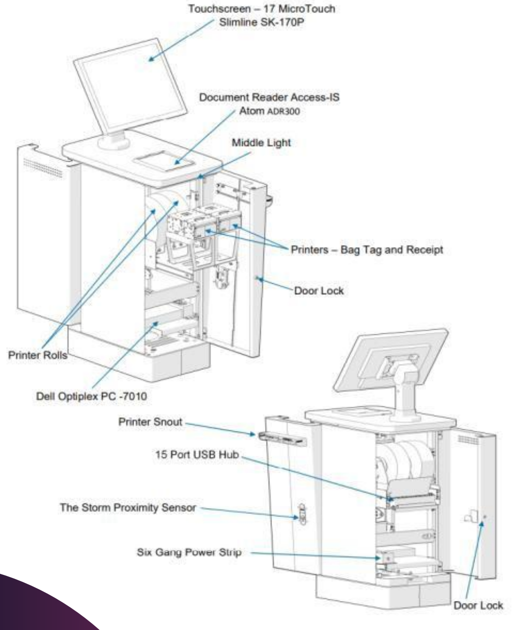
AeroCloud

Self Service Kiosk Design

Key Features

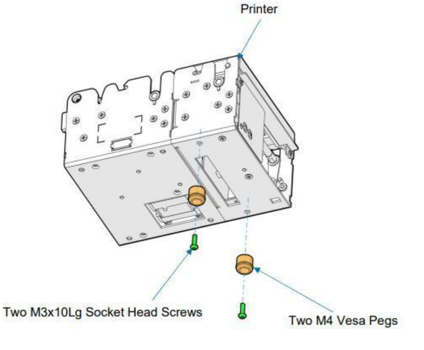
- Full compliance with IATA RP 1706c CUSS standards ensures seamless integration. Supporting all CUSS 1.X versions today and working with the airlines to be ready with the move to CUSS 2.0 standards.
- Support for various devices including boarding pass, barcode, passport, and magnetic card readers.
- Clear status lighting enables easy identification of kiosks needing attention.
- Robust hardware management platform monitors events such as low paper and out-of-service situations.
- DDA/ADA compliance ensures accessibility for all passengers.
- Touchless companion app enhances user experience with hygienic self-service options.
- As the system is cloud-based, there is no need for integration with on-site servers.
- As the kiosks are completely modular, all parts can be swapped out for replacement including LED indicator lights.
- The kiosks can come with a platform for portability & battery, allowing for movement to an area without access to a fixed power supply.
- Multiple languages are supported on the CUSS platform.
- Key lock provided to protect access to internal equipment.
- Constructed with durable stainless-steel sides and metal parts, powder-coated with toughened paint for added resilience.
- Touch screen meets UL-60950 and IK-07 impact testing standards, guaranteeing resilience against impact.

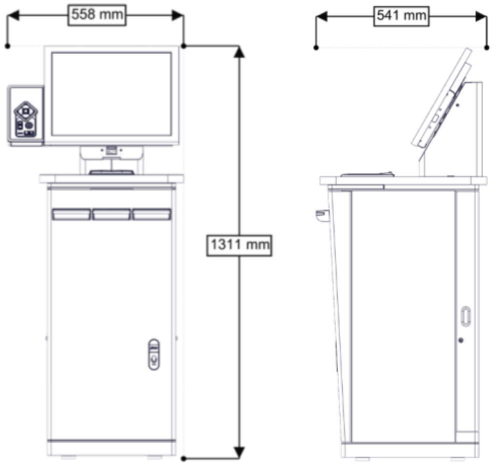


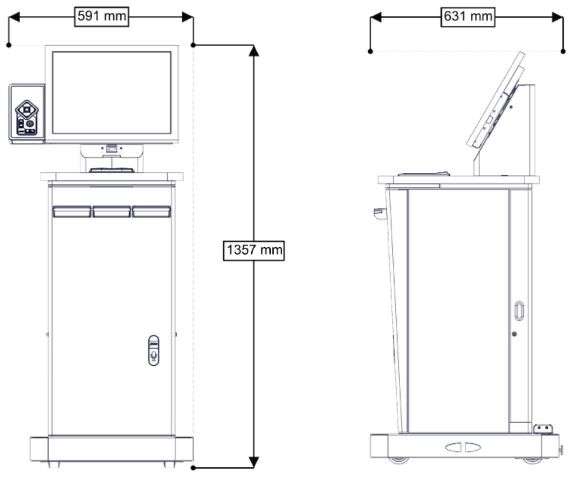
Equipment Ease and Durability

AeroCloud kiosks are engineered for long-term durability and reliable operation in demanding airport environments. Each component is securely mounted for stability while also designed for quick access during on-site support. Using Ves Pegs, equipment can be removed and reinstalled in seconds with a simple lift and push.

There is no reliance on screws, adhesives or Velcro that can cause wear and tear over time. This design ensures maintenance is fast, safe and minimally disruptive, which extends the life of the kiosks and reduces support effort.







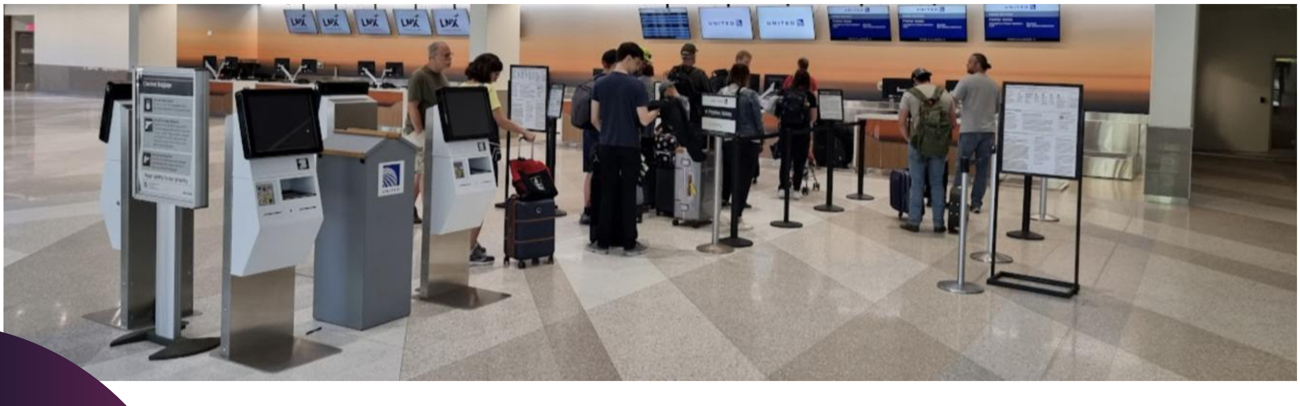
Dimensions

Height: 1311mm
Width: 558mm
Depth: 541mm

Dimensions with portable base

Height: 1357mm
Width: 591mm
Depth: 631mm

Category	Kiosk
Dimensions Height, Width & Depth	1311mm x 558mm x 541mm
Dimensions with Portable Base Height, Width & Depth	1357mm x 591mm x 631mm
Dimensions (Packaging) Height, Width & Depth	1510mm x 620mm x 650mm
Weight (Unpacked)	55Kg
Weight including packaging	110Kg
Kiosk Input - 110V Max	Input voltage 110-240V AC 50/60Hz
Cable Connection	3 Core (Earth, Live, Neutral) - 3 Meters of cable with an IEC Connector fitted.
Rated Power Input	Input voltage 110-240V AC 50/60Hz
Electrical Power Consumption	391W Max 3.6A @ 110V 60Hz
Circuit Protection	Overload protection on the IEC power strip (10A) Fused at 13A
Operating Temperature	Room Temperature 0-40°C
Relative Humidity	10-90% non-Condensing



CONTRACT CHANGE ORDER

Owner/Sponsor: Monterey Peninsula Airport District
(“MPAD” or “District”)

Project: MRY Replacement Terminal Facility
AIP No. 03-06-0159-087-2025
AIP No. 03-06-0159-089-2025

Contractor: Hensel Phelps (“Contractor”)

Current GMP approved Amount: $98,770,402.00 **Contract NTP:** October 13, 2025

Change Order No: One (1)

New Contract Amount **$98,252,481.86** **Effective Date:** **June 25, 2026**

I. **Change Description**. Per Section A133-2019, Article 6.3.1 “The owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Construction Manager may be entitled to an equitable adjustment in Contract Time and/or Cost as a result of changes in Work. Furthermore, per A201-2017, Section 7.2.1, “A change order is a written instrument prepared by the owner and signed by the Owner and Contractor stating their agreement upon all the following:

- The change in work
- The amount of the adjustment, if any, in the relevant Guaranteed Maximum price and the Contract Sum; and
- The extent of the adjustment, if any, in the relevant Guaranteed Maximum Price and the Contract Time

Per A201-2017 Section 7.3.8, “The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the bases of net increase, if any, with respect to that change and in accordance with the A133-2019 Agreement form, Section 6.1.3.”

Element No.	Element Description	Contract Price Adjustment Increase or <Decrease>	Contract Time Adjustment
COR #01	Incorporate the following documents into the original Contract Agreement • Removal of AeroCloud Systems Contract Value and scope of work from approved GMP amount	$ (517,920.14)	(0) days
Total for COR #01:		$ (517,920.14)	**No Change**

II. **Payment: This is a deductive change order in the amount of $517,920.14**, to original contract value.

III. **Schedule**. All work under this Change Order shall be 100% complete as mutually agreed upon between Contractor and the District within the schedule duration of the Contract.

IV. **Contractors Release of Claims and Waiver**. By signing this Change Order, Contractor acknowledges that any payment made, or extension of time granted pursuant to this Change Order constitutes full and final compensation for the work described in this Change Order (the "Change Order Work") and any other work arising out of or related to the Change Order Work.

Upon receipt of payment for the work included in any Subtask to this Change Order, Contractor hereby waives and forever releases any and all claims arising out of or related to that Subtask, including but not limited to, claims for additional compensation for any materials, labor, services, overhead, profit, and any rights to time extensions or time-related damages (including but not limited to claims for schedule impact, lost productivity, delay, or acceleration) arising out of or related in any way to the performance of the subtask/Change Order Work.

This document shall become an amendment to the Contract and all provisions of the Contract will apply.

Approved By (Owner): Monterey Peninsula Airport District			
Christine Morello	Executive Director		
Name (printed)	Title (printed)	Signature	Date
Accepted By (Contractor): Hensel Phelps Construction			
Name (printed)	Title (printed)	Signature	Date

AGENDA ITEM: G-3
DATE: June 25, 2026

TO: Monterey Peninsula Airport District Board of Directors
FROM: Christine Morello, Executive Director
SUBJ: Resolution No. 1935, Authorizing a Professional Services Agreement with C&S Companies to Provide Design Services for the Safety Enhancement Program (SEP) Taxiway A Realignment – Phase E1

BACKGROUND. In response to the on-call engineering Request for Qualifications (RFQ) dated March 16, 2023 to provide engineering services as part of the Safety Enhancement Program (SEP), C&S Companies was selected to complete the design engineering for the Taxiway A Realignment project. On April 6, 2026 C&S Companies submitted their scope of work and fee for design services for the Taxiway A Realignment and final stormwater improvements project.

SCOPE OF WORK. This contract is to provide all the necessary engineering design services as it is related to the final Taxiway A realignment, in a not-to-exceed cost of $485,885.00.

BUDGET EFFECT. The costs associated with this contract are included in the Fiscal Year (FY) 2027 Capital Improvement Program (CIP) budget as project formulation costs that the District will fund but will ultimately be incorporated into a grant application once design and complete construction bids are received.

SOURCE OF FUNDS. Included in the FY27 approved Capital Improvement Budget.

IMPACT ON OPERATIONS. There are no impacts associated with the Design of this project.

RECOMMENDATION. Adopt Resolution No. 1935, Authorizing a Professional Services Agreement with C&S Companies to Provide Design Services for the Safety Enhancement Program (SEP) Taxiway A Realignment – Phase E1.

ATTACHMENTS.

Resolution No. 1935
C&S Companies, Professional Services Agreement and Technical Proposal (fifty pages)

RESOLUTION NO. 1935

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH C&S COMPANIES TO PROVIDE DESIGN SERVICES FOR THE SAFETY ENHANCEMENT PROGRAM (SEP) TAXIWAY A REALIGNMENT – PHASE E1

WHEREAS, the Monterey Peninsula Airport District (MPAD) is constructing the Safety Enhancement Program (SEP) which includes Taxiway A Realignment and stormwater improvements project; and

WHEREAS, the approved Fiscal Year 2027 Capital Improvement Program budget includes this project; and

WHEREAS, based on Request for Qualifications for on-call engineering, C&S Companies was selected to complete the design engineering for the Taxiway A Realignment project; and

WHEREAS, C&S Companies submitted a technical proposal and fee estimate for Taxiway A Realignment services; and

WHEREAS, C&S Companies' scope of work and fee estimate met all airport and federal requirements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: The Board of Directors of the Monterey Peninsula Airport District does hereby authorize and approve the Professional Services Agreement for the SEP Taxiway A Realignment project for engineering design services with C&S Companies of a not-to-exceed cost of $485,885.00.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 25th day of June 2026 by the following roll call vote:

AYES: **DIRECTORS:**
NOES: **DIRECTORS:**
ABSTAIN: **DIRECTORS**:
ABSENT: **DIRECTORS:**

Signed this 25th day of June 2026

Danial Pick, Chair

A T T E S T

Christine Morello
District Secretary

MONTEREY PENINSULA AIRPORT DISTRICT

A Professional Services Agreement with C&S Companies to Provide Design Services for the Safety Enhancement Program (SEP) Taxiway A Realignment – Phase E1

This Agreement for Professional Services (“Agreement”) is made and entered into effective this 25th day of June 2026 by and between the Monterey Peninsula Airport District, a California Special District (“District”), and C&S Companies (“Consultant”).

WHEREAS, Consultant represents that Consultant is specially trained, experienced, and competent to perform the professional services required by this Agreement; and

WHEREAS, Consultant is willing to render such professional services, as are hereinafter defined, on the following terms and conditions.

NOW, THEREFORE, Consultant and District agree as follows:

1. Scope of Service.

The project contemplated and the Consultant’s services are described with detailed fee breakdown in the Technical Proposal, Exhibit “A” attached hereto and incorporated herein by reference.

2. Completion Schedule.

Consultant shall provide an individual schedule for completing the consulting services described in Exhibit “A”, subsequent to receipt of a Notice-To-Proceed (NTP) (refer to Paragraph 22). The time for completion of this project is exclusive of governmental reviews, approvals, and/or delays.

3. Compensation.

District hereby agrees to pay Consultant for services rendered to District pursuant to this Agreement in an amount not-to-exceed the amount indicated in the payment schedule, and in the manner indicated and in accordance with, Exhibit “A” Technical Proposal.

The consultant shall be paid for authorized and satisfactorily completed services on a time and materials fee basis with a total not-to-exceed fee as identified below.

The scope of the proposed contract is limited to the project design services in a not-to-exceed cost of $485,885.00.

4. Billing.

Consultant shall submit to District an itemized invoice, prepared in a form satisfactory to District, describing Consultant’s services and fees for the period covered by the invoice. Except as specifically authorized by District, Consultant shall not bill District for duplicate services performed by more than one person. Consultant’s bills shall include the following information to which such services or costs pertain:

(a) a brief description of services performed;
(b) the date the services were performed;
(c) the percentage of work completed in each category of work;
(d) total invoice costs;
(e) remaining budget balance; and
(f) Consultant's signature.

In no event shall Consultant submit any billing for an amount in excess of the maximum amount of compensation provided in Section 3, unless authorized pursuant to Section 5 hereof.

All such invoices shall be in full accord with any and all applicable provisions of this Agreement.

District shall make payment on each such invoice within forty-five (45) days of receipt; provided, however, that if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, District shall not be obligated to process any payment to Consultant until forty-five (45) days after a correct and complying invoice has been submitted by Consultant.

5. Additional Services.

It is understood by District and Consultant that it may be necessary, in connection with the project, for Consultant to perform or secure the performance of consulting and related services other than those set forth in Exhibit "A". If additional services are requested by District, Consultant shall advise District in writing of the cost of and estimated time to perform the services. Consultant shall not proceed to perform any such additional service until District has determined that such service is beyond the scope of the basic services to be provided by Consultant, is required, and has given District's written authorization to perform. Written approval for performance and compensation for additional services may be granted by the District's Executive Director.

6. Additional Copies.

If District requires additional copies of reports, or any other material which Consultant is required to furnish in limited quantities as part of the services under this Agreement, Consultant shall provide such additional copies as are requested, and District shall compensate Consultant on a time and materials basis.

7. Responsibility of Consultant.

(a) By executing this Agreement, Consultant agrees that Consultant is apprised of the scope of work to be performed under this Agreement and Consultant agrees that said work can and shall be performed in a fully competent manner. By executing this Agreement, Consultant further agrees and warrants to District that Consultant possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide District the services contemplated under this Agreement and that District relies upon the professional skills of Consultant to do and perform Consultant's work. Consultant further agrees and warrants that Consultant shall follow the current, generally accepted practices of the profession to make findings, render opinions, prepare factual presentations and provide professional advice and recommendations regarding the project for which the services are rendered under this Agreement.

(b) Consultant shall assign a single project director to have overall responsibility for the execution of this Agreement for Consultant. Lance McIntosh, PE is hereby designated as the Principal-In-Charge for Consultant. Any changes in the Principal-In-Charge designee shall be subject to the prior written acceptance and approval of Executive Director.

8. Responsibility of District.

To the extent appropriate to the project contemplated by this Agreement, District shall:

(a) Assist Consultant by placing at Consultant's disposal all available information pertinent to the project, including but not limited to, previous reports and any other data relative to the project. Nothing contained herein shall obligate District to incur any expense in connection with field labor, tasks, materials, signage, and equipment, and completion of studies or acquisition of information not otherwise in the possession of District.

(b) Make provision for Consultant to enter upon public and private property as required by Consultant to perform Consultant's services.

(c) Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Consultant.

(d) Daniel Johanson, Project Manager shall act as District's representative with respect to the work to be performed under this Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define District's policies and decisions with respect to the materials, equipment, elements and systems pertinent to Consultant's services. District may unilaterally change its representative upon notice to Consultant.

(e) Give prompt written notice to Consultant whenever District observes or otherwise becomes aware of any defect in the project.

(f) Furnish approvals and permits from all governmental authorities having jurisdiction over the project and such approvals and consents from others as may be necessary for completion of the project.

9. Acceptance of Work Not a Release.

Acceptance by District of the work performed under this Agreement does not operate as a release of Consultant from professional responsibility for the work performed.

10. Indemnification and Hold Harmless.

Consultant shall indemnify, defend and hold District and its officers, employees, agents and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to any property, or any violation of any federal, state, or municipal law or ordinance, or other cause in connection with the negligent or intentional acts or omission of Consultant, Consultant's employees, subcontractors, or agents, or on account of the performance or character of the work, except for any such claim arising out of the sole negligence or willful misconduct of District, its officers, employees, agents, or representatives. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages. Consultant shall reimburse District for all costs and expenses (including but not limited to fees and charges of architects, engineers, attorneys, and other professionals, and court costs) incurred by District in enforcing the provisions of this section.

11. Insurance.

(a) Consultant, and any subconsultants, shall, throughout the duration of this Agreement, maintain comprehensive general liability and property insurance covering all operations of Consultant, Consultant's agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

(b) Consultant shall maintain the following limits:

General Liability

Combined Single Limit Per Occurrence .... $1 million
General Aggregate ....$1.5 million
(The policy shall cover on an occurrence or an accident basis, and not on a claims made basis.)

Automobile Liability:
Combined Single Limit Per Occurrence .... $1 million
Automobile Liability:
Combined Single Limit Per Occurrence .... $1 million
(The policy shall cover on an occurrence or an accident basis, and not on a claims made basis.)

Workers Compensation…………………………………….Full Liability Coverage

Professional Errors and Omissions...$1 million
(no more than $25,000 deductible)

Consultant shall not disclaim responsibility or avoid liability for the acts or omissions of Consultant's deductible, subcontractors or other professional consultants. The retroactive date of the policy must be shown and must be before the date of the Agreement.

(c) With the exception of workers compensation and professional errors and omissions insurance, each insurance policy affording coverage to Consultant shall name District, its officers, employees, agents, and representatives as additional insureds and shall stipulate that the policy will operate as primary insurance for the work performed and that no other insurance maintained by District, its officers, employees, agents, or representatives will be called upon to contribute to a loss covered thereunder. The policy shall contain no special limitations on the scope of protections afforded to District, its officers, employees, agents, or representatives.

(d) All insurance companies affording coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner to transact the business of insurance in the State of California.

(e) All insurance companies affording coverage shall provide not less than thirty days written notice by certified or registered mail to District should any policy be cancelled or reduced in coverage before the expiration date. For the purposes of this notice requirement, any material change prior to expiration shall be considered cancellation. A statement on the insurance certificate to the effect that the insurance company will endeavor to notify the certificate holder, "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents, or representatives" does not satisfy the requirements of this subsection. Consultant shall ensure that the above-quoted language is stricken from the certificate by the authorized representative of the insurance company.

(f) Consultant, and any subconsultants, shall provide evidence of compliance with the insurance requirements listed above by providing certificates of insurance, in a form satisfactory to District's Risk Manager, concurrently with the submittal of this Agreement. Each insurance certificate shall also state the unpaid limits of the policy.

(g) Consultant, and any subconsultants, shall provide a substitute certificate of insurance no later than thirty days prior to the expiration date of any required policy. Failure by Consultant and/or subconsultants to provide such a substitution and extend the policy expiration date shall be considered a default by Consultant.

(h) Maintenance of insurance by Consultant as specified in this Agreement shall in no way be interpreted as relieving Consultant of any responsibility whatsoever and Consultant may carry, at Consultant's own expense, such additional insurance as Consultant may deem necessary or desirable.

12. Access to Records.

Consultant shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to the work performed for District under this Agreement on file for at least three years following the date of final payment to Consultant by District. Any representative of District shall be provided with access to such records for the purpose of inspection, audit, and copying at all reasonable times during Consultant's usual and customary business hours. Consultant shall provide proper facilities for such access and inspection.

13. Assignment.

It is recognized by the parties hereto that a substantial inducement to District for entering into this Agreement was, and is, the professional reputation and competence of Consultant. This Agreement is personal to Consultant and shall not be assigned by Consultant without express written approval of District.

14. Changes to Scope of Work.

District may at any time and, upon a minimum of ten days written notice, seek to modify the scope of basic services to be provided under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify District in writing. Upon agreement between District and Consultant as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by District and Consultant shall constitute notice to Consultant to proceed with the changed scope.

15. Compliance with Laws, Rules, and Regulations.

Services performed by Consultant pursuant to this Agreement shall be performed in accordance and full compliance with all applicable federal, state, and District laws and any rules or regulations promulgated thereunder.

16. Licenses.

If a license of any kind, which term is intended to include evidence of registration, is required of Consultant, Consultant's employees, agents, or subcontractors by federal or state law, Consultant warrants that such license has been obtained, is valid and in good standing, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

17. Exhibits Incorporated.

All exhibits referred to in this Agreement are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and of any of the terms of any exhibit to this Agreement, the terms of this Agreement shall control the respective duties and liabilities of the parties hereto.

18. Independent Contractor.

It is expressly understood and agreed that Consultant, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of District. Consultant shall refrain from representing, at any time or in any manner, that Consultant is an employee or agent of District.

19. Integration and Amendment.

This Agreement represents the entire understanding of District and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or affect with respect to any matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by all parties hereto.

20. Jurisdiction.

This Agreement shall be administered and interpreted under the laws of the State of California. Venue for any litigation arising from this Agreement shall be in the State of California in the County of Monterey.

21. Severability.

If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void in so far as it is in conflict with said laws, but the remainder of this Agreement shall continue to be in full force and effect.

22. Notice to Proceed; Progress; Completion.

Upon execution of this Agreement by all parties, District shall give Consultant written notice to proceed with the work. Such notice may authorize Consultant to render all of the services contemplated herein as identified in each portion of said phase, as identified in Exhibit "A". District shall, in its sole discretion, issue subsequent notices from time to time regarding further portions or phases of the work. Upon receipt of such notices, Consultant shall diligently proceed with the work authorized and complete it within the agreed time period specified in said notice.

23. Ownership of Documents.

Title to all documents, drawings, specifications, data, reports, summaries, correspondence, photographs, computer software, video and audio tapes, and any other materials with respect to the work performed under this Agreement shall vest with District at such time as District has compensated Consultant, as provided herein, for the services rendered by Consultant in connection with which such materials were prepared.

24. Subcontractors.

Consultant shall be entitled to the extent determined appropriate by Consultant, to subcontract any portion of the work to be performed under this Agreement. Consultant shall be responsible to District for the actions of persons and firms performing subcontract work. The subcontracting of work by Consultant shall not relieve Consultant, in any manner, of the obligations and requirements imposed upon Consultant by this Agreement.

25. Termination.

(a) District may, for any reason whatsoever, upon written notice to Consultant, terminate this Agreement. Upon termination Consultant shall be entitled to payment of such amount as fairly compensates Consultant for all work satisfactorily performed up to the date of termination, except that in the event of termination by District for Consultant's default, District shall deduct from the amount due Consultant the total amount of additional expenses incurred by District as a result of such default. Such deduction from amounts due Consultant is made to compensate District for its actual additional cost incurred in securing satisfactory performance of the terms of this Agreement, including but not limited to, costs of engaging other consultants for such purposes. In the event that such additional expenses exceed amounts otherwise due and payable to Consultant hereunder, Consultant shall pay District the full amount of such expense.

(b) In the event that this Agreement is terminated by District for any reason, Consultant shall:

(1) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by District; and

(2) Deliver to District all documents, data, reports, summaries, correspondence, photographs, computer software, video and audio tapes, and any other materials provided to Consultant or prepared by or for Consultant or District in connection with this Agreement. Such material shall be delivered to District whether in completed form or in process; however, notwithstanding the provisions of Section 23 above, District may condition payment for services rendered to the date of termination upon Consultant's delivery to District of such material.

(c) In the event that this Agreement is terminated by District for any reason, District is hereby expressly permitted to assume this project and complete it by any means, including but not limited to, an agreement with another party.

(d) The rights and remedies of District and Consultant provided in this section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement.

26. Audit and Examination of Accounts.

(a) Consultant shall keep and will cause any assignee or subcontractor under this Agreement to keep, accurate books of record in account, in accordance with sound accounting principles, which records pertain to services to be performed under this Agreement.

(b) Any audit conducted of books and records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing.

(c) Consultant hereby agrees to disclose and make available any and all information, reports, or books of records or accounts pertaining to this Agreement to District and any government entity (including, but not limited to, the County of Monterey, the State of California and the federal government) which provides support funding for this project.

(d) All records provided for in this section are to be maintained and made available throughout the performance of this Agreement and for a period of not less that three years after full completion of services hereunder, except that any and all such records which pertain to actual disputes, litigation, appeals, or claims shall be maintained and made available for a period of not less than three years after final resolution of such disputes, litigation, appeals, or claims.

e) Consultant hereby agrees to include the requirements of subsection (a) through (d) above in any and all contracts with assignees or consultants under this Agreement.

27. Notices.

(a) Written notices to District hereunder shall, until further notice by District, be addressed to:

Chris Morello, Executive Director
Monterey Regional Airport 200
Fred Kane Dr., Suite 200
Monterey, CA 93940

(b) Written notices to Consultant shall, until further notice by Consultant, be addressed to:

Lance McIntosh, PE Service Group Manager
C&S Engineers Inc.
7801 Folsom Blvd.
Suite 210
Sacramento, CA 95826

(c) The execution of any such notices by the District shall be effective as to Consultant as if it were by resolution or order of District's Board of Directors.

(d) All such notices shall either be delivered personally, or shall be deposited in the United States mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

28. Nondiscrimination.

During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age or disability. Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age or disability.

29. Conflict of Interest.

Consultant warrants and declares that Consultant presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable state, local, or federal law. Consultant further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be retained or employed. In the event that any conflict of interest should nevertheless hereafter arise, Consultant shall promptly notify District of the existence of such conflict of interest so that District may determine whether to terminate this Agreement.

30. Headings.

The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Agreement.

31. Multiple Copies of Agreement.

Multiple copies of this Agreement may be executed but the parties agree that the copy on file in the office of the District is the version that shall take precedence should any differences exist among counterparts of the documents.

32. FAA Requirements.

Consultant agrees to observe the provisions of the Standard Requirements attached hereto on page 11.

33. Completion Schedule for Performance of Scope of Services.

Time shall be of the essence on the Agreement and on each and every covenant and condition hereof. Consultant shall be responsible for all expenses for the selection and employment of such staff as will enable Consultant to perform its services diligently and skillfully in order to complete the stated services in an expeditious manner and in accordance.

IN WITNESS THEREOF, the parties hereto have made and executed this Agreement on the date first above written.

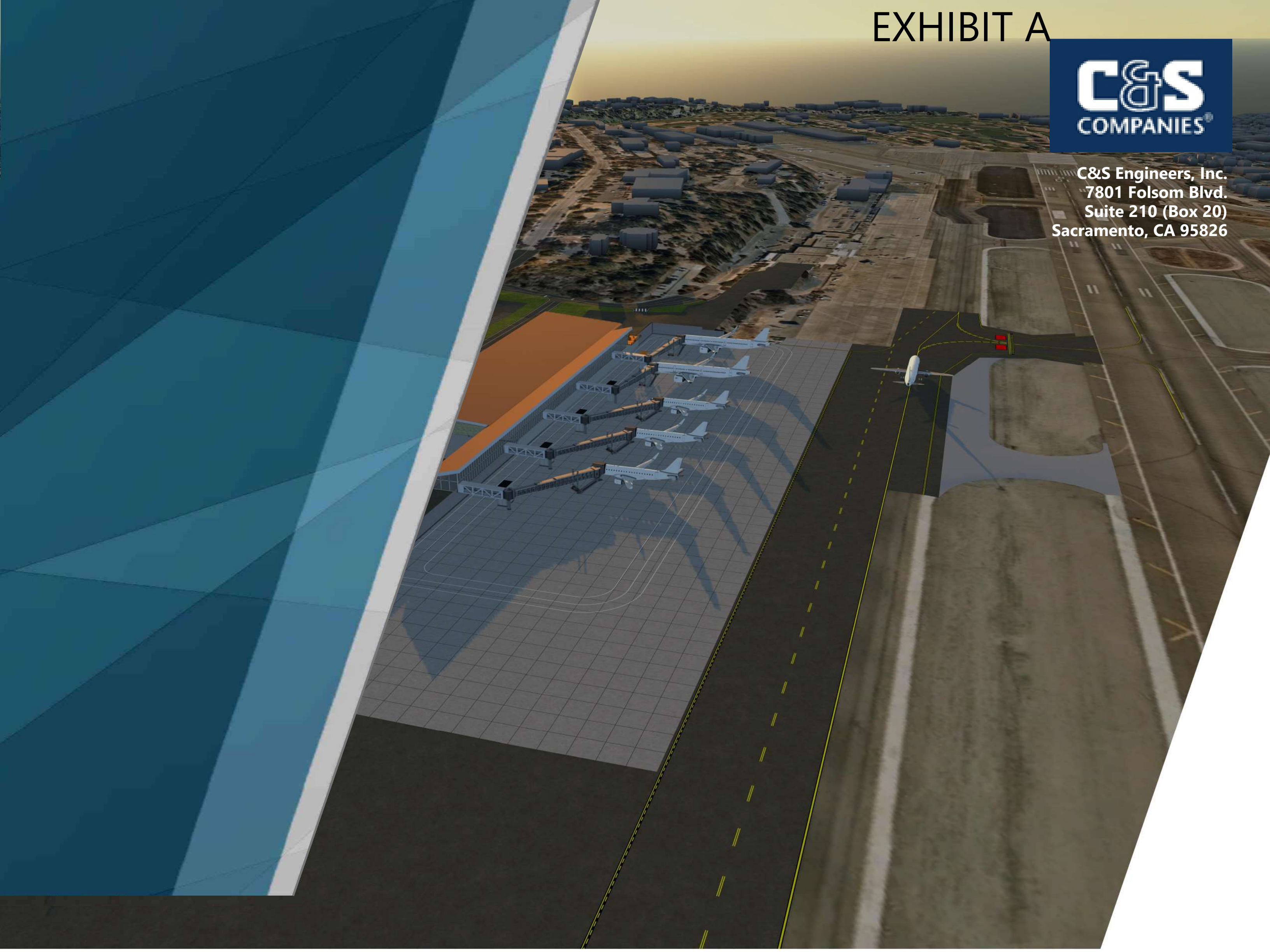
MONTEREY PENINSULA AIRPORT DISTRICT:	CONSULTANT:
______________________________	______________________________
Christine Morello Executive Director Monterey Regional Airport	Lance McIntosh, PE Service Group Manager Western Pacific Aviation

FEDERAL REQUIREMENTS:

Comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application and use of Federal funds for this project including but not limited to the following: Federal Legislation

a. ACCESS TO RECORDS AND REPORTS. (Reference: 49 CFR part 18.36(i), 49 CFR part 18.42)
b. BUY AMERICAN PREFERENCE. (Reference: 49 USC § 50101)
c. AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982, SECTION 520 (Reference: 49 U.S.C. 47123)
d. CIVIL RIGHTS – GENERAL. (Reference: 49 USC § 47123)
e. CIVIL RIGHTS – TITLE VI ASSURANCES.
f. DISADVANTAGED BUSINESS ENTERPRISE. (Reference: 49 CFR part 26)
g. ENERGY CONSERVATION REQUIREMENTS. Source: 49 CFR part 18.36(i)(13)
h. FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE) (Reference: 29 USC § 201, et seq.)
i. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (Reference 20 CFR part 1910)
j. RIGHT TO INVENTIONS (Reference 49 CFR part 18.36(i)(8))
k. TRADE RESTRICTION (Reference: 49 CFR part 30)
l. VETERAN'S PREFERENCE (Reference: 49 USC § 47112(c))
M. SEISMIC SAFETY
n. COPELAND "ANTI-KICKBACK" ACT (Reference: 49 CFR § 18.36(i)(4), 29 CFR parts 3 & 5)
o. CERTIFICATION OF OFFERER/BIDDER REGARDING DEBARMENT
p. DAVIS BACON REQUIREMENTS. (Reference: 49 CFR § 18.36(i)(5))
q. TEXTING WHILE DRIVING. (Reference: Executive Order 13513)
r. AFFIRMATIVE ACTION REQUIREMENT. (Reference: 41 CFR part 60-4, Executive Order 11246)
s. EQUAL OPPORTUNITY CLAUSE AND SPECIFICATIONS. (Reference 41 CFR § 60-1.4, Executive Order 11246)
t. NONSEGREGATED FACILITIES REQUIREMENT. (Reference: 41 CFR § 60-1.8)
u. RECOVERED MATERIAL. (Reference: 40 CFR part 247)
v. TERMINATION OF CONTRACT. (Reference: 49 CFR § 18.36(i)(2))
w. DEBARMENT AND SUSPENSION (NON-PROCUREMENT). (Reference: 2 CFR part 180 (Subpart C), 2 CFR part 1200, DOT Order 4200.5 DOT Suspension & Debarment Procedures & Ineligibility)
x. CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS. (Reference: 49 CFR § 18.36(i)(6))
y. LOBBYING AND INFLUENCING FEDERAL EMPLOYEES. . (Reference: 49 CFR part 20, Appendix A)
z. BREACH OF CONTRACT TERMS. (Reference 49 CFR part 18.36(i)(1))
aa. CLEAN AIR AND WATER POLLUTION CONTROL. (Reference: 49 CFR § 18.36(i)(12)) bb. DRUG FREE WORKPLACE

EXHIBIT A



C&S Engineers, Inc.
7801 Folsom Blvd.
Suite 210 (Box 20)
Sacramento, CA 95826

ENGINEERING SERVICES FOR TAXIWAY A REALIGNMENT PROJECT DESIGN

MRY
MONTEREY
REGIONAL AIRPORT

Monterey Regional Airport
200 Fred Kane Dr,
Monterey, CA 9394

Prepared By:
C&S Engineers, Inc.

April 2026

1.0 – Detailed Technical Proposal Overview

The Scope of Work for these professional services is to provide professional engineering design services for the realignment of Taxiway A. It is the final component of a multi-year proposed safety enhancement project. Exhibit 1 illustrates the general schematic location of the proposed project elements.

The professional services shall include the following elements:

Professional Service Disciplines

- Civil Engineering
- Electrical Engineering
- Geotechnical Engineering
- Land Surveying/Mapping
- Other disciplines needed to implement assigned projects

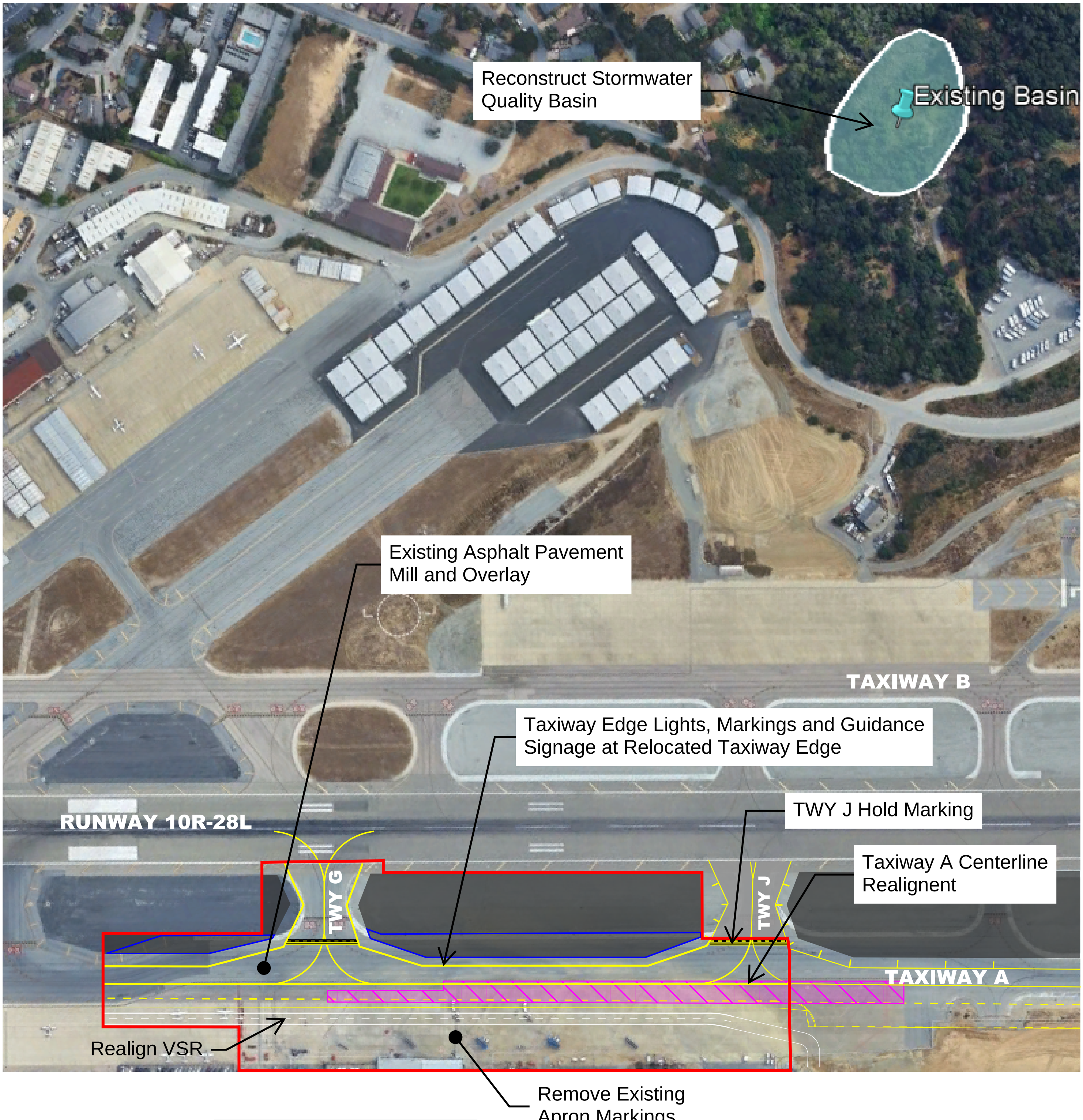
Professional Services:

- Realignment of a portion of Taxiway A Design
- Geotechnical Engineering/Investigations
- Subsurface Utility Locating/Mapping/Field Survey
- Airfield Lighting and Signage System Design
- Storm Drainage System Design
- Stormwater Quality Basin Design
- Storm Water Pollution Prevention Design
- Pavement Design
- Construction Safety and Phasing Plans ("CSPP")
- Construction Phasing Development
- Coordination and Permit Processing
- Value Engineering Studies
- Other professional Services needed to implement assigned projects

Project Elements (See Exhibit 1):

- Demolition of Existing Pavement Structural Section
- Placement and Grading of On-Site Stockpile/Disposal Areas
- Relocate Taxiway A Edge Lighting and Signage
- Partially reconstruct TWY G edges/shoulders to accommodate new taper geometry
- Construct New Pavement Structural Section
- Mill and overlay of existing AC pavement
- Pulverize existing AC within new infield configuration, chipseal/slurry seal
- Placement of New Airfield Markings for TWYs A, G, and J and new apron "no taxi" islands
- Remove all existing apron markings
- Stormwater Quality basin reconstruction (northwest basin)
- Infiltration testing and boring in the existing northwest basin
- New VSR alignment markings including the west end of the apron
- Place slurry seal in existing infield area for visual delineation/continuity with existing

EXHIBIT 1 - TAXIWAY A REALIGNMENT AND STORMWATER QUALITY BASIN RECONSTRCUTION



C&S COMPANIES®

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REMOVE EXISTING PCC, NEW AC PAVEMENT

PULVERIZE EXISTING AC, PLACE CHIP SEAL

ASPHALTIC SLURRY SEAL EXISTING INFIELD

2.0 - CONSULTANT SCOPE OF PROFESSIONAL SERVICES

TASK 1 - Project Management Services
Consultant will provide project management services throughout the duration of the project. Services include coordination with District staff and project team members (including subconsultants). Consultant will coordinate with the District on project scope requirements, budgets, schedules, operational safety and phasing considerations, site access and other pertinent matters.

Consultant will ensure that all of its employees and subconsultant employees who will access the AOA during the course of the project are fully aware of the District's safety rules and regulations.

The Consultant will conduct the following Project Management activities:

1) Invoicing including project status updates and project schedule updates on a monthly basis.
2) Financial Management.
3) Resource and Performance Management.
4) Provide project controls services to manage and develop project management documentation.
5) Support for preparation of project related environmental documentation and agency coordination.
6) Meetings. The Consultant shall attend the following meetings at the airport according to the proposed schedule. Meetings may be virtual or a combination of in-person and virtual.
   - Pre-Design Meeting. The Consultant shall conduct a pre-design (team kickoff) meeting at the Airport and investigate existing conditions through site visits and as-built drawings supplied by the Airport to determine effects on design. The Consultant will have the following staff attend this meeting: Project Principal, Project Manager, and Design Leads (a minimum of 4 staff members).
     Deliverables. Consultant shall provide meeting minutes to the project team within one week of the meeting for review by all stakeholders.
   - Weekly Project Team Coordination Meetings. The Consultant shall conduct weekly coordination meetings with the District to discuss current project issues and action items, schedule and progress.
     Deliverables. Consultant shall provide meeting minutes to the project team within one week of the meeting for review by all stakeholders.
   - Weekly Design Team Coordination Meetings. The Consultant shall conduct weekly design team coordination meetings with their team members to discuss current project issues and action items, schedule, and progress.
     Deliverables. Consultant shall provide meeting minutes to the design team within one week of the meeting for review.
   - Schematic Design Page Turn Review Meeting. Utilize Bluebeam Revu for District staff to document their review comments. During the review period, a series of Page Turn Review meetings will be held in which the Consultant shall be responsible for collecting any additional comments that may arise during the sessions. These sessions are

intended to be focused driven and include, but not be limited to, phasing, pavement design, geometrics, airfield operations, and storm water capture and reuse. Deliverables. Consultant shall provide meeting minutes to the project team within one week of the meeting for review by District staff.

TASK 2 - Quality Assurance/Quality Control (QA/QC)
Consultant will prepare and implement a Quality Assurance/Quality Control (QA/QC) plan for the development of the schematic design deliverables. This will, in part, include:

1) Developing the Quality Assurance/Quality Control Plan. The Quality Manager will develop the quality review process to schedule all required milestone reviews. Coordinate and manage review process between design leads and Subject Matter Experts (SMEs).
2) Performing "Over the Shoulder" reviews by SMEs.
3) Periodic review by SMEs of all deliverables.
4) Mandating internal reviews two weeks prior to each scheduled milestone deliverable.
5) Managing internal comment process to ensure all comments are addressed prior to submittal to the airport.
6) Facilitating design review sessions for each submittal with District staff. The District stakeholder review and comment period for each submittal is assumed to include one Bluebeam page turn review. The Bluebeam page turn will be facilitated by the Consultant.
7) Providing design review comment tracking documentation and Consultant's signed QC compliance forms used for the reviews to document that the QC plan was followed for each document submittal.

Deliverables:

- Quality Control and Quality Assurance Plan.
- Design review comments tracking documentation.
- Consultant's signed Check Lists used for the reviews

TASK 3 - Pre-Design Services
The pre-design phase will begin upon a notice to proceed from the District. The pre-design phase will include reviewing as-built information, conducting site investigations to gather information necessary to progress the design, and provide terminal area planning and aircraft parking analysis

1) **Data Collection and Review:**

The Airport will provide the Consultant with all existing studies, As-Built plans, and design records as may be available. Data collection may require records that the Airport may have to obtain from other stakeholders. The Consultant will review all data available to make a determination of required site investigations and additional data that will be needed to progress the design.

2) **Site Investigations:**

The Consultant shall prepare a Work Plan detailing the location, dates and types of work being performed and also schedule Pre-Activity Meetings prior to commencing any work within the AOA in the presence of the District. Attendance by participating individuals to Pre-Activity Meetings will be mandatory for all individuals performing tasks within the AOA. Agenda will, in part, address procedures, practices, communication, safety matters and specific hazards related to performing their work. The site investigations will include the following activities:

i) **Topographic Survey**. The Consultant will have a topographic survey conducted for the entire limits of the project and provide coordination and review of this work.
All work under this agreement will be completed under the direction of a California Registered Professional Land Surveyor. All work will be conducted using equipment, personnel, and procedures that will ensure compliance with the accuracy standards as defined below. It is the responsibility of the supervising Land Surveyor to ensure that all work under this agreement complies with all state and local regulations. All documents submitted will bear the surveyor's seal, signature, and a certificate that all work was done under the surveyor's supervision and that all information contained in the document is true and is accurately shown.

The horizontal coordinate system and vertical datums will be consistent with the coordinate system and datums currently in use by the Airport (Primary Airport Control Stations - PACS and Secondary Airport Control Stations - SACS). Surveyor will confirm all datums, projections, geoid models, units, and existing control to be used with the Consultant prior to starting field work.

The Surveyor will compute a combined scale factor (CSF) that will be required to convert all survey data from Grid coordinates to Ground modified (Project) coordinates. The Surveyor will provide all survey data in the Project coordinate format with clear instructions and formulas for converting back to Grid coordinates.

Unless otherwise stated, the surveyor will utilize the appropriate industry standard equipment and procedures that insure compliance with the following referenced minimal accuracy standards:

- All Positional accuracies shall meet or exceed Federal Geographic Data Committee Geospatial Positioning Accuracy Standards PART 4: Standards for Architecture, Engineering, Construction (A/E/C) and Facility Management, 4.5 Accuracy Standards for A/E/C Control Surveys. As stated in Part 4, section 4.5.1, in general, horizontal and vertical control point accuracies should be twice as accurate as positional or elevation tolerances required for features or objects on the site plans or maps.
- Control surveys performed with Global Navigation Satellite System (GNSS) will meet a 1 cm horizontal positional accuracy standard for local accuracy and a 2 cm standard for network accuracy at the 95% confidence level as described in PART 4: section 4.5.1 Positional Accuracy and PART 2: section 2.2.1 Accuracy Standards, Table 2.1.
- Minimum Relative Closure Accuracy Standards for horizontal construction control surveys performed with conventional construction survey equipment and practices shall conform to Second Order, Class I as described in Appendix A, Table A-1 of Part 4. Minimum horizontal ratio closure of 1:40,000 is required (FAA General Provision Section 50 Control of Work, line 170).

- Minimum Relative Closure Accuracy Standards for vertical control surveys performed with conventional construction survey equipment and practices shall conform to Second Order, Class II as described in Appendix A, Table A-2 of Part 4 and FAA General Provision Section 50 Control of Work, Lines 171-173. Vertical loop closure of at least 0.035 foot per mile (0.008 meters per kilometer) is required. Elevations of all set control monuments will be generated from a closed and adjusted differential level loop beginning and ending at a primary or secondary control point with each monument being turned through. Intermediate measurements (side shots) are not permitted. The runway end points shall be included in the closure loop.
- All spot elevations shall be measured to 0.01 feet or better and shall have a relative accuracy within ±0.02 feet (0.006 meters) on hard surfaces (i.e. asphalt, concrete) and within ±0.1 feet (0.030 meters) on soft surfaces (i.e. base course, dirt, and other non-paved areas). Use of total stations for hard surfaces and rover GPS units on non-paved surfaces are acceptable provided the tie-in to project control points is within tolerance.
- Mapping Feature Positional Tolerances will meet or exceed the recommended values in Appendix A.2.2 of Part 4 and Table A-3 Airfield Pavement Design Detail Drawings with a scale of 40 ft/in, a minimum feature relative accuracy tolerance at the 95% confidence level of 0.1 feet for horizontal (field construction layout 0.01 ft) and 0.1 feet vertical (field construction layout 0.01 ft) and a contour interval of 1 foot (unless otherwise specified).

Field notes will be neat and legible, complete and self-explanatory. Field notes will include but not be limited to:

- Complete index
- Date of field work
- Names of crew members
- Description of controlling survey stations
- Recovery description of all stations and TBMs set
- Sketches of work where applicable
- Recovery descriptions of all control stations. If electronic data collection is used, raw field data output will be provided in ASCII format by providing a Northing, Easting, elevation and description for each point surveyed.

Survey Work Scope

The design survey will require control verification, field survey, preparation of deliverables, and a survey report. The scope of work includes the following tasks:

1. Attend the kickoff meeting with stakeholders.
2. Prepare a Survey and Quality Control Plan.
3. Perform a control point and benchmark check to verify the existing control points.
4. Install three (3) permanent survey monuments in the vicinity of the proposed terminal apron for use in future project element construction.

5. Record the horizontal location and vertical elevation of existing surface features within the area shown on the survey exhibit. Examples include: drainage culvert type, size, end point coordinates and invert elevations; existing building dimensions, pad corners and finish floor elevations; sanitary and storm sewer manholes, catch basins, and inlet center point coordinates, and rim or grate elevations, and pipe size and invert elevations of all pipes penetrating the structure walls; coordinates and manhole rim elevations of any miscellaneous buried utilities, pump stations, vaults, duct banks, underdrain cleanouts, etc.; locations, ground elevations and heights of electrical transformers, taxiway/runway lights and signs; all travel way (e.g. taxiways, runways, roads) centerlines, edge of pavement, and interior elevation shots on pavement at max. 50 foot longitudinal spacing along selected hard-surfaced areas, as well as the horizontal delineation of pavement types, i.e. concrete, asphalt, gravel, etc., all pavement markings, geotechnical borings, subsurface utility locate markers, and any additional features that would aid in the design. All features larger than 1-foot diameter shall include sufficient points to define the location and elevation of the outline of the feature (e.g. concrete pad).
6. A sufficient number of survey points shall be collected in all un-paved areas to adequately define the topography, e.g. survey all grade breaks, top of slopes, toe of slopes, ditch bottoms/flow lines, etc. regardless of the nominal grid spacing of points requested on the survey limits exhibit. In generally flat areas, survey at a minimum 100-foot stations longitudinally and 50-foot transverse offsets. Drainage structures not surveyed previously because of closed or locked covers shall be surveyed to establish invert of structure and incoming/outgoing inverts. All pipe/culvert sizes shall be established.
7. Establish the runway centerline horizontal location. This shall be established based on the survey of physical features, not pavement markings. Based on the runway centerline establishment, the runway end point locations shall be established. The locations will be checked against the District records or monuments and any discrepancies noted.
8. Survey all existing pavement markings.
9. Provide the location and coordinates of the runway end points and new survey monumentation in Project, California State-Plane and UTM WGS-84 coordinates.
10. Provide instructions for converting Project coordinates to both State-Plan Grid and UTM WGS-84 Geographic coordinates and vice-versa. A description of horizontal and rotational (if required) adjustments shall be provided.
11. Surveyor shall provide a crew for field and survey work for three (3) additional mobilizations and days to obtain additional data as required during the project design period.

Survey Deliverable Work Products

All of the field survey data will be furnished in a format that can be used in AutoCAD.

1. A schedule showing key milestone dates for the surveying work. The schedule will be based on a starting date anticipated immediately and will identify the

length of time for all requirements.

2. Copies of all field book notes, including control traverse notes, project bench mark level loops, three-point tie sketches, and copies of office calculations, including calculations showing closures, will be provided upon request of C&S.
3. For field surveys, contours shall be provided at intervals of 0.1-foot on paved surfaces and 1.0-foot contours on soil areas.
4. A ASCII text file or CSV file with all points shot, with the Northing, Easting, elevation and description of each point. The points will also be provided as Civil 3D point files in an AutoCAD file combined or separate from the survey file. Additionally, the points shall be displayed as non-Civil 3D objects at a scale of 1”=20’ for easier reference into design files.
5. The survey will be provided electronically in AutoCAD. Separate levels for text, utilities, pavement edges, spot elevations and other physical features will be provided. All drawing element attributes to be set to by layer. Provide a list of layer names and blocks used with a description of the layer/block contents including representative pictures as required. All data shall be Project coordinates. The final survey drawing will be combined with the previous survey information to establish a consolidated record of existing features within the survey area.
6. Provide a triangulated surface model of the survey that can be used with or imported into Civil3D. The surface model shall include linework or features showing the flow lines, drainage ways, breaklines or other objects used to establish the existing topographic surface. The objects shall be 3D elevated polylines or Civil3D surface features.
7. Survey Report with detailed information regarding QC checks applied, and whether accuracies were met. This shall include the datum adjustments, epochs and Geoid models applied. The survey report shall provide the instructions for converting between coordinate systems.
8. Stamped survey control drawing that shall become a part of the project bid plans. The plan shall be stamped by a California Professional Land Surveyor.

ii) **Geotechnical Investigation**. The Consultant will conduct a geotechnical investigation to gather the information necessary to evaluate subsurface conditions and complete the final pavement designs for the project. Consultant shall also investigate the existing soil conditions of the north detention basin.

All work under this agreement shall be completed under the direction of a California Registered Professional Geotechnical Engineer. All work shall be conducted using equipment, personnel, and procedures that will ensure compliance with the accuracy standards as defined below. It is the responsibility of the supervising Professional Engineer to ensure that all work under this agreement complies with all state and local regulations. All documents submitted shall bear the engineer’s seal, signature, and a certificate that all work was done under the Professional Engineer’s supervision and that all information contained in the document is true and is accurately shown.

The investigation shall include borings at the frequency and locations outlined in FAA AC 150/5320-6G, Table 2-1. It is estimated that three borings will be taken throughout the proposed taxiway realignment and one boring will be taken on Taxiway G. Borings shall be taken to a minimum depth of 10’ below proposed subgrade elevation.

The Consultant will backfill the boreholes with gravel base course material or flowable fill up to the bottom of the existing pavement and patch the core hole through the pavement with non-shrink grout. Borings in soil shall be backfilled, compacted, and seeded. The consultant shall clean the area around the bores and core holes of all soil and slurry material on the pavement surface to the satisfaction of the Airfield Operations prior to opening the pavement back up to aircraft operations.

The investigation will identify the following information (as applicable) for the existing pavement and associated subgrade encountered during the geotechnical investigation:

- Coordination with the District regarding permitting requirements.
- Borings shall extend to a depth of 10 feet below proposed subgrade elevation.
- All boreholes shall be tested with an O.V.M. tester during the boring process. If any significant readings are obtained, the District shall be notified
- Determine thickness and type of material in the various pavement sections investigated.
- Classification of the underlying soils, including moisture content, dry density, Atterberg limits, gradation, Unified Soil Classifications, hydrometer test (frost classification), swell consolidation tests (if clay soils encountered), water soluble sulfates tests, CBR, conversion to modulus of soil reaction (k-value), moisture density relations of the soils (modified proctor testing) and depth to water table (if encountered). From this information, and using additional climatic data, determine the frost susceptibility of the native soils.
- Determine the permeability of the existing subgrade.
- Determine the need for stabilization of the existing subgrade. Also recommend the type and percentage of stabilization material to be added to the subgrade material for construction purposes, and recommendations for strength and frost susceptibility of the existing on-site soils after stabilization.
- Provide swell/consolidation test results and relate to in-situ moisture content
- Develop a soil profile and compaction levels, as required per FAA AC 150/5320-6G.
- Provide a recommended design value for the subgrade CBR and modulus of soil reaction (k-value) for airfield pavement design purposes. Provide recommendations for soil stabilization, soil modification, soil replacement, soil conditioning and compaction of satisfactory material, geosynthetics, or other methods as recommended based on local experience and as needed based on suitability of the existing subgrade soils.
- Determine the percolation rates of the soil located in the northwest detention basin in two (2) locations at a depth of 5’.

The Consultant will perform the following activities:

- Develop the proposed geotechnical investigation to meet the requirements of FAA AC 150/5320-6G. In addition, the number of proposed borings has been developed based on the requirements of FAA AC 150/5320-6G. The type of tests may include, but not be limited to, the following:

    1. Visual classification of the soils representing every strata in every borehole in accordance with the Unified Soil Classification System and frost classification. Includes liquid limit, plastic limit, sieve analysis, and materials finer than No. 200 sieve as applicable for every borehole to confirm visual analysis.
    2. Moisture-density relationships at the depth of the base course, subbase, and subgrade, as appropriate.
    3. Depth to the water table (if encountered) for each borehole.
    4. The remolded California Bearing Ratio (CBR) for each soil boring. The surcharges used on the test samples shall be based on the calculated weight of the proposed concrete and base course. Modulus of soil reaction values (k- values) shall be determined by correlation to laboratory or field CBRs of the subgrade.
    5. Permeability testing of the subgrade material at a frequency of one test for each representative soil type encountered among all borings, for a maximum of 4 soil types expected.
    6. Soil compaction testing for each soil boring.
    7. Swell consolidation tests if clay soils are encountered. Assume 5 total one-dimensional swell tests.
    8. Conduct pH, chloride and sulfate tests for each soil type encountered. Rate the severity of the sulfates. Assume 1 series of tests per soil type with a maximum of 4 soil types assumed.
    9. Conduct pH, resistivity, and redox potential for each soil type encountered with a maximum of 4 soil types assumed. Provide the recommendations on the type of corrosion protection needed, if applicable.
    10. Conduct percolation testing at two (2) locations in the existing northwest detention basin.

- After completion of field and laboratory investigation, submit a draft Subsurface Investigation Report to the District for review and approval. At a minimum, the following items will be included in the report:

    1. Soil boring layout and logs shall be provided in the report. The boring logs shall include material depths and classification, water table depths (if encountered), and laboratory test results corresponding to the sample depths, at a minimum. Specifically, granular or aggregate layer thicknesses below existing concrete or asphalt section shall be identified.
    2. Identify the soil compaction levels within the existing subgrade profile
    3. Determine the need for stabilization of the existing subgrade. Also recommend the type and percentage of stabilization material to be added to the subgrade material for construction purposes, and recommendations for strength of the existing on-site soils after stabilization.

4. Determine the design subgrade CBR and modulus of soil reaction (k-value). CBR test shall be performed on soils representing the top layer of native subgrade material beneath any existing base course or subbase course material.
5. Summarize the field work performed, results obtained and recommendations. The report should also include recommendations on shrinkage, CBR values, k- values, location and size of reconstruction areas, and subgrade stabilization requirements. The report shall include a discussion on the permeability of the subgrade and an evaluation of the groundwater effects. The report shall also include a discussion of the corrosive nature, including sulfates, of the site soils and recommendations for dealing with this issue.
6. Include a summary of the property and strength differences between fill subgrade and in-situ alluvium subgrade with an analysis and recommendation for soil stabilization if necessary.
7. Include an analysis and recommendation for compaction of disturbed in-situ subgrade material or existing original construction aggregate layers. If applicable, provide consolidation period analysis and recommendation.
8. Include a summary of the northwest basin percolation testing and basin's soil profile.

iii) **Utility Location**. This work element includes effort to locate buried utilities including, but not limited to potable water, industrial waste, electric, storm sewer, and FAA communication lines within the project area. This will include coordination with the District to obtain maps of existing utility lines and having the utility owner, locate and mark the location of the buried line, in accordance with District requirements, on the ground surface for location by the survey crew. Underground utilities will be horizontally located and marked based on record mapping, verbal recollections, and surface evidence. A utility sweep shall be performed to investigate the presence of unknown utilities within the work area.

Schematic Design/Validation Phase (30%)

This phase involves those activities required to validate the programming level information provided by the District and to further define the scope, functional requirements, phasing, and basis of design. The schematic design/validation phase is also intended to identify and evaluate alternative designs to assure cost-effective and practical solutions for the identified work items.

The Consultant will review and validate the program definition level requirements and concept designs provided by the District. The Consultant will provide the District with a written list of any issues that may affect the program design, constructability, scope, schedule, or budget moving forward. The Consultant will collaborate with adjacent and other District development projects.

This phase will develop the schematic design to 30 percent complete designs, include outline special provisions, and supporting basis of design report documentation for each project element.

Schematic Design/Validation Phase services include the following tasks:

TASK 4 - Demolition Design
(1) Evaluate existing conditions of all infrastructure to be demolished to determine depths, quantities, type of existing materials, limits of demolition and locations.
(2) Identify impact of demolition on systems that must remain operational until new or temporary replacement facilities are provided.

Deliverables. Consultant will provide demolition plans and quantities as part of the schematic design submittal.

TASK 5 - Airfield Design
(1) Evaluate airfield geometric criteria per FAA Advisory Circular 150/5300-13B – Change 1 and develop horizontal requirements.
(2) Confirm proposed design aircraft(s) with the District, airlines, and other airfield operating stakeholders for airfield and apron geometry (e.g., gate parking layout will not necessarily have the same design aircraft for each proposed gate location).
(3) Develop airfield geometry for taxiways and taxilanes considering centerline to centerline separation requirements, entrances to the terminal apron.
(4) Develop airfield geometry for Taxiway and Taxilane Safety Areas and Object Free Areas to locate features such as vehicle service roads, drainage and guidance signage.

Deliverables. Consultant will provide 30% schematic overall airfield and apron geometry design drawings.

TASK 6 - Pavement Design
(1) Obtain aircraft usage and airfield operational information from the District.
(2) Confirm the proposed airfield operations with the District, Airport Operations, FAA, and other airfield operating stakeholders.
(3) Define limits for alternate pavement sections (asphalt vs. PCC) based on anticipated traffic.
(4) Develop pavement designs to meet the anticipated aircraft traffic and fleet mix per FAA Advisory Circular 150/5320-6G and FAARFIELD software.
(5) Conduct initial cost analyses, life-cycle cost analyses (LCCA), and analysis of locally available resources for up to three alternative sections for each pavement area design.
(6) Conduct preliminary tasks related to supporting the effort to update the Airport's Pavement Management System that will be completed in the next design phase. The update will be limited to pavement removal areas and the new pavement construction areas included with this project.

Deliverables. Consultant will provide a pavement design memorandum addressing all elements of the pavement design including fleet mix analysis and materials analysis.

TASK 7 - Grading and Drainage Design

(1) Develop master grading plan for all project phases.
(2) Evaluate existing geotechnical information and site survey data for incorporation into the design analysis and plans according to the project requirements. Identify any additional geotechnical information that may be necessary for design considerations and conduct field investigation as necessary.
(3) Develop the vertical geometry analysis for the aprons and taxiways in accordance with FAA Advisory Circular 150/5300-13B Change 1. Clearance requirements and intersection design criteria will be included with the preliminary horizontal analysis.
(4) Prepare vertical control and grading for the airfield pavements, shoulders, and infield areas.
(5) Evaluate profile and grading options and associated effects on other existing facilities.
(6) Develop preliminary cut/fill earthwork quantity calculations – isolate by anticipated construction phasing to include potential staging/hauling requirements.
(7) Evaluate surface drainage options. It is assumed that the drainage improvements will be limited to the localized construction footprint for surface drainage only unless there is benefit recognized with an option that may encompass an area just beyond the designated footprint.
(8) Prepare an erosion control plan for the proposed construction. Investigate NPDES and other permitting requirements.
(9) Prepare concept-level drainage plans considering 3D and hydraulic constraints as identified in the preliminary drainage model.

Deliverables. Consultant will provide 30% schematic overall airfield grading and drainage design drawings, and earthwork cut/fill estimates. Consultant will provide a report/summary of information collected from prior projects and new information developed for this design that will be included in the Basis of Design Report.

TASK 8 - Stormwater Design

The Technical Drainage Memorandum completed as part of environmental approval process provides a stormwater concept design at the Airport. This conceptual design will need to be refined to consider specific site constraints identified during the detailed design process which may prevent implementation of some preliminary plan elements as presented.

The scope of services Stormwater Schematic Design include:

(1) *Review of Existing Documents*: This includes any previously completed drainage studies, BMP Design Manual, existing modeling, regional, MS4 NPDES Permit No. CAS000001, and designs for related stormwater projects recently completed and/or designed.
(2) *Develop a Refined Concept-Level Stormwater Capture and Reuse System Design*: This effort shall include an alternatives evaluation, primarily focused in the immediate project area and the existing northwest detention basin to ensure it meets current stormwater regulations. New alternatives and ideas will be evaluated and compared to the baseline option included in the EIR.
    (a) Meetings/Workshops

(i) Prepare for and attend a meeting/workshop to discuss and refine potential stormwater management options with appropriate stakeholders as recommended by the District. The workshop will include a ”think tank” brainstorming session where concepts will be developed and regulatory issues vetted, such that order of magnitude costs and impacts to airport facilities can be initially screened. Concepts will be discussed to raise potential out of the box ideas that may be viable.

(b) Identify New Alternatives (if needed)

(i) Explore advanced technologies, “big idea” concepts and other alternatives that may involve concepts such as greenhouse roofs, water features, underground wetlands, deep groundwater injection wells, contaminant source treatment, and increased reuse, etc.

(ii) Review proprietary biofiltration treatment, e.g., Bio Clean Modular Wetlands System which may be installed in series to increase treatment and non-proprietary biofiltration treatment systems that address contaminant removal under high hydraulic loads during winter storms and unattractive to wildlife.

(iii) Assess feasibility of installing injection wells, including Class V injection well into the groundwater aquifer and Class I injection well below the groundwater aquifer. Determine water quality requirements for injecting into groundwater aquifer. Consider potential locations for groundwater injection projects.

(c) Regional Water Quality Control Board (RWQCB) Coordination

(i) If infiltration is infeasible or undesirable, engage RWQCB to discuss lower achievable receiving water limits based on Maximum Extent Practicable using best available technology.

(ii) If treatment and discharge is infeasible, engage RWQCB to consider injection well option, both Class V well into the groundwater aquifer and Class I well below the groundwater aquifer.

(3) Concept Stormwater System Design (30%)

(a) Prepare 30% preliminary design report for the storm water system including modifications to the northwest detention basin schematic designs.

(b) Prepare 30% preliminary design for storm drainage piping in coordination with airfield grading and surface drainage to meet FAA requirements. Preliminary design will include construction phasing and potential temporary facilities to accommodate completion of project through construction.

Deliverables. Consultant will provide the following:

- Meeting minutes and memorandums of coordination.
- Hydraulic Modeling Review and design criteria.
- 30% Preliminary drainage plans.
- 30% Design Plans and Specifications for Stormwater Capture and Reuse System.

TASK 9 - Airfield Markings Design

(1) Using the airfield geometry base, provide schematic marking plans for taxiways, VSR and apron marking.

(2) Interim marking plans for construction phases will be required for maintaining airfield operations. Interim plans will be developed as phasing plans are defined further.

Deliverables. Consultant will provide 30% schematic pavement marking plans associated with the final airfield geometry.

TASK 10 - Electrical Design

(1) Review existing electrical lighting and signage layouts and airfield electrical vault capacities and loads.
(2) Evaluate airfield lighting and signage requirements in accordance with FAA AC 150/5340-18H *Standards for Airport Sign Systems* and FAA AC 150/5340-30J, *Design and Installation Details for Airport Visual Aids*. Evaluate NAVAIDS requirements and conflicts with new construction.
(3) Prepare design for the removal and replacement of the existing Taxiway A edge lighting system, taxiway signs, circuits, conduits, ductbanks, manholes, and handholes throughout the project area.
(4) Prepare airfield lighting and signage layout.
(5) Develop airfield electrical vault modification requirements (if required).
(6) Evaluate project phasing to complete all lighting improvements in the final phase of construction and maintain existing airfield lighting throughout the duration of the project.

Deliverables. Consultant will provide 30% schematic plans for airfield lighting and guidance signage (including associated circuiting and ductbanks, and vault modifications.

TASK 11 - Construction Phasing Design

(1) Prepare an overall construction phasing plan in order to maximize project constructability and minimize interference with airport operations. Develop the phasing plan in collaboration with other ongoing and adjacent construction projects and with review/feedback from District stakeholders.
(2) Coordinate with District staff to develop requirements for construction contractor submittals, mockups, operations and maintenance documentation, and warranty and commissioning requirements to be included in the special provisions.
(3) Constructability. Strategize bidding procedures including pavement section or other design alternatives with the District to provide a basis for competitive bidding.
(4) Develop construction schedule for overall phasing plan.

Deliverables. Consultant will provide Construction Phasing Plans, bidding strategy and related construction schedule.

TASK 12 - FAA Coordination

(1) Coordinate with the FAA as necessary to establish all AIP grant requirements for the project.
(2) Coordinate with FAA to review signage plan and get approval from FAA Part 139 agent.
(3) Participate in initial Safety Risk Management (SRM) Panel, as defined by the FAA, once phasing options and construction alternatives are complete (if required).

Deliverables. Consultant will provide the District with exhibits for coordination meetings and prepare meeting minutes for each meeting attended.

TASK 13 - Cost Estimating

(1) Calculate preliminary construction quantities for project elements.
(2) Develop draft opinion of costs for design elements to determine if design is within budgeted construction estimates.

Deliverables. Consultant will provide itemized construction quantities and draft opinion of construction costs.

****MILESTONE – 30% SUBMITTAL AS DETAILED IN SECTION 3.0 – DELIVERABLES****

Detailed Design Phase (60%, 90% and 100%)

This phase involves activities required to complete the final design and to develop bidding documents.

The Consultant will provide the District with a written list of any issues that may affect the project design, constructability, scope, schedule, or budget moving forward. The Consultant will collaborate with adjacent and other District development projects.

This phase will develop the detailed design to intermediate (60%), pre-final (90%) and final (100%) designs, including special provisions, quantities, and supporting basis of design report updates for each project element included in the following tasks:

TASK 14 – Stockpile/Disposal Area Grading Design

(1) Develop precise grading plan for stockpile/disposal area for final construction documents.
(2) Prepare vertical control and grading for the stockpile/disposal areas.
(3) Prepare typical sections and grading details.
(4) Prepare erosion control plans and SWPPP for inclusion into bid documents. Does not include any uploads to SMARTS or further requirements of QSD or QSP beyond preparation of initial SWPPP for bid.
(5) Prepare erosion control details.
(6) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 15 - Demolition Design

(1) Update existing conditions with new topographic survey information of all infrastructure to be demolished to determine depths, quantities, type of existing materials, limits of demolition and locations. Building demolition is excluded from this item.
(2) Identify impact of demolition on systems that must remain operational until new or replacement facilities are provided; and coordinate with the District for any temporary construction or enabling projects that may be required.
(3) Develop demolition plans for individual project phases for final construction documents.
(4) Develop an existing subgrade digital terrain model for use in earthwork modeling to accurately capture the existing ground elevations after pavement demolition and after excavation.
(5) Prepare demolition details and sections.

(6) Coordinate salvage, reuse, recycling, or landfilling of material demolished, removed and/or excavated
(7) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 16 - Airfield Design

(1) Evaluate airfield geometric criteria per FAA Advisory Circular 150/5300-13B – Change 1 and update horizontal requirements as necessary from the schematic design level.
(2) Confirm proposed design aircraft(s) with the District and Airport Operations, airlines, and other airfield operating stakeholders for airfield geometry during construction.
(3) Update airfield geometry for taxiways considering centerline to centerline separation requirements. This will require updating all project alignments to be at exact offsets from the established runway centerline.
(4) Update airfield geometry for Taxiway and Taxilane Safety Areas and Object Free Areas to locate features such as VSR, drainage and guidance signage.
(5) Prepare the FAA Notice of Proposed Construction or Alteration (Form 7460) and submit to the District to coordinate FAA approval.
(6) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 17 - Pavement Design

(1) Update aircraft usage and airfield operational information as received from the District.
(2) Confirm the proposed airfield operations with the District.
(3) Confirm limits for alternate pavement structural areas based on anticipated traffic.
(4) Update pavement designs to meet the anticipated aircraft traffic and fleet mix per FAA Advisory Circular 150/5320-6G and FAARFIELD software based on final geotechnical data.
(5) Update cost analyses, life-cycle cost analyses (LCCA), and analysis of locally available resources for up to three alternative sections for each pavement area design
(6) Conduct final tasks related to supporting the effort to update the Airport's Pavement Management System. The update will be limited to the demolished and new pavement areas.
(7) The Consultant will update the pavement design memorandum addressing all elements of the pavement design including traffic analysis, LCCA, materials analysis, and bidding alternatives to update the Basis of Design Report at the 100% milestone.
(8) Develop paving plans including spot elevations, typical sections and paving details.
(9) Complete an existing subgrade compaction analysis and develop plans for subgrade compaction and stabilization.
(10) Perform a local materials analysis and reuse potential. Perform subbase coarse trial testing from reclaimed materials.
(11) Develop temporary pavement sections based on construction phasing and determine temporary pavement transitions (if required).
(12) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 18 - Grading and Drainage Design

(1) Develop the existing ground digital terrain model from detailed design survey and create a composite master airfield existing ground surface.
(2) Develop precise grading plan for individual project phases for final construction documents.
(3) Develop the Vertical Geometry analysis for the taxiways and aprons in accordance with FAA Advisory Circular 150/5300-13B Change 1. Clearance requirements and intersection design criteria to be included with the Preliminary Horizontal analysis
(4) Prepare vertical control and grading for the airfield pavements, shoulders, and future terminal building.
(5) Finalize profile and grading options and associated effects on other existing facilities and complete final construction documents.
(6) Develop final cut/fill earthwork quantity calculations – isolate by anticipated construction phasing to include potential staging/hauling considerations.
(7) Prepare typical sections and grading details.
(8) Finalize surface drainage details and complete hydrologic and hydraulic analysis in compliance with FAA Advisory Circular 150/5320-5D, Surface Drainage Design
(9) Prepare erosion control plans and SWPPP for inclusion into bid documents. Does not include any uploads to SMARTS or further requirements of QSD or QSP beyond preparation of initial SWPPP for bid.
(10) Finalize drainage plans considering 3D and hydraulic constraints as identified in the validated stormwater model.
(11) Prepare erosion control details.
(12) Prepare drainage profiles and trenching details.
(13) Prepare drainage structure details.
(14) Coordinate roof drainage with terminal building design team and incorporate drainage connectivity as needed and in coordination with the proposed Stormwater Capture and Reuse System.
(15) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 19 - Stormwater Design

(1) Develop a Final Stormwater Capture System Design including modifications to the northwest detention basin to meet current stormwater regulations.
(2) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 20 - Airfield Markings Design

(1) Update the marking plans for the new taxiway realignment and connector taxiway.
(2) Develop airfield marking details.
(3) Develop interim marking plans for each construction phase transition for maintaining airfield operations.
(4) Develop final marking and signage plans for Part 139 submittal.

(5) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 21 - Electrical Design

(1) Finalize airfield lighting and signage requirements in accordance with FAA AC 150/5340-18H *Standards for Airport Sign Systems* and FAA AC 150/5340-30J, *Design and Installation Details for Airport Visual Aids*. Evaluate NAVAIDS requirements and conflicts with new construction.
(2) Prepare design for the removal and replacement of the taxiway edge lighting system, taxiway signs, circuits, conduits, duct banks, handholes, junction can plazas, and underground utilities and communications lines for the entire project area.
(3) Prepare airfield lighting and signage layout - material suppliers, sources and contractors will be inventoried.
(4) Develop airfield electrical vault modification requirements.
(5) Develop temporary lighting and signage design for project phasing to accommodate airfield operations during construction.
(6) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 22 - Construction Phasing Design

(1) Update the overall construction phasing plans with respect to project constructability and to minimize interference with airport operations. Phasing plans will be developed in collaboration with the District and with review/feedback from airport Stakeholders.
(2) Develop detailed interim phasing plans to identify interim/temporary requirements such as demolition, temporary pavement marking, fencing, pavement, and utilities as may be necessary to maintain the active airfield. The phasing plans will show the operational requirements for the taxiway, VSR, security, and utilities during construction, as well as contractor haul routes and staging areas.
(3) Develop a 3D representation of each phase showing construction progression through AutoCAD Navisworks to tie the construction schedule to the construction.
(4) Submit FAA 7460 applications for each construction phase.
(5) Coordinate with District staff to develop requirements for construction contractor submittals, mockups, operations and maintenance documentation, and warranty and commissioning requirements to be included in the special provisions.
(6) Strategize bidding procedures including design alternatives with the District to provide a basis for competitive bidding.
(7) Update the airfield construction schedule for overall airfield phasing plan. Strategize phasing plans and schedules to maximize contractor's available work areas and site access to help accelerate the schedule, reduce cost, and manage risk.
(8) Prepare a Construction Phasing and Phasing Plan (CSPP) to document the construction schedule and phasing in accordance with FAA AC 150/5370-2G.
(9) Submit phasing plans and CSPP to the FAA's OE/AAA web portal for airspace approval including:
  (a) Prepare a table of geographic coordinates representing the phase boundaries.
  (b) Prepare exhibits with cross-referenced call-outs to the geographic coordinates.

(c) Prepare a “1A Letter” certifying the level of accuracy of the coordinates.
(d) Upload the phasing figures and CSPP into the OE/AAA web portal.

(10) Provide data for and participate in a FAA Safety Risk Management System (SRM) panel. The Consultant shall assist with the preparation of a Safety Risk Assessment (SRA) report following the panel to summarize the results.

(11) The Consultant will provide updates to the Basis of Design Report, detailed drawings, special provisions, and quantities for incorporation into the design deliverables at the 60%, 90% and 100% submittals per Section 3.0 - DELIVERABLES.

TASK 23 - FAA Coordination

(1) Coordinate bid package with the FAA (through the District) as necessary to establish all AIP grant requirements for the project.
(2) Conduct initial Safety Risk Management (SRM) panel, as defined by the FAA, once phasing options and construction alternatives are complete.
(3) The Consultant will provide the District with exhibits and presentation materials as necessary for FAA coordination.

TASK 24 - Cost Estimating

(1) Provide cost estimator’s detailed construction bid items and quantities for construction cost projections. Quantities will be provided at each submittal and a progressively lower contingency percentage will be used until at 100% where the true quantified raw quantity (rounded to the nearest applicable unit) based on 100% design will be provided.
(2) The Consultant will provide drawings and other design information as necessary to support the District’s independent construction cost estimating effort (if required).

TASK 25 – Bid Support

(1) Assist the District with the bidding process including the following items.
   (a) Develop a Pre-Bid Conference presentation and attend the Pre-Bid Conference (2 staff members).
   (b) Respond to Contractor questions. Assist District staff with providing responses back to Contractors during the bid period.
   (c) Prepare addenda to interpret, clarify or expand the bidding documents and include allowable substitutions.
   (d) Conduct bid evaluation to assist District with review of bidding documents.

<u>3.0 - DELIVERABLES:</u>

The Consultant will provide PDFs (hard copies upon request) of the following deliverables for each phase of design, including preliminary (30%), intermediate (60%), pre-final (90%) and final (100%) designs as follows:

a. Quality Control and Quality Assurance Documentation – all submittals.
b. Construction Safety and Phasing Plans – included with each submittal.
c. General Provisions, Special Provisions, Technical Specifications – 60%, 90%, and 100% submittals.
d. Design Drawings on 11x17 –all submittals
e. Basis of Design Report – all submittals
f. Construction Schedule – to be updated for each submittal
g. Quantities - included with each submittal.

h. Opinion of Probable Cost - included with each submittal.
i. Submittal Register – at 100% submittal only
j. SRA Report – one draft and one final submittal after the SRM panel

4.0 - SCHEDULE/MILESTONES:

Milestone	**Duration**	**Due Date**
Notice to Proceed	(tentative)	05/18/26
Pre-Design Services	60 Calendar Days	07/17/26
Schematic Design/Validation Phase (30%)	49 Calendar Days	09/04/26
Review	14 Calendar Days	09/18/26
Intermediate Design Phase (60%)	28 Calendar Days	10/16/26
Review	14 Calendar Days	10/30/26
Pre-Final Design Phase (90%)	21 Calendar Days	11/20/26
Review	14 Calendar Days	12/04/26
Final Design Phase (100%)	35 Calendar Days	01/08/27
Bid Package Submittal to Procurement	14 Calendar Days	01/22/27
Bidding Support Phase	60 Calendar Days	03/23/27

C&S ENGINEERS, INC.
ARCHITECTURAL/ENGINEERING
WORK SUMMARY

Date: 4/3/26
Service Group Mgr: McIntosh
Client Relations Manager: McIntosh
Project Manager: Calatrello
Project Number: Q75.TBD

PROJECT: Taxiway A Realignment
SERVICES: Design
CLIENT: Monterey Regional Airport
CLIENT LEAD: McIntosh

CONT NO.	PHASE NO.	TASK	SERV GROUP MGR	DEPT MAN	PRIN ENG	MAN ENG	CHIEF ENG	SR PROJ ENG	PROJ ENG	ENG	STAFF ENG	SR DES	OFF COORD	DIRECT COSTS	SERVICES BY OTHERS	TOTALS	TOTAL HOURS PER TASK
1		**Project Management Services**	40				80						24			$36,944.00	144
2		**Quality Assurance/Quality Control (QA/QC)**	20		40		60									$34,000.00	120
3		**Pre-Design Survices**															
	3.1	Data Collection and Review							8		24					$5,248.00	32
	3.2	Site Investigations															
	3.2.i	Topographic Survey					4		8			40			$8,500.00	$17,220.00	52
	3.2.ii	Geotechnical Investigation					4			16					$66,300.00	$70,300.00	20
	3.2.iii	Utiltiy Location					4		8	8		24				$7,760.00	44
		SCHEMATIC DESIGN/VALIDATION PAHSE (30%)															
4		**Demolition Design**					8		16			40				$11,440.00	64
5		**Airfield Design**	4				8		32			40				$15,840.00	84
6		**Pavement Design**	2				4		8	16						$6,200.00	30
7		**Grading and Drainage Design**					8		16			80				$17,440.00	104
8		**Stormwater Design - Hydrology & Water Quality**							54	270						$59,400.00	324
9		**Airfield Marking Design**					4			28		32				$10,960.00	64
10		**Electrical Design**					4		16	40		40				$17,520.00	100
11		**Construction Phasing Design**					8		8			32				$8,640.00	48
12		**FAA Coordination**	2				4									$1,720.00	6
13		**Cost Estimating**					4		4	12						$4,080.00	20
		DETAILED DESIGN PHASE (60%, 90% and 100%)															
14		**Stockpile/Disposal Area Grading Design**					4		4	10		20				$6,720.00	38
15		**Demolition Design**					8		10	20		40				$13,840.00	78
16		**Airfield Design**	4				8		40			80				$23,440.00	132
17		**Pavement Design**	4				4		8	16						$6,800.00	32
18		**Grading and Drainage Design**					8		16	20		60				$18,040.00	104
19		**Stormwater Design - Hydrology & Water Quality**							16	80						$17,600.00	96
20		**Airfield Marking Design**					4		6	10		20				$7,120.00	40
21		**Electrical Design**					4		10	20		40				$12,720.00	74
22		**Construction Phasing Design**					8		16	16		40				$14,320.00	80
23		**FAA Coordination**	10				10									$5,800.00	20
24		**Cost Estimating**					8		4	12						$5,200.00	24
25		**Bid Support**	16				40		20				8			$20,848.00	84
		Direct Expenses															
	600	Direct Expenses												$8,725.00		$8,725.00	
			102		40		310		328	594	24	628	32	$8,725.00	$74,800.00	$485,885.00	2058

ARCHITECTURAL/ENGINEERING COST SUMMARY SCHEDULE "B" DESIGN PHASE

PROJECT NAME:	Taxiway A Realignment	DATE:	03-Apr-26
PROJ DESCRIPTION	Design of Taxiway A Relocation	A/E:	C & S ENGINEERS, INC.
		PROJECT NO:	Q75.TBD
CLIENT:	Monterey Regional Airport	C&S CONTACT:	McIntosh
CLIENT LEAD:	McIntosh		

I. ESTIMATE OF DIRECT SALARY COSTS:

	TITLE	BILLING RATE ($/HR)	@	ESTIMATED HOURS		ESTIMATED COST
E.	Service Group Manager	$300.00	X	102	=	$30,600.00
H.	Principal Engineer	$280.00	X	40	=	$11,200.00
J.	Chief Engineer	$280.00	X	310	=	$86,800.00
L.	Project Engineer	$200.00	X	328	=	$65,600.00
M.	Engineer	$180.00	X	594	=	$106,920.00
N.	Staff Engineer	$152.00	X	24	=	$3,648.00
AE.	Senior Designer	$150.00	X	628	=	$94,200.00
BX.	Office Coordinator	$106.00	X	32	=	$3,392.00
	TOTAL ESTIMATED BILLING RATE COST:			2058		**$402,360.00**

II. ESTIMATE OF DIRECT EXPENSES:

A.	TRAVEL, BY AUTO:							
	0	TRIPS @	0	MILES/TRIP @	$0.700	=	$0.00	
B.	WEEKLY RENTAL CAR							
			1	WEEKS @	$725.00	=	$725.00	
C.	TOLLS							
			0	WEEKS @	$30.00	=	$0.00	
D.	TRAVEL, BY AIR:							
	8	TRIPS @	1	PERSONS @	$800.00	=	$6,400.00	
E.	MEALS AND LODGING:							
	8	DAYS @	1	PERSONS @	$200.00	=	$1,600.00	
F.	PERMIT FEES					=	$0.00	
G.	MISCELLANEOUS:					=	$0.00	
	TOTAL ESTIMATE OF DIRECT EXPENSES:							**$8,725.00**

III. SUBCONTRACTS:

A.	ESTIMATE OF TOPOGRAPHICAL SURVEYS:	**$8,500.00**
B.	TOTAL ESTIMATED SUBSURFACE INVESTIGATION & TESTS:	**$66,300.00**

IV. TOTALS:

A.	**MAXIMUM TOTAL COST FOR SERVICES, AGREEMENT TOTAL & FAA ELIGIBLE:**	**$485,885.00**

APPENDIX 1
SUBCONSULTANT
COST DETAILS

R.E.Y. ENGINEERS, INC.

Engineers | Surveyors | LiDAR

November 6, 2025

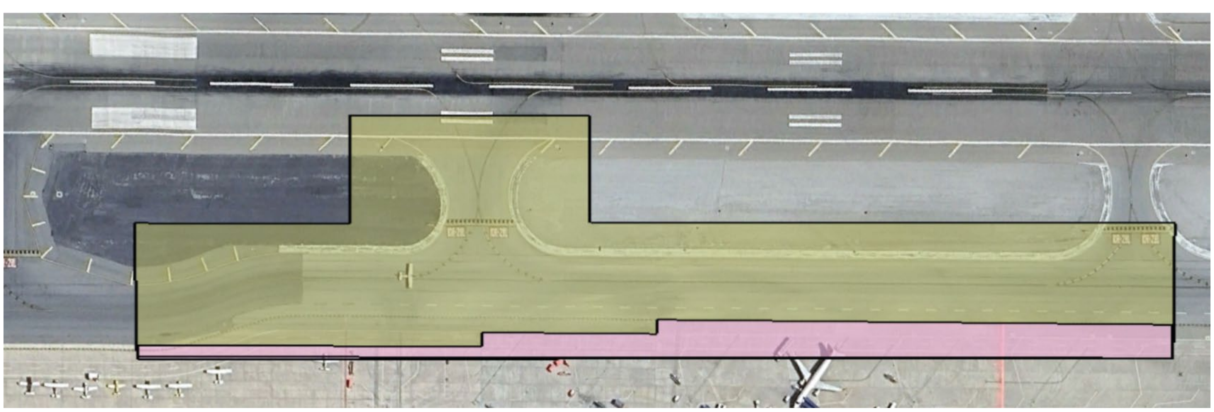
Christopher A. Calatrello, PE | **C&S Companies** | Chief Engineer
ccalatrello@cscos.com | Office: (619) 514-2017
C&S Companies
8950 Cal Center Drive, Suite 102
Sacramento, CA 95826

Subject: Proposal for Surveying Services – Monterey Airport

Dear Chris,

R.E.Y. is pleased to offer the following services in connection with the Monterey Airport Project.

Project Understanding & Scope – Our understanding is that this survey will support the Safety Enhancement Program for the Taxiway realignment of about 1600 feet. The images below illustrate the proposed work area for the realignment. As part of the scope we will collect topographic points around the perimeter of an existing detention basin on the northside of the airport for a BMP redesign/update.



To support C&S with their design the following items need to be field surveyed and mapped:

- Existing conditions in the field at an approximate 25' grid in the asphalt area
- Edge of pavement
- Existing expansion joints in the concrete in the pink area shown above
- Painted Markings
- Drain inlets and inverts
- Taxiway edge lights
- Tie downs
- Tie down markings
- Guidance signs parallel to the project limits
- Any other important features

The project control for this survey will be based on the prior topographic surveys R.E.Y. performed.

Survey Fee - We can complete the scope above on a Time and Materials basis for a fee not to exceed $8,500. Additional scope can be completed for a separate fee should they become required in the future.

Schedule – We can begin work within two days of a signed contract. The results of the survey can be delivered within one week of commencement.

Deliverables – We will provide an AutoCAD drawing and PDF of the completed topographic survey.

Sincerely,
R.E.Y. Engineers

Mike Shoup, PLS

Principal

(408) 219-3236 cell
mshoup@reyengineers.com

Date:	November 24, 2025
Proposal No.:	P14463
Prepared For:	Mr. Lance McIntosh **C&S COMPANIES** 2575 E Camelback Road, Suite 740 Phoenix, Arizona 85016
Re:	Supplemental Geotechnical Pavement Cores Monterey Regional Airport Taxiway A Realignment 200 Fred Kane Drive Monterey, California

The Agreement

Thank you for requesting Cornerstone Earth Group to prepare and submit this addendum agreement for geotechnical services. The following describes our understanding of the project and presents our proposed scope of work and our estimated cost and schedule for completing the work. This document will serve as an addendum to our existing agreement dated August 20, 2021.

The Project

As you know, we performed a geotechnical investigation for the project and presented our findings in our report dated March 18, 2022. We also provided supplemental infiltration and CBR testing and recommendations in our letter dated December 22, 2022. As part of the final phase of the Monterey Regional Airport Taxiway and Apron Relocation project, we understand Taxiway A will be realigned. The Taxiway A realignment phase will consist of improvements to an approximate 1,600-foot section of the taxiway. The existing Portland Cement concrete (PCC) within the southern side of the taxiway will be removed and replaced with new asphalt concrete (AC). The existing AC in the northern part of the taxiway is to be milled and overlayed, the taxiway centerline will be adjusted, and new taxiway edge lights and guidance signage based on the relocated taxiway edge will be installed. We understand the existing AC pavement/PCC pavement section, underlying aggregate section, and subgrade/subbase conditions along the taxiway realignment are to be further evaluated to see if similar pavement sections and subgrade/subbase conditions identified in our previous exploration and recommendations present in our report are applicable along the length of the realignment. If conditions vary additional analysis and recommendations may be required for the realignment phase. We understand the airport has no minimum requirement for the number of explorations along the length of the realignment; but the number and cost of the additional exploration should be limited as much as possible.

Field Exploration

Pavement Cores and Exploratory Borings

To supplement our previous explorations, we will drill three (3) pavement cores using a 10-inch diameter concrete coring barrel. Two cores will be performed within AC pavement areas, and one will be done in a PCC area. The approximate locations of our cores/borings are shown on the attached Proposed Exploration Location Plan. The final location of all cores/borings may be modified in the field, as needed.

At each core, we will measure and record the thickness of the AC/PCC and underlying aggregate/subbase. To measure the depth of the base and subbase material (if present), we will use a portable auger or drill rig to excavate through the bottom of the pavement section. We will retain cores and samples of the base/subbase materials and return them to our geotechnical laboratory for review and classification. Following pavement coring and aggregate/subbase measurements, we will drill, log and sample the subgrade at each core location to a depth of 5 to 10 feet using conventional track-mounted, hollow-stem auger drilling equipment. We will collect soil samples from our borings for visual classification and laboratory testing. The soils will be logged in accordance with the Unified Soil Classification System as required by the FAA.

The boreholes/cores will be backfilled with cement grout in accordance with Monterey County Health Department guidelines and patched with a quick setting concrete mix. For the purposes of our cost estimate we have assumed a PCC or AC pavement thickness of up to about 16 inches and a base thickness up to about 5 inches.

Utility Clearance

We will mark our percolation testing boring locations at least two working days prior to beginning our explorations as required by law and notify the regional utility notification center – Underground Service Alert (USA), and you, so that public and private utilities can be identified and marked at the ground surface. Where practical we will mark our locations in white paint, or otherwise designate our exploration locations, as requested by USA. Utility operators/owners are required to mark their utilities at the ground surface prior to the start of work. California law requires that we receive notification that our marked exploration locations have been cleared by each subscribing utility operator with nearby facilities before we proceed with our exploration. The failure of these utility operators to respond with the status of their facilities may result in delays to our schedule that is outside of our control.

To reduce the risk of damaging unidentified underground utilities during drilling, we will also contract with a private utility locator. We are not responsible for damage to utilities that are not clearly identified. We also request that you forward a copy of utility location plans or drawings, if available, to aid in determining our exploration locations.

Permits, Site Access and Disposal of Drill Spoils

Our explorations will be permitted and backfilled with cement grout in accordance with Monterey County Health Department guidelines.

We assume that clear site access will be provided for our equipment at the time of drilling. Exploration equipment is typically heavy, and drilling is a destructive process that disturbs surface soils and other improvements. For the purpose of this proposal, site restoration is limited to general clean-up and does not include the restoration of the site. Per discussions with C&S Companies, we understand site access and escorts will be arranged for us to complete our work.

During our site exploration, as requested, drill spoils generated during drilling will be left in 55-gallon drums. We will move drum(s) from the taxiway to a location designated by airport staff. Testing and disposal of drill spoils are outside of our current scope of work.

Environmental Conditions

If environmental contamination or other specific conditions exist at the site, please notify us prior to exploration so that we can take the proper health and safety precautions during our exploration of the site. This proposal specifically excludes the assessment of environmental characteristics at the site, particularly those involving hazardous substances. If obviously impacted materials are encountered during our geotechnical exploration, we will discontinue our work and notify you of the condition encountered. We will proceed with our geotechnical scope of work, once we mutually agree to do so. Added costs incurred because of suspected hazardous substances will be charged on a time-and-expense basis over and above the established fees for the site investigation.

Laboratory Testing

- In-situ Moisture/Density
- Atterberg Limits
- Grain Size Distribution tests, ASTM D1140 and D422
- Modified Proctor Tests (moisture density relationships, ASTM D1557)
- California Bearing Ratio (CBR)

Engineering Analysis and Letter Preparation

Following completion of the field and laboratory testing, we will analyze data and prepare a letter presenting the existing pavement section thicknesses and subgrade conditions. The letter will include a site plan showing new and previous exploration data within the approximate location of the taxiway realignment. Core/boring logs and laboratory testing including CBR results will also be included.

CORNERSTONE
EARTH GROUP

Optional Services

Pavement Section Design Consultation

Depending on the pavement sections and subgrade conditions encountered, new pavement section design/analysis may be needed. If needed, we will provided supplemental design/analysis in accordance with FAARFIELD design methodology. These design consultation services are outside of our current scope of work. Our time and expense estimated fee assumes about 5 hours of Project Engineer time and 7 hours of Principal Engineer time.

Future Services

Plan Review and Consultation

We will attend project meetings and provide supplemental consultation on an as-needed basis, and also review the civil plans and specifications for conformance with the recommendations in our geotechnical report/letter. We will prepare plan review letters for submittal to the reviewing agency, if needed. These services are outside of our current scope of work. Our time-and-expense estimated fee assumes about 4 hours of Project Engineer time and 4 hours of Principal Engineer time.

Geotechnical Observation and Testing During Construction

Once final design plans and/or a detailed project schedule are available, we will prepare a scope of work to observe the geotechnical aspects of construction, including trench backfill, mass grading, and pavement subgrade and aggregate base compaction, as required.

Proposal Fees

We will perform our services for the fees shown in Table 1. Our services will be provided in accordance with our previous agreement to work together dated August 20, 2021. Time-and-expense services will be billed in accordance with the attached schedule of hourly rates for prevailing wage projects. Payment for services shall be due upon receipt of Cornerstone Earth Group's Invoice. To be recognized, any dispute over charges must be claimed in writing within 30 days of the billing date. Disputes or questions about a statement shall not be cause for withholding payment for remaining portions due. Requested changes to this contract must be approved in writing before we proceed.

Additional services that are not outlined in this proposal shall be charged on a time-and-expense basis.

TABLE 1 – GEOTECHNICAL SERVICES

Task	Fee	Initial to Authorize
Geotechnical Pavement Cores/Borings (*fixed-fee*)	**$30,500**	______________
Optional – Pavement Section Design Consultation (*time-and-expense*)	**$3,500**	______________
Future – Plan Review and Consultation (*time-and-expense*)	**$2,300**	______________

Assumptions and Limitations

- The Client will coordinate site access/permission to enter/escorts.
- The site is accessible to conventional hollow-stem auger drilling equipment.
- If available, site plans provided for our use will show the locations of all underground utility lines and structures. We will not be responsible for damage to any such lines or structures that are not shown accurately on the plans provided to us or properly marked by USA subscriber companies.
- Some disturbance to the ground surface and vegetation may occur as a result of accessing the desired locations of subsurface exploration. Although we will be careful to limit the extent of such occurrences, they cannot be avoided and this proposal does not include any costs to re-grade, re-vegetate, landscape or otherwise repair disturbed areas.
- This proposal does not include disposal of excess soil cuttings that may be generated during drilling. If soil disposal is required, we can prepare a cost estimate at your request. The cuttings will be left within 55-gallon drums in a location designated by your staff or airport staff.
- This proposal assumes prevailing wage rates.
- This proposal assumes utility clearance services will be performed during normal daylight business hours. This proposal assumes we will have access to our core/boring locations at 12AM until 5AM.
- Site access and escorts will be arranged for us to complete our work.
- Traffic control and flagmen will not be needed to complete the fieldwork.

Authorization

Please acknowledge your receipt of and agreement with the scope and fees contained in this addendum agreement by forwarding a change order that references our original Professional Services Agreement dated August 20, 2021.

We thank you for this opportunity and look forward to continuing our work with you on this important project. Should you have any questions regarding this proposal, or if we may be of further service, please contact us at your convenience.

Sincerely,

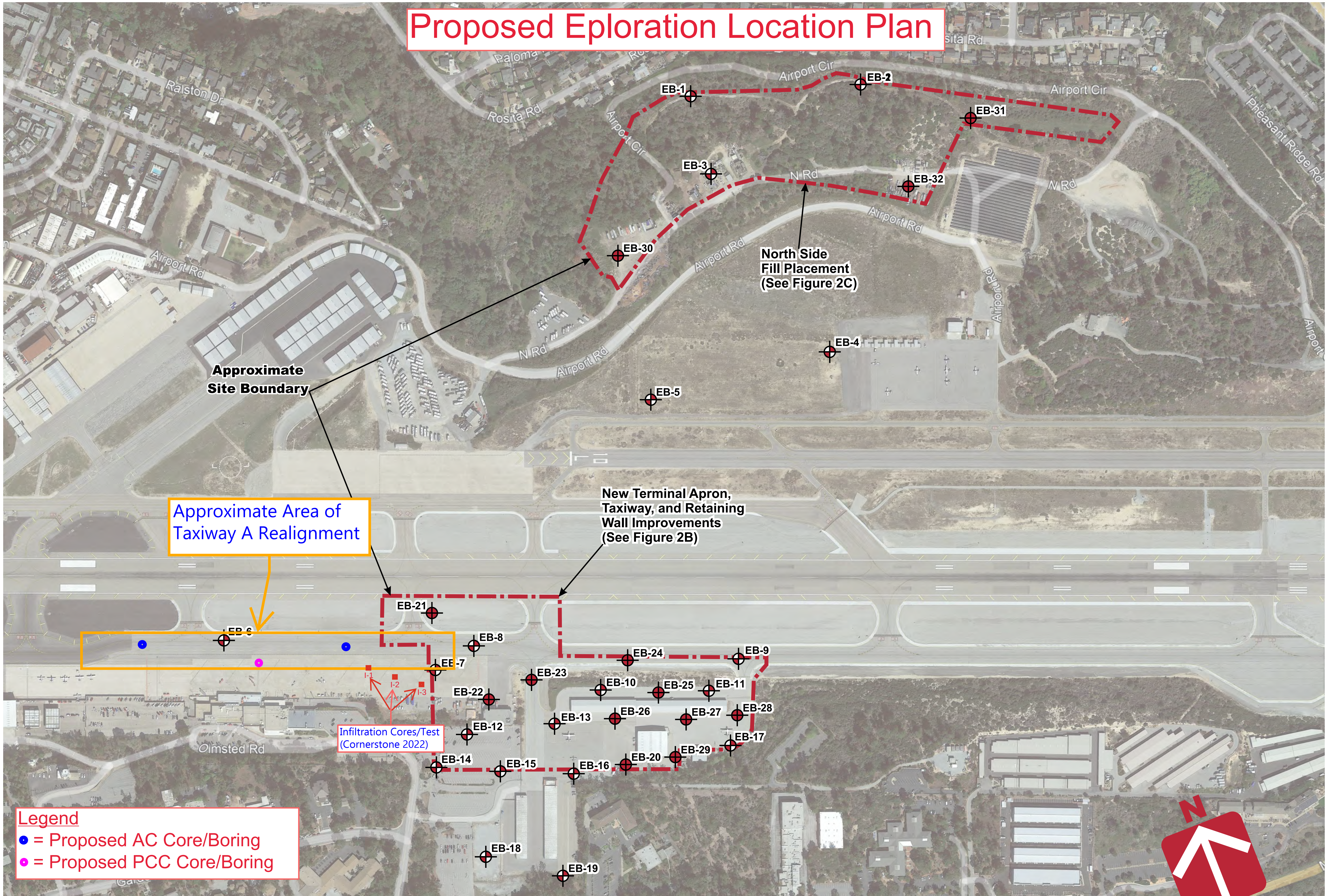
Cornerstone Earth Group, Inc.

Matthew J. Schaffer, P.E., G.E.
Principal Engineer

MJS:EA

Attachments: Proposed Exploration Location Plan
Schedule of Hourly Rates for Prevailing Wage Projects

Copies: Addressee (PFD by email)



Legend

Approximate location of exploratory boring (EB) (Cornerstone, current investigation)

Approximate location of exploratory boring (EB) (Cornerstone, 2017)

0 400 800

APPROXIMATE SCALE (FEET)

Base by Google Earth, dated 02/23/2021

Project Number 1329-1-1

Figure Number Figure 2A

Date March 2022

Drawn By RRN

Overall Site Plan

Monterey Regional Airport
Taxiway and Apron Relocation
Monterey, CA

CORNERSTONE EARTH GROUP

CORNERSTONE EARTH GROUP

Prevailing Wage Hourly Fee Rates and Equipment Charges

Through December 31, 2025

Professional Staff	
Staff	$199
Senior Staff	$227
Project Manager	$250
Senior Project Manager	$273
Principal	$315
Senior Principal	$350

Construction and Support Staff	
Administrative Assistant	$125
Engineering Technician I	$199
Construction Services Administrative	$160
Engineering Technician II	$199
Technical Illustrator	$180
Supervisory Technician	$199
Senior Supervisory Technician	$210

Professional Technical Staff includes Engineers, Geologists, Hydrogeologists, Chemists, and Scientists. Charges for personnel will be made in accordance with the above rates. For field personnel, regular rates are normal workday construction hours (Monday through Friday). For time spent over 8 hours in a day, time spent after 5 p.m., time spent on swing shifts, and time spent on Saturdays by field personnel, overtime rates will be charged at 1.5 times the hourly rate. Work on Sundays and holidays and work in excess of 12 hours in one day will be charged at 2.0 times the hourly rate. Field rates are based on a 48-hour notice. For less than a 48-hour notice, a 10 percent surcharge will be added. All field personnel, vehicle and equipment charges are portal to portal. Reproduction of project documents will be charged as a project expense. The hourly rate for professional staff to attend legal proceedings will be 2.0 times the hourly rate specified above.

Equipment Charges	
Vehicle	$31 per hour
Nuclear Density Gauge	$13 per test
GPS Unit	$100 per day
Hand Auger Equipment	$100 per day
Dust Meter (3)	$475 per day, $1,475 per week, $4,125 per month, cellular connectivity $515 per month per meter
PID ppm_v / 4 Gas Meter	$140 per day, $600 per week, $2,000 per month
PID ppb_v	$180 per day, $650 per week, $2,200 per month
Weather Station	$100 per day, $250 per week, $740 per month
Benkelman Beam	$175 per day, $750 per week, $2,800 per month
Double Ring Infiltrometer	$100 per day
Dynamic Cone	$100 per day
Pressure / Velocity Gauge	$90 per day, $300 per week, $600 per month
VIMS Blower Equipment	$350 per day
Depth Sounder	$50 per day
ADMP Monitoring Kit (1)	$150 per day, $360 per week, $840 per month
Liner and Two Caps	$12 each
Core N One Sampler	$50 each triplicate sample
Modeling Software	$25 per hour
Drone	$250 per day

Geotechnical Laboratory Tests	Tests Run During Normal Workday Hours	Tests Run Outside Workday Hours
Compaction Curve	$370 each	$555 each
Compaction Check Point	$190 each	$285 each
Plasticity Index	$270 each	$405 each
Sieve/Hydrometer	$270 each	$408 each
Moisture Content	$10 each	$12 each
Moisture/Density	$35 each	$53 each
- #200 Wash	$70 each	$80 each
Sieve < ¾ inch Liner (small)	$150 each	$225 each
Sieve > ¾ inch Bucket (Large)	$225 each	$330 each
Lime Stability	$400 each	$600 each
Consolidation	$450 each	
Soil Corrosion Testing	$250 each	$375 each

Direct Expenses

Reimbursement for the direct expenses listed below incurred in connection with the Work will be billed at cost plus 18 percent.

1) Drillers, utility locators, laboratories, contractors, hygienists, and consultants
2) Rented vehicles, public transportation, tolls, and air flights
3) Permits and special fees, insurances and licenses required to perform Work
4) Computer programs and rented field equipment
5) Large volume copying of project documents
6) Maps, photographs, and environmental databases
7) Overnight or same day delivery charges
8) Copying or production of over-sized figures and plans

If personnel are assigned to a project 100 miles or more from an office, $175 per diem per person allowance will be charged. Unless mutually agreed in writing, Cornerstone will hold samples collected during the performance of the Work no longer than thirty (30) calendar days after their date of collection; project samples requested to be held greater than thirty (30) calendar days will be billed at $100 per every ninety (90) calendar days. If payment is not received within 30 days of invoice date, the samples will be discarded.

Payment

Payment for Work completed is due upon receipt of Cornerstone's statement. Fixed fee or lump sum services will be billed for the agreed fixed fee. A service charge of 1.5 percent per month will be charged on accounts not paid within 30 days.

Prevailing Wage

Client must notify Cornerstone in writing if the Work is subject to "prevailing wage" under local, state or federal laws.

Lance McIntosh

From: Matthew J. Schaffer <mschaffer@cornerstoneearth.com>
Sent: Friday, April 3, 2026 3:46 PM
To: Lance McIntosh
Cc: Christopher Calatrello
Subject: RE: Additional Scope to Monterey Taxiway A work

Hi Lance,

Please see below ROM cost. As discussed, we have assumed one day of drilling to drill and log samples to 10 feet in two locations within the basin. We have also assumed a day for a backhoe to excavate two pits within the basin to 5 feet and then perform two double ring infiltration tests. We have also included time and cost for USA, private utility locator, and permits as they may be required by the county for the borings.

ROM cost is $30,000

Please let me know if you have any questions. I will get you a full proposal in a few weeks after I return from vacation unless I have time next week before I leave.

I hope you have a wonderful Easter.

Thank you.

Matthew J. Schaffer, P.E., G.E.
Principal Engineer

Cornerstone Earth Group, Inc.
T 408.245.4600 | **C** 408.515.3734

From: Lance McIntosh <lmcintosh@cscos.com>
Sent: Friday, April 3, 2026 12:26 PM
To: Matthew J. Schaffer <mschaffer@cornerstoneearth.com>
Cc: Christopher Calatrello <CCalatrello@cscos.com>
Subject: RE: Additional Scope to Monterey Taxiway A work

Hi Mathew.
I have some answers. We will potentially need to expand the volume of the basin, which means we need the infiltration rate at around 5' deep from existing. From our discussion it sounds like a backhoe will be needed to perform the double ring test.
Thanks
Lance

APPENDIX 2
CONSTRUCTION COST ESTIMATE

TW A CONSTRUCTION ROM

ITEM NO	FAA SPEC	DECSRIPTION	QUANTITY	UNITS	PRICE	TOTAL
TW A						
RECONSTRUCTION						
1	P-101	CONCRETE PAVEMENT REMOVAL, ~14.5"	5594	SY	$45.00	$251,725
2	P-152	UNCLASSIFIED EXCAVATION, ~0.5"	78	CY	$60.00	$4,662
3	P-156	CEMENT TREATED SUBGRADE, 18"	5594	SY	$50.00	$279,694
4	P-209	CRUSHED AGGREGATE BASE, 6"	932	CY	$80.00	$74,585
5	P-401	HMA BASE COURSE, 5"	1625	TON	$170.00	$276,250
6	P-401	HMA SURFACE COURSE, 4"	1300	TON	$170.00	$221,000
MILL & OVERLAY						
1	P-101	2" MILL	12835	SY	$10.00	$128,352
2	P-401	2" HMA OVERLAY	1492	TON	$170.00	$253,640
TW CONNECTOR						
MILL & OVERLAY						
1	P-101	2" MILL	4009	SY	$10.00	$40,087
2	P-401	2" HMA OVERLAY	466	TON	$170.00	$79,220
SHOULDER						
3	P-209	CRUSHED AGGREGATE BASE, 8"	148	CY	$60.00	$8,864
4	P-403	HMA SURFACE COURSE, 4"	155	TON	$150.00	$23,250
RECONSTRUCTION						
5	P-101	AC PAVEMENT REMOVAL	353	SY	$50.00	$17,639
6	P-152	UNCLASS EX, ~3"	29	CY	$60.00	$1,764
7	P-156	CEMENT TREATED SUBGRADE, 18"	353	SY	$35.00	$12,347
8	P-209	CRUSHED AGGREGATE BASE, 6"	59	CY	$80.00	$4,704
9	P-401	HMA BASE COURSE, 5"	103	TON	$170.00	$17,510
10	P-401	HMA SURFACE COURSE, 4"	82	TON	$170.00	$13,940
INFIELD AREA						
1	P-101	PULVERIZE EXISTING MATERIAL AND COMPACT	3982	SY	$20.00	$79,633
3	P-609	CHIP SEAL COAT	3982	SY	$40.00	$159,267
4	P-626	SLURRY SEAL	129	TON	$1,200.00	$154,620
MARKINGS						
1	P-620	YELLOW REFLECTIVE	9270	SF	$6.00	$55,620
ELECTRICAL						
1	L-110	REMOVAL OF EXISTING CONDUIT AND CABLE	1500	LF	$20.00	$30,000
2	L-125	REMOVAL OF EXISTING EDGE LIGHT	16	EA	$250.00	$4,000
3	L-110	PROPOSED CONDUIT	2000	LF	$105.00	$210,000
4	L-110	PROPOSED CABLE	4000	LF	$10.00	$40,000
5	L-125	PROPOSED EDGE LIGHT	25	EA	$4,000.00	$100,000
6	L-125	PROPOSED HANDHOLE	5	EA	$12,500.00	$62,500

STORMWATER BASIN RECONSTRUCTION

1	P-152	UNCLASSIFIED EXCAVATION	16300	CY	$60.00	$978,000
2	D-701	AGGREGATE DRAIN ROCK LAYER, 18"	4075	CY	$80.00	$326,000
3	D-702	FILTER COURSE, 6"	1358	CY	$70.00	$95,083
4	P-154	5IN/HR FILTRATION RATE SOIL, 24"	5433	CY	$20.00	$108,667

TOTAL CONSTRUCTION COST	$4,112,623
15% CONSTRUCTION OVERHEAD	$616,893.38
TOTAL COST	**$4,729,516**

AGENDA ITEM: G-4
DATE: June 25, 2026

TO: Monterey Peninsula Airport District Board of Directors
FROM: Scott E. Huber, District Counsel
SUBJ: Pass to Print Ordinance No. 936 (First Reading) to Repeal Inactive Ordinances that Represent One-time Land and Easement Transactions Already on Record

BACKGROUND. The Board will conduct a first reading of a proposed Ordinance that would repeal certain inactive District ordinances that concern one-time land and easement transactions that have already been completed, recorded, or are otherwise fully implemented.

Historically, the District has adopted ordinances to authorize or approve specific real property transactions, including purchases, sales, transfers, easements, and related agreements. Those ordinances served their purpose when the transactions were approved and implemented. They do not establish ongoing regulatory requirements or current policy direction for the District.

DISCUSSION. The District is in the process of reviewing and publishing its ordinances on the District's website so that members of the public may access them in a clear, organized, and easy-to-use format. As part of that review, District Counsel has identified older ordinances that are no longer active because they relate only to completed one-time transactions. Continuing to include those ordinances among the District's active ordinances may create unnecessary confusion regarding which ordinances remain operative and enforceable.

Staff recommends repealing inactive ordinances by category. Ordinance No. 936 addresses the category of one-time land and easement transactions. Repealing these ordinances is intended as a housekeeping and records-management measure. The repeal will not invalidate, impair, or otherwise affect any transaction, real property interest, lease, easement, conveyance, agreement, covenant, condition, obligation, or right that was approved, executed, recorded, or otherwise completed before the effective date of the proposed Ordinance. Any agreement that remains in effect will continue to be valid and enforceable according to its terms. A requirement of the Airport grant assurances is to keep an approved Federal Aviation Administration Airport Layout Plan updated which includes a listing of all property acquisitions and easements.

The titles of the ordinances proposed for repeal are included as Exhibit A to Ordinance No. 936. The ordinances themselves are part of the District's official records and are available for review at the District Administration office, as well as the District website.

The following fifty-seven Ordinances, which are currently inactive, shall be Repealed: 1, 2, 13, 14, 21, 23, 27, 29, 77, 78, 86, 87, 96, 107, 141, 142, 231, 243, 265, 267, 329, 344, 347, 376, 464, 554, 555, 567, 575, 588, 606, 646, 649, 673, 674, 675, 676, 678, 695, 704, 706, 708, 711, 716, 742, 749, 762, 783, 795, 801, 838, 842, 845, 850, 861, 869, 870.

Copies of the repealed Ordinances will not be attached to this staff report but are available at the District Administration office and on the District website at this location: https://montereyairport.specialdistrict.org/2026-06-25-board-of-directors-meeting .

ENVIRONMENTAL IMPACT. The proposed action repeals inactive ordinances concerning previously completed land and easement transactions and does not authorize any new development, physical improvement, land use, or change in the environment. The Staff recommends that the Board determine that the action is not subject to the California Environmental Quality Act because it has no potential to result in a direct or reasonably foreseeable indirect physical change in the environment. Alternatively, the action is exempt under the common-sense exemption in State CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that there is no possibility the action may have a significant effect on the environment.

FISCAL IMPACT. Nominal cost of newspaper and website publication.

RECOMMENDATION. Pass to Print Ordinance No. 936, An Ordinance of the Monterey Peninsula Airport District to Repeal Certain Inactive Ordinances that Represent One-time Land and Easement Transactions Already on Record.

ATTACHMENTS.

Ordinance No. 936
Exhibit A - Ordinances Repealed by Ordinance No. 936

MONTEREY PENINSULA AIRPORT DISTRICT
ORDINANCE NO. 936

AN ORDINANCE OF THE MONTEREY PENINSULA AIRPORT DISTRICT TO REPEAL CERTAIN INACTIVE ORDINANCES THAT REPRESENT ONE-TIME LAND AND EASEMENT TRANSACTIONS ALREADY ON RECORD

NOW, THEREFORE, the Board of Directors of the Monterey Peninsula Airport District DO ORDAIN as follows:

SECTION 1: Findings and Purpose. The Board finds and declares as follows:

A. WHEREAS, the Monterey Peninsula Airport District ("District") has adopted ordinances over time to authorize or approve specific real property transactions, including purchases, sales, transfers, leases, easements, and related agreements; and

B. WHEREAS, some of the ordinances served their purpose when the transactions were approved, executed, recorded, or otherwise completed, and do not establish ongoing regulatory requirements or current policy direction for the District; and

C. WHEREAS, the District is reviewing and organizing its ordinances for publication on the District's website so that members of the public may access them in a clear, organized, and easy-to-use format; and

D. WHEREAS, the continued inclusion of ordinances concerning completed one-time land and easement transactions among the District's active ordinances may create unnecessary confusion regarding which ordinances remain operative and enforceable; and

E. WHEREAS, the Board desires to repeal the inactive ordinances listed in Exhibit A as a housekeeping and records-management measure, without rescinding, invalidating, impairing, or otherwise affecting any completed transaction, continuing agreement, or existing right or obligation.

SECTION 2: Repeal of Specific Ordinances. The ordinances listed in Exhibit A, attached hereto and incorporated herein by this reference, are hereby repealed. The repeal of the ordinances listed in Exhibit A is intended to remove inactive ordinances from the District's active ordinance records and does not affect the validity or enforceability of any act taken under those ordinances prior to the effective date of this Ordinance.

SECTION 3: Preservation of Completed Real Property Transactions. Notwithstanding the repeal of any ordinance authorizing, approving, or relating to the purchase, sale, transfer, grant, acceptance, vacation, dedication, exchange, or conveyance of any real property interest, including any easement, license, right-of-way, or similar property right, this Ordinance shall not rescind, invalidate, impair, modify, or otherwise affect any real property transaction, instrument, interest, title, covenant, condition, obligation, or right that was approved, executed, recorded, conveyed, accepted, or otherwise completed before the effective date of this Ordinance.

SECTION 4: Preservation of Existing Agreements and Obligations. Notwithstanding the repeal of any ordinance authorizing, approving, or relating to an agreement with another party, this Ordinance shall not rescind, invalidate, impair, modify, or otherwise affect any agreement, lease, amendment, assignment, consent, approval, covenant, condition, duty, obligation, or right that was executed or became effective before the effective date of this Ordinance. Any such agreement or obligation that remains in effect shall continue to be valid and enforceable according to its terms.

SECTION 5: Records and Publication. District Staff is directed to update the District's ordinance records and website to reflect the repeal of the ordinances listed in Exhibit A. Copies of the repealed ordinances shall remain part of the District's official records and may be maintained or made available as historical records.

SECTION 6: Environmental Review. The Board finds that this Ordinance repeals inactive ordinances concerning previously completed land and lease transactions and does not authorize any new development, physical improvement, land use, or change in the environment. The Board therefore finds that this Ordinance is not subject to the California Environmental Quality Act because it has no potential to result in a direct or reasonably foreseeable indirect physical change in the environment. Alternatively, this Ordinance is exempt under State CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that the action will not have a significant effect on the environment.

SECTION 7: Severability. The sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable. If any portion of this Ordinance is declared unconstitutional, invalid, or unenforceable by a court of competent jurisdiction, that decision shall not affect the validity or enforceability of the remaining portions of this Ordinance.

SECTION 8: Certification and Publication. The District Secretary shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance to be published, posted, or otherwise made available as required by law.

This ordinance shall take effect on the 30th day after its adoption.

PASSED TO PRINT by the Board of Directors of the Monterey Peninsula Airport District at a meeting of June 25, 2026 by the following vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSTAIN: DIRECTORS:
ABSENT: DIRECTORS:

Signed this 25th day of June 2026

____
Danial Pick, Chair

APPROVED AS TO FORM:

____
Scott Huber, District Counsel

EXHIBIT A

Ordinances Repealed by Ordinance No. 936

Ordinance No	Description	Date
1	An Ordinance Authorizing the Acquisition of Certain Lands Owned by the City of Monterey By, and the Assignment of the Lease Held By Said City Upon Certain Other Lands to, Monterey Peninsula Airport District for Public Airport Purposes Thereof, and also the Assignment and Transfer to Said District by Said CIty of Certain Other Contracts and Documents Relating to the Monterey Municipal Airport.	4/10/1941
2	An Ordinance Authorizing the Acquisition of Certain Lands Situated in the County of Monterey, State of California, By Monterey Peninsula Airport District for Public Airport Purposes Thereof.	5/28/1941
13	An Ordinance Authorizing the Acquisition of Certain Rights of Way and Easements Over, Along and Through Lands Situate in the County of Monterey, State of California, by Monterey Peninsula Airport District for Public Airport Purposes Thereof	8/9/1944
14	An Ordinance Authorizing the Acquisition of an Interest in Certain Lands Situate in the County of Monterey, State of California, by Monterey Peninsula Airport District for Public Airport Purposes Thereof.	5/2/1945
21	An Ordinance Authorizing the Release of a Certain Right of Way and Easement Over, Along and Through Land Situate in the County of Monterey, State of California by Quit-Claim Deed by Monterey Peninsula Airport District	1/7/1948
23	An Ordinance Authorizing the Release of a Certain Right-of-Way and Easement Over, Along and Through Land Situate in the County of Monterey, State of California by Grant Deed by Monterey Peninsula Airport District	6/24/1948
27	An Ordinance Authorizing and Approving the Grant of Lands in the County of Monterey, State of California, Owned by Monterey Peninsula Airport District, a Public Corporation of the State of California to the County of Monterey, a Political Subdivision of the State of California, for Public Highway Purposes	4/6/1949
29	An Ordinance Authorizing and Approving the Conditional Grant of a Right of Way Over Lands in the County of Monterey, State of California, Owned by Monterey Peninsula Airport District, a Public Corporation of the State of California, for Roadand Utility Purposes, to Del Monte Properties Company, a Corporation, in Exchange for a Release by Said Corporation of a Right of Way Over Other Property of Said District	6/1/1949
77	An Ordinance Authorizing and Approving a License to the United States of America and Ratifying and Confirming the Execution of Said License for the Use of an Easement Held by the Monterey Peninsula Airport District, a Public Corporation of the State of California, Upon a Parcel of Land Owned by the State of California	12/5/1956
78	An Ordinance Authorizing Acquisition of Certain Land Situated Within the Monterey Peninsula Airport District, County of Monterey, State of California, by Monterey Peninsula Airport District, for Public Airport Purposes	1/16/1957
86	An Ordinance Authorizing Acquisition of Certain Land Situated Within the Monterey Peninsula Airport District, County of Monterey, State of California, by Monterey Peninsula Airport District, for Public Airport Purposes	1/22/1958
87	An Ordinance Authorizing and Approving the Grant of Easements for Road and Sewer Purposes Under, Over, Along, and Upon Lands in the County of Monterey, State of California, Owned by y by Monterey Peninsula Airport District, a Public Corporation of the State of California, to the City of Monterey, a Municipal Corporation, and Authorizing the Execution of Conveyances Thereof	6/4/1958

Ordinance No	Description	Date
96	An Ordinance Authorizing Acquisition of a Right of Way and Easement Over Certain Land Situated Within the Monterey Peninsula Airport District, County of Monterey, State of California, by Monterey Peninsula Airport District for Public Airport Purposes and Authorizing Therefore an Expenditure of Public Money in an Amount Over $1,000.00	5/20/1959
107	An Ordinance Authorizing and Approving Acquit son of Certain Land Situated Within the Monterey Peninsula Airport District, County of Monterey, State of California, by Monterey Peninsula Airport District, for Public Airport Purposes	9/7/1960
141	An Ordinance Authorizing Acquisition by the Monterey Peninsula Airport District for Public Airport Purposes of Certain Land Situated Within the Said District and Authorizing Expenditure of Public Money in an Amount Over Two Thousand Five Hundred Dollars ($2,500.00) for Such Purpose	2/3/1965
142	An Ordinance Authorizing Sale by the Monterey Peninsula Airport District of Certain Land of Said District Situated Within the Said District to the State of California for Highway Purposes	2/3/1965
231	An Ordinance Authorizing the Granting of an Easement for Utility Purposes to the Pacific Gas (Section 1 Amended by 329) and Electric Company, and Authorizing Execution of Deed of Easement	7/11/1973
243	An Ordinance Authorizing the Granting of an Easement of Utility Purpose to the Pacific Gas and Electric Company, and Authorizing Execution of Deed of Easement	4/16/1974
265	An Ordinance Authorizing the Granting of an Easement for Utility Purposes to the Pacific Gas and Electric Company, and Authorizing Execution of Deed of Easement	12/10/1975
267	An Ordinance Authorizing the Granting of an Easement for Utility Purposes to the Pacific Gas and Electric Company, and Authorizing Execution of Deed of Easement	4/14/1976
329	An Ordinance Authorizing the Amendment to Ordinance No. 231 and Granting Permission to PG&E to Install Transformer with Cables	7/10/1980
344	An Ordinance Authorizing and Approving a Lease to the United States of America and Authorizing and Directing the Execution of Said Lease for the Use of an Easement Held by the Monterey Peninsula Airport District, a Public Corporation of the State of California, Upon a Parcel of Land as Described in Lease	8/12/1981
347	An Ordinance Authorizing and Approving the Amendment of Agreement Between the Monterey Peninsula Airport District and the United States Government, Specifically the Federal Aviation Administration, Thereof, Relating to License FA64WE-2000 Covering Use of Additional Land at the Monterey Peninsula Airport District for a Distance Measuring Equipment (DME) Adjacent to Present Localizer Site	12/9/1981
376	An Ordinance Authorizing and Approving the Grant of Easement and Agreement Between the Monterey Peninsula Airport District and the City of Monterey for Lands Leased to Phoenix Resources	1/9/1985
464	An Ordinance Authorizing the Granting of an Easement for Utility Purposes to the Pacific Gas & Electric Company, and Authorizing Execution of Deed of Easement	8/8/1990
554	An Ordinance Authorizing the Granting of an Easement for Utility Purposes to the Pacific Gas and Electric Company, and Authorizing Execution of Deed of Easement	12/14/1994
555	An Ordinance Authorizing the Modification of an Easement for an Electrical Power Line to the Pacific Gas and Electric Company, and Authorizing Execution of Deed of Easement	12/14/1994

Ordinance No	Description	Date
567	An Ordinance Authorizing the Modification of a Right-of-Way and Easement for the Pacific Gas and Electric Company and Authorizing Execution of a Change of Location Agreement	4/12/1995
575	An Ordinance Authorizing the Acceptance of an Easement for Garden Road Access From Cal Trans, and Authorizing Execution of Certificate of Acceptance for Deed of Easement	5/10/1995
588	An Ordinance Authorizing the Grant of an Easement to California-American Water Company	12/13/1995
606	An Ordinance Authorizing and Approving the Non-Exclusive Easement for Lands and Properties Owned by the Monterey Peninsula Airport District, a Public Corporation of the State of California, to the United States Government and Authorizing the Execution of Agreements Relating Thereto (Last Renewal Expired Sept. 2016)	8/14/1996
646	An Ordinance Authorizing the Granting of an Easement for Utility Purposes for the Skypark Drive Electrical Power Pole Relocation Project to the Pacific Gas and Electric Company, Authorizing Execution of the Easement, and Declaring the Urgency Thereof	11/12/1997
649	An Ordinance Authorizing the Assignment of an Easement for Utility Purposes Over Skypark Way to Pacific Bell	12/10/1997
673	An Ordinance Authorizing and Approving the Acceptance of an Easement for an Approach Lighting System and Airspace Protection from the U.S. Government (Navy) and Authorizing the Execution of a Certificate of Acceptance	12/9/1998
674	An Ordinance Authorizing and Approving the Granting of an Easement for Golf Course Use to the U.S. Government (Navy) and Authorizing the Execution of the Easement	12/9/1998
675	An Ordinance Authorizing and Approving the Acceptance of an Easement for Access, Utilities and Drainage from the James I. and Barbara S. Miller Family Trust and Authorizing the Execution of a Certificate of Acceptance	1/13/1999
676	An Ordinance Authorizing and Approving the Acceptance of an Easement for Access, Utilities and Drainage from the Perry D. and Barbara R. Miller Family Trust and Authorizing the Execution of a Certificate of Acceptance	1/13/1999
678	An Ordinance Authorizing and Approving the Acceptance of an Easement for Drainage from DPIC Companies, Inc. and Authorizing the Execution of a Certificate of Acceptance	9/8/1999
695	An Ordinance Authorizing and Approving the Acceptance of an Avigation and Hazard Easement From the Orosco Family Trust and Authorizing the Execution of a Certificate of Acceptance	9/8/1999
704	An Ordinance Authorizing and Approving the Granting of an Easement for Utility Purposes to the California-American Water Company and Authorizing the Execution of the Easement	3/8/2000
706	An Ordinance Authorizing and Approving the Acceptance of a Deed of Avigation and Hazard Easement from Rancho Monterey, LLC and Authorizing the Execution of a Certificate of Acceptance	3/23/2000
708	An Ordinance Authorizing and Approving the Acceptance of an Ingress and Egress Easement from the Orosco Family Trust and Authorizing the Execution of a Certificate of Acceptance	4/27/2000
711	An Ordinance Authorizing and Approving the Entry Into a Reciprocal Easement Agreement for Access and Parking with the Orosco Family Trust and Rio Restaurants, Inc.	6/14/2000
716	An Ordinance Authorizing and Approving a Covenant Running with the Land Regarding a Reciprocal Easement Agreement for Access and Parking with the Orosco Family Trust and Rio Restaurants, Inc.	6/14/2000

Ordinance No	Description	Date
742	An Ordinance Authorizing and Approving the Noise Insulation Agreements and Avigation Easements Executed by Homeowners Participating in the Residential Soundproofing Program, Phases 4 and 5	3/14/2001
749	An Ordinance Authorizing and Approving the Noise Insulation Agreements and Avigation Easements Executed by Homeowners Participating in the Residential Soundproofing Program, Phases 4 & 5	4/11/2001
762	An Ordinance Authorizing and Approving a Noise Insulation Agreement and Avigation Easement Executed by a Homeowner Participating in the in the Residential Soundproofing Program, Phases 4 and 5	7/11/2001
783	An Ordinance Authorizing Acceptance of an Avigation Easement from David D. Smith and Laurie S. Miller	1/17/2002
795	An Ordinance Authorizing and Approving the Granting of an Easement for the Purpose of Remediation Related to the Former Monterey Auxiliary Naval Air Station to the U.S. Government and Authorizing the Execution of the Easement and Declaring the Urgency Thereof	7/24/2002
801	An Ordinance Authorizing and Approving the Noise Insulation Agreements and Avigation Easements Executed by Homeowners Participating in the Residential Soundproofing Program, Phase 7	12/11/2002
838	An Ordinance Authorizing and Approving the Noise Insulation Agreements and Avigation Easements Executed by Homeowners Participating in the Residential Soundproofing Program, AIP Project No. 3-06-0159-37, Phase 8	5/12/2004
842	An Ordinance Authorizing the Grant of a Pole Easement to the Pacific Gas and Electric Company and Authorizing the Execution of a Deed of Easement	6/9/2004
845	An Ordinance Authorizing and Approving the Noise Insulation Agreement and Avigation Easement Executed by the Monterey Peninsula Unified School District Participating in the Soundproofing Program, AIP Project 3-06-0159-29, Phase 6	6/9/2004
850	An Ordinance Authorizing and Approving the Noise Insulation Agreement and Avigation Easement Executed by a Homeowners Participating in the Residential Soundproofing Program, AIP Project No. 3-06-0159-37, Phase 8	7/28/2004
861	An Ordinance Repealing and Superceding Ordinance No. 843, "An Ordinance Authorizing the Grant of a Slope and Temporary Construction Easement to the City of Monterey and Authorizing the Execution of a Deed of Easement" and Authorizing the Grant of a Slope and Temporary Construction Easement to the City of Monterey and Authorizing the Execution of a Deed of Easement	3/22/2005
869	An Ordinance Authorizing and Approving the Noise Insulation Agreements and Avigation Easements Executed by Homeowners Participating in the Residential Soundproofing Program, Phase 10	8/24/2005
870	An Ordinance Authorizing and Approving the Noise Insulation Agreements and Avigation Easements Executed by Homeowners Participating in the Residential Soundproofing Program, Phase 10	8/24/2005

AGENDA ITEM: G-5
DATE: June 25, 2026

TO: Monterey Peninsula Airport District Board of Directors
FROM: Christine Morello, Executive Director
SUBJ: Update to Employee Handbook, Personnel Policy Manual 2026

BACKGROUND. The Board will receive a brief presentation regarding the updated policies and procedures applicable to the employees of the Monterey Peninsula Airport District. The Board will consider adoption of the updated Employee Handbook, Personnel Policy Manual 2026.

STAFF ANALYSIS. The administrative and personnel policies and procedures should be regularly updated to ensure that they comply with the law. It has been approximately four years since the last review of the District's policies and procedures. Some of the policies applicable to District employees were stale and out of date.

CPS HR Consulting and District Legal counsel have reviewed the policies and have updated them to comply with the current state of the federal and state law.

The revised handbook represents a reorganization and modernization of the District's personnel policies. While many existing policies were retained, the revised version expands and clarifies numerous employment practices to improve consistency, legal compliance, and administrative efficiency.

Key changes include:

-Reorganization of the handbook into clearly defined sections covering recruitment, probation, performance management, compensation, benefits, leaves, discipline, grievances, and reductions in force.

-Expansion of workplace conduct policies, including enhanced provisions addressing discrimination, harassment, retaliation, workplace violence prevention, whistleblower protections, artificial intelligence (AI), information security, and employee use of District resources.

-Creation of detailed personnel administration sections addressing recruitment, appointments, transfers, promotions, demotions, interim appointments, acting assignments, working out-of-class assignments, and special assignments.

-Consolidation and clarification of probationary employment provisions, including promotional probation, probation extensions, and probationary release procedures.

-Development of a dedicated compensation chapter separating personnel actions from pay administration, including salary placement, salary adjustments, acting assignment pay, working out-of-class compensation, on-call pay, and call-back pay.

-Expansion and modernization of leave provisions to reflect current California employment laws, including updates related to paid sick leave, CFRA, FMLA, military leave, school activities leave, bereavement leave, voting leave, and other protected leaves.

-Significant enhancement of disciplinary and appeal procedures, including clearer due process requirements, Skelly procedures, disciplinary appeal rights, and hearing processes.

-Addition of formal grievance procedures, reduction-in-force provisions, telework guidelines, travel policies, and administrative procedures not previously addressed in detail.

-Improved consistency with current California public-sector employment practices and statutory requirements while preserving the District's operational flexibility and management rights.

Overall, the revised handbook transitions the District from a traditional policy manual to a more comprehensive employee handbook that provides clearer guidance to employees, supervisors, and management while strengthening legal compliance and administrative consistency.

If approved, the updated Employee Handbook will be effective immediately and will bring the District into full compliance with the current state of the law.

FISCAL IMPACT. None.

RECOMMENDATION. Approve the Employee Handbook, Personnel Policy Manual 2026.

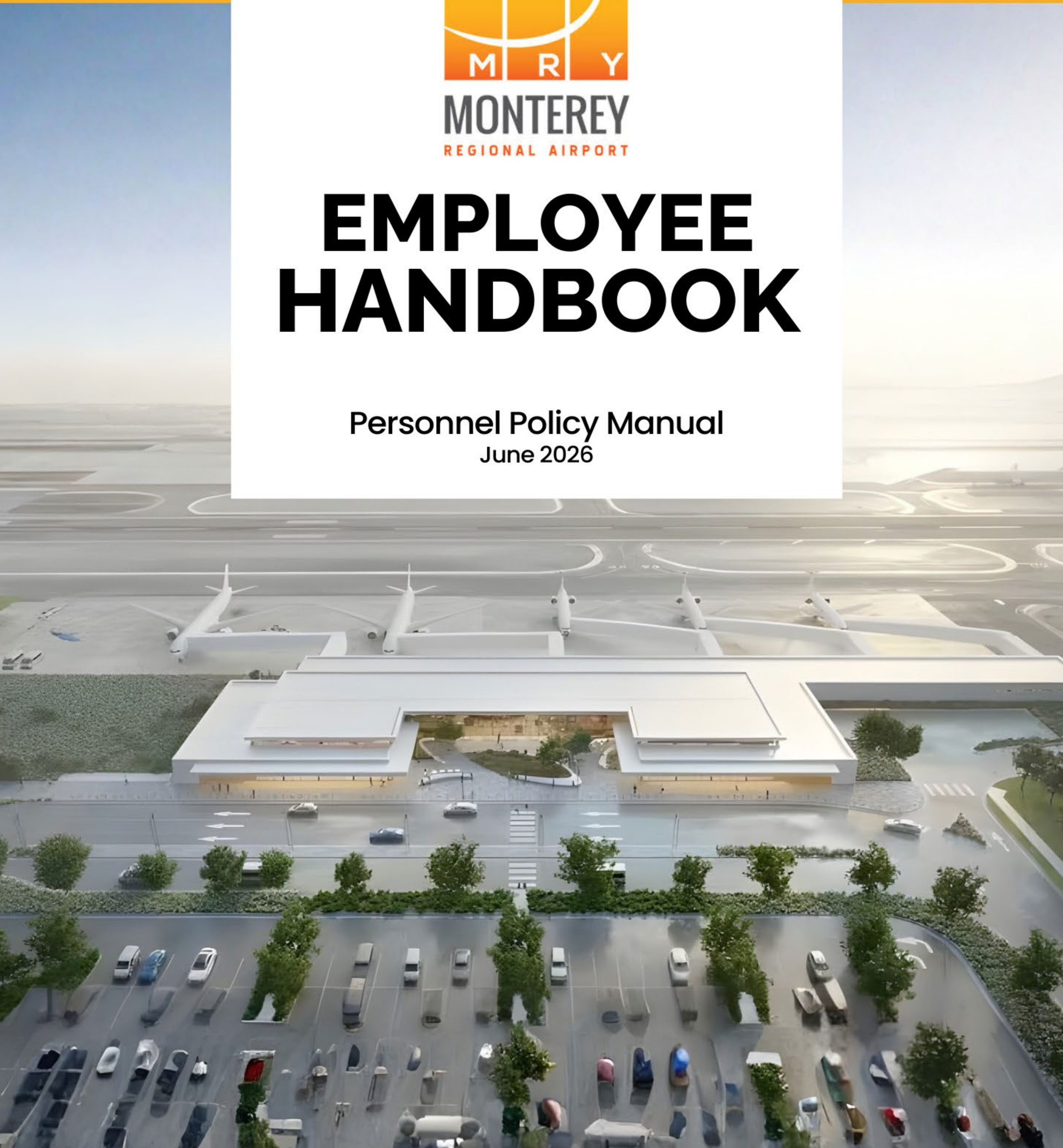
ATTACHMENTS.

Employee Handbook, Personnel Policy Manual 2026

MONTEREY
REGIONAL AIRPORT

EMPLOYEE HANDBOOK

Personnel Policy Manual
June 2026



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About this Handbook

This handbook is designed to serve as a guide to the policies, procedures, benefits, and expectations of employment with the Monterey Peninsula Airport District ("Airport" or "District"). It provides important information to help you understand your rights and responsibilities as a valued member of our team.

While this handbook covers many key topics, it does not include every detail or circumstance. As policies and practices may change over time, the District reserves the right to modify, interpret, or discontinue any policies or procedures outlined here as needed.

We encourage you to read this handbook thoroughly and refer to it whenever questions arise. If you need further clarification or assistance, please reach out to your supervisor or Human Resources.

Your success and well-being are important to us, and this handbook is one of the tools we provide to support a positive, productive, and inclusive work environment.

Not a Contract

Every effort has been made to include a wide range of topics and ensure the accuracy of the information in this Handbook. However, Airport policies are not reproduced in full detail here, and there may be additional policies that apply to specific situations but are not mentioned. If there is any conflict between this Handbook and officially adopted policies, such as ordinances, resolutions, policy manuals, labor agreements, or other governing documents, the official policies will prevail. This Handbook does not constitute a contract of employment and may be modified or updated by the Airport at any time.

The Airport

The Monterey Peninsula Airport District is an independent special district dedicated to providing safe, efficient, reliable, and fiscally responsible aviation services to the Monterey Peninsula region and surrounding communities. Established in 1941, the Airport owns and operates the Monterey Regional Airport and serves as an important gateway for commercial air travel, general aviation, emergency response operations, business activity, tourism, and regional economic development. As a public agency, the Airport is committed to serving the community with professionalism, integrity, accountability, and transparency. The Airport works collaboratively with federal, state, and local partners, tenants, airlines, contractors, and community stakeholders to support a safe and accessible transportation system while balancing operational needs, environmental stewardship, and long-term sustainability.

The Airport's operations are supported by a dedicated team of employees who contribute to maintaining airport safety, regulatory compliance, customer service, infrastructure, finance, administration, and operational excellence. Employees play a critical role in advancing the Airport's mission and ensuring the airport remains responsive to the evolving needs of the community and aviation industry.

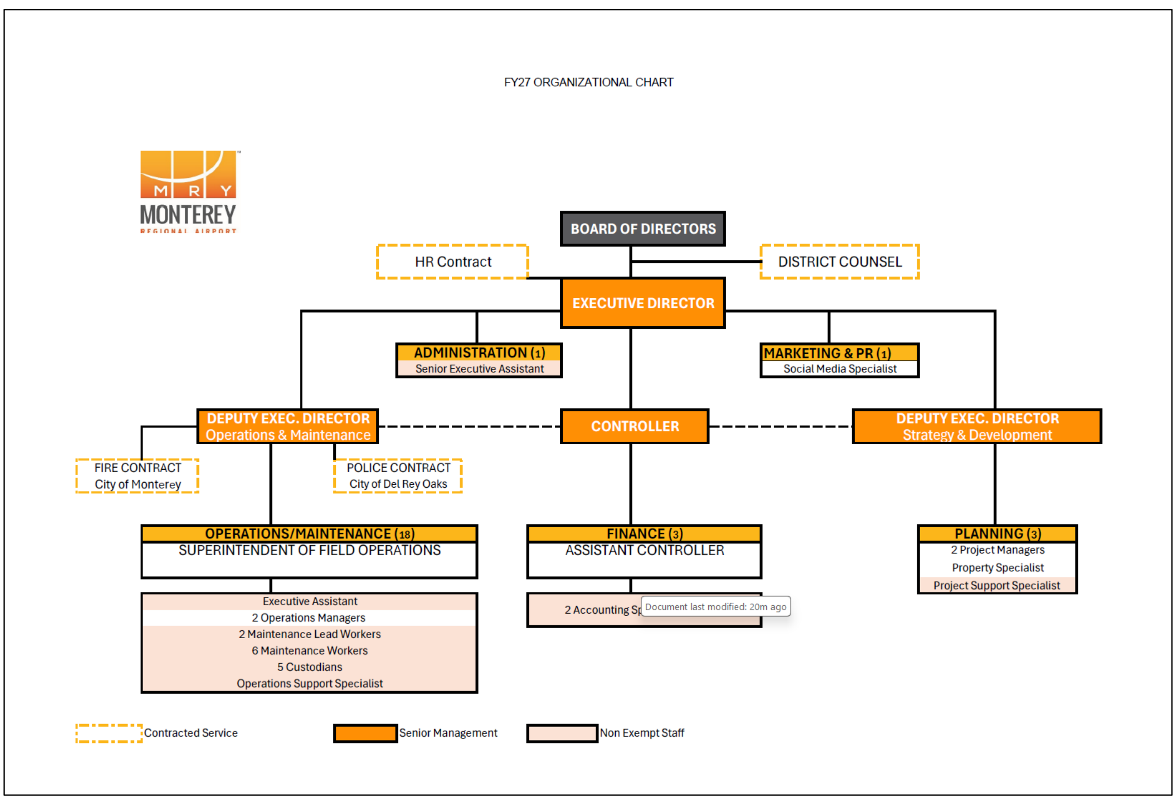
The Airport strives to foster a workplace culture that values teamwork, respect, innovation, professionalism, and public service. Through responsible governance, strategic planning, and continuous improvement, the Monterey Peninsula Airport District remains committed to supporting the region's transportation needs today and into the future.

Mission
Our mission is to provide the region convenient commercial and general aviation access to the national air transportation system, operate the airport in a safe, efficient, sustainable, and fiscally responsible manner, and develop the airport to meet future needs, opportunities, and challenges.

Our Values
We strive to conduct our daily activities in a way that reflects pride, efficiency, professionalism, and competence with a team oriented and supportive approach. Individually and as a team we hold and practice the following core values:

- Being fiscally responsible
- Protecting our natural resources
- Developing solutions that work today and for future generations
- Providing excellent quality service and creating quality work product
- Collaborating with each other and our stakeholders
- Being industry leaders in regional air transportation
- Supporting efficiency and alignment with the mission of the Monterey Peninsula Airport District through our resources and work

Organizational Chart



Airport Departments

The Monterey Peninsula Airport District delivers aviation, operational, administrative, and public services through a collaborative team of departments that support the safe, efficient, and sustainable operation of the Monterey Regional Airport. Each department plays an important role in supporting airport operations, serving the traveling public, maintaining regulatory compliance, and advancing the strategic goals and policies established by the Board of Directors.

Airport employees often work within a specific operational area while collaborating across departments to support continuous airport operations, public safety, customer service, and organizational effectiveness.

Executive Administration
Executive Administration provides overall leadership, strategic direction, organizational oversight, and coordination of Airport operations. This includes implementation of Board policies, intergovernmental coordination, stakeholder engagement, operational planning, and executive support to the Board of Directors and Airport departments.

Finance & Administration
The Finance and Administration Department manages the Airport's financial and administrative operations, including budgeting, accounting, payroll, procurement, financial reporting, risk management, and fiscal oversight. The department supports responsible stewardship of public resources while ensuring compliance with applicable public agency financial and administrative requirements.

Human Resources
Human Resources supports employees throughout the employment lifecycle, including recruitment, classification and compensation, benefits administration, employee relations, leave administration, training, policy compliance, workplace investigations, and compliance with applicable federal and state employment laws.

Operations
The Operations Department oversees the day-to-day operational functions of the airport to help ensure safe, secure, and efficient airport activities. Responsibilities include airfield operations, regulatory compliance, airport inspections, emergency response coordination, tenant and airline coordination, safety programs, and compliance with Federal Aviation Administration (FAA), Transportation Security Administration (TSA), and other regulatory requirements.

Maintenance & Facilities
The Maintenance and Facilities Department is responsible for maintaining and improving airport infrastructure, buildings, grounds, equipment, and airfield facilities. This includes preventative maintenance, repairs, custodial functions, landscaping, infrastructure support, and ensuring airport facilities remain safe, operational, and well-maintained.

Airport Public Safety & Emergency Coordination
The Airport works closely with federal, state, and local public safety and emergency response agencies to support airport safety, emergency preparedness, and incident response operations. These partnerships help ensure compliance with aviation security requirements and support the safety of passengers, tenants, employees, and the community.

Commercial Air Service & Tenant Relations
The Airport supports commercial airlines, general aviation operators, tenants, concessionaires,

contractors, and business partners that contribute to airport operations and regional connectivity. Airport staff work collaboratively with these stakeholders to support operational coordination, customer service, economic vitality, and long-term airport development.

Planning & Development

Airport planning and development functions support the long-term operational, infrastructure, environmental, and strategic needs of the Airport. This includes capital improvement planning, grant coordination, regulatory coordination, environmental compliance, and projects that support future airport growth and sustainability.

Information Technology & Communications

Technology and communications functions support the Airport's operational systems, cybersecurity, communications infrastructure, electronic systems, and technology resources necessary to support airport operations and administrative functions.

Customer Experience

Airport employees across all departments contribute to providing a professional, safe, welcoming, and customer-focused environment for passengers, visitors, tenants, and business partners. Public service, teamwork, responsiveness, and professionalism are essential components of the Airport's organizational culture and mission.

Welcome Message

Welcome to the Monterey Peninsula Airport District team.

On behalf of the Airport and the Board of Directors, I would like to thank you for choosing to be part of our organization. Our employees are the foundation of the Airport's success, and each team member plays an important role in supporting the safe, efficient, and professional operation of Monterey Regional Airport.

As a public agency, we are committed to serving our community with integrity, accountability, collaboration, and respect. The work performed by our employees directly supports regional transportation, public safety, economic vitality, and customer service for the many passengers, tenants, business partners, and visitors who rely on the Airport each day.

Whether your role supports airport operations, maintenance, administration, finance, human resources, planning, or customer service, your contributions are valued and essential to fulfilling our mission. The Airport operates in a dynamic environment that requires teamwork, professionalism, adaptability, and a strong commitment to public service and safety.

This Employee Handbook has been prepared to provide employees with general information regarding the Airport's policies, practices, benefits, and expectations. While the handbook cannot address every situation that may arise, it serves as an important resource to help employees understand the Airport's organizational culture, operational standards, and employment practices. Employees are encouraged to review the handbook carefully and consult with their supervisor or Human Resources if questions arise.

The Airport is committed to fostering a professional, respectful, inclusive, and supportive workplace where employees are encouraged to contribute ideas, collaborate effectively, and continue developing professionally. We recognize that the success of the Airport depends on the dedication, expertise, and service of our employees.

Thank you for being part of the Monterey Peninsula Airport District team. We look forward to working together in support of our mission, our community, and the future of Monterey Regional Airport.

Sincerely,

Executive Director
Monterey Peninsula Airport District

1.00 GENERAL PROVISIONS

1.01 Authority

Board of Directors Governance & Meeting Procedures
The Board of Directors of the Monterey Peninsula Airport District has adopted Rules of Procedure to govern the conduct of Board meetings and the transaction of District business. These Rules of Procedure establish standards for meeting operations, agenda management, public participation, deliberations, and decision-making in accordance with applicable laws governing California public agencies, including the Ralph M. Brown Act.

The Rules of Procedure are intended to promote orderly, transparent, efficient, and legally compliant public meetings while supporting effective governance and public accountability. The Board may amend the Rules of Procedure from time to time as operational, legal, or organizational needs evolve.

Parliamentary Procedure
In conducting its meetings, the Board of Directors generally follows Rosenberg's Rules of Order as its parliamentary authority. Rosenberg's Rules of Order is a practical and streamlined system of parliamentary procedure widely used by California public agencies and special districts. The rules are designed to support smaller governing bodies by emphasizing clarity, fairness, efficiency, public participation, and orderly decision-making.

Rosenberg's Rules of Order were developed by the Honorable Dave Rosenberg, former Superior Court Judge of Yolo County, based on extensive experience presiding over public agency meetings and advising local government entities throughout California. The rules preserve the core principles of parliamentary procedure while simplifying formal meeting processes for modern public governance.

Together, the District's Rules of Procedure and Rosenberg's Rules of Order provide a consistent framework for conducting Board meetings in a professional, transparent, respectful, and legally compliant manner in support of the District's mission and public service responsibilities.

1.02 Purpose

This Employee Handbook has been prepared to provide employees of the Monterey Peninsula Airport District with general information regarding the District's employment policies, practices, procedures, benefits, and workplace expectations. The handbook is intended to support a consistent understanding of the District's organizational values, operational standards, and employment guidelines while promoting a professional, safe, respectful, and productive workplace.

The District recognizes that its employees are essential to the successful operation of Monterey Regional Airport and to the delivery of high-quality public service to the community, passengers, tenants, business partners, and stakeholders served by the Airport. This handbook is intended to help employees understand their roles and responsibilities, the resources available to them, and the standards that guide District operations and workplace conduct.

This handbook serves as a general guide and reference document and is not intended to address every situation that may arise during employment. Employees are encouraged to communicate with their supervisor or Human Resources regarding questions related to employment policies, workplace expectations, or specific circumstances not addressed in this handbook.

The policies contained in this handbook are intended to comply with applicable federal and state laws, regulations, and public agency employment practices. In the event a policy conflicts with an applicable law, regulation, employment agreement, or Board-adopted resolution, the applicable law or controlling agreement shall govern.

The District reserves the right to interpret, revise, supplement, modify, or discontinue policies, procedures, benefits, and practices described in this handbook, consistent with applicable law and any governing labor agreements. Changes may be made as operational, legal, or organizational needs evolve. Employees will be notified of significant policy updates as appropriate.

All employees are responsible for reviewing and becoming familiar with the contents of this handbook and for conducting themselves in a manner consistent with the District's mission, values, policies, and commitment to public service.

1.03 Application

This Employee Handbook applies to employees of the Monterey Peninsula Airport District unless otherwise provided by applicable law, individual employment agreement, Board resolution, or other governing authority.

The policies, procedures, and guidelines contained in this handbook are intended to provide general direction regarding employment practices, workplace expectations, employee conduct, operational standards, and benefits administration. The handbook is designed to support consistent and effective administration of personnel practices while maintaining the flexibility necessary to meet the operational needs of the Airport.

Because the Airport operates in a dynamic and highly regulated environment, employees may also be subject to additional rules, procedures, operational directives, safety requirements, security protocols, departmental procedures, federal aviation regulations, and other administrative policies not specifically contained in this handbook. Employees are responsible for complying with all applicable District policies, departmental procedures, operational directives, and legal or regulatory requirements associated with their position and work assignments.

Nothing contained in this handbook is intended to create an express or implied contract of employment, alter the at-will status of any employee where applicable, or limit the District's authority to manage operations consistent with applicable law and governing labor agreements. The District reserves the right to interpret, modify, suspend, revoke, or replace any policy, procedure, practice, or benefit described in this handbook at any time, with or without notice, subject to applicable legal requirements.

Employees are expected to familiarize themselves with the contents of this handbook and to seek clarification from their supervisor or Human Resources regarding any questions related to workplace policies, expectations, or procedures.

1.04 Adoption and Amendment of Rules

The Monterey Peninsula Airport District reserves the right to adopt, revise, interpret, modify, suspend, or discontinue policies, rules, procedures, practices, and benefits as necessary to support effective airport operations, maintain compliance with applicable federal and state laws and regulations, address operational and organizational needs, and promote the safe, efficient, and fiscally responsible administration of the District.

All handbook revisions, policy amendments, and newly adopted personnel policies are subject to approval by the Board of Directors or authorized administrative authority, as applicable. Once approved, policy changes will be communicated to employees through appropriate administrative channels, including electronic distribution, handbook updates, policy memoranda, or other official communications.

Because the Airport operates in a dynamic and highly regulated environment, employees are responsible for remaining informed of current policies, procedures, operational directives, safety requirements, and regulatory expectations applicable to their position and work assignments. Employees are expected to comply with all current District policies and procedures as amended from time to time.

1.05 Severability

If any provision of this Employee Handbook is determined to be invalid, illegal, or unenforceable by a court of competent jurisdiction, administrative agency, or other applicable authority, such determination shall not affect the validity or enforceability of the remaining provisions of the handbook. All remaining provisions shall continue in full force and effect to the maximum extent permitted by law.

The District intends that the policies and provisions contained in this handbook be interpreted and applied in a manner consistent with applicable federal and state laws and regulations.

1.06 Customer Service Code of Conduct

At the Monterey Peninsula Airport District, providing exceptional customer service is central to our mission of serving the traveling public, tenants, business partners, and the broader community. Every employee plays an important role in creating a safe, welcoming, professional, and respectful environment where passengers, visitors, tenants, contractors, and stakeholders feel supported and valued.

As a public-facing transportation agency, the Airport is committed to delivering responsive, courteous, and reliable service while maintaining the highest standards of professionalism, safety, and operational excellence. Employees are expected to interact with the public, coworkers, and business partners in a manner that reflects the District's commitment to integrity, respect, collaboration, and public service.

The Airport strives to foster positive experiences through effective communication, responsiveness, teamwork, and continuous improvement. By working collaboratively and remaining attentive to the needs of those we serve, employees help support the Airport's reputation as a trusted regional transportation gateway and an important public resource for the community.

1.07 Revisions

These Personnel Policies are intended solely as guidelines for the administration of employment practices and operations at the Monterey Peninsula Airport District and do not create any contractual rights, vested rights, property interests, or any express or implied contract of employment between the District and any employee or other individual covered by these Policies.

The District retains the full and exclusive authority, discretion, and managerial right to interpret, administer, revise, modify, suspend, revoke, supplement, or eliminate these Policies, in whole or in part, at any time, with or without notice, consistent with applicable law.

2.00 DEFINITIONS

To promote clarity, consistency, and a common understanding of the policies and procedures contained in this handbook, key terms used throughout the document are defined within the Definitions section of this handbook. These definitions are intended to assist employees, supervisors, managers, and administrators in interpreting and applying the District's policies, practices, and employment-related procedures in a consistent manner.

Unless otherwise specifically defined within this handbook, words and terms shall be interpreted according to their ordinary, commonly understood, operational, or legal meaning as applicable to the context in which they are used. In the event of a conflict between a handbook definition and an applicable law or regulation, the applicable law or regulation shall control.

The Monterey Peninsula Airport District reserves the right to interpret and apply handbook terminology and definitions in a manner consistent with operational needs, applicable law, and the intent of the policy.

2.01 Definitions

Airport
"Airport" means the Monterey Regional Airport and all facilities, operations, property, infrastructure, airfield areas, terminals, buildings, grounds, and activities owned, operated, or managed by the Monterey Peninsula Airport District.

At-Will Employment
"At-will employment" means employment that may be terminated by either the employee or the District at any time, with or without cause, advance notice, or progressive discipline, subject to applicable law. Nothing contained in this handbook, in any policy, procedure, practice, communication, evaluation, or personnel document shall be interpreted to create a contract of employment, guarantee continued employment, or alter the at-will status of any employee unless expressly authorized by the Board of Directors in a written agreement signed by the Board or authorized representative.

Board or Board of Directors
"Board" or "Board of Directors" means the elected governing body of the Monterey Peninsula Airport District.

Classification
"Classification" means a group of positions sufficiently similar in duties, responsibilities, authority, qualifications, and compensation to permit common treatment for personnel and compensation purposes.

Compensation Plan

"Compensation Plan" means the salary schedules, compensation structure, pay practices, and related compensation policies approved by the Board of Directors.

Department Head
"Department Head" means an employee assigned responsibility for the administration, management, and supervision of a District department, division, or major operational function.

District
"District" means the Monterey Peninsula Airport District.

Employee
"Employee" means any individual employed by the District in an authorized position, including regular, probationary, temporary, part-time, full-time, seasonal, limited-term, or at-will employees unless otherwise specified.

Executive Director
"Executive Director" means the chief executive and administrative officer of the Monterey Peninsula Airport District appointed by the Board of Directors.

Immediate Family
"Immediate family" generally includes an employee's spouse, domestic partner, parent, child, sibling, grandparent, grandchild, parent-in-law, child-in-law, or any other relationship recognized by applicable law or District policy.

Management
"Management" means supervisors, managers, Department Heads, executives, or other employees authorized to direct work, administer policies, or make operational or personnel decisions on behalf of the District.

Operational Needs
"Operational needs" means the staffing, safety, security, service, regulatory, emergency, scheduling, or business requirements necessary to support efficient and effective Airport operations.

Personnel File
"Personnel file" means the official employment records maintained by the District relating to an employee's employment, compensation, performance, benefits, training, discipline, or other employment-related matters.

Probationary Employee
"Probationary employee" means an employee serving an initial probationary period following appointment, promotion, or other employment action as designated by District policy or applicable employment procedures.

Regular Employee
"Regular employee" means an employee appointed to an ongoing authorized position on a full-time or part-time basis following completion of applicable hiring procedures.

Safety-Sensitive Position
"Safety-sensitive position" means a position involving duties or responsibilities where impaired performance, inattention, or failure to follow procedures could reasonably threaten employee

safety, public safety, Airport operations, security, regulatory compliance, or property.

Supervisor
"Supervisor" means an employee authorized to assign, direct, oversee, review, or evaluate the work of other employees and to exercise supervisory responsibilities on behalf of the District.

Temporary Employee
"Temporary employee" means an employee hired for a limited duration, special project, seasonal assignment, emergency staffing need, or other non-permanent purpose.

Workplace
"Workplace" means any District facility, Airport property, worksite, vehicle, operational area, remote work location, meeting location, or any location where an employee is engaged in District business or work-related activities.

Work Time
"Work time" means periods during which an employee is scheduled, authorized, or expected to perform work duties on behalf of the District and does not include authorized meal periods or unpaid non-working time unless otherwise required by law.

3.00 PERSONNEL ADMINISTRATION

3.01 Executive Director's Duties

The Executive Director is the chief executive and administrative officer of the Monterey Peninsula Airport District and is responsible for the efficient, effective, and lawful administration of District operations. Appointed by and serving at the pleasure of the Board of Directors, the Executive Director implements Board policies and provides professional leadership and operational oversight consistent with applicable laws, regulations, resolutions, policies, and the District's mission.

The Executive Director's duties include, but are not limited to, the following:

Administration of Airport Operations
Directs, coordinates, and oversees the day-to-day operations of the Airport and District, including operational, administrative, financial, maintenance, planning, safety, and personnel functions necessary to support safe and efficient airport operations.

Policy Implementation and Board Support
Implements policies, directives, and strategic goals established by the Board of Directors and provides professional advice, recommendations, reports, and operational information to assist the Board in decision-making and governance responsibilities.

Personnel Administration
Oversees personnel administration and organizational management functions, including recruitment, appointments, performance management, employee relations, workplace investigations, discipline, training, and policy administration consistent with applicable laws, District policies, and operational needs.

Budget and Financial Administration
Prepares and submits the proposed annual budget to the Board of Directors and administers the

adopted budget in a fiscally responsible manner. Oversees financial planning, budgeting, purchasing, grant administration, and financial controls to support the District's long-term operational and financial sustainability.

Contract Administration and Procurement
Executes contracts, agreements, and procurement activities as authorized by the Board of Directors and consistent with District purchasing policies, public contracting requirements, and applicable laws and regulations.

Regulatory Compliance
Ensures Airport operations comply with applicable federal, state, and local laws, regulations, permits, grant assurances, and operational requirements, including those related to the Federal Aviation Administration (FAA), Transportation Security Administration (TSA), Cal/OSHA, environmental compliance, public records, and public meeting laws.

Airport Safety and Security
Supports and oversees airport safety, security, emergency preparedness, and operational continuity efforts in coordination with regulatory agencies, airlines, tenants, contractors, public safety agencies, and emergency response partners.

Intergovernmental and Community Relations
Represents the District in matters involving governmental agencies, aviation partners, tenants, community organizations, business stakeholders, and the public. Fosters collaborative relationships that support the Airport's mission, operational objectives, and long-term strategic planning.

Emergency Management and Disaster Response
Coordinates emergency preparedness, operational continuity, and disaster response efforts consistent with Airport emergency plans, regulatory requirements, and applicable emergency management protocols.

Reporting and Organizational Accountability
Keeps the Board of Directors informed regarding Airport operations, financial conditions, regulatory matters, organizational performance, strategic initiatives, and emerging operational issues. Recommends actions intended to promote efficiency, safety, fiscal responsibility, and effective public service.

The Executive Director exercises these duties with professionalism, integrity, accountability, and sound judgment in support of the District's mission, public responsibilities, and commitment to safe and effective airport operations.

3.02 At Will Employment

An at-will employee is one who serves at the pleasure of the appointing authority, has no property right in continued employment with the District and is not entitled to any pre- or post-disciplinary procedural due process or evidentiary appeal.

At-will employees include the following employees:

1. Executive Director
2. Employees designated as temporary or seasonal employees
3. Probationary employees

3.03 Personnel Records & Files

The Monterey Peninsula Airport District maintains an official personnel file for each employee in accordance with applicable federal and state laws, records retention requirements, and District administrative practices. Personnel files are maintained for the period required by applicable law following separation of employment.

Personnel files may contain employment-related records and documents including, but not limited to, employment applications, payroll and compensation records, performance evaluations, disciplinary records, training records, acknowledgments, benefit-related documentation, and other materials the District determines are necessary, relevant, appropriate, or legally required for employment administration purposes.

Personnel files and employment-related records are the property of the District. Access to personnel records is restricted and maintained by the Executive Director or their designee, in a manner intended to protect employee privacy, confidentiality, and the integrity of employment records consistent with applicable law.

Each employee is responsible for promptly notifying Human Resources of any changes to personal or employment-related information, including but not limited to:

- Mailing address
- Telephone number
- Emergency contact information
- Legal name changes
- Dependent or beneficiary information
- Changes affecting payroll, tax withholding, or benefits administration
- Required licenses, certifications, or work authorization documentation

Failure to maintain accurate and current information may affect the District's ability to communicate important employment, payroll, benefit, emergency, or operational information in a timely manner.

<u>Inspection of Personnel Files</u>
Current and former employees may inspect their personnel records in accordance with applicable California law. A current employee may inspect their personnel records at reasonable times and intervals, generally within thirty (30) calendar days of submitting a written request. Former employees are entitled to inspect their personnel records in accordance with applicable legal requirements.

Employees or former employees requesting to inspect personnel records should submit a written request to Human Resources. Inspections will occur in the presence of Human Resources staff or an authorized designee at a mutually agreed upon time and location consistent with operational needs and applicable law.

<u>Copies of Personnel Records</u>
Current and former employees may request copies of personnel records in accordance with applicable law. Requests for copies must be submitted in writing to Human Resources. The District may charge the actual cost of reproduction as permitted by law.

<u>Authorized Representatives</u>

An employee or former employee may authorize a representative to inspect or obtain copies of personnel records by providing written authorization to Human Resources. The District may require verification of authorization prior to releasing records or permitting inspection.

Protection of Personnel Records
No person reviewing a personnel file may remove, alter, or add documents to the personnel file. Prior to inspection or copying, the District may redact information as permitted or required by law, including the names of nonsupervisory employees or other confidential information.

Consistent with applicable law, certain records may be excluded from inspection or copying rights, including but not limited to:

- Records relating to the investigation of a possible criminal offense
- Records obtained prior to employment
- Materials prepared by identifiable examination committee members
- Records obtained in connection with promotional examinations
- Confidential investigative or legally privileged materials
- Medical records maintained separately from personnel files

The District reserves the right to maintain and administer personnel records in a manner consistent with operational needs, legal requirements, privacy protections, and records retention obligations.

3.04 Classification Plan

The Executive Director or designee shall ascertain and maintain records regarding the duties, responsibilities, and organizational assignments of District positions and, after consulting with affected Department Heads or supervisors, shall develop and recommend a classification plan, including class specifications and position descriptions, for positions within the Monterey Peninsula Airport District. The classification plan and any revisions thereto shall become effective upon approval by the Board of Directors or authorized administrative authority, as applicable.

Following approval of the classification plan, the Executive Director or designee shall allocate each authorized position to an established classification within the plan.

When a new position is created, the position shall not be filled until the classification plan has been updated or amended to establish an appropriate classification and compensation assignment for the position.

Reclassification
The Executive Director or designee may initiate a position review, job audit, classification study, or organizational assessment to determine whether the duties, responsibilities, reporting relationships, qualifications, or operational requirements of a position have changed to such an extent that reclassification of the position is warranted.

Upon completion of the review process, the Executive Director or designee may recommend reclassification, reallocation, retitling, modification, consolidation, or other organizational changes as appropriate to support operational needs, organizational effectiveness, internal equity, or compensation administration. Any resulting classification or compensation changes shall be subject to approval by the Board of Directors or authorized administrative authority, as applicable.

Nothing in this policy limits the District's authority to assign duties, reorganize operations, modify reporting relationships, or adjust staffing assignments consistent with operational needs and applicable law.

3.05 Establishment of New Classifications

New classifications may be established by the Monterey Peninsula Airport District to address legitimate organizational and operational needs, ensure accurate classification of work performed, support effective airport operations and public service delivery, maintain internal equity, and promote fiscally responsible personnel administration.

This policy applies to all regular, probationary, limited-term, temporary, seasonal, part-time, full-time, and at-will positions within the District.

The District may establish new classifications when it determines that existing classifications do not accurately or adequately reflect the duties, responsibilities, scope of authority, skill requirements, regulatory obligations, or operational functions necessary to support Airport operations. New classifications shall be based on an objective evaluation of the work required and the operational needs of the District and shall not be created based solely upon the qualifications, performance, tenure, or personal characteristics of any individual employee.

All classifications are intended to accurately reflect the work performed, maintain consistency with the District's classification and compensation structure, support operational efficiency, and comply with applicable laws, regulations, and District administrative practices.

A new classification may be considered when:

- No existing classification appropriately reflects the essential duties, level of responsibility, technical expertise, regulatory requirements, or operational scope required for the position;
- The work is substantively different from existing classifications and cannot reasonably be assigned within the current classification structure;
- New programs, operational initiatives, technologies, regulatory requirements, safety standards, security requirements, or organizational needs create a need for distinct or specialized job functions;
- The duties associated with the position are ongoing and operationally necessary rather than temporary, intermittent, project-specific, or short-term in nature.

The creation of a new classification shall not be based solely on increased workload, employee tenure, individual performance, recruitment or retention challenges, or the desire to recognize employee skills that may be addressed through other administrative or compensation mechanisms.

Requests for new classifications may be initiated by Department Heads, supervisors, Human Resources, or executive management as part of organizational planning, operational assessments, staffing analyses, succession planning, or workforce development efforts. Requests should include sufficient information regarding the proposed duties, responsibilities, reporting relationships, operational justification, organizational impact, funding considerations, and anticipated staffing needs associated with the proposed classification.

The Executive Director or designee may conduct a classification review, job audit, organizational assessment, compensation analysis, or labor market review to evaluate the request. This review may include:

- Analysis of proposed duties and responsibilities;
- Evaluation of organizational alignment and operational impact;
- Review of internal equity and classification relationships;
- Assessment of comparable public agency classifications and compensation data;
- Evaluation of budgetary and staffing considerations;
- Review of regulatory, safety-sensitive, technical, operational, or certification requirements associated with the position.

The District may modify, revise, consolidate, retitle, or decline proposed classifications based on operational, organizational, compensation, legal, or administrative considerations.

Final approval authority for establishing new classifications rests with the Board of Directors or authorized administrative authority, as applicable. Approval may include adoption of a classification title, class specification, compensation assignment, Fair Labor Standards Act (FLSA) designation, benefits eligibility, and other employment-related determinations.

Upon approval, the District may incorporate the classification into the District's classification and compensation plan and proceed with recruitment, appointment, or position allocation in accordance with established District procedures and operational needs.

The establishment of a new classification does not guarantee the creation of a funded position, immediate recruitment, promotion, reassignment, reclassification, or appointment of any employee into the newly established classification.

4.00 STANDARDS & PRACTICES

4.01 Equal Employment Opportunity

The Monterey Peninsula Airport District is committed to providing equal employment opportunity to all qualified employees and applicants and to maintaining a professional workplace free from unlawful discrimination, harassment, retaliation, and abusive conduct.

The District provides equal employment opportunity in all aspects of employment, including but not limited to recruitment, hiring, examination, selection, classification, compensation, benefits, training, promotion, transfer, assignment, discipline, layoff, termination, and all other terms, conditions, and privileges of employment.

The District prohibits discrimination, harassment, retaliation, or abusive conduct based on any protected classification under applicable federal, state, or local law, including but not limited to:

- Race
- Religious creed
- Color
- National origin
- Ancestry
- Physical disability
- Mental disability
- Medical condition
- Genetic information
- Reproductive health decision-making

- Marital status
- Sex
- Pregnancy, childbirth, breastfeeding, or related medical conditions
- Gender
- Gender identity
- Gender expression
- Age (40 and over)
- Sexual orientation
- Military or veteran status
- Citizenship status as protected by law
- Any other characteristic protected by applicable law

This policy also prohibits discrimination, harassment, or retaliation based on the perception that an individual possesses a protected characteristic or because an individual is associated with a person who possesses or is perceived to possess a protected characteristic.

The District strictly prohibits retaliation against any employee, applicant, intern, volunteer, contractor, or other covered individual for reporting concerns, making a complaint, participating in an investigation, requesting a reasonable accommodation, engaging in protected activity, or exercising rights protected by law.

Any employee, applicant, intern, volunteer, contractor, or other covered individual who believes they have experienced or witnessed unlawful discrimination, harassment, retaliation, or abusive conduct is encouraged to report the conduct immediately using the complaint procedures contained in these Policies or by reporting the matter to Human Resources, management, or another appropriate District representative.

Individuals may also file complaints with external agencies, including the Equal Employment Opportunity Commission (“EEOC”) or the California Civil Rights Department (“CRD”).

The District will promptly and appropriately review complaints, take corrective action where warranted, and maintain confidentiality to the extent reasonably possible consistent with the need to conduct an appropriate review or investigation.

4.02 Policy Against Discrimination, Harassment, Retaliation & Abusive Conduct

The Monterey Peninsula Airport District is committed to maintaining a professional workplace that is free from unlawful discrimination, harassment, retaliation, and abusive conduct and to fostering a work environment based on professionalism, respect, dignity, accountability, and equal employment opportunity.

The District maintains zero tolerance for conduct that violates this policy. Conduct does not need to violate state or federal law in order to constitute a violation of this policy or warrant corrective or disciplinary action by the District.

A single act by an employee, supervisor, manager, contractor, volunteer, tenant representative, vendor, or other covered individual may constitute a violation of this policy and may result in corrective or disciplinary action, up to and including termination of employment, removal from District property, cancellation of contracts, or other appropriate action.

This policy establishes procedures for reporting, reviewing, investigating, and responding to complaints of discrimination, harassment, retaliation, and abusive conduct involving covered individuals. The District strongly encourages employees and other covered individuals to report conduct they believe may violate this policy as soon as possible so concerns may be promptly reviewed and addressed.

The District strictly prohibits retaliation against any individual for:

- Reporting concerns or complaints in good faith;
- Opposing conduct reasonably believed to violate this policy;
- Requesting a reasonable accommodation;
- Participating in an investigation, review, or complaint process; or
- Exercising rights protected by applicable law.

Any individual found to have engaged in retaliation in violation of this policy will be subject to appropriate corrective or disciplinary action.

<u>Covered Individuals</u>
This policy applies to all District employees regardless of classification, title, or status, including:

- Applicants for employment;
- Full-time, part-time, probationary, temporary, seasonal, and at-will employees;
- Supervisors and managers;
- Interns and volunteers;
- Contractors, consultants, vendors, and service providers;
- Board members and appointed officials;
- Tenants, business partners, and other individuals interacting with District employees or operations.

This policy applies to all work-related activities, operations, and interactions, including but not limited to:

- District facilities and Airport property;
- Work assignments and operations;
- Meetings and training programs;
- Business travel;
- Electronic communications;
- Remote work environments;
- Work-related social or professional events.

<u>Protected Classifications</u>
The District prohibits discrimination, harassment, retaliation, or abusive conduct based on any protected classification under applicable law, including but not limited to:

- Race
- Religious creed
- Color
- National origin
- Ancestry
- Physical disability
- Mental disability
- Medical condition
- Genetic information

- Reproductive health decision-making
- Marital status
- Sex
- Pregnancy, childbirth, breastfeeding, or related medical conditions
- Gender
- Gender identity
- Gender expression
- Age (40 and over)
- Sexual orientation
- Military or veteran status
- Citizenship or immigration status protected by law
- Any other classification protected by federal, state, or local law

This policy also prohibits discrimination, harassment, or retaliation based on:

1. An individual's actual or perceived protected classification;
2. The perception that an individual belongs to a protected classification; or
3. Association with an individual who is or is perceived to be a member of a protected classification.

Protected Activity

This policy prohibits retaliation against individuals who engage in protected activity. Protected activity includes, but is not limited to:

- Requesting a reasonable accommodation;
- Requesting religious accommodation;
- Reporting concerns or filing complaints under this policy;
- Opposing conduct reasonably believed to violate this policy;
- Participating in investigations or complaint processes;
- Exercising rights protected by law.

Prohibited Conduct

The District prohibits discrimination, harassment, retaliation, and abusive conduct directed toward any covered individual because of a protected classification or protected activity.

Harassment may include verbal, physical, visual, written, electronic, or other conduct that is offensive, inappropriate, intimidating, hostile, threatening, or abusive and that is based on a protected classification.

Examples of prohibited conduct include, but are not limited to:

- Derogatory comments, slurs, epithets, stereotypes, jokes, or offensive remarks;
- Offensive emails, messages, photographs, memes, social media content, cartoons, or visual materials;
- Unwanted physical contact or interference with movement;
- Threats, intimidation, or abusive behavior;
- Unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature;
- Conduct that unreasonably interferes with an individual's work performance or creates an intimidating, hostile, offensive, or abusive work environment.

Conduct may violate this policy even if:

- The conduct was not intended to offend;
- The individual engaging in the conduct believed it was welcome or humorous;
- No prior complaint was made regarding similar conduct;
- The conduct was not directed at a specific individual;
- The conduct occurred electronically, remotely, or outside the workplace in connection with work-related activities.

Complaint Reporting Procedures
Employees and covered individuals who believe they have experienced, witnessed, or become aware of conduct that may violate this policy should promptly report the conduct to:

- A supervisor or manager;
- Human Resources;
- The Executive Director; or
- Another appropriate District representative.

Supervisors and managers who receive complaints or become aware of possible violations of this policy are required to report the matter to Human Resources or the appropriate management representative within one business day OR as soon as reasonably possible thereafter.

The District will promptly and appropriately review complaints and may conduct investigations as necessary. Investigations will be conducted as confidentially as reasonably possible consistent with the need to conduct an appropriate review and take corrective action.

Corrective Action
If the District determines that conduct in violation of this policy has occurred, appropriate corrective action will be taken. Corrective action may include counseling, training, written reprimand, reassignment, suspension, termination of employment, removal from Airport property, cancellation of contracts, or other appropriate remedial measures.

External Agencies
Individuals may also file complaints with external agencies, including:

- The Equal Employment Opportunity Commission (“EEOC”); or
- The California Civil Rights Department (“CRD”).

Nothing in this policy prevents any individual from exercising rights protected by applicable law.

4.03 Reporting Discrimination, Harassment, Retaliation & Abusive Conduct

Any covered individual who believes they have been subjected to discrimination, harassment, retaliation, or abusive conduct in violation of this policy is encouraged to report the conduct immediately. Complaints may be made orally or in writing to any supervisor, manager, Department Head, Human Resources representative, the Executive Director, or another appropriate District representative without regard to chain of command.

Supervisors and managers who receive a complaint or become aware of possible conduct that may violate this policy are required to promptly notify Human Resources or the appropriate management representative.

The Monterey Peninsula Airport District will promptly, appropriately, and impartially review complaints and take reasonable steps to address concerns, maintain workplace safety, and prevent further misconduct or retaliation.

Complaint Documentation
Individuals reporting concerns may be asked to document the complaint in writing using a District complaint form or other written statement to assist with review and investigation. If the complainant declines or is unable to prepare a written statement, the receiving supervisor, manager, or Human Resources representative shall document the complaint based on the information provided.

Complaint documentation may include:

- The date the complaint was received;
- The individuals involved;
- A description of the alleged conduct;
- Dates, locations, or witnesses, if known;
- Any supporting information or documentation provided.

Initial Assessment & Interim Measures
Upon receiving a complaint, the District may conduct an initial assessment to determine whether interim measures are necessary to maintain workplace safety, prevent further misconduct, protect employees, preserve the integrity of the review process, or support Airport operations.
Interim measures may include, but are not limited to:

- Temporary reassignment;
- Schedule modifications;
- Separation of employees;
- Administrative leave;
- Temporary modification of reporting relationships;
- Workplace safety measures;
- No-contact directives;
- Operational or security-related restrictions.

Interim measures are intended to be non-disciplinary unless otherwise communicated and may be implemented based on operational, safety, or investigative needs.

Intake & Preliminary Review
Human Resources or an authorized management representative may conduct an intake or preliminary review process to:

- Clarify allegations and identify involved parties;
- Assess the nature and scope of the complaint;
- Identify potential policy violations;
- Determine whether immediate action is necessary;
- Evaluate whether the matter should proceed to formal investigation, informal resolution, management intervention, or other administrative action.

The intake process is administrative in nature and is intended to assist the District in determining an appropriate response to the reported concerns.

Workplace Investigations

If the District determines that an investigation is appropriate, the investigation will generally be conducted in a timely, thorough, impartial, and appropriately confidential manner consistent with applicable law and operational needs.

Investigations may include interviews with:

- The complainant;
- The subject of the complaint;
- Witnesses;
- Supervisors or managers;
- Other individuals with relevant information.

The District may also review documents, electronic communications, photographs, video recordings, access records, personnel records, policies, or other information relevant to the matter.

At the conclusion of the review or investigation, the District will determine whether this policy or other District policies were violated and what corrective or remedial action, if any, is appropriate.

Confidentiality
The District will make reasonable efforts to maintain confidentiality during the complaint review and investigation process consistent with the need to conduct an appropriate review, maintain workplace safety, fulfill legal obligations, and protect the rights of all individuals involved.

Complete confidentiality cannot be guaranteed. Information may be shared on a need-to-know basis with individuals involved in the review, investigation, corrective action process, legal compliance, or operational response.

Employees are required to cooperate honestly and professionally during investigations and are prohibited from knowingly providing false information, interfering with investigations, retaliating against individuals involved in the process, or attempting to improperly influence witnesses.

Corrective & Remedial Action
If the District determines that conduct in violation of this policy has occurred, the District will take prompt and appropriate corrective or remedial action. Corrective action may include counseling, training, reassignment, written reprimand, suspension, termination, removal from Airport property, contract termination, or other appropriate administrative action.

The District may also take steps intended to prevent future misconduct, protect affected individuals, and maintain a professional and respectful workplace.

External Reporting Rights
Nothing in this policy prevents any individual from reporting concerns to, or filing complaints with, external agencies, including:

- The Equal Employment Opportunity Commission (“EEOC”); or
- The California Civil Rights Department (“CRD”).

Individuals retain all rights provided under applicable federal, state, and local laws.

4.04 Anti-Retaliation Policy

The Monterey Peninsula Airport District strictly prohibits retaliation against any covered individual for engaging in protected activity or exercising rights protected by applicable law.

Retaliation occurs when an individual is subjected to adverse treatment, intimidation, interference, or other negative action because the individual:

- Reports or complains about discrimination, harassment, retaliation, abusive conduct, safety concerns, policy violations, or unlawful conduct;
- Requests a reasonable accommodation;
- Participates in an investigation, review, hearing, or complaint process;
- Assists another individual in making a complaint or participating in an investigation;
- Opposes conduct reasonably believed to violate District policy or applicable law; or
- Exercises any protected legal right.

Protected activity is protected regardless of whether the underlying complaint is ultimately substantiated, provided the complaint or report was made in good faith.

Prohibited Retaliatory Conduct
Retaliation may include, but is not limited to:

- Discipline or threats of discipline;
- Unwarranted counseling or corrective action;
- Intimidation, coercion, or threats;
- Taking sides against an individual because they reported concerns;
- Spreading rumors about a complainant, witness, or participant in an investigation;
- Excluding, shunning, or avoiding individuals who participate in protected activity;
- Interfering with work assignments, opportunities, schedules, or workplace relationships;
- Unjustified negative performance treatment;
- Changes in assignments or working conditions intended to discourage reporting;
- Real or implied threats intended to deter reporting or participation in an investigation;
- Any conduct that would reasonably discourage an individual from reporting concerns or participating in a protected process.

Retaliation may violate this policy even if the underlying complaint is not substantiated.

Reporting Retaliation
Any individual who believes they have experienced or witnessed retaliation should immediately report the conduct to Human Resources, management, the Executive Director, or another appropriate District representative.

The District will promptly review reports of retaliation and take appropriate corrective action when warranted.

Any employee, supervisor, manager, contractor, or other covered individual found to have engaged in retaliation in violation of this policy may be subject to corrective or disciplinary action, up to and including termination of employment, removal from Airport property, or termination of contractual relationships.

4.05 Abusive Conduct and Bullying

The Monterey Peninsula Airport District is committed to maintaining a professional, respectful, safe, and collaborative workplace free from abusive conduct, bullying, intimidation, and other inappropriate workplace behavior. Employees are expected to treat one another, members of the public, tenants, contractors, passengers, vendors, and business partners with courtesy, professionalism, dignity, and mutual respect.

The District will take appropriate corrective action, up to and including formal discipline or termination of employment, when employees engage in abusive conduct, bullying, intimidation, or other conduct that violates this policy.

Definition of Abusive Conduct

Consistent with California Government Code section 12950.1, abusive conduct means conduct in the workplace that a reasonable person would find hostile, offensive, intimidating, humiliating, or unrelated to legitimate business interests.

Abusive conduct may include, but is not limited to:

- Repeated verbal abuse, including derogatory remarks, insults, ridicule, yelling, or epithets;
- Verbal, written, visual, electronic, or physical conduct that a reasonable person would find threatening, intimidating, humiliating, hostile, or offensive;
- Deliberate sabotage, undermining, or interference with another individual's work performance;
- Repeated hostile behavior intended to demean, isolate, embarrass, or intimidate another individual;
- Abusive or bullying conduct occurring through email, messaging platforms, social media, or other electronic communications;
- Conduct that unreasonably interferes with an individual's ability to perform their work responsibilities or negatively affects the workplace environment.

A single act generally will not constitute abusive conduct unless the conduct is especially severe, threatening, egregious, or disruptive to workplace safety or operations.

Abusive conduct prohibited by this policy does not need to be based on a protected classification or protected activity to violate this policy.

Scope of Policy

This policy applies to all District employees regardless of classification, position, or employment status, including supervisors, managers, executives, temporary employees, interns, volunteers, contractors, consultants, and other covered individuals.

This policy also applies to conduct involving:

- Applicants for employment;
- Tenants and airline personnel;
- Vendors and contractors;
- Passengers and members of the public;
- Business partners and other individuals interacting with the District or Airport operations.

The District will not tolerate abusive conduct directed toward employees by non-employees, including contractors, vendors, tenants, consultants, passengers, or visitors. Employees should promptly report such conduct so the District may take appropriate corrective, operational, or safety-related action.

Appropriate Management Actions

This policy is not intended to prevent supervisors, managers, or District representatives from carrying out legitimate business, operational, safety, performance management, or supervisory responsibilities in a professional and lawful manner.

Appropriate management actions may include, but are not limited to:

- Providing constructive feedback or coaching;
- Issuing performance evaluations or corrective action;
- Assigning work or modifying assignments;
- Enforcing workplace rules, policies, or operational standards;
- Addressing misconduct or performance deficiencies;
- Managing schedules, staffing, operational priorities, or workplace expectations.

Reporting & Investigation

Employees who believe they have experienced or witnessed abusive conduct or bullying should promptly report the conduct to Human Resources, a supervisor, manager, the Executive Director, or another appropriate District representative.

The District will review complaints of abusive conduct promptly and may conduct an investigation or administrative review as appropriate under the circumstances.

Employees are expected to cooperate honestly and professionally in reviews and investigations related to workplace conduct concerns.

Corrective Action

Employees who engage in abusive conduct, bullying, intimidation, or other inappropriate workplace behavior in violation of this policy may be subject to corrective or disciplinary action, up to and including termination of employment.

The District may also take operational, administrative, or safety-related measures necessary to maintain a respectful, professional, and effective workplace environment.

4.06 Workplace Violence Prevention

The Monterey Peninsula Airport District is committed to maintaining a safe, secure, and professional workplace and has zero tolerance for workplace violence, threats of violence, intimidation, or other violent or disruptive behavior.

Workplace violence threatens employee safety, Airport operations, public trust, and the secure operation of a critical public transportation facility. Any violation of this policy may result in corrective or disciplinary action, up to and including termination of employment, removal from Airport property, referral to law enforcement, criminal prosecution, or other appropriate action.

This policy applies to all employees, applicants, interns, volunteers, contractors, tenants, vendors, consultants, visitors, passengers, and other individuals present on District property or engaged in District-related business.

The District maintains a separate Workplace Violence Prevention Plan (“WVPP”) in accordance with California Labor Code section 6401.9 and applicable Cal/OSHA regulations. Employees are expected to comply with all applicable workplace violence prevention procedures, reporting requirements, training requirements, and safety protocols contained in the District’s WVPP.

Prohibited Conduct

Employees and covered individuals are prohibited from engaging in, participating in, promoting, encouraging, or threatening workplace violence or violent conduct while engaged in District business or present on Airport property.

The District maintains zero tolerance for statements, jokes, comments, gestures, electronic communications, or conduct referencing violence or threats of violence, even if claimed to be humorous, sarcastic, venting, horseplay, or not intended to be taken seriously.

Definition of Workplace Violence
For purposes of this policy, workplace violence includes any act, threat, behavior, or conduct that causes an individual to reasonably fear for their safety, the safety of others, or the security of Airport operations or property.

Examples of prohibited conduct include, but are not limited to:

- Threats or acts of physical harm directed toward an individual or their family, associates, or property;
- Threatening statements, intimidation, coercion, or aggressive behavior;
- Fighting, assault, or physical altercations;
- Striking, punching, pushing, slapping, grabbing, or unwanted physical contact;
- Destruction of District property or another individual's property;
- Threatening or dangerous horseplay;
- Harassing or threatening phone calls, messages, or electronic communications;
- Surveillance, intimidation, or stalking behavior;
- Conduct that disrupts workplace safety or Airport operations;
- Possession, display, or use of weapons on District property or while conducting District business unless specifically authorized by the District or required as part of assigned job duties.

For purposes of this policy, "weapon" includes firearms, explosives, knives, clubs, chemical agents, or any object used or intended to cause harm, intimidation, or injury.

Reporting Responsibilities
Employees must immediately report:

- Threats or acts of violence;
- Suspicious or intimidating behavior;
- Workplace safety concerns involving violence;
- Possession of unauthorized weapons;
- Violations of this policy;
- Concerns involving passengers, tenants, contractors, vendors, or members of the public that may threaten workplace safety.

Reports should be made immediately to:

- A supervisor or manager;
- Human Resources;
- The Executive Director;

- Airport Operations or Airport security personnel; or
- Law enforcement or emergency services when appropriate.

Supervisors and managers who receive reports or become aware of possible workplace violence concerns are required to immediately notify Human Resources or the appropriate management representative.

Response & Interim Measures

The District may take immediate action necessary to protect employees, passengers, Airport operations, facilities, and the public. Such actions may include:

- Contacting law enforcement or emergency responders;
- Removing individuals from Airport property;
- Implementing security measures;
- Administrative leave;
- Temporary reassignment;
- Restricting facility or badge access;
- Operational or safety-related directives;
- Conducting workplace violence investigations;
- Implementing workplace safety plans or protective measures.

Interim actions may be implemented prior to the conclusion of any investigation when deemed necessary for safety or operational reasons.

Documentation & Investigation

Human Resources, Airport Operations, security personnel, management, or other authorized representatives may document and investigate workplace violence concerns. Documentation may include:

- Names of involved individuals;
- Date, time, and location of incidents;
- Witness information;
- Descriptions of conduct or statements;
- Security or operational impacts;
- Actions taken in response to the incident.

Investigations will be conducted as promptly and confidentially as reasonably possible consistent with operational, legal, and safety requirements.

Department & Management Responsibilities

Supervisors, managers, and Department Heads are responsible for:

- Supporting compliance with this policy and the District's WVPP;
- Promptly reporting and responding to workplace violence concerns;
- Supporting employee safety and operational security;
- Participating in required training;
- Maintaining appropriate documentation and follow-up actions;

- Coordinating with Human Resources, Airport Operations, security personnel, and law enforcement when appropriate.

Non-Retaliation
The District prohibits retaliation against any individual who, in good faith:

- Reports workplace violence concerns;
- Participates in a workplace violence investigation;
- Requests assistance related to workplace safety; or
- Exercises rights protected under applicable workplace safety laws.

Employees who knowingly make false reports or intentionally provide false information during an investigation may be subject to corrective or disciplinary action.

4.07 Reporting Safety Concerns

The Monterey Peninsula Airport District is committed to maintaining a safe, secure, and healthful workplace in accordance with applicable federal and state workplace safety laws, including Cal/OSHA requirements, Federal Aviation Administration (FAA) operational standards, Transportation Security Administration (TSA) requirements, and other applicable safety regulations and Airport operational procedures.

Employees are expected and encouraged to promptly report safety concerns, hazards, unsafe conditions, operational risks, security concerns, and workplace incidents without fear of retaliation. The District strictly prohibits retaliation against any employee who, in good faith:

- Reports a safety concern or hazard;
- Participates in a safety review or investigation;
- Reports workplace injuries or illnesses;
- Raises concerns regarding operational or regulatory compliance;
- Exercises rights protected under workplace safety laws.

Reportable Safety Concerns
Employees should immediately report any condition, conduct, equipment issue, operational concern, or situation that may threaten the health, safety, or security of employees, passengers, tenants, contractors, Airport operations, facilities, vehicles, or the public.

Examples of reportable concerns include, but are not limited to:

- Unsafe work practices or unsafe operating conditions;
- Hazardous conditions on the airfield, ramp, terminal, facilities, or District property;
- Equipment, vehicle, or machinery defects or malfunctions;
- Near-miss incidents;
- Workplace injuries or illnesses;
- Exposure to hazardous materials or substances;
- Fire, electrical, or environmental hazards;
- Security breaches or suspicious activity;
- Threats, workplace violence, or aggressive behavior;
- Failure to follow required safety procedures or regulatory requirements;
- Emergency situations or operational hazards affecting Airport safety.

Reporting Procedures
Employees should report safety concerns as soon as practicable to:

- A supervisor or manager;
- Human Resources;
- Airport Operations;
- The District's designated safety representative;
- The Executive Director; or
- Another appropriate District representative.

Reports may be made verbally or in writing. Anonymous reports may also be accepted to the extent practicable and consistent with the District's ability to review and respond to the concern. In situations involving immediate danger, emergencies, security threats, or urgent safety risks, employees should first take reasonable steps to protect themselves and others and immediately contact emergency responders, Airport Operations, law enforcement, fire services, or other appropriate emergency personnel before following standard reporting procedures.

Supervisor & Management Responsibilities
Supervisors, managers, and Department Heads are responsible for:

- Promptly responding to reported safety concerns;
- Taking appropriate interim measures to address immediate hazards;
- Ensuring safety concerns are communicated to the appropriate operational, maintenance, safety, security, or management personnel;
- Supporting compliance with the District's safety programs and regulatory requirements;
- Ensuring employees are not discouraged from reporting concerns;
- Prohibiting retaliation against individuals who report safety concerns in good faith.

Investigation & Corrective Action
Reported safety concerns will be reviewed and addressed in a manner appropriate to the nature and severity of the issue. The District may conduct inspections, operational reviews, investigations, or hazard assessments as necessary.

Where appropriate, the District will take reasonable corrective or preventive action to address confirmed hazards, improve workplace safety, maintain operational compliance, and reduce the risk of future incidents.

The District may document safety concerns, investigations, corrective actions, and follow-up measures in accordance with applicable safety regulations, operational procedures, risk-management practices, and records retention requirements.

Non-Retaliation
No employee will be disciplined, discriminated against, intimidated, or retaliated against for reporting safety concerns in good faith, participating in a safety investigation, cooperating in an operational review, or exercising rights protected under workplace safety laws or District safety programs.

Employees who believe they have experienced retaliation related to a safety report or safety-related protected activity should immediately report the concern to Human Resources or another appropriate District representative.

Safety Program Compliance
This policy operates in conjunction with the District's:

- Injury and Illness Prevention Program (IIPP);
- Workplace Violence Prevention Plan (WVPP);
- Emergency response procedures;
- Workers' compensation procedures;
- Airport safety and security programs;
- FAA and Cal/OSHA compliance requirements; and
- Other applicable operational and safety-related policies and procedures.

Employees are expected to comply with all applicable safety rules, operational procedures, regulatory requirements, security directives, and training requirements associated with their position and Airport operations.

4.08 Drug & Alcohol Free Workplace

The Monterey Peninsula Airport District is committed to maintaining a safe, healthy, secure, and productive workplace free from the unlawful use of drugs and the misuse of alcohol. Because the District operates a public-use airport and maintains safety-sensitive operations subject to operational, security, and regulatory requirements, employees are expected to report to work fit for duty and free from impairment that may affect safety, job performance, operational reliability, or workplace conduct.

The purpose of this policy is to promote workplace safety, operational integrity, regulatory compliance, and public trust by reducing risks and hazards associated with alcohol misuse, illegal drug use, and workplace impairment.

This policy applies to all District employees, applicants, interns, volunteers, temporary employees, contractors, and other covered individuals while on District property, operating District vehicles or equipment, performing District business, attending work-related functions, or otherwise engaged in work-related activities.

Compliance with this policy is a condition of employment. Violations of this policy may result in corrective or disciplinary action, up to and including termination of employment.

This policy shall be administered in accordance with applicable federal and state law, including California law regarding employee privacy and lawful off-duty conduct, as well as any applicable federally mandated drug and alcohol testing requirements associated with safety-sensitive positions, aviation operations, or federal grant and regulatory obligations.

Prohibited Conduct

The following conduct is prohibited:

- The unlawful manufacture, distribution, dispensation, sale, possession, use, transfer, or being under the influence of illegal drugs or controlled substances while on District property, while conducting District business, or while operating District vehicles or equipment;
- Reporting to work or remaining on duty while impaired by alcohol, illegal drugs, controlled substances, cannabis, or medications in a manner that creates a safety risk, interferes with job performance, impairs judgment, or affects workplace conduct or operational

safety;
- Possessing open containers of alcohol while on duty or on District property except as authorized for legitimate operational purposes;
- Misuse of prescription medications or use of prescription medications not lawfully prescribed to the employee;
- Refusing to cooperate with lawful drug or alcohol testing authorized by this policy or applicable law;
- Tampering with, adulterating, or attempting to interfere with testing procedures;
- Failing to comply with federally mandated drug and alcohol testing requirements applicable to designated positions.

Employees who are using prescription or over-the-counter medications that may impair their ability to safely or effectively perform their job duties are responsible for notifying their supervisor or Human Resources when such impairment may affect workplace safety, operational responsibilities, or fitness for duty.

<u>Cannabis</u>
Consistent with California law, the District will not discriminate against applicants or employees solely based on lawful off-duty cannabis use except where permitted by law.

However:
- Employees are prohibited from possessing, using, being impaired by, or being under the influence of cannabis while on duty, on District property, operating District vehicles or equipment, or performing District business;
- Employees in positions subject to federal drug testing regulations or federal security requirements may remain subject to stricter standards under applicable federal law;
- The District may prohibit cannabis use and impairment in safety-sensitive positions where permitted by law.

Nothing in this policy limits the District's authority to maintain a safe and drug-free workplace or to comply with federal aviation, transportation, or safety regulations.

<u>Drug & Alcohol Testing</u>
The District may require drug and/or alcohol testing where permitted by law and consistent with operational, safety, regulatory, or security requirements.

Testing may occur under circumstances including, but not limited to:

- Pre-employment testing for designated safety-sensitive positions;
- Reasonable suspicion testing;
- Post-accident or post-incident testing;
- Return-to-duty or follow-up testing where permitted by law;
- Federally mandated testing requirements.

The District will utilize qualified testing providers and laboratories for authorized testing procedures.

<u>Safety-Sensitive Positions</u>
Certain positions may be designated as safety-sensitive based on the nature of the work performed, operational responsibilities, regulatory obligations, or public safety considerations.

Safety-sensitive positions may include, but are not limited to:

- Airfield operations;
- Airport maintenance;
- Operation of heavy equipment or District vehicles;
- Positions involving access to secure or restricted areas;
- Positions subject to FAA, DOT, or other federal regulatory requirements;
- Positions involving emergency response or operational safety functions.

Applicants or employees in designated safety-sensitive positions may be subject to additional testing requirements as permitted or required by law.

Criminal Drug Convictions
Employees must notify Human Resources within five (5) calendar days of any criminal conviction for a drug-related offense occurring in the workplace or arising from conduct occurring while performing District business, to the extent required by law or applicable federal grant or regulatory requirements.

Investigations & Corrective Action
The District may investigate suspected violations of this policy and may take appropriate interim safety or operational measures pending review or investigation.

Violations of this policy may result in corrective or disciplinary action up to and including termination of employment, removal from Airport property, referral to law enforcement, or other appropriate administrative action consistent with applicable law and operational requirements.

Non-Retaliation
The District prohibits retaliation against any employee who, in good faith:

- Reports concerns regarding workplace impairment or unsafe conduct;
- Participates in a workplace safety or drug/alcohol investigation;
- Seeks assistance through the Employee Assistance Program; or
- Exercises rights protected by applicable law.

4.09 Smoke Free Workplace

Smoking is strictly prohibited inside any District building, District vehicle, or other enclosed area. For the purpose of this policy, "enclosed area" means an area closed in by a roof and walls with appropriate openings for ingress and egress; this also includes District vehicles. For purpose of this policy, “smoking” shall mean the inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, or pipe, or any other lighted tobacco or plant product intended for inhalation, whether natural or synthetic, in any manner or in any form. “Smoking” also includes the use of an electronic smoking device (e-cigarettes) that creates an aerosol or vapor.

Smoking within 20 feet of main entrances, exits, and operable windows of any District building is also prohibited.

Employees are also not allowed to smoke during work hours and may only do so on designated meal and rest breaks subject to the parameters above.

4.10 Workplace Health and Safety

The Monterey Peninsula Airport District is committed to maintaining a safe, healthy, secure, and operationally compliant workplace in accordance with the California Occupational Safety and Health Act (Cal/OSHA), Title 8 of the California Code of Regulations, applicable Federal Aviation Administration (FAA) requirements, Transportation Security Administration (TSA) requirements, environmental and operational regulations, and other applicable federal, state, and local laws.

Because the District operates a public-use airport with safety-sensitive operations, all employees share responsibility for maintaining workplace safety, operational readiness, regulatory compliance, environmental stewardship, and public safety. The District will take reasonable steps to identify and correct unsafe conditions, reduce operational hazards, provide safety training, and maintain programs intended to prevent workplace injuries, illnesses, accidents, and security incidents.

<u>Shared Responsibility for Safety</u>
Workplace health and safety are shared responsibilities among the District, management, supervisors, and employees. Employees are expected to work collaboratively to support safe operations, maintain regulatory compliance, and promote a culture of safety, accountability, professionalism, and operational awareness throughout Airport operations.

<u>District Responsibilities</u>
The District will:

- Establish and maintain an Injury and Illness Prevention Program (“IIPP”);
- Maintain a Workplace Violence Prevention Plan (“WVPP”);
- Identify and evaluate workplace and operational hazards;
- Take reasonable corrective action when hazards or unsafe conditions are identified;
- Provide required safety training, operational instruction, and personal protective equipment (“PPE”) where applicable;
- Maintain programs and procedures intended to support safe Airport operations and regulatory compliance;
- Investigate workplace injuries, illnesses, incidents, accidents, operational events, and near-miss occurrences as appropriate;
- Maintain required Cal/OSHA, FAA, TSA, and other regulatory reporting and recordkeeping requirements;
- Support emergency preparedness, operational continuity, and incident response efforts;
- Prohibit retaliation against employees who report safety concerns or exercise rights protected under workplace safety laws.

<u>Supervisor & Management Responsibilities</u>
Supervisors, managers, and Department Heads are responsible for supporting and enforcing workplace safety and operational compliance within their areas of responsibility. This includes:

- Ensuring employees follow applicable safety procedures, operational directives, and regulatory requirements;
- Addressing unsafe conditions, hazards, or unsafe behavior promptly;
- Reporting and documenting workplace injuries, incidents, and operational concerns;
- Supporting required safety and operational training;
- Ensuring employees utilize required PPE and safety equipment;
- Coordinating with Human Resources, Airport Operations, maintenance personnel, safety representatives, and regulatory agencies when appropriate;
- Modeling safe, professional, and compliant work practices.

Supervisors must take appropriate action when aware of conditions or conduct that may threaten employee safety, Airport operations, regulatory compliance, or public safety.

Employee Responsibilities
Employees are expected to:

- Perform work safely and in accordance with applicable policies, procedures, operational directives, and training;
- Follow all workplace safety, operational, environmental, and security requirements;
- Use required PPE, safety equipment, and operational safeguards;
- Promptly report unsafe conditions, hazards, injuries, illnesses, incidents, and near-miss events;
- Participate in required training, drills, inspections, and safety meetings;
- Cooperate with safety investigations and operational reviews;
- Avoid conduct that creates unreasonable safety risks to themselves, coworkers, passengers, tenants, contractors, or the public.

Employees are expected to exercise sound judgment and situational awareness in performing their work, particularly in operational areas involving vehicles, equipment, aircraft movement areas, secured facilities, hazardous materials, or public-facing operations.

Reporting Safety Concerns & Incidents
Employees are encouraged and expected to promptly report safety concerns, hazards, injuries, illnesses, operational incidents, near-miss events, and security concerns.

Reports may be made to:
- A supervisor or manager;
- Human Resources;
- Airport Operations;
- The District's designated safety representative;
- The Executive Director; or
- Another appropriate District representative.

The District prohibits retaliation against employees who report safety concerns or participate in safety-related investigations or reviews in good faith.

Training & Safety Communication
The District will provide safety training and operational instruction appropriate to employees' job duties, work environments, regulatory requirements, and operational responsibilities. Safety information may be communicated through:

- Safety meetings;
- Tailgate meetings;
- Training sessions;
- Operational briefings;
- Written procedures and manuals;
- Electronic communications;
- Posted notices and signage;
- Emergency drills and exercises.

Employees are responsible for participating in required training and complying with applicable safety and operational procedures.

Emergency Preparedness & Operational Response
The District maintains emergency response, evacuation, operational continuity, and incident response procedures appropriate for Airport operations and facilities. Employees are expected to:

- Familiarize themselves with applicable emergency procedures and reporting protocols;
- Participate in required emergency training, drills, or exercises;
- Cooperate with emergency responders and operational personnel during incidents or emergencies;
- Support operational continuity and emergency response efforts as directed.

Because Airport operations may involve emergency response, security incidents, operational disruptions, weather-related events, or public safety emergencies, employees may be expected to respond to urgent operational needs consistent with their job responsibilities and applicable District procedures.

Related Safety Programs
This policy operates in conjunction with the District's:

- Injury and Illness Prevention Program (IIPP);
- Workplace Violence Prevention Plan (WVPP);
- Emergency response and operational continuity procedures;
- Workers' compensation procedures;
- Airfield safety procedures;
- Hazard communication and environmental safety programs;
- Security and access control procedures; and
- Other applicable safety, operational, and regulatory compliance policies and procedures.

Employees are expected to comply with all applicable District safety policies, operational procedures, training requirements, and regulatory obligations associated with their position and Airport operations.

4.11 Disaster Service Assignments

Pursuant to California Government Code sections 3100 through 3109, all employees of the Monterey Peninsula Airport District are designated as Disaster Service Workers ("DSWs") and may be required to perform disaster service activities in connection with emergencies, disasters, operational disruptions, public safety incidents, or emergency response and recovery efforts.

Because the District operates a critical public transportation and aviation facility, employees may be assigned emergency duties necessary to support Airport operations, operational continuity, public safety, emergency response coordination, facility protection, transportation functions, communication efforts, or other disaster-related activities during emergencies or training exercises.

Disaster service assignments may occur:

- During declared local, state, or federal emergencies;
- During emergency preparedness drills or exercises;

- During operational emergencies affecting Airport operations or facilities;
- During severe weather events, natural disasters, public safety incidents, utility disruptions, security incidents, or other emergency situations.

Disaster service assignments may:

- Be outside an employee's normal job duties or classification;
- Occur at different work locations or operational sites;
- Require modified schedules or extended work hours;
- Occur during or outside regular working hours;
- Require employees to report to work or remain available for operational response.

Employees are expected to comply with lawful disaster service assignments, emergency operational directives, safety procedures, and emergency response protocols issued by the District or authorized emergency management personnel.

The District may require employees to participate in emergency preparedness activities, training exercises, drills, operational continuity planning, safety instruction, or related emergency response activities consistent with operational and regulatory requirements.

Nothing in this policy alters the District's authority to direct emergency operations, maintain operational continuity, protect Airport facilities and infrastructure, or respond to emergencies affecting public safety, transportation operations, or Airport security.

<u>Activation of Disaster Service Assignments</u>
Disaster service assignments may be activated by the Executive Director, Airport Operations leadership, Emergency Management personnel, or another authorized District representative when emergency conditions, operational disruptions, security incidents, natural disasters, or declared local, state, or federal emergencies require activation of the District's emergency response or operational continuity procedures.

Assignments may be made in accordance with the District's Emergency Operations Plan ("EOP"), Airport Emergency Plan ("AEP"), operational continuity procedures, mutual aid obligations, and applicable emergency management systems, including the Standardized Emergency Management System ("SEMS") and National Incident Management System ("NIMS").

Disaster service assignments will be based on operational needs, employee skills, certifications, training, operational responsibilities, regulatory requirements, and the nature of the emergency or operational incident.

<u>Employee Responsibilities</u>
Employees are expected to:

- Report for assigned disaster service duties or emergency operational assignments as directed unless excused by authorized management;
- Follow lawful instructions, operational directives, emergency procedures, and safety protocols issued during emergency response or operational continuity activities;
- Perform assigned duties professionally and to the best of their ability;
- Cooperate with emergency responders, Airport Operations personnel, public safety agencies, and management representatives;
- Participate in required emergency preparedness training, drills, exercises, and operational

readiness activities;
- Maintain familiarity with applicable emergency procedures and operational response expectations associated with their position.

Failure to report for or perform assigned disaster service duties or emergency operational assignments without valid justification may result in corrective or disciplinary action consistent with applicable law and District policy.

Compensation, Hours & Work Schedules

Employees performing disaster service assignments or emergency operational duties will be compensated in accordance with applicable wage and hour laws, District compensation practices, and applicable personnel policies, including provisions related to overtime, work schedules, standby assignments, callback assignments, or emergency operational staffing requirements where applicable.

Time worked while performing authorized disaster service duties will be treated as hours worked for purposes of compensation and workers' compensation coverage consistent with applicable law.

Safety & Workers' Compensation

The Monterey Peninsula Airport District is committed to maintaining safe working conditions during emergency response and disaster service activities to the extent practicable under emergency circumstances.

Employees injured while acting within the course and scope of assigned disaster service duties or emergency operational assignments are generally covered by workers' compensation benefits in accordance with applicable law.

Employees are expected to comply with applicable safety procedures, operational directives, PPE requirements, and emergency response protocols during disaster service activities.

Limitations & Accommodations

The District will consider legitimate limitations, restrictions, or reasonable accommodation obligations related to medical conditions, disabilities, or other legally protected circumstances when making disaster service assignments to the extent practicable and consistent with emergency operational and public safety needs.

Training & Preparedness

The District may require employees to participate in emergency preparedness activities, disaster response training, drills, exercises, operational continuity planning, SEMS/NIMS training, safety instruction, or other emergency management programs intended to support Airport readiness and operational resilience.

Training may include:

- Emergency response procedures;
- Airport emergency operations;
- Incident command structure;
- Evacuation and shelter procedures;
- Airfield or operational emergency response;
- Workplace violence response;

- Security incident response;
- Disaster recovery and continuity operations.

This policy operates in conjunction with the District's:

- Emergency Operations Plan (EOP);
- Airport Emergency Plan (AEP);
- Workplace health and safety policies;
- Injury and Illness Prevention Program (IIPP);
- Workplace Violence Prevention Plan (WVPP);
- Operational continuity procedures; and
- Other applicable emergency management, safety, and operational policies and procedures.

4.12 Whistleblower

The Monterey Peninsula Airport District is committed to ethical conduct, legal compliance, accountability, and the responsible stewardship of public resources. The District encourages employees and other covered individuals to report concerns regarding unlawful conduct, regulatory violations, unsafe practices, fraud, waste, abuse, misuse of public resources, or other improper governmental activities.

The District strictly prohibits retaliation against any individual who engages in protected whistleblower activity in good faith or who exercises rights protected under applicable whistleblower protection laws.

<u>Prohibited Retaliation</u>
The District prohibits:

- Taking adverse action against an employee or applicant because the individual disclosed or is believed to have disclosed information to a governmental agency, law enforcement agency, regulatory authority, or the District regarding conduct the individual reasonably believes violates federal, state, or local law, regulations, grant requirements, or District policy;
- Preventing or discouraging an individual from reporting concerns or cooperating with investigations;
- Retaliating against an employee for refusing to participate in conduct the employee reasonably believes would violate a law, regulation, safety requirement, or District policy;
- Retaliating against an individual because a family member or associated person engaged in protected activity;
- Interfering with an employee's lawful exercise of whistleblower rights.

This policy applies to all District officials, Board members, officers, employees, temporary employees, seasonal employees, interns, volunteers, applicants, contractors, and other covered individuals.

<u>Protected Activity</u>
Protected activity includes, but is not limited to:

- Reporting or disclosing suspected violations of law, regulations, grant requirements, or

District policy;
- Reporting fraud, corruption, theft, misuse of public funds, conflicts of interest, abuse of authority, or improper governmental activity;
- Reporting workplace safety concerns, environmental violations, security concerns, or regulatory noncompliance;
- Filing complaints with governmental, regulatory, or law enforcement agencies;
- Cooperating in audits, investigations, inspections, hearings, or administrative reviews;
- Participating as a witness or providing truthful information regarding suspected misconduct;
- Making internal complaints or providing notice regarding suspected unlawful or improper conduct;
- Calling or reporting concerns through governmental or regulatory reporting channels;
- Refusing to participate in conduct reasonably believed to violate applicable law, regulations, or policy;
- Participating in protected activity related to FAA, TSA, Cal/OSHA, environmental, transportation, public contracting, or public integrity compliance matters.

Protected activity is protected even if the reported concern is ultimately unsubstantiated, provided the report was made in good faith and with a reasonable belief that misconduct or noncompliance may have occurred.

<u>Adverse Actions Prohibited</u>
Retaliation or adverse action may include, but is not limited to:

- Discipline or threats of discipline;
- Intimidation, coercion, or harassment;
- Refusal to hire or promote;
- Unwarranted negative evaluations or corrective action;
- Extension of probationary periods;
- Changes to schedules, assignments, duties, or working conditions intended to discourage protected activity;
- Exclusion, hostility, or workplace ostracism;
- Spreading rumors regarding an individual's protected activity;
- Interference with career opportunities or professional relationships;
- Any conduct that would reasonably discourage an individual from engaging in protected activity.

<u>Reporting Concerns</u>
Individuals who believe they have experienced retaliation or who wish to report unlawful or improper conduct should promptly report the matter to:

- Human Resources;
- A supervisor or manager;
- The Executive Director;
- Another appropriate District representative; or
- An external governmental or regulatory agency.

Reports may be made verbally or in writing.

Supervisors and managers who receive reports or become aware of potential whistleblower concerns or retaliation must promptly notify Human Resources or the appropriate management representative.

Investigation & Corrective Action
The District will promptly and appropriately review reports of suspected unlawful conduct, improper governmental activity, or retaliation. Investigations or administrative reviews will be conducted as confidentially as reasonably possible consistent with operational needs, legal obligations, and the need to conduct an appropriate review.

If the District determines that retaliation or other prohibited conduct occurred, appropriate corrective action will be taken, which may include discipline up to and including termination of employment, removal from Airport property, cancellation of contracts, referral to law enforcement, or other appropriate administrative action.

Reporting
Individuals are expected to make reports honestly and in good faith. Knowingly making false allegations, intentionally providing false information, or engaging in malicious or bad-faith reporting may result in corrective or disciplinary action.

Nothing in this policy is intended to discourage lawful reporting to governmental agencies or to limit any rights protected under applicable whistleblower protection laws.

5.00 EMPLOYEE RIGHTS & RESPONSIBILITIES

5.01 Conflicts of Interest

A public employee may not use public assets or public office for personal gain. All District employees are covered by certain District conflict of interest policies, and also by state statutes and common law rules. The consequences of actions prohibited under conflict of interest prohibitions can range from invalidation of important District contracts to monetary fines or criminal penalties against the person with the conflict.

The Political Reform Act (Government Code §§ 81000, et seq., hereinafter referred to as the Act) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 California Code of Regulations § 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearings it may be amended by the FPPC to conform to amendments in the Act. Therefore, the terms of § 18730 and any amendments to it adopted by the FPPC are hereby incorporated by reference. This regulation and the text here designating officials and employees and establishing disclosure categories shall constitute the conflict of interest code of the District.

The full text of Section 18730, together with any amendment thereto, may be found at:
http://www.fppc.ca.gov/legal/regs/current/18730.pdf.

Designated positions shall file statements of economic interests with the District. Statements of Economic Interests are public records available for public inspection.

Designated Positions
The designated positions listed below are required to file Form 700 Statements of Economic Interests disclosing certain personal financial interests. These positions are required to file the

applicable individual schedules to report investments, business positions, sources of income and interests in real property located in the District's jurisdiction. The applicable schedules to be filed for each position are based on the disclosure category assigned to the designated position.

Designated positions
Board Member - Category 1
Executive Director - Category 1
Deputy Executive Director – Category 1
Controller – Category 1
Consultant - Category 2

Disclosure Categories

Disclosure Category 1 - Persons in this category shall disclose:

Interests in real property located entirely or partly within District boundaries, or within two miles of District boundaries, or of any landed owned or used by the District.

Investments or business positions in or income (including gifts, loans and travel payments) from sources that provide, plan to provide, or have provided in the last two years facilities, goods, software, hardware, or services, including consulting services, to the District, or are engaged in the acquisition of real property within the District.

Disclosure Category 2 - Persons in this category shall disclose:

Consultants shall disclose pursuant to the broadest disclosure category in the conflict of interest code subject to the following limitation: the District may determine in writing that a particular consultant is hired to perform a range of duties that is limited in scope and, thus, is not required to comply with the full disclosure requirements described above, but instead must comply with more tailored disclosure requirements specific to that consultant. Such a determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of the disclosure requirements.

The State Attorney General's Office offers public employees an online ethics tutorial covering conflicts of interest. In addition, the State of California's Fair Political Practices Commission has a website http://www.fppc.ca.gov/ and hotline 1 (866) ASK-FPPC.

5.02 Artificial Intelligence (AI)

The District recognizes that artificial intelligence ("AI") technologies, including generative AI platforms and automated decision-making tools, present potential operational benefits as well as significant legal, cybersecurity, confidentiality, operational, ethical, and public records risks. The purpose of this policy is to establish strict limitations and controls governing employee use of AI technologies to protect District information, maintain public trust, ensure legal compliance, safeguard confidential and sensitive data, and preserve the integrity of District operations and decision-making.

This policy applies to all District employees, temporary employees, interns, volunteers, and any individual authorized to access District systems, networks, information, or technology resources.

For purposes of this policy, artificial intelligence ("AI") includes any software, platform, application, chatbot, algorithm, machine learning tool, generative AI system, large language model, automated writing platform, image-generation system, predictive analytics tool, or other technology capable of independently generating, analyzing, processing, summarizing, interpreting, or creating content, recommendations, communications, images, audio, video, or decisions based upon user-provided information or automated data processing.

Examples include, but are not limited to, publicly available or privately hosted AI systems such as chatbots, automated writing assistants, image-generation platforms, coding assistants, transcription tools, summarization platforms, predictive analytics systems, and automated decision-support tools.

District employees are prohibited from using AI technologies for District business unless the specific AI platform and intended use have been expressly reviewed and approved in writing by the Executive Director or authorized designee in consultation with any other appropriate department.

The use of personal AI accounts, publicly available AI tools, browser-based AI services, or unapproved third-party AI applications for District business is strictly prohibited.

Employees shall not input, upload, transmit, disclose, or expose District information into any AI platform unless expressly authorized in writing. This prohibition applies regardless of whether the AI platform claims information is encrypted, private, deleted, anonymized, or not retained.

<u>Prohibited Uses</u>

Unless expressly authorized in writing, employees are prohibited from using AI technologies for any of the following purposes:

Preparing, drafting, reviewing, or editing official District communications, policies, procedures, business documents, personnel records, performance evaluations, disciplinary materials, investigative reports, procurement documents, contracts, Board materials, financial information, security-related information, operational procedures, or public statements.

Uploading or transmitting confidential, privileged, protected, sensitive, proprietary, security-sensitive, personnel-related, medical, legal, financial, operational, infrastructure, cybersecurity, or public safety information.

Using AI systems to make or influence employment decisions, disciplinary decisions, hiring decisions, promotional decisions, compensation decisions, investigative findings, safety determinations, operational decisions, procurement evaluations, or other discretionary governmental determinations.

Using AI-generated information as a substitute for professional judgment, supervisory review, legal review, policy interpretation, technical expertise, or independent analysis.

Using AI systems to generate images, audio, video, or content representing the District, its employees, facilities, operations, or the public without express authorization.

Using AI platforms that automatically retain, learn from, store, scrape, share, or redistribute user-submitted data.

Installing unauthorized AI software, browser extensions, plug-ins, applications, or integrations onto District devices, systems, or networks.

Cybersecurity and Data Protection

AI platforms may create significant cybersecurity, privacy, confidentiality, and public records risks. Employees shall comply with all District cybersecurity policies, records retention requirements, confidentiality obligations, and applicable laws when using technology resources.

Employees shall not circumvent District cybersecurity controls or use personal devices or accounts to access AI tools for District business purposes.

Any suspected unauthorized use of AI technologies, data exposure, or cybersecurity concern involving AI platforms must be immediately reported to District management and Information Technology personnel.

Public Records and Legal Compliance

Employees are advised that records, prompts, submissions, communications, metadata, and outputs associated with AI systems may constitute public records subject to disclosure under the California Public Records Act (“CPRA”), litigation discovery obligations, audit requirements, or other legal processes.

Employees shall not use AI technologies in any manner that compromises records retention obligations, confidentiality requirements, attorney-client privilege, investigative integrity, cybersecurity protections, or legal compliance obligations.

Accuracy and Reliability

AI-generated content may contain inaccuracies, fabricated information, biased results, incomplete analysis, or outdated information. The District prohibits reliance upon AI-generated outputs for official governmental decision-making unless independently verified, reviewed, and expressly authorized.

Employees remain personally responsible for the accuracy, legality, appropriateness, completeness, and professional quality of all work product, communications, and decisions associated with District operations.

Monitoring and Enforcement

The District reserves the right to monitor, inspect, audit, review, and investigate employee technology use, internet activity, software access, uploads, downloads, electronic communications, and system activity involving AI technologies consistent with applicable law and District policy.

Employees shall have no expectation of privacy when using District systems, devices, or networks.

Violation of this policy may result in disciplinary action up to and including termination of employment, revocation of system access, civil liability, criminal liability, and any other corrective action authorized by law or District policy.

The District reserves the right to restrict, prohibit, authorize, modify, suspend, or regulate employee use of AI technologies at any time based upon operational, legal, cybersecurity, public safety, or organizational considerations.

Nothing in this policy creates a right or authorization for employees to use AI technologies for District business.

5.03 Employee Identification Badge

The District issues employee identification badges to enhance security, facilitate identification, and support efficient operations. Employees are expected to comply with this policy and any related procedures governing the issuance, display, care, and return of identification badges.

Issuance of Identification Badges
Employee identification badges are issued by the Airport Security Coordinator, or their designee or another designated department at the time of hire or as otherwise required. Badges remain the property of the District and are issued for official District business only. The District may determine the format and content of identification badges, which may include the employee's name, photograph, job title or department, and access credentials, as appropriate.

Display and Use
Employees may be required to visibly display their identification badge while on duty, in District facilities, or when representing the District in an official capacity. Badges must be worn or carried as directed and used only by the employee to whom they are issued. Identification badges may not be altered, shared, or used by any other individual.

Access and Security
Identification badges are used to control access to District facilities, work areas, vehicles, equipment, or electronic systems. Employees are responsible for safeguarding their badge and for preventing unauthorized use in accordance with the Department of Homeland Security rules and regulations.

Lost, Stolen, or Damaged Badges
Employees must promptly report lost, stolen, or damaged identification badges to their supervisor and Human Resources or the designated issuing department. The District may deactivate lost or stolen badges to prevent unauthorized access. Replacement badges may be issued, and the District may charge a replacement fee where permitted by law or policy.

Return of Badges
Identification badges must be returned to the District upon separation from employment, transfer to a position that no longer requires a badge, or upon request by the District. Failure to return a badge may result in delayed final processing or other appropriate action consistent with law and policy.

Privacy and Confidentiality
The District will take reasonable steps to protect employee personal information associated with identification badges. Badge information will be used for legitimate business and security purposes only and handled in accordance with applicable privacy and public records laws.

5.04 Electronic Equipment and Resource Use

District equipment or resources is any District-owned or supplied item or resource, including, but not limited to: intellectual property (*e.g.*, photographs, plans, drawings, formulas, customer lists, designs, formulas), vehicles, telephones, cell phones, pagers, tools, machines, supplies, copy machines, facsimile machines, desks, office equipment, computers (including hardware and software), file cabinets, lockers, Wi-Fi, internet, intranet, District network, data systems, routers, voice mail, servers, and email or voice mail communications stored in or transmitted through District electronic resources or equipment.

5.05 Privacy & Use of District Resources

Privacy

The District periodically and without prior notice, monitors, reviews, accesses, or retrieves data from its equipment or resources, including electronic communications and content contained in or transmitted through District networks or electronic resources. District employees must provide the agency with the employee's username or password for any District issued equipment or resource. The existence of passwords or delete functions does not restrict the District's access or ability to reset usernames and passwords. As a result, District employees have no expectation of privacy in their use of any District equipment or resources.

Use of District Resources

Employees may only use District equipment or resources in compliance with District policies. Except as authorized by this policy, employees are expected to avoid any use or communication which is unrelated to District business, destructive, wasteful, or illegal.

The District has discretion to restrict or rescind employee access District equipment or resources.

The following are examples of misuse of District equipment or resources:

- Any use that violates applicable law and/or District policies, rules or procedures;
- Exposing others to material which is offensive, harassing, obscene or in poor taste. This includes information which could create an intimidating, offensive or hostile work environment;
- Any use that may create or further a hostile attitude or give offense on the basis of race, color, religion, sex, gender, gender expression, gender identity, national origin, ancestry, citizenship, age, marital status, physical or mental disability, medical condition, genetic information, sexual orientation, veteran status or any other basis protected by law;
- Communication of confidential District information to unauthorized individuals within or outside of District;
- Unauthorized attempts to access or use District data or break into any District or non-District system;
- Theft or unauthorized transmission or copying of paper or electronic files or data;
- Initiating or sustaining chain/spam letters, e-mail or other unauthorized mass communication;
- Misrepresentation of one's identity for improper or illegal purposes;
- Personal commercial or business activities (*g.*, "for sale" notices, personal ads, etc.);
- Transmitting/accessing obscene material and/or pornography;

- E-Commerce;
- Online gambling;
- Installing or downloading unauthorized software or equipment;
- Violating terms of software licensing agreements; and
- Using District equipment or resources to access and/or use dating web resources, personal social media, or games of any type.

Use of District Email

The District's email system is an official communication tool for District business. The District establishes and assigns official email addresses to each employee as the District deems necessary. Employees must send all District communications that are sent via email to and from their official District email address. Employees are prohibited from using their private email address when communicating District business via email. Should an email related to District business be sent to an employee's personal email account, the email should be immediately forwarded to the employee's District email account and responded to accordingly.

Limited Personal Use of District Communications Equipment

Employees may use District telephones, cell phones, internet access, and e-mail for incidental personal communications provided that the use:

a. Is kept to a minimum and limited to break times or non-working hours;
b. Does not interfere or conflict with District operations or the work performance of any District employees;
c. Allows the employee to more efficiently perform District work;
d. Is not abusive, illegal, inappropriate, or prohibited by this policy (for example, no social media use, no electronic dating, no gaming); and
e. Clearly indicates it is for personal use and does not indicate or imply City sponsorship or endorsement.

When an employee chooses to use District-owned communications equipment and other District Resources for personal use, they do not have an expectation of privacy with respect to their use of that equipment or resource.

5.06 Public Records & Information Security

The District is committed to open government and timely access to public records as required by the California Public Records Act (CPRA), while also protecting records that are exempt from disclosure. Public records shall be made available for inspection or copying unless a specific legal exemption applies. All employees share responsibility for ensuring public records are properly created, retained, and handled in accordance with law and District policy, including any applicable records retention policy.

Definition of Public Records

Public records include any writing containing information relating to the conduct of the public's business that is prepared, owned, used, or retained by the District, regardless of physical form or characteristics. This includes, but is not limited to, paper documents, emails, text messages, photographs, audio or video recordings, electronic files, databases, and records stored on personal devices or accounts when used to conduct District business.

Creation and Management of Public Records
Employees must create and maintain records in a manner that supports transparency, accountability, and efficient retrieval. District business should be conducted using District-approved systems whenever practicable. Records must be retained and disposed of in accordance with the District's Records Retention Schedule and applicable law. Unauthorized destruction, alteration, or removal of public records is prohibited.

Public Records Requests
All requests for public records, whether written or oral, must be promptly forwarded to the District Clerk or other designated Public Records Officer. Employees should not independently respond to public records requests unless authorized. The District will respond to requests within the timeframes required by law and will determine whether records are disclosable, exempt, or subject to redaction.

Exempt and Confidential Records
Certain records are exempt from disclosure under the CPRA or other laws, including but not limited to personnel records, medical records, attorney-client privileged communications, draft or deliberative materials, security-related records, and records protected by privacy or confidentiality laws. Employees must not disclose exempt or confidential records without proper authorization.

Use of Personal Devices and Accounts
Public records may be subject to disclosure regardless of whether they are stored on District-issued or personal devices or accounts if they relate to the conduct of District business. Employees are expected to cooperate with lawful searches for public records, including producing records stored on personal devices or accounts when required by law.

Training and Compliance
The District may provide training to employees regarding public records responsibilities and CPRA compliance. Employees are expected to comply with this policy and to seek guidance from the District Clerk, Human Resources, or legal counsel when questions arise.

This policy operates in conjunction with the District's Records Retention policy, Information Technology and cybersecurity policies, Employee Identification and Access policies, and applicable labor agreements.

5.07 Employee Theft

The District strictly prohibits employee theft, misappropriation, fraud, or misuse of District property, funds, information, or resources. Such conduct undermines public confidence and will not be tolerated. Employees are expected to use District resources solely for authorized District business and in accordance with applicable laws, policies, and procedures.

Employee theft includes, but is not limited to, any intentional or unauthorized act involving the taking, misuse, concealment, or diversion of District property or resources for personal benefit or the benefit of others. Examples include, but are not limited to:

- Theft or unauthorized use of cash, checks, credit cards, purchasing cards, or electronic funds
- Misuse or falsification of time records, expense claims, or payroll information
- Unauthorized use, removal, or personal use of District equipment, tools, supplies,

vehicles, or materials
- Theft or misuse of confidential or proprietary information
- Fraud, forgery, embezzlement, or falsification of records
- Circumventing internal controls or financial safeguards

This list is illustrative and not exhaustive.

Reporting Suspected Theft
Employees who become aware of or reasonably suspect employee theft or misuse of District resources must promptly report the matter to a supervisor, Human Resources, Finance, or another designated District official. Reports may be made confidentially and, to the extent permitted by law, anonymously. Employees are encouraged to report concerns in good faith.

Investigation
All reports or suspicions of employee theft will be reviewed and investigated in a prompt, fair, and confidential manner, consistent with applicable law and District procedures. Investigations may involve Human Resources, Finance, management, internal auditors, law enforcement, or legal counsel as appropriate. Employees are expected to cooperate fully in any investigation.

Non-Retaliation
The District prohibits retaliation against any employee who, in good faith, reports suspected theft, cooperates in an investigation, or participates in related proceedings. Retaliation is a violation of District policy and may result in disciplinary action.

Discipline and Corrective Action
Employee theft is a serious violation of District policy. Substantiated violations may result in disciplinary action, up to and including termination of employment, consistent with applicable laws, and due process requirements. The District may also seek restitution, civil remedies, and/or refer the matter to law enforcement when appropriate.

This policy operates in conjunction with the Department of Homeland Security Rules and Regulations, District’s ethics, fraud prevention, acceptable use of technology, purchasing and procurement, timekeeping, workplace conduct, and discipline policies, as well as applicable labor agreements.

5.08 Equipment

Under no circumstances may an employee use any District equipment, vehicles, tools, supplies, machines, or any other item that is District property while an employee is engaged in any outside employment, activity or enterprise.

5.09 Personal Property

Employees may bring reasonable personal property to the workplace at their own risk. The District is not responsible for the loss, theft, or damage of personal property brought onto District premises, stored in District facilities, or used in the course of District business, except as required by law.

Employees are responsible for safeguarding their personal belongings while at work. Personal items should be limited to those reasonably necessary for the workday and must not interfere with job performance, workplace safety, or District operations.

Use of Personal Property for District Business
Personal property may not be used for District business unless specifically authorized by the District Manager. This includes, but is not limited to, personal tools, equipment, vehicles, electronic devices, and software. When authorized, use of personal property for District business is subject to applicable policies, including those related to safety, acceptable use, reimbursement, and liability.

Storage and Prohibited Items
Personal property must be stored in designated areas and may not block exits, access ways, or create safety hazards. Certain items may be prohibited in the workplace due to safety, security, or operational concerns, including but not limited to hazardous materials, weapons, or illegal substances, except as otherwise permitted by law or policy.

Lost or Abandoned Property
The District may secure, store, or dispose of lost or abandoned personal property found on District premises in accordance with applicable law and District procedures. Employees should promptly report lost or found property to their supervisor or designated department.

5.10 Outside Employment Activity

An employee shall not engage in any paid or self-employment, activity, or enterprise which is inconsistent, incompatible or in conflict with their District duties, functions, responsibilities, or that of the department in which they are employed at the District. In order to avoid perceived or actual conflicts of interest that may arise from outside employment, all employees must obtain written approval from the Executive Director or their designee prior to undertaking any outside employment as described in this policy.

The employee must promptly report in writing to the Executive Director any of the following changes that may occur relating to an authorized outside employment: the outside employment ends; or the authorized employment changes as to the number of work hours, location, or types of duties.

Any outside employment authorization may be revoked or suspended under the circumstances listed below. An employee may appeal the revocation or suspension as provided in this policy.

- The employee's work performance declines; or
- An employee's conduct or outside employment conflicts with the conditions of the outside work authorization or is incompatible with the employee's work for the District.

5.11 Political Activities

District employees or officers may not solicit or receive political funds or contributions to promote the passage or defeat of any ballot measure that would affect working conditions during the working hours of its officers and employees, or in District offices.

Officers or employees of the District, or candidates for elective office of the District, may not directly or indirectly solicit political contributions from other officers or employees of the District unless the solicitation is part of a solicitation made to a significant segment of the public which may incidentally include officers from and employees of the District.

No District employee or official shall participate in political activities of any kind while in an District uniform or other District-issued clothing.

District employees and officials are prohibited from engaging in political activity during working hours or on District property.

5.12 Gifts & Gratuities

District employees may not accept personal or family gifts from anyone with whom the District does business. The receipt of such gifts tends to undermine the objectivity that needs to be maintained in the relationships with our various constituents. This does not preclude the acceptance of a non-personal gift of nominal value (e.g., under $50) that is offered to a work unit when the gift can be shared by all employees in that unit (i.e., a box of candy or a fruit basket).

5.13 Dress Code & Grooming Policy

Employees are required to dress appropriately for the jobs they are performing. The following dress code regulations shall apply to all District employees. If an employee has questions about how these standards apply to them, the matter should be immediately raised with their supervisor for consideration and determination:

- All clothing and footwear must be neat, clean, in good repair, and appropriate for the work environment and functions performed;
- Prescribed uniforms and safety equipment must be worn;
- Hair must be neat, clean and well-groomed;
- Beards, mustaches, and sideburns must be maintained in neat and well-groomed fashion;
- Jewelry that does not pierce the skin is acceptable except where it constitutes a health or safety hazard;
- Good personal hygiene is required; and
- Dress must be professionally appropriate to the work setting, particularly if the employee has contact with the public at work.

Tattoos

Employees are expected to project a professional appearance while at work and must abide by the standards below. If an employee has questions about how these standards apply to them, the matter should be immediately raised with their supervisor and / or Human resources. The District reserves the right to make determinations pertaining to tattoos, consistent with this policy and the law.

a. No tattoos are allowed anywhere on the head, face, or neck unless otherwise approved as an accommodation or exception under this policy;
b. Any visible tattoos shall not be obscene, sexually explicit, discriminatory to sex, race, religion, or national origin, extremist, and/or gang-related.

Piercings

Employees are expected to project a professional appearance while at work and to ensure that any body piercings do not pose a safety risk to themselves or others

If employees are unsure how this guideline applies to their situation, they are encouraged to speak with their supervisor so the matter can be reviewed together.

Visible piercings and jewelry should be modest and appropriate for the workplace. In certain roles or situations, supervisors may ask that specific items be removed or adjusted to support safety requirements or a professional environment.

Nothing in this policy (5.13) shall be construed to limit the employer's obligation to provide reasonable accommodation for sincerely held religious beliefs, practices, or observances, or as otherwise required by law.

5.14 Employment of Relatives & Spouses/Domestic Partners

The District regulates the employment and placement of relatives, spouses, and domestic partners so as to avoid conflicts of interest and to promote safety, security, supervision, and morale.

<u>Definitions</u>

- “Relative” means child, step-child, parent, grandparent, grandchild, brother, sister, half-brother, half-sister, aunt, uncle, niece, nephew, or in-laws of those enumerated by marriage or domestic partnership.
- “Spouse” means one of two persons to a marriage, or two people who are registered domestic partners, as those terms are defined by state law.
- “Supervisory relationship” means one in which one employee exercises the right or responsibility to control, direct, reward, or discipline another by virtue of the duties and responsibilities assigned to their District

Employment of Relatives

The District will not appoint, promote or transfer a person to a position within the same department, division, or facility in which the person’s relative already holds a position, if any of the following would result:

- A direct or indirect supervisory relationship between the relatives;
- The two employees having job duties which require performance of shared duties on the same or related work assignment;
- Both employees having the same supervisor; or
- A potential for creating an adverse impact on supervision, safety, security, morale or efficiency.

Spouses or Domestic Partners

The District will not appoint, promote, or transfer a person, to the same department, division, or facility in which the person’s spouse or registered domestic partner already holds a position, if such employment would result in any of the following:

- One spouse or domestic partner being under the direct supervision of the other spouse or domestic partner; or

- Potential conflicts of interest or hazards for married persons or those in domestic partnership which are greater than for those who are not married or in domestic partnerships.

Marriage or Domestic Partnership after Employment

- Transfer: If two District employees who work in the same department later become spouses or domestic partners, the [Personnel Officer] has discretion to transfer one of the employees to a similar position in another department. Although the wishes of the two employees will considered, the [Personnel Officer] retains sole discretion to determine which employee will be transferred based upon District needs for supervision, safety, security or morale. Any such transfer that results in a salary reduction is not disciplinary and is not subject to any grievance or appeal, or pre- or post-disciplinary appeal due process.
- Separation: If continuing employment of both employees, who work in the same department and who later become spouses or domestic partners, cannot be accommodated in a manner the [Personnel Officer] finds to be consistent with the District's interest in the promotion of supervision, safety, security, or morale, the Executive Director or designee retains sole discretion to separate one employee from District absent the resignation of one employee, the less senior employee will be separated. Any such separation is not considered to be disciplinary and is not subject to any grievance or appeal, or pre- or post-disciplinary appeal due process.

6.00 RECRUITMENT, EXAMINATION, & SELECTION

6.01 Recruitment & Promotion

Human Resources will prepare a job announcement to announce a proposed recruitment. The announcement may be posted on the District's website and other locations the Executive Director deems appropriate, depending upon whether the recruitment is open to the public or current employees only. The announcement will include:

- The title and pay scale for the position;
- The nature of the work to be performed and essential job duties of the position;
- The minimum qualifications, including whether the job is a promotional position;
- A statement of the employment status of the position – for cause or at-will;
- The last date that the District will accept applications, if any;
- The time, place, and type of the examination, if known, and if a medical examination, and/or a drug screen will be required following a conditional offer of employment; and
- Such other information as determined in the discretion of the Executive Director or designee.

Job applications shall require information describing an individual's training, experience, and other pertinent information as deemed necessary to assess qualifications for the job. Applicants may be required to provide supplementary information, including, but not limited to, the following: answers to job-related questions; resume; licenses; certifications; diplomas; letters of recommendation; and references. All applications must be completed in full and signed, physically or electronically, by the person applying. Human Resources will not process any application which is not fully completed and signed. Should an applicant be appointed to a position, the supplemental information shall become a part of the individual's permanent employment records.

The District may reject any application which: is not properly completed or incomplete; received after the application deadline; or indicates that the applicant does not meet the minimum qualifications for the position. Whenever an application is rejected, notice of such rejection shall be mailed or emailed to the applicant.

Examinations

The Executive Director or designee will determine the manner and methods of administering employment examinations. Examinations may consist of: written tests; oral tests; performance tests; evaluations of prior training and performance, experience and/or education; interviews; working style assessments; practical exercises; file review; or any combination thereof. The content of all examinations will be job-related and designed to test knowledge, skills or abilities that help predict successful completion of job duties.

The content of all examinations will be kept confidential prior to the administration of the examination. All applicants who are invited to the examination will be notified of the nature of the examination.

An applicant with a disability may request accommodation in an examination process. Following receipt of a request for accommodation, human resources may require additional information, such as reasonable documentation of the existence of a disability.

Failure in one part of the examination, or the failure to meet established standards described in the job announcement, may be grounds for declaring such applicant as failing in the entire examination or as disqualified for subsequent parts of an examination. Each applicant will be notified by mail whether they will continue in the examination process.

Applicants who meet the minimum qualifications and pass all examinations may be subject to a background and/or reference check.

Eligibility Lists

After completion of an open or promotional examination for a classification, human resources will prepare an eligibility list consisting of the names of candidates who passed the examination. Eligibility lists shall become effective upon the certification by human resources.

A person appearing on an eligible list will be mailed or emailed notice of their placement on the list.

A person placed on an eligibility list shall be removed from the list if they so request in writing or fails to respond to notification of an opening within five days after notification. It is the responsibility of the eligible person to keep human resources informed of their current physical or email address, or phone number.

6.02 Salary at Appointment

Salaries at appointment shall be set within the approved salary range for the classification and in accordance with District policies, and governing-body approvals. Salary placement will be based on objective, job-related factors and will not be determined by an applicant's salary history.

In determining salary at appointment, the District may consider one or more of the following factors, as appropriate to the position and consistent with law and policy:

- The employee's qualifications, education, certifications, and directly related experience
- The difficulty, complexity, and responsibilities of the position
- The District's internal equity considerations and alignment within the classification structure
- Labor market conditions and recruitment considerations
- Budgetary constraints and fiscal impact
- Applicable statutory requirements

Unless otherwise authorized, employees will normally be appointed at the minimum step or rate of the salary range for the classification. Appointment above the minimum may be approved when justified by job-related factors, recruitment needs, or other circumstances deemed appropriate by the District, consistent with this policy.

The District will not request or rely upon an applicant's salary history in determining salary at appointment, except as permitted by law. Salary placement will not be based on non-job-related factors or in a manner that results in unlawful pay disparities.

Salary at appointment must be reviewed and approved by Human Resources and the Executive Director. Placement above the minimum or outside standard practice may require additional approval by the Executive Director, as required by District policy, or resolution.

Salary determinations at appointment must be documented and supported by job-related justification. Human Resources is responsible for maintaining records related to salary placement decisions in accordance with applicable laws and records-retention requirements.

6.03 Pre-employment Physical

The District may require a pre-employment physical examination after a conditional offer of employment has been made and before the employee begins work. All pre-employment physicals will be conducted in a manner consistent with the Americans with Disabilities Act (ADA), the California Fair Employment and Housing Act (FEHA), and other applicable laws. Medical examinations will be job-related and consistent with business necessity.

Conditional Offer Requirement
A pre-employment physical may only be required after the District has extended a conditional offer of employment. The offer is contingent upon the applicant successfully completing the required pre-employment physical and any other post-offer requirements.

Scope of Examination
The pre-employment physical examination will be limited to assessing the applicant's ability to perform the essential functions of the position, with or without reasonable accommodation. The examination may include job-specific physical abilities testing, medical history review relevant to the position, and other evaluations required by law or regulation for the classification.

Medical Provider and Costs
Pre-employment physicals must be conducted by a medical provider designated or approved by the District. The District will pay for the cost of the required pre-employment physical. Time spent completing a required physical may be compensated as required by law.

Results and Confidentiality
The medical provider will report only the applicant's fitness for duty (e.g., cleared, cleared with restrictions, or not cleared) to the District. Specific medical information or diagnoses will not be disclosed to the District and will be maintained confidentially in accordance with applicable privacy laws. Medical records will be kept separate from personnel files.

Reasonable Accommodation and Interactive Process
If a pre-employment physical identifies limitations, the District will engage in the interactive process to determine whether the applicant can perform the essential functions of the position with a reasonable accommodation, unless doing so would cause undue hardship or pose a direct threat to health or safety.

Failure to Pass or Incomplete Examination
An applicant who fails to complete or pass a required pre-employment physical may have the conditional offer withdrawn. Decisions will be made on a case-by-case basis and in compliance with applicable law. Applicants may be given the opportunity to provide additional information or clarification from the medical provider, as appropriate.

6.04 Nepotism Policy

The District prohibits employment practices that result in favoritism, preferential treatment, or conflicts of interest due to familial or close personal relationships. Employment decisions—including hiring, promotion, supervision, discipline, evaluation, compensation, and termination—must be made objectively and without regard to personal relationships.

Definition of Covered Relationships
For purposes of this policy, "family member" includes, but is not limited to, a spouse, domestic partner, parent, child, sibling, grandparent, grandchild, aunt, uncle, niece, nephew, in-law, step-relative, or any person residing in the same household. The policy also applies to close personal or romantic relationships when such relationships create, or reasonably appear to create, a conflict of interest or the appearance of favoritism.

Prohibited Conduct
Employees may not directly or indirectly supervise, manage, evaluate, discipline, or influence the employment terms or conditions of a family member or a person with whom they have a close personal or romantic relationship. Employees may not participate in or influence decisions affecting the hiring, promotion, transfer, compensation, discipline, or termination of such individuals.

Employment of Related Individuals
The District does not prohibit the employment of individuals who are related or have a close personal relationship, provided that no conflict of interest exists and one individual does not have direct or indirect authority over the other. When a potential conflict arises, the District may take reasonable steps to eliminate the conflict, which may include reassignment, transfer, or modification of reporting relationships, consistent with operational needs.

Disclosure Requirement
Employees are required to promptly disclose any familial, romantic, or close personal relationship that could reasonably give rise to a conflict of interest or the appearance of favoritism. Disclosure must be made to Human Resources or another designated official.

Corrective Action

If a prohibited relationship or conflict of interest is identified, the District will determine appropriate corrective action to resolve the conflict. Failure to disclose a covered relationship or violation of this policy may result in disciplinary action, up to and including termination, consistent with applicable law, and due-process requirements.

6.05 Fingerprinting & Background Checks

After the District makes a conditional offer of employment, the Executive Director or designee may then request information about criminal convictions, except for misdemeanor marijuana-related convictions that are over two years old, or convictions that have been judicially sealed, eradicated, or expunged. Unless required by law, the District will not deny employment to any applicant solely because they have been convicted of a crime. The District may, however, consider the nature, date and circumstances of the offense, evidence of rehabilitation, as well as whether the offense is relevant to the duties of the position.

6.06 Criminal Conduct

The District expects employees to conduct themselves in a lawful manner both on and off duty. Criminal conduct may adversely affect an employee's ability to perform their duties, compromise workplace safety, undermine public confidence, or expose the District to legal or operational risk. The District will address criminal conduct in a manner that is fair, job-related, consistent with due process, and compliant with applicable law.

Reporting Criminal Conduct

Employees are required to promptly notify their supervisor or Human Resources if they are arrested for, charged with, or convicted of a criminal offense that may be related to their job duties, the safety of others, or the District's operations. Failure to report required information may result in disciplinary action. Nothing in this policy requires disclosure of arrests or detentions that are not required to be disclosed by law.

Consideration of Criminal History

The District will comply with all applicable laws governing the use of criminal history information, including the Fair Chance Act. Criminal history will be considered only to the extent permitted by law and only when it is job-related and consistent with business necessity. The District will not take adverse action based on information that is prohibited from consideration under law. Certain airport security sensitive roles follow Federal aviation security requirements such that criminal backgrounds may be disqualifying. If employment requires a security credential or similar circumstance, the Federal law or regulations may require a criminal history review notwithstanding the Fair Chance Act (California).

On-Duty Criminal Conduct

Criminal conduct occurring during work hours, on District property, or while performing District business is a serious violation of this policy and may result in disciplinary action, up to and including termination, consistent with applicable law, and due-process requirements.

Off-Duty Criminal Conduct

Off-duty criminal conduct may be subject to review when it has a nexus to the employee's job duties, affects the employee's ability to perform essential functions, poses a risk to workplace or public safety, undermines public trust, or interferes with District operations. Each situation will be evaluated on a case-by-case basis.

Investigation and Administrative Action

When criminal conduct is alleged or known, the District may place an employee on administrative leave or take other non-disciplinary measures while reviewing the matter, consistent with law and District policy. The District may conduct an administrative investigation independent of any criminal proceeding.

Discipline and Due Process
Substantiated violations of this policy may result in disciplinary action, up to and including termination, consistent with applicable law, and due-process requirements. Discipline will be based on the facts, job-relatedness, severity of the conduct, and any mitigating or aggravating circumstances.

Non-Retaliation
The District prohibits retaliation against any employee who reports criminal conduct in good faith or participates in an investigation related to this policy.

6.07 Appointments from Eligibility List

The Executive Director or designee will make all appointments except for those classifications that report to the governing body. The Executive Director or designee has discretion to decide in what manner a vacancy shall be filled. Vacancies may be filled by reinstatement, promotion, transfer, demotion, appointment of temporary/seasonal employees, or from an appropriate eligibility list if available. No specific list shall have priority over other lists. The District's governing board will make appointments for those classifications that report to it.

When a position is to be filled from a promotional or open eligibility list, the Executive Director or designee may choose from the specified list one of the top three candidates on the eligibility list. If no person among the top three candidates indicates a willingness to accept the appointment, the Executive Director or designee make the appointment from among the remaining names on the eligibility list, may request a new examination and establish a new eligibility list, or may fill the position by any other method authorized by these Policies.

Appointment to certain positions may be made contingent upon the applicant/employee passing a drug/alcohol test, and/or a job-related medical and/or psychological examination. Such examination shall only be required after a conditional offer of employment has been made.

The person accepting appointment shall report to the Executive Director or designee on the date designated by the Executive Director or designee**.** Otherwise, the applicant shall be deemed to have declined the appointment.

The probationary period is part of the examination process and is used to determine whether work performance or work-related behavior meets the required standards of the position. A probationary employee may be rejected at any time during the probationary period with or without cause or reason, without notice or appeal or grievance, and without any rights set forth under Policy 1002, Causes for Discipline and Procedures. The probationary employee will be notified prior to the expiration of the probationary period that they have been rejected from probation.

Length of Probation: Unless otherwise specified by policy, the probationary period is **[12]** months of actual and continuous service. The probationary period is automatically extended by the length of any absence of one workweek or more. The probationary period can also be extended by the District at the discretion of the Executive Director or their designee.

6.08 Interim Appointments

The District may utilize Interim Appointments, Acting Appointments, and Working Out of Class (WOC) Assignments to address temporary operational needs. These assignments are distinct and serve different purposes:

Interim Appointment
An Interim Appointment occurs when an employee is temporarily assigned to fill a vacant position pending recruitment, permanent appointment, organizational restructuring, or other management action. The position is generally vacant and the employee assumes responsibility for the position on a temporary basis. An Interim Appointment does not confer permanent status in the position and does not guarantee appointment to the position on a permanent basis.

Acting Appointment
An Acting Appointment occurs when an employee is temporarily assigned to perform the duties of a position whose incumbent remains employed by the District but is unavailable to perform the duties of the position due to leave, temporary assignment, military leave, extended absence, or similar circumstances. Acting Appointments are intended to provide continuity of operations during the incumbent's absence and end upon the incumbent's return or at the District's discretion.

Working Out of Class (WOC) Assignment
A Working Out of Class Assignment occurs when an employee is temporarily assigned to perform substantially all of the duties of a higher-allocated classification for a period exceeding ten (10) consecutive working days. WOC assignments are intended to address temporary operational needs and are subject to the eligibility requirements, compensation provisions, and duration limitations established in Section 6.10. WOC assignments do not constitute promotions and are generally subject to review after one hundred eighty (180) days.

6.09 Acting Appointments

An Acting Appointment occurs when an employee is temporarily assigned to perform the duties of a position whose incumbent remains employed by the District but is unavailable to perform the duties of the position due to leave, temporary assignment, military leave, extended absence, or similar circumstances.

Acting Appointments are intended to ensure continuity of operations during the incumbent's absence and do not constitute a promotion, reclassification, or permanent appointment.

Acting Appointments are temporary in nature and may be ended at any time at the discretion of the District based on operational needs.

Upon conclusion of an Acting Appointment, the employee shall return to their regular classification, position, and duties unless otherwise appointed by the District.

An Acting Appointment does not create a right to permanent appointment, continued assignment, or any employment right beyond those expressly provided by District policy.

Compensation associated with Acting Appointments shall be governed by Section 12.08, Acting Assignment Pay.

6.10 Working Out of Class

Working Out of Class (WOC) assignments may be authorized when an employee is temporarily assigned to perform substantially all of the duties of a higher-allocated classification due to operational need. WOC assignments are temporary in nature and do not constitute a promotion, reclassification, or permanent appointment, nor do they create an entitlement to continued assignment.

Definition of Working Out of Class
An employee is considered to be Working Out of Classification (WOC) when the employee is temporarily assigned to and performs significantly all of the duties of a higher-allocated classification whose salary range is at least five percent (5%) higher than the employee's regular classification.

Eligibility Criteria
To qualify for a WOC assignment, all of the following conditions must be met:

- The assignment involves performance of significantly all of the duties of a higher-allocated classification;
- The higher classification's salary range is at least five percent (5%) greater than the employee's current classification;
- The assignment exceeds ten (10) consecutive working days; and
- The assignment is formally authorized by the District.

Unauthorized assumption of higher-level duties does not create eligibility for WOC status or compensation.

Duration and Review
Working Out of Class assignments are temporary and time-limited. At one hundred eighty (180) days, the assignment shall be reviewed by the District to determine whether continuation is appropriate. The District reserves the right to end a WOC assignment at any time based on operational needs, performance considerations, or organizational changes.

Employment Status and Protections
A Working Out of Class assignment:

- Does not change the employee's official classification; and
- Does not alter the employee's benefits, leave accruals, or seniority, except as required by law.

Employees participating in a WOC assignment shall not receive an unsatisfactory performance evaluation solely as a result of participation in the assignment. Failure to successfully complete a WOC assignment shall not adversely affect the employee's permanent classification, employment status, or standing with the District.

If an employee is removed from a WOC assignment due to performance concerns, the employee shall be returned to their official classification and regular duties and shall not be subject to disciplinary action or an unsatisfactory performance evaluation based solely on performance in the WOC assignment.

WOC assignments are temporary and are not promotions. The District retains the right to:

- Assign, modify, or discontinue WOC assignments;

- Determine when duties constitute “significantly all” of a higher classification; and
- Make final determinations regarding assignment duration and continuation.

6.11 Special Assignment Pay

Special Assignment Pay may be authorized when a District employee is temporarily assigned to perform duties that are significantly beyond the normal scope and responsibilities of their classification and that constitute more than a majority of the employee’s assigned work time. Special Assignment Pay is intended to address extraordinary, time-limited circumstances and does not constitute a promotion, reclassification, or permanent change in classification.

Definition of Temporary Special Assignment
A Temporary Special Assignment occurs when an employee is formally directed by the District to perform work that meets all of the following criteria:

- The duties are significantly beyond the normal scope and responsibilities of the employee’s classification;
- The assignment arises from departmental staffing changes, organizational restructuring, or operational needs, or involves a defined special project or initiative;
- The assignment is temporary and time-limited in nature; and
- The assignment comprises more than fifty percent (50%) of the employee’s assigned work time during the assignment period.
- A special assignment may also occur when an employee is assigned to work a special event on the Airport property or at a District-related function.

Eligibility and Authorization
Eligibility for Special Assignment Pay shall be determined by the District based on operational need and the nature of the assignment. Participation in a Temporary Special Assignment is not voluntary and must be formally directed and approved in advance by the District, in consultation with Human Resources. Unauthorized assumption of additional duties does not create an entitlement to Special Assignment Pay.

Exclusions
Special Assignment Pay is not intended for and will not be authorized for:

- Temporary coverage of routine absences, including vacation, sick leave, or other short-term leave;
- Short-term, incidental, or intermittent additional duties; or
- Situations more appropriately addressed through Working Out of Class appointments, Interim or Acting appointments, or other compensation mechanisms provided by policy.

6.12 Transfer

The District may authorize voluntary or involuntary transfers based on operational needs, employee requests, or other legitimate business reasons. Transfers are not disciplinary unless expressly stated and shall be administered in a fair, consistent, and lawful manner. Nothing in this policy limits the District’s management rights or authority to assign work.

Voluntary Transfers
A voluntary transfer occurs when an employee requests to move from one position, department, or work location to another position at the same classification or a comparable classification, with the approval of the District.

Eligibility and Consideration
Employees may request a voluntary transfer when a vacancy exists or when permitted by District policy. Approval of a voluntary transfer is not guaranteed and is subject to operational needs, employee qualifications, performance history, and the District's staffing requirements.

Compensation and Status
Unless otherwise provided by an applicable policy, a voluntary transfer within the same classification does not result in a change to salary, step placement, benefits, or seniority. Transfers to a different classification shall be subject to the District's salary-setting policies.

Selection Process
The District may establish a competitive or non-competitive process for voluntary transfers, consistent with applicable recruitment procedures.

Involuntary Transfers
An involuntary transfer occurs when the District directs an employee to move to a different position, department, or work location without the employee's request, based on operational or organizational needs.

Grounds for Involuntary Transfer
Involuntary transfers may be implemented for reasons including, but not limited to:

- Operational or staffing needs
- Organizational restructuring or reorganization
- Reduction in force, reassignments, or realignment of services
- Medical or safety-related considerations
- Performance or conduct concerns when a transfer is deemed appropriate and non-disciplinary

Notice and Implementation
The District will provide reasonable notice of an involuntary transfer when practicable. Transfers will be implemented in a manner that minimizes disruption while meeting operational needs.

Compensation and Status
Unless otherwise required by law, an involuntary transfer within the same classification does not result in a reduction in base salary, step placement, or benefits. Transfers to a lower or higher classification, if applicable, shall be administered in accordance with the District's compensation and classification policies.

6.13 Promotion

At-Will Status: A promotional probationary employee may be rejected at any time during the promotional probationary period with or without cause or reason, without notice or appeal or grievance, and without any rights described in Policy 1002, Causes for Discipline and Procedures. If the employee fails to satisfactorily complete the probationary period in the promotional position, the employee may return to the position held prior to promotion at the range and step held prior to promotion, if there is a vacancy in the prior position, unless they are terminated for cause.

Length of Probation: On accepting a promotion, an employee serves a new probationary period of 12-months of actual and continuous service. The probationary period is automatically extended by the length of any absence of a week or more.

6.14 Demotion

The District may implement voluntary or involuntary demotions for legitimate business reasons. Demotions will be administered in a fair, consistent, and lawful manner and in accordance with due-process requirements, where applicable. Nothing in this policy limits the District's management rights or authority to assign work or manage operations.

Voluntary Demotions
A voluntary demotion occurs when an employee requests placement into a lower-allocated classification and the request is approved by the District.

Eligibility and Approval
Voluntary demotions may be considered when:

- A vacancy exists or a position is otherwise available;
- The employee meets the minimum qualifications for the lower classification; and
- The demotion is consistent with operational needs.

Approval of a voluntary demotion is not guaranteed and is subject to District discretion.

Compensation and Status
Unless otherwise provided by an applicable policy, an employee voluntarily demoted shall be placed within the salary range of the lower classification in accordance with the District's salary-setting rules. Step placement may be based on prior service, internal equity, or other job-related factors. Benefits, leave accruals, and seniority shall be governed by applicable law.

Effect on Employment
A voluntary demotion does not constitute disciplinary action and does not, by itself, reflect negatively on the employee's performance record.

Involuntary Demotions
An involuntary demotion occurs when the District assigns an employee to a lower-allocated classification without the employee's request. An involuntary demotion may occur for disciplinary or non-disciplinary reasons and does not include an employee's return to a previously held classification following rejection during a promotional probationary.

Grounds for Involuntary Demotion
Involuntary demotions may be implemented for reasons including, but not limited to:

- Performance deficiencies or misconduct when demotion is determined to be an appropriate form of discipline;
- Medical, safety, or fitness-for-duty considerations that prevent the employee from performing the essential functions of the current position, with or without reasonable accommodation;
- Organizational restructuring, reclassification, reduction in force, or elimination of positions; or
- Other legitimate operational or business reasons consistent with applicable law and District policy.

Non-Disciplinary Demotions
An involuntary demotion implemented for medical, organizational, operational, or other non-disciplinary reasons shall not be considered disciplinary action. The District will engage in any

required interactive process, provide applicable notices, and comply with all legal requirements before implementing a non-disciplinary demotion.

Promotional Probation
An employee who is rejected during a promotional probationary period may be returned to a classification previously held if the classification is vacant in accordance with District policy.

Due Process
When an involuntary demotion constitutes disciplinary action or affects a vested property interest, the District shall provide applicable due process, including notice of the proposed action, an opportunity to respond, and any appeal rights provided by law, policy, resolution, or applicable agreement.

Compensation and Status
Employees involuntarily demoted shall be placed within the salary range of the lower classification in accordance with District policy, salary resolutions, and applicable agreements. Benefits, leave accruals, seniority, and other employment rights shall be administered consistent with applicable law and District policy.

7.00 PROBATIONARY PERIOD

7.01 Purpose

The purpose of this policy is to establish a probationary period for new and newly appointed employees to evaluate performance, conduct, and suitability for the position. The probationary period provides the District with an opportunity to assess whether an employee meets the standards and expectations of the position and to determine whether regular employment status is appropriate.

This policy applies to all employees appointed to positions subject to probation, whether represented or unrepresented, unless otherwise provided by law, employment agreement, or District resolution.

During the probationary period, the District will evaluate the employee’s performance, work habits, conduct, attendance, and overall suitability for the position.

7.02 Period of Probation

The probationary period for eligible positions shall be twelve (12) consecutive months from the employee’s date of appointment. The probationary period applies to:

- New hires;
- Promotions;
- Reclassifications; and
- Transfers to positions designated as requiring a probationary period, as applicable.

Time on approved paid or unpaid leave may not count toward completion of the probationary period if the leave significantly interrupts the District’s ability to evaluate the employee’s performance, as determined by the District.

7.03 Extension of Probation

The District may extend the probationary period when additional time is needed to evaluate performance, or when the probationary period has been interrupted by extended leave or other circumstances. Any extension will be communicated in writing to the employee and will specify the length and reason for the extension.

7.04 Probationary Release

The probationary period is considered an extension of the selection process and provides the District with an opportunity to evaluate an employee's performance, conduct, attendance, work habits, and overall suitability for the position. Successful completion of probation is required before an employee attains regular status in the classification.

Employees serving an initial probationary period or a promotional probationary period do not have a vested property right in continued employment in the probationary position. The District may release an employee from probation at any time during the probationary period for reasons related to performance, conduct, attendance, work habits, or overall suitability for the position, consistent with applicable law.

Initial Probationary Employees
An employee serving an initial probationary period who does not successfully complete probation may be separated from District employment. Such separation shall not be considered disciplinary action and shall not be subject to the disciplinary procedures applicable to employees who have attained regular status, except as otherwise required by law.

Promotional Probationary Employees
An employee serving a promotional probationary period who does not successfully complete probation may be returned to a classification previously held in which the employee had attained regular status, subject to the availability of return rights under District policy. A return to a previously held classification following rejection during promotional probation shall not be considered a demotion or disciplinary action.

Notice of Release
The District will provide written notice of probationary release or rejection during probation. The notice may identify the reasons for the release or rejection and the effective date of the action.

Effect of Successful Completion
Upon successful completion of the required probationary period, the employee shall attain regular status in the classification, subject to District policy and applicable law.

No Property Interest
Nothing in this section shall be construed as creating a property interest in continued employment or continued appointment to a probationary position. The District retains the discretion to release an employee from probation in accordance with applicable law.

8.00 LEARNING & ORGANIZATIONAL DEVELOPMENT

8.01 Purpose

The District is committed to supporting learning and organizational development opportunities that enhance employee knowledge, skills, abilities, leadership capacity, and overall organizational effectiveness. Learning and development initiatives are intended to improve employee performance, strengthen service delivery, support succession planning, promote workplace safety and regulatory compliance, and advance the District's strategic goals.

The District recognizes that a skilled and engaged workforce is essential to effective public service. Learning and organizational development activities are intended to enhance job-related knowledge, skills, and abilities; support succession planning; promote equity, safety, and compliance; and strengthen organizational performance. Participation in training may be mandatory or voluntary, depending on the nature of the training and operational requirements.

8.02 Training

The District may provide or support training, education, conferences, workshops, certifications, professional association activities, coaching, mentoring, cross-training, leadership development programs, and other learning opportunities that are determined to be job-related and beneficial to District operations.

Eligibility for District-supported learning and development opportunities on factors including, but not limited to:

- Job relevance;
- Operational necessity;
- Budget availability;
- Employee performance and development needs;
- Succession planning objectives; and
- Equitable access to training opportunities.

Employees are expected to actively participate in required training programs and apply acquired knowledge and skills to their work responsibilities.

Participation in District-funded or District-sponsored training, conferences, seminars, professional association activities, or educational programs requires advance supervisory approval and may require approval from Human Resources, the Department Head, or the Executive Director, as applicable. Approval is subject to operational requirements, staffing availability, budget considerations, and alignment with District priorities.

The District may establish administrative procedures governing training requests, reimbursement of expenses, travel authorization, conference attendance, certification programs, tuition assistance, professional memberships, and related matters.

Employees may be required to share knowledge, information, or skills obtained through District-funded training with coworkers, departments, or work groups when determined to be beneficial to District operations.

Employees attending approved training activities are expected to comply with all applicable District policies, including travel, expense reimbursement, attendance, conduct, and timekeeping requirements.

Time spent attending required training shall be compensated in accordance with applicable federal and state laws. Compensation for travel time, overtime, meal periods, lodging, and other training-related matters shall be administered in accordance with District policy and applicable law.

Nothing in this policy creates an entitlement to training, conference attendance, professional memberships, educational reimbursement, or any specific learning opportunity. The District reserves the right to approve, deny, modify, limit, or discontinue any learning and development activity based on operational, budgetary, or organizational needs.

8.03 Training & Travel Reimbursement

The District supports employee participation in job-related training, conferences, seminars, and professional development activities that enhance employee skills and support operational needs. Attendance at training and related travel must be approved in advance by the employee's supervisor and is subject to budget availability and applicable District policies.

Reimbursement for training-related expenses, including registration fees, travel, lodging, and meals, will be provided in accordance with the Finance and Accounting Policy Manual, Section 18.03 of this document and Internal Revenue Service (IRS) accountable plan requirements. Only reasonable, necessary, and properly documented expenses incurred for approved District business will be reimbursed, and reimbursements will be made in a manner intended to remain non-taxable to the extent permitted by IRS regulations.

Time spent in required training shall be considered hours worked and compensated in accordance with applicable law. Participation in training does not guarantee promotion, reclassification, or salary advancement. The District reserves the right to modify or discontinue training or reimbursement practices as operational needs or legal requirements change.

9.00 PERFORMANCE EVALUATIONS

9.01 Employee Performance Evaluation

A non-probationary employee's supervisor will prepare and sign a performance evaluation on a District form for each performance evaluation period. Department Head will review and approve all performance evaluations of subordinates in their department. The Executive Director will review and approve all performance evaluations of Department Head or any other employees under their direct supervision. Additional performance evaluations may be prepared at any time it is deemed necessary.

Probationary Performance Evaluation
On or about the completion of three (3) months of a probationary period, and again at any point prior to separation or the successful completion of the probationary period (8-months), the probationary employee's supervisor will prepare and sign a performance evaluation. The purpose of the probationary performance evaluation is to chart the probationer's progress toward meeting the standards of their position.

The supervisor will meet with the employee to discuss the evaluation. The employee shall sign the evaluation to acknowledge its contents and that they have met with their supervisor to discuss the evaluation. The employee's signature shall not mean that they endorse the contents of the evaluation.

An employee does not have the right to appeal or submit a grievance regarding any matter relating to the content of a performance evaluation. Instead, the employee may comment on the evaluation in a written statement which will then be placed with the evaluation in the employee's personnel file. The written statement must be submitted within 10 days after the employee receives the evaluation.

10.00 ATTENDANCE & HOURS WORKED

10.01 Work Schedules

Work schedules are determined at the discretion of the Department Head and are subject to change with or without notice, according to the needs of the department or District. Employees shall be in attendance and at their designated work site during the hours specified by the supervisor.

10.02 Overtime

For purposes of applying the overtime requirements of the FLSA, all Employees who are not considered exempt from FLSA, the Work Week Period begins Sunday at 12:00 am and ends on Saturday at 11:59 pm. Time worked over 40 hours within each work week will be eligible for overtime and must be approved as specified in writing by the Executive Director or their designee.

A. FLSA Overtime
The District shall fully comply with the provisions of FLSA with respect to all Employees who are not considered exempt from FLSA overtime pay requirements. Employees entitled to overtime pursuant to FLSA may be compensated in the form of pay. Any Regular Employee who believes they are entitled to, but has not received, overtime pursuant to FLSA shall immediately notify their Supervisor. The Employee's Supervisor shall have the authority to approve payment of overtime. In the event the Supervisor does not approve the request for overtime, the Supervisor shall promptly communicate the request to the Department Head who shall notify Human Resources and the Executive Director. The Department Head shall respond to the Employee, in writing, within ten (10) working days and shall promptly take any action necessary to comply with FLSA.

B. Non FLSA Overtime
Regular Employees may be entitled to overtime without regard to FLSA based upon provisions of the applicable Salary and Benefit Resolution. Any Regular Employee who believes he/she may be entitled to overtime pursuant to the provisions of an Salary and Benefit Resolution shall immediately notify their Supervisor. The Supervisor shall have the authority to approve the request for payment of the overtime. In the event the Supervisor does not approve the request for overtime, the Supervisor shall promptly notify the Department Head who shall immediately notify Human Resources and the Executive Director. The Department Head shall respond to the Employee's request within ten (10) working days and promptly take corrective action.

10.03 Time Recording

All Employees must complete electronic time entries in the District's Employee Self Service (ESS) showing hours worked and leave taken. The Supervisor or Department Head shall approve the time worked through the ESS system which will generate a attendance recording. Where required, the ESS recorded times will be reviewed and audited by the Finance Department. Notice of any correction(s) to the recorded time will be sent to the Employee and the Department Head. Corrections shall be deemed final unless the Employee files an objection with the Executive Director within thirty (30) Days after notice of the correction has been given to the Employee. The determination of the Executive Director shall be final.

10.04 Lunch and Meal Periods

A one (1) hour non-compensated meal period will be provided to all non-exempt and full-time overtime-eligible employees who work at least an eight-hour workday. A 30-minute non-compensated meal period will be provided to all overtime-eligible full-time employees who work more than five (5) hours, but less than eight (8) hours during the workday. Overtime-eligible employees are responsible for taking their meal period at a time designated by their supervisor or manager.

10.05 Rest Period

A 15-minute compensated rest period will be provided for all non-exempt and overtime-eligible employees for each four-hour period of service. The rest period shall be taken at a time designated by the employee's supervisor or manager. Rest periods may not be combined to shorten the workday or to extend the meal period.

An overtime-eligible employee and a non-exempt employee is required to seek advance permission from their supervisor for any foreseeable absence or deviation from regular working, break, or mealtimes.

10.06 Absence

An employee who is unexpectedly unable to report for work as scheduled must notify their immediate supervisor or manager at least two (2) hours prior to no later than the beginning of the employee's scheduled work time or as soon as reasonably possible and report the expected time of arrival or absence. If the immediate supervisor or manager is not available, the employee must notify the Department Head.

10.07 Unauthorized Absences

Arriving late to work or leaving early in connection with scheduled work times, breaks, or meal periods is prohibited, absent authorization. An overtime-eligible employee or non-exempt employee who fails to timely notify the supervisor of any absences as required by this policy, or who is not present and ready to work during all scheduled work times will be deemed to have an unauthorized tardy or absence and will not receive compensation for the period of absence.

10.08 Excessive Tardiness & Absenteeism

Excessive tardiness occurs when an employee who, without authorization, is late to work or late to return from breaks more than three times during any 30-day period. Excessive absenteeism occurs when the number of unapproved absences for reasons that are not permitted by federal or state law, exceeds three (3) days in any three (3) month period. Excessive tardiness or absenteeism may be grounds for discipline, up to and including termination.

Abuse of leave is a claim of entitlement to leave when the employee does not meet the necessary eligibility criteria, and may be grounds for discipline, up to and including termination. Should the District suspect that there is an abuse of leave by an employee, the District may require that the employee submit medical certification and/or other supporting documentation to justify absences.

10.09 Job Abandonment

An employee is deemed to have resigned from their position if they are absent for five (5) consecutive scheduled work days/shifts without prior authorization and without notification during the period of the absence. The employee will be given written notice, at their address of record, of the circumstances of the job abandonment, and an opportunity to provide an explanation for the employee's unauthorized absence. An employee who promptly responds to the agency's written notice, within the timeframe set forth in the written notice, can arrange for an appointment with the Executive Director before final action is taken, to explain the unauthorized absence and failure of notification. An employee separated for job abandonment will be reinstated upon proof of justification for such absence, such as severe accident, severe illness, false arrest, or mental or physical impairment which prevented notification. No employee separated for job abandonment has the right to a post-separation appeal.

11.00 BENEFITS

11.01 Benefits Policy

The District provides a comprehensive health and welfare benefits system for full-time benefit eligible employees and their dependents, including registered domestic partners. Benefit options, eligibility, and cost are described in the Your Benefits Guide, which is available on the District's website.

The District offers a variety of health plan options based on individual needs, including:

a. Medical Insurance
b. Dental Insurance
c. Vision Insurance
d. Basic Life Insurance
e. Long-term Disability Insurance
f. Flexible Spending Account
g. Dependent Care Spending Account

The guide outlines and compares the health plan options, cost and enrollment requirements.

Employees have 60 days from their date of hire to elect healthcare benefits. Employees who do not enroll or elect to decline coverage within 60 days of date of hire, will not be able to make changes until the District's open enrollment period or if a qualified change in status as defined by Internal Revenue Code 125 (IRC125).

Employees are eligible to commence coverage beginning the first of the month immediately following their date of hire.

11.02 Health & Welfare

The District provides a comprehensive health and welfare benefits system for regular (non-hourly) District employees and their dependents, including registered domestic partners. District-paid benefit amounts may include:

- Medical Insurance
- Dental Insurance
- Vision Insurance
- Basic Life Insurance

- Long-term Disability Insurance

The details of insurance coverage are explained during District Employee Orientation and in materials available from the Administrative Services Department. New employees must register for insurance benefits no later than 31 days after their hire date. Benefits are effective the first of the month following employment. Every year, during the fall Open Enrollment, employees may make new health insurance selections for the upcoming calendar year.

11.03 Employee Assistance Program

The District endeavors to provided coverage for all benefit eligible employees under the Employee Assistance Program (EAP). The purpose of this program is to provide limited confidential counseling services to help employees and their dependents deal with various on- and off- work issues. This program provides free confidential sessions with a trained/licensed counselor.

11.04 Retirement

The District offers a defined benefit plan through the California Public Employees' Retirement System (CalPERS). CalPERS is a defined benefit plan funded by employee contributions, employer contributions, and earnings made on CalPERS investments. Employees contribute a percentage of their salary, which accrues interest under their individual CalPERS account.

There are three types of retirement benefits elections: service retirement, disability retirement, or industrial disability retirement. Upon employment as a regular employee, you become a member of CalPERS.

Regular employees and hourly employees who work 1,000 hours or more in a fiscal year are enrolled in the California Public Employees Retirement System (PERS). Vesting in the PERS retirement plan requires five years of service in a PERS agency to retire. The employee must be at least fifty (50) years of age unless retirement is for disability.

The District participates in two benefit categories. The Miscellaneous Classic formula is 2% at 55 and is available to employees who have been members of CalPERS (or a reciprocal retirement system) prior to January 1, 2013 and have not had a break in service for more than 6 months. Employees covered under this formula must contribute 7% of their regular pay. The second formula, 2% at 62, started on January 1, 2013 as part of the Public Employees Pension Reform Act (PEPRA). Employees that are not covered under the Classic formula are covered under PEPRA. Employee contributions fluctuate based on the funding of the plan.

To view the current employee contribution rates visit the CalPERS website:
https://www.calpers.ca.gov/page/employers/policies-and-procedures/pension-reformimpacts/public-agency-pepra-member-contributions

Eligible employees are required to participate in the CalPERS retirement system. In the event that a retired annuitant is hired by the District, they may not exceed 960 hours of work within a fiscal year (July 1-June 30).

CalPERS provides for retirement benefits and disability protection when a member meets the plan requirements. Employer contributions are not refundable under any circumstance. Employees are vested with a minimum of five years of service under the plan.

If a member terminates service without retiring, accumulated contributions, with earned interest, are refundable upon request through CalPERS. Annual benefit statements are provided by

CalPERS to participating members. Employees may request an estimate of benefits from the retirement system at any time to obtain an approximate projected retirement benefit figure.

Enrollment and benefits forms are available through the District and CalPERS. It is the employee's individual responsibility to keep information on file up to date related to their retirement account as to name, address and beneficiary(s). An employee can create an online account with CalPERS for self-management:
https://my.calpers.ca.gov/web/ept/public/systemaccess/registration/viewSecurityAgreement.html

Employees who plan to retire from the system are encouraged to contact CalPERS at least 90 days in advance of the anticipated retirement date to secure an estimate of benefits information and to finalize the retirement date. This action should also be coordinated with Human Resources.

11.05 Retiree Health

The District contributes toward medical plans for retirees. The contributions vary according to the date the employee was hired, whether the employee has dependents, and whether the retiree is eligible for Medicare. Details are provided in the Resolutions. District employees are required to participate in Medicare, and Social Security. To determine how this might affect your eligibility for Social Security benefits, contact the local Social Security office.

11.06 Deferred Compensation

The District offers a supplemental retirement plan which allows eligible employees the opportunity to contribute towards tax-defer savings up to the statutory limit each year. The 457 plan is administered under the rules and regulations set forth in the Internal Revenue Code Section 457. Contributions to deferred compensation are employee contributions. All contributions to deferred compensation are not subject to income taxation.

11.07 Holidays

Regular and probationary full-time employees shall be entitled to take the following authorized holidays at full pay:

Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday following Thanksgiving
Christmas Eve
Christmas Day
New Year’s Day
Martin Luther King Jr. Day
Presidents Day
Memorial Day
Juneteenth Independence Day

Holidays on Saturday or Sunday When a holiday falls on Sunday, the following Monday shall be observed. When a holiday falls on Saturday, the previous Friday shall be observed.

Holiday-In-Lieu-Pay

The District recognizes that certain operational functions require staffing on holidays or schedules that do not align with standard Monday through Friday work schedules. To provide equitable holiday compensation and benefits, eligible shift personnel may receive Holiday-In-Lieu Pay.

Eligible shift personnel who are regularly scheduled to work on a recognized District holiday, or whose work schedule does not permit practical observance of the holiday, may receive Holiday-In-Lieu compensation or leave in lieu of receiving the holiday off.

The District may administer Holiday-In-Lieu benefits in one or more of the following forms:

- Additional straight-time pay;
- Holiday premium pay;
- Floating holiday leave bank;
- Holiday-In-Lieu accrual hours; or
- Other approved compensation methods consistent with applicable law and labor agreements.

Employees required to work on a District holiday due to operational necessity may receive compensation consistent with applicable Fair Labor Standards Act (FLSA) requirements, District compensation plans, and applicable labor agreements.

Nothing in this policy guarantees employees time off on the actual holiday date.

11.08 Paid Time Off Benefits

The District provides eligible employees with paid time off benefits, including vacation leave, sick leave, and other authorized paid time off benefits, in accordance with applicable District policies and Board-approved resolutions. Employees should refer to Section 13 Leaves, for details regarding eligibility, accruals, usage, and administration of paid time off benefits.

11.09 Parking

District parking facilities are provided primarily to support District operations and public access. Use of District parking is a privilege, not a guaranteed benefit, and is subject to availability, operational needs, and compliance with this policy.

Parking spaces may be designated for specific purposes, including but not limited to:

- Employee parking
- Visitor or public parking
- Accessible parking
- Reserved or assigned parking
- District vehicle parking

Employees must park only in areas designated for employee use and comply with posted signage and parking restrictions.

The District may assign or reserve parking spaces based on operational needs, job requirements, accessibility accommodations, or other legitimate business reasons. Assigned parking may be modified or revoked at any time based on District needs.

Employees may not:

- Park in restricted, fire, or accessible spaces without proper authorization
- Use District parking spaces for non-District business or long-term storage of personal vehicles without advance approval
- Park vehicles in a manner that obstructs traffic, access, or emergency routes

Failure to comply with this policy or posted parking regulations may result in corrective action, including warnings, revocation of parking privileges, citation, or towing at the vehicle owner's expense, consistent with applicable law.

The District is not responsible for loss, theft, or damage to vehicles or personal property parked in District facilities, except as required by law.

11.10 Education Reimbursement

The District may provide reimbursement for approved educational courses, degree programs, certificate programs, professional certifications, licensure programs, and continuing education opportunities that are directly related to an employee's current position, career development within the District, succession planning objectives, or identified organizational needs.

Participation in the Education Reimbursement Program is voluntary, discretionary, and subject to prior approval. Approval is based on factors including job relevance, operational needs, budget availability, employee performance, and the anticipated benefit to the District.

Eligible educational activities may include, but are not limited to:

- Accredited college or university courses;
- Degree or certificate programs;
- Job-related professional certifications or licensure programs;
- Continuing education units (CEUs) required to maintain professional credentials; and
- Other educational programs approved by the District.

Educational programs must be relevant to District operations and reasonably expected to enhance the employee's knowledge, skills, abilities, or effectiveness in performing assigned duties.

The Education Reimbursement Program is not intended to cover:

- Courses unrelated to the employee's position or career path within the District;
- Fees, penalties, interest charges, or late fees;
- Travel, lodging, meals, or other incidental expenses unless separately authorized;
- Educational programs undertaken solely to meet minimum qualifications for initial employment; or
- Expenses not approved in advance by the District.

Employees seeking reimbursement must submit a written request for approval before enrolling in the course or program. Requests should include a description of the course or program, its relevance to the employee's position or career development, anticipated enrollment dates, and estimated costs.

To qualify for reimbursement, employees must successfully complete the approved course or program and provide documentation satisfactory to the District, which may include transcripts, certificates of completion, proof of attendance, receipts, or other supporting documentation. Unless otherwise approved by the Executive Director, successful completion generally requires a passing grade of "C" or higher, or a passing designation for programs that are not graded.

The District may reimburse approved tuition, enrollment fees, required books, required instructional materials, certification examination fees, and other eligible educational expenses as determined by the District.

Unless otherwise authorized by the Executive Director, the maximum reimbursement available to an employee shall not exceed Five Thousand Two Hundred Fifty Dollars ($5,250) per fiscal year for approved expenses incurred during that fiscal year.

Normally, an employee must be employed by the Airport when the course is completed in order to qualify for reimbursement. If an employee leaves the Airport within one year of reimbursement, the allowance will be prorated based on number of months employed during that year and collected from the employee by deducting from their last paycheck upon separation.

Participation in this program does not guarantee continued employment, promotion, transfer, salary advancement, educational leave, or any other employment benefit.

Certifications and Licenses

When a certification, license, or professional credential is required as a condition of employment or continued assignment, the District may reimburse approved renewal costs, continuing education requirements, and related fees necessary to maintain the credential, subject to budget availability and prior approval.

The District may also reimburse renewal costs associated with required commercial driver licenses, professional licenses, or other job-related credentials as authorized by the Executive Director or designee.

12.00 EMPLOYEE COMPENSATION

12.01 Compensation Plan

The District is committed to maintaining a compensation program that supports the recruitment, retention, and development of a highly qualified workforce capable of delivering exceptional public service. The District's compensation plan is designed to promote internal equity, external competitiveness, fiscal responsibility, operational sustainability, and performance accountability while aligning compensation practices with the District's strategic goals and operational needs.

Compensation Philosophy

The District's compensation program is founded upon the following guiding principles:

- Maintain a competitive compensation structure that supports the attraction and retention of qualified employees;
- Ensure compensation practices are equitable, transparent, and consistently administered;
- Align compensation with labor market conditions and public sector best practices;
- Recognize employee performance, professional growth, and increased responsibility;

- Support long-term fiscal sustainability and responsible stewardship of public resources; and
- Maintain compensation systems that are legally compliant and operationally sustainable.

Market Comparison Methodology

The District utilizes a market-based compensation approach focused primarily on base wage competitiveness rather than total compensation comparisons. Salary competitiveness is evaluated using public sector comparator agencies with similar operational characteristics, service delivery models, organizational complexity, and workforce requirements.

For purposes of compensation analysis, the District has identified the following comparator agencies:

- Santa Maria Public Airport District
- Santa Barbara Airport
- San Luis Obispo County Regional Airport
- Napa County Airport
- Sonoma County Airport
- Stockton Metropolitan Airport
- Fresno-Yosemite Airport
- Truckee-Tahoe Airport District
- March Inland Port Airport Authority

The District's market competitiveness analysis primarily evaluates base wage compensation, top-step to top-step salary comparisons, classification duties and organizational scope, labor market conditions, recruitment and retention trends, and operational and geographic factors that impact compensation competitiveness.

The District distinguishes between base wage compensation, which consists of salary or hourly wages, and total compensation, which may include retirement contributions, insurance benefits, leave accruals, premium pays, and other forms of compensation. For purposes of evaluating market competitiveness and salary alignment, the District's compensation philosophy prioritizes comparison of base wage compensation rather than total compensation.

Comparable Classification Requirement

Market comparisons should include a minimum of three (3) reasonably comparable benchmark classifications from identified comparator agencies before compensation conclusions or recommendations are established.

Classifications may be considered below market when the top step of the District's salary range is more than seven percent (7%) below the arithmetic mean of comparable benchmark classifications identified within the approved comparator group.

The District may also evaluate classifications that exceed market levels, compression concerns, recruitment difficulties, retention concerns, internal alignment issues, and organizational operational needs when considering compensation adjustments.

Salary Range Structure

The District shall maintain salary schedules utilizing a structured differential model intended to support:

- Logical classification progression;
- Internal equity;
- Promotional incentives;
- Appropriate supervisory and technical differentials;
- Career development opportunities; and
- Long-term compensation sustainability.

Salary range spreads and step differentials should be periodically reviewed to ensure alignment with compensation best practices and organizational needs.

Salary Upon Appointment

Newly appointed employees shall generally be placed at the first step of the salary range for the applicable classification unless otherwise authorized by the District. Placement above the first step may be approved based upon exceptional qualifications, recruitment difficulty, internal equity considerations, relevant experience, certifications, specialized skills, labor market conditions, or other operational and business needs. Any advanced step placement shall be subject to approval consistent with District administrative procedures.

Periodic Salary Increases

Employees may be eligible for periodic salary step increases upon completion of the required waiting period and satisfactory job performance. Periodic salary increases are not automatic and are contingent upon successful performance, demonstrated competency, compliance with District standards and expectations, completion of required evaluation periods, and supervisory and departmental recommendation and approval. Unless otherwise provided by applicable labor agreement or District policy, anniversary-based salary increases shall generally occur following completion of the designated waiting period measured from the employee's appointment date or most recent salary advancement date.

Merit-Based Compensation

The District supports a merit-based compensation philosophy that recognizes employee performance, accountability, initiative, professionalism, and contributions to organizational goals and public service. Performance evaluations may be considered when determining eligibility for salary step advancement, promotional compensation, incentive opportunities, special assignments, and other compensation-related decisions.

Promotional Salary Adjustments

Employees promoted to a classification with greater responsibility shall generally receive a minimum salary increase of five percent (5%) above the employee's current base salary unless placement at the minimum step of the new salary range results in a greater increase. The District reserves discretion to approve greater promotional salary adjustments based upon internal equity, salary compression, market conditions, scope of responsibility, recruitment and retention considerations, and budgetary or operational factors.

Cost of Living Adjustments

The District may periodically evaluate cost of living adjustments (COLAs) to maintain compensation competitiveness and employee purchasing power. In evaluating potential COLAs, the District may consider regional cost of living indices, Consumer Price Index (CPI) data, labor market trends, compensation survey data, economic conditions, financial forecasts, and District operational and budgetary considerations. Cost of living adjustments are not guaranteed and remain subject to District approval, financial sustainability considerations, and applicable labor agreements.

Financial Sustainability

The District is committed to balancing competitive compensation practices with long-term financial sustainability and responsible stewardship of public resources. Compensation decisions shall consider District financial resources, budgetary constraints, revenue stability, operational priorities, workforce planning needs, long-term liabilities, and overall organizational sustainability. Nothing in this policy creates a contractual right or guarantee of compensation adjustments, salary increases, COLAs, or specific compensation outcomes.

12.02 Payroll

The purpose of this Payroll Policy is to explain the District's payroll schedule, pay practices, timesheet requirements, deductions, direct deposit, and procedures for resolving payroll errors. This policy is intended to ensure employees are paid accurately and in compliance with applicable federal and California law.

Pay Period and Pay Schedule

The District operates on a semi-monthly payroll schedule, consisting of 24 pay periods per year.

Each pay period covers one half of the month, beginning on First day of each month at 12:00 a.m. and ending on the fifteenth of each month at 11:59 p.m. for this first period and beginning on the sixteenth of each month at 12:00 a.m. and ending on the last day of each month at 11:59 p.m.

Employees are paid semi-monthly (5th and 20th of each month) following the end of the pay period.

If a regularly scheduled payday falls on a District-observed holiday, employees will be paid on the last business day preceding the holiday.

Employees should refer to the District's Payroll Calendar for exact pay period end dates and pay dates.

Timekeeping and Time Recording

All non-exempt employees, as required by the District, must accurately record all hours worked and all leave taken during each pay period.

- Employees must complete and record their time in and time out every day that they work.
- ESS recorded time must be approved and signed by the employee's supervisor before submission to Payroll.
- Employees are responsible for ensuring that their time records are complete, accurate, and submitted on time.

All exempt employees must accurately record all leave taken during each pay period.

Falsification, misrepresentation, or alteration of time records is a serious violation of District policy and may result in disciplinary action, up to and including termination.

Mandatory and Voluntary Payroll Deductions

Mandatory Deductions

Certain deductions are required by law or policy and will be automatically withheld from an employee's paycheck, including but not limited to:

- Federal income tax withholding;
- State income tax withholding;
- Medicare tax contributions;
- Social Security tax contributions, when applicable;
- State Disability Insurance (SDI) or other state-mandated payroll deductions, when applicable;
- Required employee retirement contributions, including contributions to the California Public Employees' Retirement System (CalPERS) or other retirement plans authorized by law; and
- Court-ordered wage garnishments, levies, child support, or other legally required deductions, if applicable.

Voluntary Deductions

Voluntary deductions may be taken from an employee's paycheck when properly authorized by the employee, such as:

- Health, dental, or vision insurance premiums
- Deferred compensation or other voluntary benefit programs

Employees may review and update voluntary deductions in accordance with District procedures and benefit plan rules.

Direct Deposit

The District provides the opportunity for employees to enroll in direct deposit. Employees may select the financial institution and account into which wages are deposited. Reasonable alternatives may be approved by the Finance Department when necessary.

Under direct deposit, the District electronically deposits the net amount of an employee's paycheck directly into the employee's designated financial institution, eliminating the need for a paper check.

Employees who receive direct deposit can opt in to receive a paper pay stub or can opt out and view the electronic pay stub through ADP for each pay period that itemizes:

- Gross wages
- Hours worked and leave balances (as applicable)
- All deductions

- Net pay

Holidays and Payday Adjustments

If a scheduled payday falls on a District-observed holiday, paychecks will be issued on the preceding business day.

Payroll Errors and Corrections

Every effort is made to ensure payroll is processed accurately; however, errors may occasionally occur.

Employees are encouraged to review their pay stub each payday to verify accuracy. If an employee believes there is an error in their pay, they must promptly notify either:

- Their supervisor, or
- The Finance Department

The District will investigate reported payroll discrepancies and make corrections as soon as practicable in accordance with applicable laws and policies.

The Finance Department is responsible for administering this policy and may issue procedures or guidance to ensure consistent application. The District reserves the right to modify this policy as needed to comply with legal requirements or operational needs.

12.03 Salary Schedules

Classification Specifications and salary ranges are established by separate Resolutions adopted each year by the District's governing board. Employee salaries consist of monthly compensation ranges that include seven (7) steps or rates of pay (Steps 1-7). Employees shall be paid in accordance with the Compensation Plan and in no case shall any employee receive base compensation that exceeds the maximum of the established salary range.

12.04 Salary Adjustments

Salary adjustments shall be considered as set forth below, but shall depend upon the increased service value of an employee to the District as exemplified by recommendations of their supervisor and/or Department Head based on considerations such as performance, record, special training, and other pertinent evidence or data. Advancement is defined as a salary increase within the limits of a pay range established for a position. All step increases earned are based on satisfactory job performance and are not automatic increases based on the length of service.

Employees will be eligible for a step advancement on their anniversary date each year until reaching the seventh (7) step. A break in an employee's continuous service shall cause an associated adjustment in their anniversary date.

Performance-Based Accelerated Step Advancement

The District may authorize a performance-based accelerated step advancement for employees who demonstrate sustained exceptional performance and make significant contributions that exceed the normal expectations of their position.

Eligibility for accelerated advancement shall be determined through the District's performance evaluation process and may consider factors including:

- Achievement of pre-approved performance goals or special projects;
- Demonstrated leadership, innovation, or process improvement;
- Significant contributions to operational efficiency, customer service, safety, or organizational effectiveness;
- Acquisition and successful application of specialized skills, certifications, or knowledge that benefit the District; and
- Overall performance evaluations reflecting performance substantially above established standards.

To be considered for accelerated advancement, performance goals should be documented in advance and, where appropriate, developed using the SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) goal-setting methodology.

Any recommendation for accelerated advancement must be supported by written documentation and approved by the Department Head, Human Resources, and the Executive Director.

Accelerated advancement is discretionary and is not guaranteed. Employees do not have an entitlement to accelerated advancement based solely on the completion of goals, training, special assignments, certifications, or performance projects.

Unless otherwise approved by the Executive Director, an employee may not receive more than one accelerated step advancement during any twenty-four (24) month period.

Under no circumstances shall an accelerated advancement result in advancement of more than one salary step beyond the employee's otherwise eligible step placement.

12.05 On-Call

The District may designate certain non-exempt Maintenance classifications as eligible for on-call assignments when operational needs require employees to be available to respond to emergencies, service interruptions, public safety concerns, facility issues, or other urgent matters outside of regularly scheduled work hours.

Employees assigned to on-call status are expected to remain fit for duty, accessible by telephone or other designated communication methods, and capable of reporting to work within one (1) hour of notification unless otherwise directed by the District.

Employees assigned to an approved on-call assignment shall receive a flat-rate on-call stipend of two hundred dollars ($200) for each seven (7) consecutive day on-call assignment. In addition, employees shall receive fifty dollars ($50) for each District-recognized holiday occurring during the assigned on-call period.

On-call pay compensates employees for availability only and is not considered hours worked for purposes of overtime, unless the restrictions imposed by the District are such that the time must be treated as compensable under applicable federal or state law.

The District reserves the right to establish administrative procedures governing the assignment, rotation, scheduling, and administration of on-call assignments.

Nothing in this policy alters an employee's exempt or non-exempt status under the Fair Labor Standards Act (FLSA) or applicable California law.

12.06 Call Back Pay

Call-back pay applies when a non-exempt employee is directed by the District to perform work outside of their regularly scheduled work hours, whether or not the employee is assigned to on-call status.

Employees who are required to report to a District worksite outside their regularly scheduled work hours shall be compensated at the applicable overtime rate for actual hours worked, but in no event shall receive less than two (2) hours of compensation for each call-back occurrence.

If an employee is required to perform work remotely, including by telephone, computer, or other electronic means, the employee shall be compensated for all time worked in accordance with applicable wage and hour laws.

Time worked during a call-back assignment shall be recorded and counted as hours worked for purposes of calculating overtime in accordance with applicable federal and state law.

Nothing in this policy alters an employee's exempt or non-exempt status under the Fair Labor Standards Act (FLSA) or applicable California law.

Call-back time begins when the employee starts performing work, whether remotely or in person.

Overtime

- Time worked during a call-back counts as hours worked and is included in overtime calculations in accordance with FLSA, and California law.
- Non-exempt employees may be eligible for overtime pay if applicable thresholds are met.

Reporting Time
All call-back work performed while on-call must be accurately recorded on the employee’s ESS portal, including start and end times and the nature of the work performed.

Falsification or failure to accurately report time worked is a violation of District policy and may result in disciplinary action.
This policy applies to eligible non-exempt employees who are directed by the District to return to work or perform work outside of their regularly scheduled hours. Call-back pay applies regardless of whether the employee was on an on-call assignment at the time of the call-back.

This policy does not alter an employee’s exempt or non-exempt status under the Fair Labor Standards Act (FLSA).

12.07 Working Out of Class

The purpose of this policy is to establish the conditions under which a District employee may be temporarily assigned to perform the duties of a higher-allocated classification and to define the compensation, duration, and employment protections applicable to such assignments.

Employees who are temporarily assigned to perform substantially all of the duties of a higher-allocated classification. Working Out of Classification (WOC) assignments are based on operational need and are not intended to create a permanent appointment or entitlement.

An employee is considered to be Working Out of Classification (WOC) when the employee is temporarily assigned to and performs significantly all of the duties of a higher-allocated position in a classification whose salary range is at least five percent (5%) higher than the employee's regular classification.

To qualify for WOC assignment, all of the following conditions must be met:

- The assignment involves performance of significantly all of the duties of a higher-allocated classification;
- The higher classification's salary range is at least five percent (5%) greater than the employee's current classification;
- The assignment exceeds ten (10) consecutive working days; and
- The assignment is authorized by the District.

Employees working out of classification shall be compensated at the step in the higher classification that provides the assigned employee with an increase of at least five percent (5%) above the employee's current salary.

If application of the five percent (5%) increase does not result in placement at least the first step of the higher salary range, the employee shall be placed at the first step of the higher classification.

WOC compensation shall begin on the first day of the pay period following the assignment to the duties of the higher classification.

If the assignment begins on the first Monday of a pay period, the additional compensation shall be effective as of the beginning of that pay period.

A Working Out of Classification assignment:

- Does not change the employee's official classification; and
- Does not alter the employee's benefits, leave accruals, or seniority, except as required by law.

At one hundred eighty (180) days, the Working Out of Classification assignment shall be reviewed by the District to determine whether continuation of the assignment is appropriate.

The District reserves the right to end a WOC assignment at any time based on operational needs or performance considerations.

Employees participating in a WOC assignment shall not receive an unsatisfactory performance evaluation solely as a result of their participation in the assignment, nor shall they be adversely impacted in their official job classification or duties for failing to successfully complete the assignment. If an employee is removed from a WOC assignment due to performance concerns, the employee shall be returned to their official job classification and regular duties and shall not be subject to disciplinary action or an unsatisfactory performance evaluation based solely on performance in the WOC assignment. Failure to successfully complete a WOC assignment shall not affect the employee's permanent classification, employment status, or standing with the District.

WOC assignments are temporary in nature and are not promotions. The District retains the right to:

- Assign, modify, or discontinue WOC assignments;
- Determine when duties constitute "significantly all" of a higher classification; and
- Make final determinations regarding assignment duration and continuation.

12.08 Acting Assignment Pay

Employees assigned to an Acting Appointment pursuant to Section 6.09 may be eligible for compensation adjustments as authorized by the District.

Employees serving in an acting capacity shall not be eligible for step advancement in either their permanent classification or the acting classification during the duration of the acting appointment. When an employee is permanently appointed to a position in which the employee served in an acting capacity without a break in service, the employee shall receive a minimum five percent (5%) increase in salary over the salary received in the classification held immediately prior to the acting appointment, in accordance with applicable salary resolutions.

For purposes of calculating the five percent (5%) increase, the salary used shall include any step advancements the employee would have received in the classification held prior to the acting appointment had the employee not served in the acting role.

An employee who has served in an acting capacity for four (4) pay periods or more and is subsequently appointed without a break in service to the same classification on a permanent basis may have their step advancement eligibility date adjusted upon approval of the Executive Director.

Compensation and salary administration associated with Acting Appointments remain subject to District salary resolutions and applicable employment agreements.

12.09 Special Assignment Pay

It is in the interest of the District to recognize and compensate employees who are assigned to perform temporary special assignments in response to organizational needs. This policy provides a framework for compensating employees who are directed to perform duties that are significantly beyond the scope of their regular classification due to changes in staffing, organizational structure, or assignment to a special project.

District employees who are temporarily assigned to perform special assignments that are significantly beyond the scope of their regular classification and that constitute more than a majority of the employee's work time. Temporary Special Assignment Pay is intended to address extraordinary, time-limited circumstances and does not constitute a permanent reclassification or promotion.

A Temporary Special Assignment occurs when an employee is directed by the District to perform work that:

- Is significantly beyond the normal scope and responsibilities of the employee's classification;
- Arises from departmental changes in staffing levels, organizational structure, or operational needs; or
- Involves a defined special project or initiative; and
- Comprises more than fifty percent (50%) of the employee's assigned work time during the assignment period.

Eligibility for Temporary Special Assignment Pay shall be determined by the District based on operational need and the nature of the assignment. Participation is not voluntary and must be formally directed and approved by the District.

Temporary Special Assignment Pay is not intended for:

- Temporary coverage of routine absences;
- Short-term or incidental additional duties; or
- Situations appropriately addressed through Working Out of Classification or Acting Appointments.

The amount, duration, and structure of Temporary Special Assignment Pay shall be determined on a case-by-case basis and may be provided as a temporary stipend, differential, or other form of compensation authorized by the District.

Temporary Special Assignment Pay is time-limited and subject to periodic review. The District reserves the right to modify or discontinue the assignment or associated compensation at any time based on operational needs, funding, or completion of the assignment.

Participation in a Temporary Special Assignment:

- Does not change the employee's official classification or benefits;
- Does not establish a right to permanent assignment, reclassification, or promotion; and
- Does not alter the employee's step advancement eligibility unless otherwise provided by law.

The District retains full discretion to determine when Temporary Special Assignment Pay is appropriate and to establish, modify, or terminate assignments and compensation consistent with operational needs and applicable law.

In the event of a conflict between this policy and an applicable employment agreement, or salary resolution, the agreement shall prevail.

12.10 Working Out of Class

Working Out of Class (WOC) assignments may be authorized when an employee is temporarily assigned to perform substantially all of the duties of a higher-allocated classification due to operational need.

A WOC assignment does not constitute a promotion, reclassification, or permanent appointment and does not create an entitlement to continued assignment.

To qualify for a WOC assignment:

- The employee must perform substantially all duties of a higher-allocated classification;
- The assignment must exceed ten (10) consecutive working days; and
- The assignment must be formally authorized by the District.

WOC assignments are temporary and subject to review after one hundred eighty (180) days.

Employees assigned to a WOC assignment shall retain their official classification, benefits, leave accruals, and seniority unless otherwise required by law.

At the conclusion of the assignment, the employee shall return to their regular duties and classification.

Compensation associated with WOC assignments shall be governed by Section 12.07, Working Out of Class Compensation.

13.00 LEAVES

13.01 Vacation

The vacation leave policy is to establish uniform standards for the accrual, use, and administration of vacation and annual leave for eligible District employees, consistent with applicable resolutions, and District policies.

Eligible full-time and permanent part-time employees, with the exception of temporary/seasonal/extra help employees, earn vacation leave while in paid status until they reach the applicable vacation accrual cap. Employees accrue vacation time according to their full or part-time status and the number of consecutive years the employee has worked for the District as follows:

Full-Time Employee Accrual Rate:

Consecutive Full Time Years of Service	Full Time Received Per Pay Period of Paid Status	Full Time Received per Year of Paid Status
Less than 5 years	3.33 Hours	10 Days
After 5 - 10 years	5 Hours	15 Days
After 10 or more years	6.66 Hours	20 Days

Vacation leave begins accruing upon employment but may only be used after it has been earned and credited to the employee's leave balance.

Maximum Accrual

Employees may accumulate vacation leave up to a maximum of two hundred forty (240) hours unless a different accrual cap is established by employment agreement, Board resolution, or applicable policy.

Once an employee reaches the applicable maximum accrual limit, additional vacation leave shall cease to accrue until the employee's accrued balance falls below the maximum accumulation limit.

Use of Vacation Leave

Vacation leave is intended to provide employees with paid time away from work for rest, relaxation, and personal pursuits. Employees are encouraged to utilize vacation leave on a regular basis.

Vacation leave shall be scheduled and approved in advance by the employee's supervisor and will be granted whenever operational needs permit. In evaluating vacation requests, the District may consider staffing levels, operational requirements, public service obligations, employee safety, and other business needs.

The District reserves the right to deny, modify, postpone, or cancel approved vacation leave when necessary to address operational emergencies or other significant business needs.

Vacation leave may not be used before it has been accrued except as specifically authorized by the Executive Director.

If a District-recognized holiday occurs during an employee's approved vacation leave, the holiday shall not be charged against the employee's vacation balance.

Vacation Cash-Out

Employees who have reached the maximum vacation accrual limit may request to cash out accrued vacation leave in accordance with District procedures and subject to applicable payroll and tax requirements.

The Executive Director may establish administrative procedures governing vacation cash-out requests, eligibility requirements, and annual limitations.

Separation from Employment

Upon separation from District employment, employees shall be compensated for all earned and unused vacation leave in accordance with applicable law and District policy.

Vacation leave may not be used to extend an employee's separation date unless specifically approved by the Executive Director.

Rehire

Unless otherwise provided by law, Board action, or written agreement, employees who are rehired by the District shall begin accruing vacation leave based on their new date of hire and shall not receive credit for prior District service for purposes of vacation accrual.

13.02 Sick

The purpose of this policy is to provide eligible employees with paid sick leave for their own illness, injury, medical care, preventive care, or other purposes authorized by applicable law.

Eligibility and Accrual

Regular Full-Time Employees

Regular full-time employees shall accrue sick leave at the rate established by Board resolution, salary schedule, employment agreement, or other applicable District policy. Unless otherwise provided, regular full-time employees shall accrue sick leave at the same rate as vacation leave accrual.

Unused sick leave may accumulate without limitation unless otherwise provided by law, retirement system rules, or District policy.

Healthy Workplaces, Healthy Families Act (California Paid Sick Leave)
Employees who are not eligible for the District's regular sick leave benefit, including eligible part-time, temporary, seasonal, and other employees, shall receive paid sick leave in accordance with the California Healthy Workplaces, Healthy Families Act of 2014, as amended.

The District may satisfy its obligations under the Act through an accrual method, front-loading method, or other legally authorized method established by Board Resolution or administrative policy.

The amount of paid sick leave provided, accrual rates, usage limits, carryover provisions, and eligibility requirements shall be administered in accordance with the Act and any implementing District resolution or policy in effect at the time.

Permitted Uses of Sick Leave
Accrued sick leave may be used for purposes authorized by California law, including:
• Diagnosis, care, treatment, or recovery from an existing health condition of the employee;
• Preventive medical care for the employee;
• Diagnosis, care, treatment, or preventive care of a family member;
• Care of a designated person, as permitted by California law;
• Absences related to domestic violence, sexual assault, stalking, or other qualifying acts of violence;
• Jury service, witness appearances, or other legally protected purposes to the extent required by law; and
• Any other purpose authorized by applicable federal or state law.

For purposes of this policy, "family member," "designated person," "victim," and "qualifying act of violence" shall have the meanings established by applicable California law.

Notice and Reporting Requirements
Employees who have a foreseeable need for sick leave, such as a scheduled medical appointment or planned treatment, should provide reasonable advance notice to their supervisor whenever practicable. When the need for leave is unforeseeable, employees shall notify their supervisor as soon as practicable under the circumstances.

Verification of Sick Leave
The District may require reasonable verification of an absence when permitted by law and consistent with operational needs. Employees may be required to provide medical certification or other appropriate documentation for absences exceeding four (4) consecutive workdays or when there is an objective basis to question the appropriate use of sick leave.

Nothing in this section is intended to interfere with rights provided under applicable leave laws, including the Healthy Workplaces, Healthy Families Act, the California Family Rights Act (CFRA), the Family and Medical Leave Act (FMLA), workers' compensation laws, pregnancy disability leave laws, or disability accommodation requirements.

Regular full-time employees shall accrue sick leave at the rate established by Board resolution, salary schedule, employment agreement, or other applicable District policy. Unless otherwise provided, regular full-time employees shall accrue sick leave at the same rate as vacation leave accrual.

Family Care Leave (Kin Care)

In accordance with California law, employees may use accrued sick leave to care for a family member to the extent required by applicable law.

Misuse of Sick Leave

Sick leave is intended solely for authorized purposes. Employees who misuse sick leave, provide false information regarding the need for leave, or otherwise violate District attendance or leave policies may be subject to corrective or disciplinary action, up to and including termination of employment.

Separation from Employment

Unused sick leave has no cash value and will not be paid upon separation from employment except as required by law or provided by applicable retirement system rules.

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

- Diagnosis, care, or treatment of an existing health condition of, or preventative care for the employee themselves or any of the following Family Members of the employee: a child of any age or dependency status; a parent; a parent-in-law; a spouse; a registered domestic partner; a grandparent; a grandchildren; or a sibling; or
- Diagnosis, care, or treatment of an existing health condition of, or preventative care for a "designated person"; or
- To serve as required by law on an inquest jury or trial jury, if the employee, prior to taking the time off, gives reasonable notice to the employer that the employee is required to serve.
- For an employee who is a "Victim", which means either (1) an individual against whom a "Qualifying Act of Violence", as defined below, is committed; or (2) an individual against whom any crime is committed, to appear in court to comply with a subpoena or other court order as a witness in any judicial proceeding.
- For an employee who is a Victim, to obtain any relief, including but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the Victim.

A "Qualifying Act of Violence", means (1) domestic violence; (2) sexual assault (*i.e.*, non-consensual sexual act prescribed by federal, tribal, or state law, including when the victim lacks capacity to consent); (3) stalking (*i.e.*, engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for that person's safety or the safety of others or suffer from emotional distress); or (4) an act, conduct, or pattern of conduct (a) that causes bodily injury to another individual; (b) wherein a weapon is brandished or drawn against another individual; or (c) that is a threat, whether perceived or actual, to use force to cause physical injury to another individual.

- In addition, an employee who is a Victim or has a Family Member who is a Victim of a Qualifying Act of Violence for any of the following purposes:

- To obtain or attempt to obtain any relief for the Family Member, including but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the Family Member.

- To seek, obtain, or assist a Family Member to seek or obtain, medical attention for or to recover from injuries caused by a Qualifying Act of Violence.
- To seek, obtain, or assist a Family Member to seek or obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of a Qualifying Act of Violence.
- To seek, obtain, or assist a Family Member to seek or obtain psychological counseling or mental health services related to an experience of a Qualifying Act of Violence.
- To participate in safety planning or take other actions to increase safety from future Qualifying Acts of Violence.
- To relocate or engage in the process of securing a new residence due to the Qualifying Act of Violence, including, but not limited to, securing temporary or permanent housing or enrolling children in a new school or childcare.
- To provide care to a Family Member who is recovering from injuries caused by a Qualifying Acts of Violence.
- To seek, obtain, or assist a Family Member to seek or obtain civil or criminal legal services in relation to the Qualifying Acts of Violence.
- To prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding related to the Qualifying Act of Violence.
- To seek, obtain, or provide childcare or care to a care-dependent adult if the childcare or care is necessary to ensure the safety of the child or dependent adult as a result of the Qualifying Acts of Violence.

13.03 Bereavement

All employees who have been employed by the District for at least 30 days are entitled to a total of five (5) days off from work of which three (3) days are eligible for District paid bereavement leave in the event of the death of a “family member”

A “family member” means a spouse, domestic partner, child, stepchild, parent, grandparent, grandchild, sibling, parent-in-law.

An employee may use vacation, sick leave, or compensatory time off in order to provide for their compensation during any bereavement leave in excess of five (5) days.

An employee who utilizes bereavement leave shall notify their supervisor or Department Head of the intent to use such leave and submit a Bereavement Leave Request Form.

Employees may use such leave on a non-consecutive basis in the three (3) months that follow that date of death of the “family member.”

13.04 Jury Duty

Any employee, including a temporary, seasonal, or extra help employee, who is summoned to serve on an inquest or trial jury, or subpoenaed or ordered to be a witness in any judicial proceeding, must give reasonable notice to their supervisor or Department Head that they are required to serve or attend court, prior to taking time off for this purpose. Any employee who is released from jury service prior to the end of their scheduled work hours must report to work unless otherwise authorized by their supervisor.

An employee who requires leave for any of the above purposes may use accrued and available vacation or compensatory time off.

13.05 Witness Leave

The District recognizes that employees may be required to appear as witnesses in legal or administrative proceedings. Employees who are subpoenaed or otherwise officially requested to appear as a witness in a matter related to District business or in which the employee is not a party may be granted witness leave, subject to verification and approval.

Employees are expected to provide advance notice and a copy of the subpoena or official request when practicable.

13.06 Family Medical Leave Act & California Family Medical Leave Act

Employees requesting family and medical leave must state the reason for leave. FMLA/CFRA leave is permitted for the following reasons:

A. The birth of the employee’s child or to care for a newborn of an employee
B. The placement of a child with the employee in connection with adoption or foster care of a child
C. Leave to care for a child, parent, or spouse who has a serious health condition
D. Under the CFRA only, leave is permitted to care for a domestic partner, grandparent, grandchild, parent-in-law, sibling, or any Designated Person, who has a serious health condition. Leave for this purpose does not apply to FMLA leave and will not run concurrently with leave under the FMLA.
E. Leave because of a serious health condition that makes the employee unable to perform any one or more essential functions of their position
F. Leave for a variety of “qualifying exigencies” arising out of the fact that an employee’s spouse, son, daughter, or parent is on active duty or call to active-duty status in the National Guard or Reserves in support of a contingency operation
G. Under the CFRA only, leave for a variety of “qualifying exigencies” arising out of the fact that an employee’s domestic partner is on active duty or call to active-duty status in the National Guard or Reserves in support of a contingency operation. Leave for this purpose does not apply to FMLA leave and will not run concurrently with leave under the FMLA; or
H. Leave to care for a spouse, son, daughter, parent, or “next of kin” who is a covered service member of the U.S. Armed Forces who has a serious injury or illness: incurred in the line of duty while on active military duty; or existed before the beginning of the member’s active duty and was aggravated by service in the line of duty on active duty in the Armed Forces. This leave can run up to 26 weeks of unpaid leave during a single 12-month period.

<u>Definitions</u>

Child: Under the FMLA, "child" means a child under the age of 18 years of age, or 18 years of age or older who is incapable of self-care because of a mental or physical disability. An employee's child is one for whom the employee has actual day-to-day responsibility for care, and includes a biological, adopted, foster or step-child. A child is "incapable of self-care" if he/she requires active assistance or supervision to provide daily self-care in three or more of the activities of daily living or instrumental activities of daily living, such as caring for grooming and hygiene, bathing, dressing and eating, cooking, cleaning shopping, taking public transportation, paying bills, maintaining a residence, or using telephones and directories.

Under the CFRA, "child" means a child, including a child who is 18 years of age or older who is capable of self-care. An employee's child means a biological, adopted, foster, step-child, legal ward, a child of a domestic partner, or a person to whom the employee stands in loco parentis.

Covered Active Duty: (1) in the case of a member of a regular component of the Armed Forces, duty during deployment of the member with the Armed Forces to a foreign country; or (2) in the case of a member of the reserve component of the Armed Forces, duty during the deployment of members of the Armed Forces to a foreign country under a call or order to active duty under certain specified provisions.

Covered Service Member: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness; or (2) a veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces, including a member of the National Guard or Reserves, at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

Designated Person: any individual related by blood or whose association with the employee is the equivalent of a family relationship. The designated person may be identified by the employee at the time the employee requests the leave. An employer may limit an employee to one designated person per 12-month period for family care and medical leave.

Domestic Partner: another adult with whom the employee has chosen to share their life in an intimate and committed relationship of mutual caring and with whom the employee has filed a Declaration of Domestic Partnership with the Secretary of State, and who meets the criteria specified in California Family Code section 297. A legal union formed in another state that is substantially equivalent to the California domestic partnership is also sufficient.

Family Member: FMLA leave means an employee's child, parent, and spouse. "Family member" for CFRA leave means an employee's child, parent, parent-in-law, spouse, domestic partner, grandchild, grandparent, and sibling.

Grandchild: a child of the employee's child.

Grandparent: a parent of the employee's parent.

Health Care Provider: means any of the following:

1. A doctor of medicine or osteopathy who is authorized to practice medicine or surgery in the State of California
2. An individual duly licensed as a physician, surgeon, or osteopathic physician or surgeon in another state or jurisdiction, including another country, which directly treats or supervises treatment of a serious health condition
3. A podiatrist, dentist, clinical psychologist, optometrist, or chiropractor (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated

by x-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California State law

4. A nurse practitioner or nurse-midwife or a clinical social workers who is authorized to practice under California State law and who are performing within the scope of their practice as defined under California State law
5. A Christian Science practitioner listed with the First Church of Christ, Scientist in Boston, Massachusetts
6. Any health care provider from whom an employer or group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits.

Next of Kin of a Covered Service Member: nearest blood relative other than the covered service member's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the covered service member by court decree or statutory provisions, brothers and sisters, grandparents, aunts and uncles, and first cousins, unless the covered service member has specifically designated in writing another blood relative as their nearest blood relative for purposes of military caregiver leave under the FMLA.

Outpatient Status: with respect to a covered service member, the status of a member of the Armed Forces assigned to either: (1) a military medical treatment facility as an outpatient; or (2) a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

Parent: a biological, foster, or adoptive parent, a parent-in-law, a stepparent, a legal guardian, or other person who stands or stood in loco parentis (in place of a parent) to an employee when the employee was a child.

Parent-in-law: the parent of a spouse or domestic partner of the employee.

Serious Health Condition: an illness, injury impairment, or physical or mental condition that involves:

1. Inpatient Care in a hospital, hospice, or residential medical care facility, including any period of incapacity (e.g., inability to work or perform other regular daily activities due to the serious health condition, treatment involved, or recovery therefrom). A person is considered "inpatient" when a health care facility admits them to the facility with the expectation that they will remain at least overnight, even if it later develops that such person can be discharged or transferred to another facility, and does not actually remain overnight
2. Continuing treatment by a health care provider: A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:

    a. A period of incapacity (i.e., inability to work, or perform other regular daily activities) due to serious health condition of more than three consecutive calendar days; and
    b. Any subsequent treatment or period of incapacity relating to the same condition, that also involves:
        i. Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision by a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of,

or on referral by a health care provider; or

ii. Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider. This includes, for example, a course of prescription medication or therapy requiring special equipment to resolve or alleviate the health condition. If the medication is over the counter, and can be initiated without a visit to a health care provider, it does not constitute a regimen of continuing treatment.

3. Any period of incapacity due to pregnancy or for prenatal care. Note that pregnancy is a “serious health condition” only under the FMLA. Under California law, an employee disabled by pregnancy is entitled to pregnancy leave. (See Policy 808, Leave Because of Pregnancy, Childbirth, or Related Medical Condition.)

4. Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:
   a. Requires periodic visits for treatment by a health care provider, or by a nurse or physician’s assistant under direct supervision of a health care provider;
   b. Continues over an extended period of time (including recurring episodes of a single underlying condition); and
   c. May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.). Absences for such incapacity qualify for leave even if the absence lasts only one day.

5. A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by health care provider.

6. Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment.

Serious Injury or Illness: (1) in the case of a member of the Armed forces, including a member of the National Guard or reserves, means an injury or illness that a covered service member incurred in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member’s active duty and was aggravated by the service in the line of duty on active duty in the Armed Forces) and that may render the service member medically unfit to perform the duties of the member’s office, grade, rank, or rating; or (2) in the case of a veteran who was a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or existed before the beginning of the member’s active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

Sibling: a person related to the employee by blood, adoption, or affinity through a common legal or biological parent.

Single 12 Month Period: a 12-month period which begins on the first day the eligible employee takes FMLA leave to take care of a covered service member and ends 12 months after that date.

Spouse: one or two persons to a marriage, regardless of the sex of the persons, and for purposes of CFRA leave, includes a registered domestic partner as
defined.

12-Month Period: a rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken.

Employees Eligible for Leave
An employee is eligible for FMLA/CFRA leave if the employee:

A. Has been employed by the District for at least 12 months; and

B. Has worked for the District at least 1,250 hours during the 12- month period immediately preceding the commencement of the leave (includes regular and overtime hours. Does not include any absences, paid or unpaid, e.g. PTO leave, holidays, jury duty or other absences).

Amount of Leave
Eligible employees are entitled to a total of 12 workweeks (or 26 workweeks to care for a covered service member) of leave during any 12-month period. If FMLA leave qualifies as both military caregiver leave and care for a family member with a serious health condition, the leave will be designated as military caregiver leave first.

Intermittent and Reduced Schedule Leaves
If an employee requests leave intermittently (a few days or hours at a time) or on a reduced leave schedule for their own serious health condition, or to care for an immediate family member with serious health condition, the employee must provide medical certification that such leave is medically necessary. “Medically necessary” means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule.

The District may require an employee who certifies the need for a reduced schedule or intermittent leave to temporarily transfer to an alternate position of equivalent pay and benefits that better accommodates the leave schedule.

Employee/Employer Notification
Employees will be notified of their eligibility for requested leave under FMLA and/or CFRA and reason for ineligibility, if applicable.

When the need for leave is foreseeable, the employee must provide at least 30 calendar days advance notice to his/her supervisor/manager and Human Resources prior to taking leave.

When the notice for leave is unforeseeable, the employee must provide notice to his/her supervisor/manager and Human Resources “as soon as practicable” (generally the same day or next business day). Additionally, the employee may be requested to provide justification for notification of less than 30 calendar days.

The employee must provide the necessary certification within 15 calendar days of notification to Human Resources. If the District determines that the certification is deficient, the employee must provide the requisite information within seven additional calendar days. Once sufficient information is received, the District will designate the leave under FMLA and/or CFRA in writing, within five business days, absent extenuating circumstances.

Medical Certification/Recertification
Employees who request leave must provide a medical certification and/or recertification to support the need for the leave as described below:

Employee's Own Serious Health Condition: Employees who request leave for their own serious health condition must provide written certification from the health care provider that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; and a statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of their position. Upon expiration of the time period the health care provider originally estimated that the employee needed for their own serious health condition, the employee must obtain recertification if additional leave is requested.

Family Member Serious Health Condition: Employees who request leave to care for a child, parent, parent-in-law, domestic partner, spouse, grandparent, grandchild, or sibling who has serious health condition must provide written certification from the health care provider of the family member requiring care that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; an estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent, domestic partner, spouse, grandparent, grandchild, or sibling and a statement that the serious health condition warrants the participation of the employee to provide care during a period of treatment or supervision of the child, parent, domestic partner, spouse, grandparent, grandchild, or sibling. The term "warrants the participation of the employee" includes, but is not limited to, providing psychological comfort, and arranging third party care for the covered family member, as well as directly providing, or participating in, the medical care. Upon expiration of the time period the health care provider originally estimated that the employee needed to care for a covered family member, the employer must obtain recertification if additional leave is requested.

Service member Serious Injury or Illness: Employees who request FMLA leave to care for a covered service member who is a child, spouse, parent or "next of kin" of the employee, must provide written certification from a health care provider regarding the injured service member's serious injury or illness.

Qualifying Exigency: The first time an employee requests leave because of a qualifying exigency, an employee may require the employee to provide a copy of the military member's

active-duty orders or other documentation issued by the military which indicates that the military member is on covered active duty or call to active-duty status in a foreign country, and the dates of the military member's active-duty service. A copy of the new active-duty orders or similar documentation shall be provided to the District if the need for leave because of a qualifying exigency arises out of a different active duty or call to active-duty status of the same or a different military member. The District will verify the certification as permitted by the FMLA and CFRA regulations.

When an employee has provided at least 30 days' notice for a foreseeable leave, the employee must provide a medical certification before the leave begins. When this is not possible, the employee must provide the medical certification to the District within the time frame requested by the District (which must allow at least 15 calendar days after the employer's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent, good faith efforts.

If an employee provides an incomplete medical certification, the employee will be given a reasonable opportunity to cure any such deficiency. However, if an employee fails to provide a medical certification within the time frame established in this policy, the District may delay the taking of FMLA/CFRA leave until required certification is provided, or deny FMLA/CFRA protections following the expiration of the time period to provide an adequate certification.

Required Use of Paid Leave Accruals
FMLA/CFRA leave is unpaid. FMLA and CFRA authorize an employer to require that employees use paid accrued leaves while on family or medical leave. The District requires an employee to concurrently use paid accrued leaves while using FMLA/CFRA leave.

Employees must exhaust their accrued leaves concurrently with FMLA/CFRA, except:

A. Employees are not required to use accrued compensatory time off earned in lieu of overtime (CTO) pursuant to the Fair Labor Standards Act.

B. Employees may retain a maximum of forty (40) hours total accumulation of all types of leave (excluding CTO).

C. Employees are not required to use paid leave during leave pursuant to a disability plan (e.g. State Disability Insurance) that pays a portion of the employee's salary while on leave unless the employee agrees to use paid leave to cover the unpaid portion of the disability leave benefit.

D. An employee must agree to first use accrued sick leave to care for a child, parent, spouse or domestic partner, grandparent, grandchild, or sibling.

Leave under FMLA and CFRA are concurrent with one exception: Pregnancy Disability Leave is concurrent with FMLA but not with CFRA. The Human Resources Department should be consulted for details on aggregate leaves.

Employee Benefits While on Leave

A. Employees will accrue PTO while on Family Medical Leave on a pro-rata basis when such leave is integrated with State Disability Insurance, Paid Family Leave, or Worker's Compensation Leave. Leaves taken without pay will not accrue PTO unless there are actual hours worked within the pay period.

B. Health Benefits
An employee taking FMLA/CFRA leave may continue participating in the District's health plans in which the employee was enrolled before the first day of leave (for up to a maximum of 12 or 26 full-time workweeks, as applicable) at the level and under the same terms and conditions of coverage as if the employee had continued employment for the duration of such leave. Employees will continue to be responsible for payment of their portion of the premiums for medical and/or dental insurance.

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

C. Flexible Spending Accounts
Flexible spending contributions, if applicable, will be continued during FMLA/CFRA leave. If the leave is taken based on a qualifying event (e.g. birth/adoption of a child, change in work status of spouse, etc.), the employee may change the FSA election.

D. Deferred Compensation Plans, 401(a) and 457
Payroll deductions for 401(a) and 457 deferred compensation plans, if applicable, will be continued during FMLA/CFRA leave.

E. If an employee fails to return to work after his/her leave entitlement has been exhausted, the District will have the right to recover its share of health plan premiums for the entire leave period from the employee, unless the employee does not return because of the continuation, recurrence, or onset of a Serious Health Condition of the employee or his/her family member that would entitle the employee to leave, or because of circumstances beyond the employee's control. The District may recover premiums through deduction from any sums due the employee (e.g. unpaid wages, vacation pay, etc.).

Reinstatement Upon Return from Leave

A. Reinstatement to Same or Equivalent Position:
Upon expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent benefits and pay. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the FMLA/CFRA period.

B. Date of Reinstatement:
If a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated on the date agreed upon. If the reinstatement date differs from the original agreement of the employee and the District, the employee will be reinstated within two business days, where feasible, after the employee notifies the employer of their readiness to return.

C. Employee’s Obligation to Periodically Report on Their Condition:
Employees may be required to periodically report on their status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.

D. Fitness for Duty Certification:
As a condition of reinstatement of an employee whose leave was due to the employee’s own serious health condition, which made the employee unable to perform their job, the employee must obtain and present a fitness-for-duty certification from the health care provider stating that the employee is able to resume work. Failure to provide such certification will result in denial of reinstatement.

E. Reinstatement of “Key Employees”:
Under the FMLA only, the District may deny reinstatement to a “key” employee (*e.*, an employee who is among the highest paid 10 percent of all employed by the District within

75 miles of the worksite) if such denial is necessary to prevent substantial and grievous economic injury to the operations of the District, and the employee is notified of the District's intent to deny reinstatement on such basis at the time the employer determines that such injury would occur. Under the CFRA, the District may not deny reinstatement to a "key" employee during or upon the expiration of CFRA leave.

13.07 School-Related Leave: School or Licensed Day Care Activity Leave

Any employee who is a parent, guardian, stepparent, foster parent, grandparent, or person who stands in loco parentis to one or more children who are in kindergarten or grades 1 through 12, or who are in a licensed child care facility, shall be allowed up to 40 hours each school year, not to exceed eight hours in any calendar month of the school year, to: participate in activities of their child's school or licensed child care facility; find, enroll, or reenroll a child in a school or with a licensed child care provider; or to pick up a child due to a child care provider or school emergency.

The employee must provide reasonable advance notice to their supervisor of the planned absence. The leave is unpaid unless the employee uses vacation or compensatory time off. The employee must provide documentation from the school or licensed child care facility as verification that the employee participated in school or childcare facility activities on a specific date and at a particular time.

If both parents, guardians or grandparents having custody work for the District at the same District work site, only the first parent requesting will be entitled to leave under this provision.

13.08 Child Suspension Leave

Any employee who is the parent or guardian of a child in grades 1 through 12 may take time off to go to the child's school in response to a request from the child's school, if the employee gives advance notice to their supervisor. A school has the authority to request that the parent attend the child's school if the child has: committed any obscene act; habitually used profanity or vulgarity; disrupted school activities; or otherwise willfully defied the valid authority of school personnel.

13.09 Military Leave

Military leave will be granted in accordance with federal and state law. An employee requesting leave for this purpose shall promptly provide the Department Head with a copy of the military orders specifying the dates, site and purpose of the activity or mission. Within the limits of such orders, the Department Head may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave.

13.10 Administrative Leave

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

13.11 Voting Leave

If any employee does not have sufficient time outside of working hours to vote, may request up to two (2) hours of paid leave either at the beginning or end of scheduled working hours to enable them to vote. The employee must request time off to vote from their supervisor at least two (2) days prior to Election Day.

13.12 Worker's Compensation Benefits & Industrial Accident Leave

Employees who are absent from work by reason of an injury or illness covered by Workers' Compensation, shall continue in pay status under the following provisions.

When the employee authorizes, the difference between the amount granted pursuant to such Workers' Compensation and the employee's regular pay will be deducted from the employee's accumulated sick leave, vacation, personal holidays, and compensatory time, if any. The employee will continue in pay status and receive their pay until their accumulated sick leave, and authorized compensatory time, personal holidays and vacation days, have been depleted to the nearest hour.

Employees who sustain a work-related injury or illness, regardless of severity, must report the injury or illness to their supervisor or manager as soon as practicable and complete any required incident reporting documentation. Timely reporting assists the District in providing appropriate medical treatment, investigating the incident, and administering workers' compensation benefits. Failure to timely report a work-related injury or illness may affect the administration of a workers' compensation claim as permitted by law.

Employees returning to work following a work-related injury or illness may be required to provide a written release from their treating health care provider identifying any work restrictions and confirming their ability to return to work. The District may require a fitness-for-duty certification when permitted by law.

Upon receiving medical clearance, the District will evaluate the employee's ability to perform the essential functions of the position and will engage in the interactive process and consider reasonable accommodations when required by applicable law. Reinstatement, return-to-work assignments, and accommodation requests will be administered in accordance with applicable workers' compensation laws, the Fair Employment and Housing Act (FEHA), and other applicable laws.

During the time the employee is in fully paid status while absent from work by reason of injury or illness covered by Workers' Compensation, they shall continue to accrue sick leave and vacation benefits as though they were not on leave of absence.

Any employee subject to this policy who depletes their accumulated sick leave, compensatory time, personal holiday time and vacation days while absent from work by reason of an injury or illness covered by Workers' Compensation may receive an unpaid leave of absence and continuation of health care benefits consistent with state and/or federal law.

14.00 DISCIPLINE

14.01 General Principals

Employees may be disciplined for, including but not limited to, any of the following causes of discipline:

- Violation of any department rule, District policy or District regulation, ordinance or resolution;
- Absence without authorized leave or tardiness;
- Excessive absenteeism and/or tardiness as defined by the employee's supervisor/manager and/or these Policies;
- Use of leave from work in a manner not authorized or provided for under District policies;
- Making any false representation or statement, or making any omission of a material fact;
- Providing wrong or misleading information or other fraud in securing appointment, promotion or maintaining employment;
- Unsatisfactory job performance;
- Inefficiency;
- Damaging any District property, equipment, resource, or vehicle, or the waste of District supplies through negligence or misconduct.
- Insubordination; or insulting or demeaning the authority of a supervisor or manager;
- Dishonesty;
- Theft;
- Violation of the District's or a department's confidentiality policies, or disclosure of confidential District information to any unauthorized person or entity;
- Misuse or unauthorized use of any District property, including, but not limited to: physical property, electronic resources, supplies, tools, equipment, District communication systems, District vehicles or intellectual property;
- Mishandling of public funds;
- Falsifying or tampering with any District record, including work time or financial records;
- Discourteous or offensive treatment of the public or other employees;
- Abusive conduct, including malicious verbal, visual or physical actions, or the gratuitous sabotage or undermining of a person's work performance.
- Conviction, meaning any judicial determination of guilt, of a crime that has a nexus to the employee's job duties;
- Unapproved outside employment or activity, or other enterprise that constitutes a conflict of interest with service to the District;
- Any conduct that impairs, disrupts or causes discredit to the District, to the public service, or other employee's employment;
- Reckless or unsafe conduct;
- Working overtime without prior authorization or refusing to work assigned overtime;
- Carrying firearms or other dangerous weapons while on duty when not required by job duties; or

- Horseplay or fighting.

14.02 Counseling

A counseling memo will be provided to an employee to identify: a failure of appropriate conduct or performance issue; the performance the employee is to demonstrate in the future; and consequences for failure to correct the behavior or problem. A counseling memo will be retained in the supervisor's file until the completion of the evaluation year, and then documented in the performance evaluation, as the supervisor deems necessary. A counseling memo is not subject to the discipline or discipline appeal procedures described below.

14.03 Verbal Warning

A verbal reprimand is a verbal direction from a supervisory employee to discontinue inappropriate conduct or to correct a performance issue. A verbal reprimand will be documented in writing and retained in the supervisor's file until the completion of the evaluation year and then documented in the performance evaluation, as the supervisor deems necessary. A verbal reprimand is not subject to the discipline or discipline appeal procedures described below.

14.04 Written Reprimand

Written Reprimand: A written reprimand is written direction from a supervisory employee to discontinue inappropriate conduct or to correct a performance issue. A written reprimand will be retained in the employee's personnel file and documented in the performance evaluation. Unless required by law, a written reprimand is not subject to the discipline or discipline appeal procedures described below. The employee has the right to have their written rebuttal attached to the reprimand in the employee's personnel file, if the employee submits the rebuttal to Human Resources or their designee within 14 days after the reprimand is received.

14.05 Performance Improvement Plan

The District is committed to fair, consistent, and constructive performance management. A Performance Improvement Plan may be used when an employee's performance does not meet established standards. A PIP is a corrective and developmental tool, not disciplinary in nature, unless expressly designated as such.

A Performance Improvement Plan may be initiated when:

- An employee demonstrates ongoing or significant performance deficiencies;
- Prior coaching or informal corrective efforts have not resulted in sustained improvement; or
- The nature of the performance issue warrants a formal improvement plan.

Use of a PIP is discretionary and does not preclude the District from taking other appropriate employment actions consistent with law and policy.

A PIP will be provided to the employee in writing and generally includes:
- A clear description of the performance deficiencies or concerns;
- The expected standards of performance;
- Specific, measurable goals for improvement;
- Actions, resources, training, or support to be provided by the District;

- A reasonable time frame for improvement; and
- The potential consequences of failing to achieve and sustain improvement.

Employee Responsibilities
Employees placed on a PIP are expected to actively participate in the process, demonstrate good-faith efforts to improve performance, and meet the expectations outlined in the plan.

Supervisor Responsibilities
Supervisors are responsible for monitoring progress, providing feedback, documenting performance, and offering reasonable support during the PIP period. Supervisors should meet with the employee periodically to discuss progress and address questions or concerns.

The duration of a PIP will be determined by the District based on the nature of the performance issues and operational needs. At the conclusion of the PIP period, the District will evaluate whether the employee has successfully met the performance expectations.

At the conclusion of the PIP, one or more of the following actions may occur:
- Successful completion of the PIP with no further action;
- Extension or modification of the PIP if additional time is warranted; or
- Further corrective or disciplinary action, up to and including separation from employment, consistent with applicable law, and due-process requirements.
-

14.06 Disciplinary Suspension

Suspension without Pay: The District may suspend an employee from their position without pay for cause. Documents related to a suspension shall become part of the employee's personnel file when the suspension is final and documented in the performance evaluation. A suspension without pay is subject to the discipline and discipline appeal procedures described below. Employees who are exempt from FLSA overtime will only be suspended as authorized by the FLSA.

14.07 Demotion

The District may demote an employee from their position to a lower position for cause. Documents related to a demotion shall become part of the employee's personnel file when the demotion is final and documented in the performance evaluation. A demotion is subject to the discipline and discipline appeal procedures described in section 15.

14.08 Termination

The District may dismiss an employee from their position for cause. Documents related to the dismissal shall become a part of an employee's personnel file when the dismissal is final. A dismissed employee is entitled to the discipline and discipline appeal procedures described in section 15.

14.09 Documentation of Disciplinary Action

Disciplinary actions shall be appropriately documented to clearly identify the conduct or performance issues, the corrective action taken, and the expectations going forward. Documentation is intended to support corrective efforts, ensure due process, and maintain accurate employment records.

Documentation of disciplinary action may include, but is not limited to:

- Written reprimands or warnings
- Notices of suspension, demotion, or dismissal
- Final notices or disciplinary memoranda
- Related investigatory findings or summaries, as appropriate

Informal counseling or coaching that is not disciplinary in nature may be documented separately and does not necessarily constitute disciplinary action.

15.00 DISCIPLINARY PROCEDURES

15.01 Disciplinary Procedures

The following discipline procedures only apply to the District's for-cause employees. All employees other than for-cause employees, including: seasonal, temporary, extra-help, at-will, or probationary employees, may be disciplined or separated at will, with or without cause, and without the disciplinary procedures listed below. The following discipline procedures apply only to suspension without pay, reduction in pay, demotion, or dismissal.

15.02 Skelly Procedures

"Skelly" Notice of Intended Disciplinary Action to Employee: A written notice of the intended disciplinary action shall be given to the employee, which will include the following information:

1. The level of the intended discipline;
2. The specific charges that support the intended discipline;
3. A summary of the facts that show that the elements of each charge at issue in the intended discipline;
4. A copy of all materials upon which the intended discipline is based;
5. Notice of the employee's right to respond to the District regarding the intended discipline within **[five (5)]** days from the date of the notice, either by requesting a *Skelly* conference, or by providing a written response, or both;
6. Notice of the employee's right to have a representative of their choice at the *Skelly* conference; and
7. Notice that failure to respond by the time specified constitutes a waiver of the right to respond prior to final discipline being imposed.

If the employee requests a *Skelly* conference, the Executive Director or designee will conduct an informal meeting with the employee. During the informal meeting, the employee shall have the opportunity to rebut the charges against them and present any mitigating circumstances. The Executive Director or designee will consider the employee's presentation before issuing the disciplinary action. The employee's failure to attend the conference, or to deliver a written response by the date specified in the *Skelly* notice, is a waiver of the right to respond, and the intended disciplinary action will be imposed on the date specified in the *Skelly.*

15.03 Appeal

The following appeal procedures only apply to the District's for-cause employees. All employees other than for-cause employees, including: seasonal, temporary, extra-help, at-will, or probationary employees, may be disciplined or separated at will, with or without cause, and without the disciplinary appeal procedures listed below. The following appeal procedures apply only to suspension without pay, demotion, reduction in pay or dismissal.

Request for Appeal Hearing: An employee may submit a written request for appeal to the Executive Director or designee within **[14]** days from: (1) receipt of the final notice of discipline; or (2) the date of attempted delivery by the post office or delivery service of the notice to the last known address of the employee. Failure to file a timely written request for an appeal waives the right to an appeal hearing and any appeal of the discipline.

- Following completion of the Skelly process, an employee entitled to appeal a disciplinary action may request an appeal hearing.
- The appeal hearing shall be conducted by a neutral advisory arbitrator selected through the California State Mediation and Conciliation Service (SMCS). The arbitrator shall not have participated in the underlying investigation, disciplinary recommendation, or Skelly process.
- The advisory arbitrator shall conduct a hearing and prepare written findings of fact, conclusions, and a non-binding recommendation regarding the disciplinary action.
- The advisory arbitrator's findings and recommendation shall be submitted to the District's governing board for consideration. The governing board shall review the record, the advisory arbitrator's recommendation, and any additional information permitted by District policy before rendering a final decision.
- The governing board's decision shall constitute the District's final administrative determination.
- The District reserves the right to establish procedural rules governing the conduct of advisory arbitration hearings, including the exchange of documents, witness testimony, hearing procedures, and issuance of the advisory decision.

15.04 Final Decision

Final Notice of Discipline: After the *Skelly* conference and/or timely receipt of the employee's written response, the Executive Director or designee will: (1) take no disciplinary action; (2) modify the intended discipline; or (3) impose the intended disciplinary action. In any case, the Executive Director or designee will provide the employee with a notice that contains the following:

1. The level of discipline, if any, to be imposed and the effective date of the discipline;
2. The specific charges upon which the discipline is based;
3. A summary of the facts that show that the elements of each charge at issue in the intended discipline;
4. A copy of all materials upon which the discipline is based; and
5. A reference to the employee's appeal right and deadline to appeal.

Delivery of the Final Notice of Discipline: The final notice of discipline will be sent by mail method that verifies delivery to the last known address of the employee, or delivered to the employee in person. If the notice is not deliverable because the employee has moved without notifying the District or the employee refuses to accept delivery, the effective date of discipline will be the date the post office or delivery service attempted delivery.

16.00 GRIEVANCES

16.01 Grievance Procedures

A grievance is an alleged violation of a specific provision of these Policies that adversely affects the employee and that contains all of the information listed in the "Statement of the Grievance" below. The following procedure applies to all District employees, unless the following apply: another dispute resolution procedure applies to the dispute; or a discipline policy and procedure applies. The grievance procedure cannot be utilized to challenge the content of a performance evaluation.

A concern is not a grievance unless the affected employee is able to state each of the following: the date of the alleged violation; the specific provision(s) of these policies that were allegedly violated; a description of all facts regarding how the alleged violation occurred; and a list of all persons who are witnesses or are involved. The grievant may use an District form to make the Statement of the Grievance. A Statement of the Grievance must be signed by the employee filing the grievance to certify that it is filed in good faith.

Submitting a Grievance
Step I: Informal Resolution with Supervisor: The employee must first work in good faith to resolve the grievance informally through discussion with their immediate supervisor no later than **[14]** days after the grievant first became aware of the facts or circumstances resulting in the filing of the grievance.

Step II: If the employee believes that the grievance has not been resolved through Step I, the employee may submit a written Statement of the Grievance to their Department Head or designee. The employee must submit the Statement of the Grievance within **[28]** days after the grievant first became aware that a grievance has occurred. The Department Head or designee shall consider, discuss the grievance with the grievant, and/or investigate as they deems appropriate, and shall, within **[14]** days of receipt of the written Statement of the Grievance, submit their decision in writing to the grievant.

Step III: If the employee believes that the grievance has not been resolved through Step II, the employee may appeal the grievance decision of the Department Head or designee to the Executive Director. Such appeal must be filed within **[14]** days of the date of the Department Head or designee's written decision. The District shall consider, discuss the grievance with the grievant, and/or investigate as he/she deems appropriate, and shall, within **[14]** days of receipt of the written Statement of the Grievance, submit their decision in writing to the grievant. The decision of the Executive Director or designee shall be final.

16.02 Freedom from Reprisal

Employees shall be free from reprisal, retaliation, intimidation, or coercion for filing a grievance in good faith, participating in the grievance process, serving as a witness, or otherwise exercising rights under this policy. No employee shall be disciplined, discriminated against, or adversely affected in their employment as a result of utilizing or participating in the grievance procedure. Allegations of reprisal or retaliation shall not be processed through the grievance procedure and may be addressed through other applicable District policies or procedures.

16.03 Consolidation

When two or more grievances are based on the same or substantially similar facts, involve the same policy provisions, or present common issues, the District may consolidate the grievances for purposes of review and resolution. Consolidation may occur at any step of the grievance process when deemed appropriate by the District to promote efficiency, consistency, or fairness. Consolidation does not alter the rights of any grievant to receive a written response or final determination.

16.04 Resolution

A grievance may be resolved at any step of the grievance procedure through mutual agreement between the employee and the District. Resolution may include clarification of policy, corrective action, or other appropriate remedies consistent with District authority and applicable law. Any agreed-upon resolution shall be documented in writing. Resolution of a grievance does not constitute precedent and shall not be binding in future matters unless expressly stated.

16.05 Withdrawal

A grievance may be withdrawn by the employee at any time by submitting written notice of withdrawal to the District. Withdrawal of a grievance shall conclude the grievance process for that matter. Withdrawal does not preclude the employee from raising other concerns or filing future grievances on separate matters, subject to applicable timelines and requirements.

16.06 Time Limits

Failure of the District to comply with the time limits of the grievance procedures allows the grievant to appeal to the next level of review. Failure of the grievant to comply with the time limits of the grievance procedures constitutes settlement and resolution of the grievance on the basis of the last disposition. The parties may extend time limits by mutual written agreement in advance of a deadline.

17.00 REDUCTION IN FORCE

17.01 Reduction in Force/Layoffs

The District reserves the right to implement layoffs or reductions in force when deemed necessary to address legitimate business needs. Layoffs shall be implemented in a manner that is objective, equitable, and consistent with applicable laws. Nothing in this policy limits the District’s management rights to determine the size, structure, or organization of its workforce.

17.02 Definitions

A Reduction in Force (RIF) or Layoff is the separation of an employee from employment, or placement into a lower classification or reduced schedule, due to reasons other than employee misconduct or performance. Layoffs may occur as a result of, but are not limited to:

- Lack of work or funding

- Budgetary shortfalls or fiscal constraints
- Reorganization or restructuring
- Elimination of positions or programs
- Operational or technological changes

A layoff is not disciplinary in nature.

17.03 Procedures

If the Executive Director determines that a for-cause employee who is subject to layoff is qualified to perform the duties in a vacant position, the employee will receive a written notice of option to transfer in lieu of layoff. An employee who does not accept a transfer within 10 days after the date of the written notice, forfeits the option to transfer. An employee who accepts a transfer will be paid the rate applicable to the position into which they transfer.

When a reduction in force is required, the District will determine:

- The classifications, departments, or positions affected; and
- The number of positions to be eliminated, reduced, or restructured.

Layoffs within a classification shall generally be conducted based on length of continuous District service, with employees having the least seniority laid off first. Temporary, seasonal, or at-will employees may be laid off prior to regular employees, consistent with law and applicable agreements.

When practicable, the District may consider alternatives to layoff, which may include:

- Hiring freezes or attrition
- Reduced work hours or schedules
- Voluntary demotions or transfers
- Leaves of absence
- Other cost-saving measures

Consideration of alternatives does not create an obligation to implement them.

17.04 Notice

Employees affected by a layoff shall be provided written notice as required by law, applicable District policy. The notice will generally include:

- The effective date of the layoff
- The reason for the layoff
- Information regarding benefits, final pay, and accrued leave
- Re-employment or recall rights, if applicable

For represented employees, the District will meet and confer with the applicable employee organization as required by the Meyers-Milias-Brown Act (MMBA) prior to implementation of a layoff decision, to the extent required by law.

17.05 Re-employment

Employees laid off in good standing may be eligible for re-employment or recall to a vacant position in the same or lower classification for which they are qualified, subject to applicable District policy.

The District may establish re-employment or recall lists for laid-off employees. Placement on a recall list does not guarantee re-employment and is limited to the duration specified by District policy.

When a recall list is utilized, employees shall generally be recalled in order of seniority within the affected classification.

Re-employment following layoff does not automatically restore prior seniority, salary placement, or benefits unless required by law or expressly provided by policy.

18.00 OTHER

18.01 Telework

<u>Purpose</u>

The purpose of this policy is to establish a clear and consistent framework for the use of telework arrangements within the District. This policy is designed to support the District's goals of promoting operational efficiency, enhancing employee work-life balance, ensuring continuity of operations, and supporting sustainability and employee retention efforts.

This policy outlines the eligibility criteria, approval process, expectations, and responsibilities associated with telework to ensure consistency, transparency, and accountability across departments.

<u>Definitions</u>

Alternative Worksite

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

Telework

Telework, also referred to as remote work or telecommuting, is a flexible work arrangement that allows eligible employees to perform their job duties from an Alternate Worksite or location on a full-time, part-time, or occasional basis. Telework is a voluntary arrangement, subject to approval, that may be modified or terminated at the discretion of the District.

Telework does not alter the terms and conditions of employment, nor does it change the employee’s job responsibilities, performance expectations, work hours, or adherence to District policies and applicable laws.

Work Schedule

Work Schedule means the days and hours determined by supervisors or managers during which non-exempt, overtime eligible employees should be in attendance at the Alternative Worksite. The Work Schedule should comply with the Fair Labor Standards Act followed by the District or provide for and include the rest and meal breaks required under applicable federal and state law as well as under applicable Memoranda of Understanding.

Policy

The District supports telework as a practical and positive work option on a limited basis.

All District employees who request the option for telework must have an approved Telework Agreement under this policy. Telework does not change the duties, obligations, responsibilities, or terms and conditions of District employment. Telework is a privilege and a responsibility, not an entitlement or a right.

Employees must submit a Telework Request form and Certification of Safe and Suitable Telework Environment through the departmental approval process before executing a Telework Agreement. Employees may be removed from the Telework Program if they do not comply with the terms of their Telework Agreements or no longer meet one or more of the terms of eligibility as defined in this policy.

Employees approved for telework may not telework more than two (2) days per standard work week. Exceptions to this cap may only be granted by the Executive Director, or designee, based on extraordinary circumstances and documented operational needs.

All telework arrangements must be formalized through a signed Telework Agreement. The Executive Director, or designee, may modify or revoke the agreement at their discretion, with a minimum of five (5) business days written notice. If an employee requests to end their telework arrangement, the transition back to the worksite will be accommodated as soon as operationally feasible for the District and the department.

Even with an approved telework schedule, employees may be required to report to the worksite on short notice to support essential services or operational needs, as determined by their supervisor or manager. When in-person attendance is needed for non-urgent matters, the District will provide as much advance notice as possible to allow employees adequate time to adjust their schedules.

The District assumes no liability for injuries that occur outside the scope of the employee's official duties or outside of their approved telework schedule. Additionally, the District is not responsible for any injuries, damages, or losses sustained by third parties (e.g., family members, including pets, visitors, or other non-District individuals) who may enter or be present in the designated telework worksite.

18.02 Disaster Service Workers

Pursuant to California Government Code sections 3100 through 3109, all public employees are designated as Disaster Service Workers. As such, employees may be required to perform disaster service activities during a declared emergency, disaster, or emergency-related training exercise. Disaster service duties may be outside an employee's normal job classification, work location, or work schedule.

Disaster service assignments may be activated by the Executive Director, Emergency Services Director, or other authorized official when a local, state, or federally declared emergency exists, or when emergency conditions warrant activation under the District's Emergency Operations Plan (EOP). Assignments will be made based on operational needs, employee skills, training, and the

District's emergency response structure, including the Standardized Emergency Management System (SEMS) and the National Incident Management System (NIMS).

Employees designated as Disaster Service Workers are expected to:

- Report for duty as directed during an emergency or disaster, unless excused by an authorized District official;
- Follow lawful orders and instructions issued during disaster service assignments;
- Perform assigned duties safely and to the best of their ability; and
- Participate in required disaster service training or exercises.

Failure to report for or perform assigned disaster service duties without valid justification may result in disciplinary action, consistent with applicable law and District policy.

Employees performing disaster service duties will be compensated in accordance with applicable laws, regulations, including provisions related to overtime, premium pay, and work schedules. Time worked during disaster service assignments is considered hours worked for purposes of compensation and benefits.

The District is committed to employee safety during disaster service assignments. Employees injured in the course and scope of disaster service duties are covered by workers' compensation in accordance with applicable law.

The District will consider legitimate limitations, including medical or disability-related restrictions, when assigning disaster service duties, to the extent practicable and consistent with emergency response needs and legal requirements.

The District may require employees to complete disaster preparedness training, including SEMS and NIMS training, and to participate in emergency drills or exercises to ensure readiness.

18.03 Travel Policy

The District may authorize travel when it is necessary to conduct District business, attend approved training, conferences, meetings, or perform other official duties. All travel must be approved in advance by the employee's supervisor or other authorized official and is subject to budget availability and operational needs and in compliance with the Finance and Accounting Policy Manual

Authorization and Planning
Employees must obtain prior approval before incurring travel expenses. Travelers are expected to plan travel in a manner that is economical, efficient, and consistent with District interests, including selecting reasonable transportation, lodging, and meal options.

Reimbursable Expenses
The District may reimburse reasonable and necessary travel expenses incurred for approved District business, which may include transportation, lodging, meals, registration fees, and incidental expenses. Reimbursement is subject to District procedures and established limits or guidelines.

Non-Reimbursable Expenses
Personal expenses, costs incurred for convenience, or expenses not directly related to District

business are not reimbursable unless expressly authorized. Employees are responsible for any additional costs resulting from personal preferences or activities.

IRS Compliance
Travel reimbursements shall be administered in accordance with Internal Revenue Service (IRS) accountable plan requirements. Employees must submit timely and adequate documentation to substantiate expenses. Expenses that do not meet IRS requirements may be treated as taxable income.

18.04 Credit Card Use

District-issued credit cards are provided solely for authorized District business and are intended to facilitate efficient purchasing and travel-related expenses. Use of a District credit card is a privilege, not a right, and cardholders are expected to exercise sound judgment, integrity, and fiscal responsibility at all times and in compliance with the Finance and Accounting Policy Manual.

Issuance and Authorization
District credit cards may be issued to employees whose job duties require regular purchasing or travel. Issuance of a credit card must be approved in advance by the Executive Director or designee. Card limits, allowable merchant categories, and duration of issuance shall be determined by the District.

Authorized Use
District credit cards may be used only for reasonable and necessary expenses incurred for approved District business and in accordance with District purchasing, travel, and reimbursement policies. All charges must be supported by appropriate documentation and are subject to review and approval.

Prohibited Use
District credit cards shall not be used for:

- Personal purchases or expenses
- Cash advances or withdrawals
- Alcoholic beverages or other prohibited items, unless expressly authorized
- Circumventing procurement or approval requirements
- Any unlawful, unethical, or unauthorized purpose

Documentation and Reconciliation
Cardholders are responsible for submitting itemized receipts and required documentation in a timely manner and for reconciling charges in accordance with District procedures. Failure to provide adequate documentation may result in the cardholder being required to reimburse the District.

IRS and Accounting Compliance
Credit card use and related reimbursements shall be administered in accordance with applicable Internal Revenue Service (IRS) regulations and generally accepted accounting principles. Charges that do not meet accountable plan requirements or District policy may be treated as taxable income to the cardholder.

Misuse and Corrective Action

Improper, unauthorized, or negligent use of a District credit card may result in revocation of card privileges, repayment obligations, corrective or disciplinary action up to and including termination, and potential legal action, consistent with District policy and applicable law.

Card Security
Cardholders are responsible for safeguarding District credit cards and account information. Lost or stolen cards must be reported immediately to Finance and the card issuer. Cardholders may be held accountable for unauthorized charges resulting from failure to safeguard the card.

18.05 Request for Information and Media Contact

Public Records Requests
The District is committed to transparency and compliance with the California Public Records Act (CPRA) and other applicable laws governing public access to records.

Employees who receive a request for public records, whether written, electronic, or verbal, shall promptly forward the request to the Executive Director or designated records coordinator. Employees should not independently determine whether records are subject to disclosure or exempt from disclosure unless specifically authorized to do so.

The District will respond to public records requests in accordance with applicable law. Certain records may be exempt from disclosure, including but not limited to personnel records, attorney-client privileged communications, attorney work product, pending litigation materials, confidential security information, and other records protected by law.

The District reserves the right to consult with legal counsel regarding the applicability of any exemption, privilege, or disclosure requirement.

Requests for Information from Board Members

Board Members may request information necessary to perform their official duties. Requests for operational, administrative, financial, personnel, legal, or policy-related information should be directed through the Executive Director or designee.

Employees should provide information to Board Members only as authorized by the Executive Director, consistent with the Brown Act, District policies, and applicable laws.

Nothing in this policy is intended to restrict communications authorized by law between Board Members and District employees.

Media Relations
The District recognizes the importance of maintaining accurate, timely, and consistent communications with the public and the media.

Unless specifically authorized by the Executive Director, employees are not authorized to speak on behalf of the District regarding District operations, policies, projects, programs, personnel matters, litigation, or other official business.

Employees contacted by members of the news media regarding District business should courteously refer the inquiry to the Executive Director or designated spokesperson.

Nothing in this policy is intended to prohibit employees from engaging in activities protected by law, including rights protected under the National Labor Relations Act, the Meyers-Milias-Brown Act, whistleblower protections, or other applicable laws.

1 Fill Ballot | 2 Review Ballot | 3 Done

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS TERM 2027-2029 SEAT C

CSDA Board of Directors Election Ballot - Term 2027 - 2029; Seat C - Coastal Network

Please vote for your choice

Choose **one** of the following candidates:

- Vincent Ferrante, Commissioner, Moss Landing Harbor District (Incumbent)
- Maisha Cole Perri, Board President, Blanchard Santa Paula Library District
- Jacquelyn McMillan, Board Member, Calleguas Municipal Water District
- Scott Meckstroth, General Manager, Ojai Valley Sanitary District

☐ **Vincent Ferrante, Commissioner, Moss Landing Harbor District (Incumbent)**

Please click here for the candidate information sheet.

Please click here for the candidate statement.

☐ **Maisha Cole Perri, Board President, Blanchard Santa Paula Library District**

Please click here for the candidate information sheet.

Please click here for the candidate statement.

Jacquelyn McMillan, Board Member, Calleguas Municipal Water District

Please click here for the candidate information sheet.

Please click here for the candidate statement.

Scott Meckstroth, General Manager, Ojai Valley Sanitary District

Please click here for the candidate information sheet.

Cancel Continue

California Special
Districts Association
Districts Stronger Together

2027-2029 TERM - CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Vincent C. Ferrante

District/Company: Mosslanding Harbor

Title: Commissioner

Elected/Appointed/Staff: Elected

Length of Service with District: 24 years

1. **Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

I currently serve on the Member Service and the Education Development Committees.

In past years I have served on every committee that is offered by CSDA. I also have completed all four modules in the Governance Academy.

2. **What other state-wide associations have you been involved with? (such as CSAC, ACWA, League, etc.):**

None

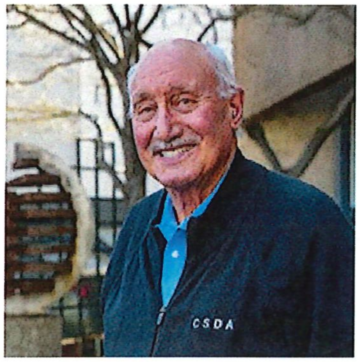
3. **List your local government involvement (such as LAFCo, Association of Governments, etc.):**

I serve as the representative for the Moss Landing Harbor board on the Monterey County Special Districts Association Chapter

4. **List your involvement in civic and/or non-profit organization:**

My involvement isas follows: Japanese-Sister City organization, Sons of Italy, Friends of Isola del Femena, American Legion Post 31, hospital volunteer

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot.**



As a Board Member for California Special District Association for the past several years, I have committed my efforts to efficiently serve the needs of gur Independent Special Districts in Coastal Network 5 and also all Special Districts throughout California.
To *advance* our interests, I also served on all CSDA Committees as either Chairman or Vice- Chairman, two terms as the Board Secretary, Vice-President and in 2017 I had the honor to serve as CSOA President, elected by the CSDA Board of Directors. I have had the opportunity to visit all the Chapters in Coastal Network 5 while serving on the CSDA Board, either in person or on Zoom.

During my time on the CSDA Board, I have seen membership increase; our professional development has added more conferences and various other educational items and also increased attendees at our State Conferences. Our Advocacy/Legislative Department has been able to follow more bills in the State Legislature. Much of this is with the approval of the CSDA Board.

Additionally, I was appointed to the CSDA National Liaison and attended Special District Conferences in Florida, Utah, Colorado, and Oregon in order to create a networking with other States. This has encouraged other states' Special Districts to attend our conferences and provide opportunities to share knowledge, lobbying techniques utilized by other Special Districts, and building to a stronger coalition of Special Districts throughout the United States of America.

Will you please assist me in continuing to serve as your CSDA Director in Coastal Network 5.

Sincerely

California Special
Districts Association
Districts Stronger Together

2027-2029 TERM - CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Maisha Cole Perri

District/Company: Blanchard/Santa Paula Library District

Title: Board President / Trustee

Elected/Appointed/Staff: Elected

Length of Service with District: Three years

1. **Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

No

2. **What other state-wide associations have you been involved with? (such as CSAC, ACWA, League, etc.):**

California Garden Clubs, Inc.

3. **List your local government involvement (such as LAFCo, Association of Governments, etc.):**

Blanchard/Santa Paula Library District

4. **List your involvement in civic and/or non-profit organization:**

President, Santa Paula Society of Arts

Founder, Santa Paula Community Garden

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot.**

Candidate Statement – Maisha Cole Perri

I am proud to serve as President of the Blanchard Community Library for the second year in a row. I am seeking the opportunity to represent the Coastal Network on the CSDA Board of Directors.

Special districts are where government meets real life. We deliver essential services, steward public trust, and respond directly to the needs of our communities. I am running because I believe CSDA must continue to strengthen its voice, sharpen its advocacy, and support districts navigating increasing financial and operational pressures.

In my role as Board President, I have led strategic planning efforts, supported community-driven initiatives, and prioritized transparency and accountability. I understand firsthand the challenges districts face, from funding constraints to growing service demands, and I bring a practical, solutions-oriented approach to governance.

My background in entertainment, non-profit leadership and entrepreneurship has trained me to manage complexity, align stakeholders, and deliver results under pressure. I approach leadership with clarity, organization, and a strong sense of responsibility to the communities we serve.

I am particularly passionate about advancing legislative advocacy, ensuring equitable access to services, and helping districts remain resilient and forward-thinking in a rapidly changing environment.

I am fully prepared to meet the commitments of Board service and to actively contribute to CSDA's mission at the statewide level.

I would be honored to earn your support and to serve as a strong, thoughtful voice for special districts across the Coastal Network.

California Special
Districts Association
CSDA
Districts Stronger Together

2027-2029 TERM - CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Jacquelyn "Jacque" McMillan

District/Company: Calleguas Municipal Water District

Title: Board of Director

Elected/Appointed/Staff: Elected

Length of Service with District: 4 years with CMWD and 31 years with Metropolitan Water District of Southern CA

1. **Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

34 conferences, events and workshops (list attached)

2. **What other state-wide associations have you been involved with? (such as CSAC, ACWA, League, etc.):**

ACWA (Region 8 board & Ag Cmt), Metropolitan Water District of Southern California (Board and 16 Cmts), Delta Conveyance Design & Construction Authority (Board), Delta Conveyance Finance Cmt (Chair),

3. **List your local government involvement (such as LAFCo, Association of Governments, etc.):**

Ventura County Special District Association,

4. **List your involvement in civic and/or non-profit organization:**

Ventura County Women in Ag, West Ventura County Business Association, Association of Water Agencies of Ventura County, Simi Valley Chamber of Commerce, Food Share, League of Women Voters

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot.**

(Candidate Statement Attached)

Jacque McMillan retired after serving 31 years as a Principal Government and Regional Affairs Representative for the Metropolitan Water District of Southern California, the nation's largest water purveyor. She worked extensively with businesses, community leaders, and elected officials to ensure that 19 million residents continue to have a safe, reliable, and low-cost supply of drinking water. She has served as an officer, committee chair, or active member for over thirty years, representing agricultural, business, and advocacy entities in east Ventura County, Los Angeles, Santa Monica, and Beverly Hills. Jacque assisted these groups in developing policy positions on water that would enrich the region's business climate and quality of life for its residents. From 2003 to 2019, she also served as a Board Director for the Santa Clarita Valley Water Agency.

She began her career in Metropolitan's real estate section, acquiring property for Diamond Valley Lake. Prior to joining Metropolitan, Jacque worked for three petroleum companies, managing 15 oil fields and acquiring oil, gas, and coal rights in over nine states and seventy-nine counties.

Jacque serves on the Metropolitan Water District of Southern California Board of Directors and the following Committees: Vice Chair of Legal and Claims and a member of Community and Workplace Culture; Engineering, Operations and Technology; Finance, Affordability, Asset Management and Efficiency; Organization, Personnel and Effectiveness; One Water and Adaptation; Subcommittee on Imported Water; CAMP4W; Ag and Tribal Partnership, and an alternate on the Executive Committee. She also serves on the board of the Delta Conveyance, Design and Construction Authority and Chairs the Delta Conveyance Finance Board.

Director McMillan has a Master's in Business from California State University, Northridge, and a Bachelor's from the University of Houston. She is also a graduate of the Oxnard Leadership, Valley Leadership Institute, and Leadership LA programs.

California Special Districts Association
Districts Stronger Together

CSDA

2027-2029 TERM - CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Scott Meckstroth

District/Company: Ojai Valley Sanitary Distrit

Title: General Manager

Elected/Appointed/Staff: Appointed

Length of Service with District: 18 Months

1. **Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):**

Yes; I regularly attend the bimonthly Ventura County Chapter of CSDA. I attended the 2025 CSDA GM summit.

2. **What other state-wide associations have you been involved with? (such as CSAC, ACWA, League, etc.):**

American Public Works Association (APWA) Ventura County Chapter Executive Board 2009-2020. Represented the Chapter as President at 2019 PWX in Seattle and as VP at the 2018 national convention in Kansas City.

3. **List your local government involvement (such as LAFCo, Association of Governments, etc.):**

I have attended and presented at Ventura LAFCo, Ventura County Board of Supervisors, City councils for Camarillo, Ventura, and Thousand Oaks, representing Special Districts, the APWA, agencies and businesses.

4. **List your involvement in civic and/or non-profit organization:**

Ventura County Association of Water Agencies (AWA) Executive Board 2015-2020; AWA Annual Water Symposium co-chair since 2019 to present.

****Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after the nomination deadlines will not be included with the ballot.**

AGENDA ITEM: G-7
DATE: June 25, 2026

TO: Monterey Peninsula Airport District Board of Directors
FROM: Christine Morello, Executive Director
Scott E. Huber, District Counsel
SUBJ: Resolution No. 1917A, A Resolution Modifying the Time of the Regular Meetings of the Board of Directors of the Monterey Peninsula Airport District

BACKGROUND. In November 2025, the Board approved a modification to the meeting schedule to commence in January 2026 such that the Board would meet the fourth Thursday of each month at 5:30 pm. This was done in an effort to allow more members of the public to attend the Board meetings. Some members of the Board have expressed a desire to adjust the time of its meetings to further that same purpose.

DISCUSSION. The time and day of the regularly scheduled Board Meetings are established by resolution of the Board. The Board of Directors currently meet on the fourth Thursday at 5:30 pm. With a desire to encourage more constituents and members of the public to attend Board meetings, at the May Board meeting the Board directed staff to review the meeting day and time and bring back a recommendation. After review and discussion staff recommend adjusting the time of the meeting on the fourth Thursdays of each month to commence at 4:30 pm.

This proposed modification would be to the commencement time of the meeting and would not modify the regularly scheduled meeting day of the fourth Thursday of each month. The Board will consider the adjustment to its meeting time.

All agenda postings, and the conduct of all meetings, will comply with the requirements of the Brown Act. If approved, the new regularly scheduled board meeting time will commence on July 23, 2026.

FISCAL IMPACT. No fiscal impact.

RECOMMENDATION.

1. Adopt Resolution No. 1917A, A Resolution Modifying the Time of the Regular Meetings of the Board of Directors of the Monterey Peninsula Airport District, or
2. Provide alternative direction to Staff.

ATTACHMENTS.

Resolution 1917A

RESOLUTION NO. 1917A

A RESOLUTION MODIFYING THE TIME AND PLACE OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT

WHEREAS, the Board of Directors previously established the meeting time through Resolution No. 1917 in November of 2026; and

WHEREAS, the Board currently holds its regular Board Meetings at 5:30 pm on the fourth Thursday of each month; and

WHEREAS, in an effort to encourage more constituents and members of the public to attend Board meetings, the Board desires to adjust the time of the meeting on the fourth Thursdays of each month to commence at 4:30 pm.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT:

SECTION I: Resolution No. 1917 is hereby repealed.

SECTION II: Regular meetings of the Board of Directors of the Monterey Peninsula Airport District shall be held on the fourth Thursday of each month at the hour of 4:30 pm in the Board Room on the second floor of the Terminal Building, at 200 Fred Kane Drive, Monterey, California.

SECTION III: All meetings will be conducted in accordance with the requirements of the Ralph M. Brown Act.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA AIRPORT DISTRICT: This 25th day of June 2026 by the following roll call vote:

AYES: **DIRECTORS:**
NOES: **DIRECTORS:**
ABSTAIN: **DIRECTORS:**
ABSENT: **DIRECTORS:**

Signed this 25th day of June 2026

Danial Pick, Chair

A T T E S T

Christine Morello
District Secretary

AGENDA ITEM: H
DATE: June 25, 2026

TO: Chris Morello, Executive Director, Monterey Regional Airport
FROM: Department Heads
SUBJECT: Monthly Department Reports

FINANCE AND ADMINISTRATION.

Terminal Comment Card Log by Administration
Financial Summary by Mark Wilson, Controller

FIRE.

Monthly Fire Report by Monterey Fire Department

OPERATIONS.

Operations Report by Whitney Robare, Deputy Executive Director Operations and Maintenance

PLANNING AND DEVELOPMENT.

Planning and Environmental Monthly Project Report by Chris Morello, Interim Executive Director

POLICE.

Police Activity Report by Del Rey Oaks Police Department

RATING	DATE OF VISIT	TIME OF VISIT	PURPOSE	FLIGHT	AIRLINE	COMMENT	CITY	STATE
NEUTRAL	5/4/2026	7:30 AM	Arriving		Other	The ceiling looks to have mold several places and obviously has at least one water leak in another. Very discouraging.	Monterey	CA
POOR	5/13/2026	12:15pm	Departing	AS 3074	American	We missed Flight 3074 on May 13 due to poor boarding communication. There was no gate agent present, the display board did not indicate boarding had begun, and PA announcements were difficult to understand. When we asked about the flight, we were told the gate was closed, even though the aircraft was still on the tarmac with its door open. We were disappointed by the lack of assistance and the agent's unhelpful response. We recommend improving boarding notifications, ensuring gate agents remain accessible, and addressing ongoing issues with the PA system to help prevent similar situations for future passengers. [Message simplified due to length]	Monterey	CA
NEUTRAL	5/15/2026	4:30 PM	Departing	AS 2187	Alaska	The baggage check-in area was left unattended for almost an hour	San Antonio	TX
NEUTRAL	5/16/2026	4:50 PM	Departing		Alaska	Marie at the check in counter was exceptional. Friendly and welcoming	Westfield	NJ
POOR	5/26/2026	10:30 AM	Arriving		United	Toilette Paper out at restrooms @ Gate 5	Houston	TX
POOR	5/27/2026	-	Arriving		American	I landed Wednesday May 27 on this flight from Phoenix to MRY. There was absolutely no ground crew visible as the plane slowly passed by the terminal after landing. We stopped off to the side and sat at the beginning of the runway for about 45 minutes while two other planes landed. The captain came on the speaker and said that no one was available to park/receive the plane. We sat there for another 30 to 45 minutes. When we finally were told to taxi around to the terminal again and stopped to park, the ramp to get off the plane was not working or was not correct so we sat on the plane for another 30 to 45 minutes waiting for them to get the right stairs for us to deplane. I was sick and all I wanted to do was get home. I live in Monterey and have flown in and out of the Monterey airport many times. Whatever happened, this experience was totally inexcusable! Please get to the bottom of this failure.	Monterey	CA

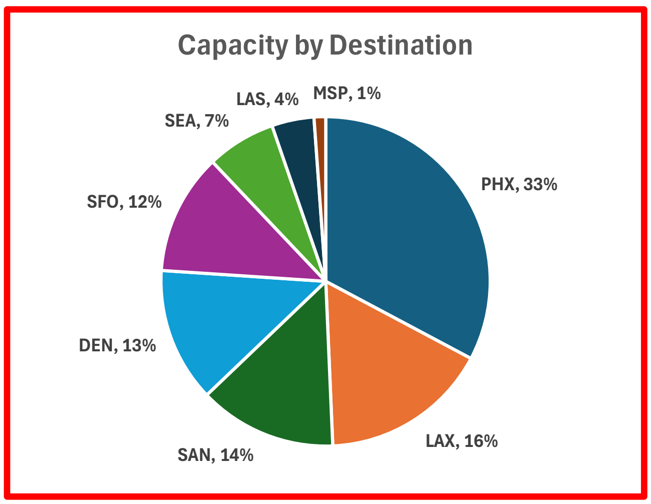
POOR	5/27/2026	-	Arriving	American	I recently flew out of Monterey to Cabo and back I have flown this route for years and have never had a problem from San Jose We had no ground crew when we arrived only to wait to find a working stair case it was almost as long of wait as if I would have drove from San Jose Better equipment would equal better customer service Totally unacceptable thank you for you attention to this matter waiting over 45 minutes at a tiny airport is ridiculous	Monterey	CA
POOR	5/28/2026	12:30 PM	Arriving	United	There is no safe way for visitors to walk from parking to the terminal. I had to walk in the roadway as cars whizzed past. Pouring rain, no markings, no signs, and no shuttle. I wonder if there will be lights at night when I return.	Salinas	CA

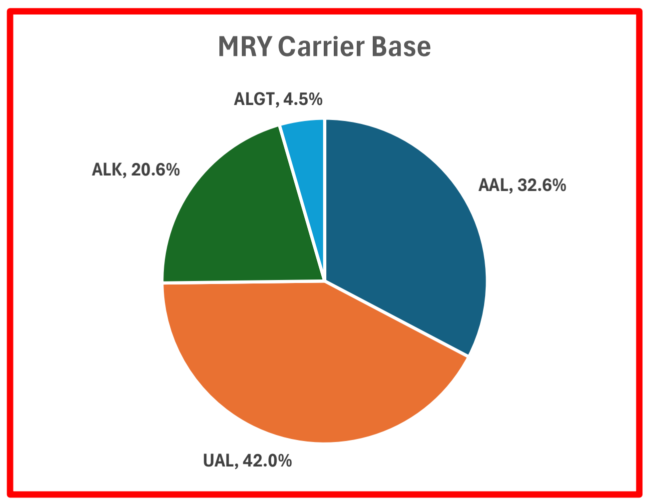
AGENDA ITEM: H-2
DATE: June 25, 2026

TO: Chris Morello, Executive Director, Monterey Regional Airport
FROM: Mark Wilson, Controller
SUBJECT: Discussion and Analysis of the April 30, 2026 Financial Statements

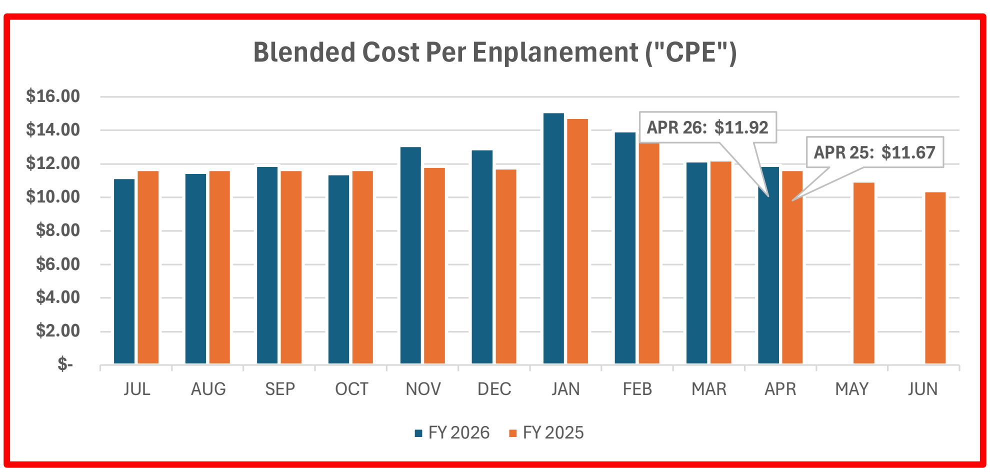
KEY OPERATING STATISTICS. FY26 April revenue enplanements were 27,034 (vs. 27,668 budgeted) up 0.5% from the 26,887 in the same period in FY25. April commercial airline landings were greater than budgeted (465 actual vs. 444 budgeted) and landed weights were less than budgeted (33,341K vs. 35,166K). Total Passengers for the month of April were 54,758, down 0.5% from 55,017 in the same period in FY25. Total aircraft operations for April were 4,375, down from 4,397 in the same period in FY25 (this includes 1,681 Commercial, 2,562 Private and 132 Military aircraft), and Vehicle exit counts in the parking lots were 9,314, down 9.4% from the exit counts in April of FY25.

In April 2026, United, American and Alaska Airlines accounted for 42.0%, 32.6%, and 20.6%, respectively, of the passenger enplanements. Monterey Regional Airport's enplaning passenger carrying capacity for April was 33,630 seats, with an overall Passenger Load Factor of 80.4%.





In April, the Airport's blended CPE was $11.92, compared to $11.67 in the same period in FY25. The $0.25 increase reflects the impact of the increased Rates & Charges implemented in FY26 (+$0.82), offset by lower landed weights (-$0.50) and higher enplanements (-$0.07).



LIQUIDITY AND CAPITAL RESOURCES. As of April 30, 2026 the Airport had unrestricted cash and investments of $15.3M.

As of April 30, 2026 the Airport had Restricted CFC cash and investments of $653.3K.

The Current Ratio of unrestricted current assets to current liabilities is a very healthy 3.34X. This compares favorably to an overall Airport Industry Benchmark* of 5.41X. Days Cash on Hand (based on FY26 budgeted Operating Expenses), was 458 which is 25.9% lower than the overall Airport Industry Benchmark* of 618 Days.

OPERATING INCOME. The Airport's higher than budgeted revenues and lower than budgeted operating expenses in April resulted in an operating income of $513.8K, which is a favorable variance of $228.7K to April's budgeted operating income of $285.1K.

	OPERATING INCOME			
	April 2026 ACTUAL	April 2026 BUDGET	VARIANCE Favorable (Unfavorable) $	%
Operating Revenues	$ 1,474,138	$ 1,316,550	$ 157,589	12%
Operating Expenses	(960,328)	(1,031,453)	71,125	-7%
Operating Income	**$ 513,810**	**$ 285,097**	**$ 228,713**	**80%**

REVENUES. April 2026 combined Operating Revenues were $1,474.1K, which was $157.6K/12.0% higher than the budget of $1,316.5K. This favorable variance was primarily due to higher Interest Income earned on Interim Notes, Series 2026 Proceeds ($143.5K).

	April 2026 ACTUAL	April 2026 BUDGET	VARIANCE Favorable (Unfavorable) $	%
Terminal Revenues	$ 791,180	$ 805,053	$ (13,873)	-2%
General Aviation	191,393	178,646	12,747	7%
Non-Aviation	214,940	203,722	11,218	6%
Other Operating	82,390	82,164	226	0%
Interest Income	194,236	46,965	147,271	314%
Total Operating Revenues	**$ 1,474,138**	**$ 1,316,550**	**$ 157,589**	**12.0%**

*** Source: Merritt Research Services Benchmark Central - Airport Medians for 2024.**

TERMINAL REVENUES:

Commercial Aviation fees ($185.9K) for April were lower than budget ($193.7K) by ($7.8K/4.%) due primarily to lower landing, RON and apron fees from American ($23.9K), partially offset by higher landing and RON fees from Alaska ($9.2K) and United ($4.7K). Del Monte Aviation ("DMA") reported commercial fuel sales of 283,523 gallons to the airlines for the month (40% to American, 36% to United, and 23% to Alaska).

Terminal Rents ($216.7K) for April were higher than budget ($212.9K) by($3.8K/2%). This favorable variance was due primarily to unbudgeted Allegiant common space usage ($2.5K).

TNC Permits, Trip Fees & Peer-to-Peer Rentals ($34.9K) for April were higher than the budget ($31.7K) by ($3.2K/10%). This favorable variance was due primarily to higher than budgeted TNC Trip Fees ($1.6K) from Uber.

Terminal Concessions ($31.0K) for April were higher than budget ($27.0K), by ($4.0K), due primarily to higher advertising from Lamar ($2.0K).

Rental Car Concessions ($165.8K) for April were lower than budget ($166.5K) by ($0.7K) due primarily to a unfavorable variances from Enterprise ($3.4K) and GoRentals ($1.5K), partially offset by higher than budgeted results from Avis/Budget.

Parking Concessions ($153.9K) for April were lower than the budget ($170.0K) by ($16.1K/9%). Parking Concession revenues for April were budgeted at 10,008 exiting cars with an average exit ticket of $16.98 net to MPAD per exiting car. In April the number of exiting cars was lower than budgeted at 9,314, with a lower average exit ticket of $16.52 net to MPAD per car, resulting in the overall unfavorable variance.

GENERAL AVIATION REVENUES:

Heavy General Aviation revenues, including landing fees ($148.9K) for April were higher than budget ($134.8K) by ($14.1K/10%) due primarily to higher landing fees ($13.6K) and fuel flowage fees ($0.5K). Monterey Jet Center ("MJC") and DMA reported general aviation fuel sales of and gallons of Jet A, respectively, for the month. MJC and DMA reported 347 and 296 revenue landings, respectively, for the month.

Light General Aviation revenues ($42.5K) for April were materially on budget ($43.9K).

NON-AVIATION REVENUES:

Non-Aviation revenues ($214.9K) for April were higher than budget ($203.7K) due primarily to higher rents achieved at 2801 MSH ($14.1K).

OTHER OPERATING REVENUES:

Other Operating revenues ($82.4K) for April were materially on budget ($82.2K).

INTEREST INCOME:

Interest Income ($194.2K) for April was higher than budget ($47.0K) by ($147.3K) due primarily to interest income earned on the Interim Notes, Series 2026 Proceeds ($143.5K).

EXPENSES. Total Operating Expenses ($960.3K) for April were lower than the budget ($1,031.5K) by ($71.1K)/7%. See the following detailed analysis of significant variances:

OPERATING EXPENSES - BY MAJOR CATEGORY TYPE

	April 2026 ACTUAL	April 2026 BUDGET	VARIANCE Favorable (Unfavorable) $	%
Salaries & Employer Taxes	$ 226,044	$ 253,418	$ 27,374	11%
Employee Benefits	163,416	167,881	4,465	3%
Recruitment & Training	4,342	3,658	(684)	-19%
Business Expenses	43,351	46,978	3,627	8%
Supplies & Materials	17,082	10,478	(6,605)	-63%
Repairs & Maintenance	28,815	63,012	34,197	54%
Outside Services	332,258	332,544	287	0%
Professional Services	31,468	43,052	11,584	27%
Marketing, PR	58,604	53,352	(5,252)	-10%
Utilities	39,304	41,597	2,293	6%
Interest Expense	15,644	15,483	(161)	-1%
Total Operating Expenses	**$ 960,328**	**$ 1,031,453**	**$ 71,125**	**7%**

OPERATING EXPENSES - BY DEPARTMENT

	April 2026 ACTUAL	April 2026 BUDGET	VARIANCE Favorable (Unfavorable) $	%
Admin & Finance	$ 216,545	$ 232,729	$ 16,184	7%
Planning & Marketing	96,482	117,104	20,621	18%
Maintenance	165,439	168,758	3,319	2%
Operations	79,178	83,421	4,243	5%
Police	154,053	150,796	(3,257)	-2%
Fire	209,588	218,175	8,587	4%
Board of Directors	17,713	22,001	4,287	19%
Rental Properties	5,686	22,986	17,301	75%
Interest Expense	15,644	15,483	(161)	-1%
Total Operating Expenses	**$ 960,328**	**$ 1,031,453**	**$ 71,125**	**7%**

Salary & Employer Taxes ($226.0K) for April were lower than budget ($253.4K) due primarily to unfilled Finance and Planning positions.

Employee Benefit Expenses ($163.4K) for April were lower than budget ($167.9K) by ($4.5K)/2.7% . This favorable variance was due primarily to unfilled positions.

Personnel Recruitment, Training & Pre-Employment and Related Expenses ($4.3K) for April were higher than budget ($3.7K) by ($0.7K/19%). This unfavorable variance was due primarily to the timing of budgeted Professional Development & Education.

Business Expenses ($43.4K) for April were materially on budget ($47.0K).

Supplies & Materials expenses ($17.1K) for April were higher than budget ($10.5K) by ($6.6K/63%). This unfavorable variance was due primarily to the timing of Custodial Supplies & Materials purchases.

Repair & Maintenance Expenses ($28.8K) for April were lower than budget ($63.0K) by ($34.2K/54%). This favorable variance was due primarily to the timing of airfield, landscaping and grounds, and general fire services-related R&M, offset by higher terminal repair expense (nine cam-followers, outbound carousel maintenance, and United ticket counter belt repair).

Outside Services Expenses ($332.3K) for April were materially on budget ($332.5K).

Professional Services Expenses ($31.5K) for April were lower than budget ($43.1K) by ($11.6K/27%). This favorable variance was due primarily to the timing of Human Resources services ($4.8K).

Marketing and Public Relations expenses ($58.6K) for April were higher than budget ($53.4K) by ($5.3K/10%). This unfavorable variance was due primarily to the timing of Social Media (Incremental Media Plan for Chicago Direct Flight) and Public Relations spends.

Utilities expenses, combined ($39.3K) for April were materially on budget ($41.6K).

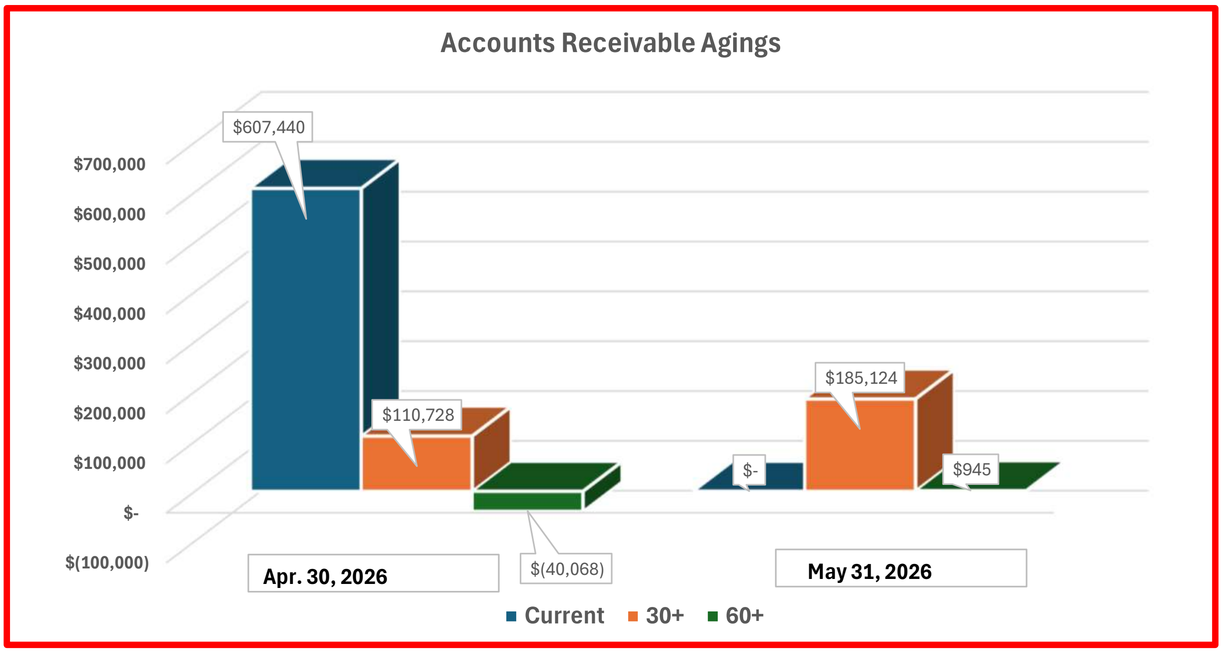
Interest expense ($15.6K) for April was materially on budget ($15.5K).

SELECTED BALANCE SHEET ANALYSES:

ACCOUNTS RECEIVABLE. The accounts receivable balance on April 30, 2026 was $678.1K. This balance is $26.7K or 3.8% less than the March 31, 2026 balance of $704.8K, and $5.1K/1% higher than the $673.0K balance on April 30, 2025. The accounts receivable balance over 60 days on April 30, 2026 had a balance of ($40.1)K. AR past due amounts are due to timing of collections.

Chart 2 below graphically presents the aging of accounts receivable (1) as of April 30, 2026 and (2) prior to the next billing cycle (May 31, 2026).

Chart 2



Total accounts receivable of $678.1K as of April 30, 2026 was comprised primarily of $272.8K/40.2% from Commercial Airlines, $146.7K/21.6% from Parking, $128.6K/19.0% from FBOs, $27.8K/4.1% from the Monterey Hi-Way Self Storage and $23.6K/3.5% from TNCs.

The District carries a $10K allowance for doubtful accounts. Prepaid accounts receivable as of April 30, 2026 of $126,307 have been reclassified to deferred revenue.

Chart 3 below graphically presents the composition of accounts receivable by major customer/concessionaire/tenant.

Chart 3

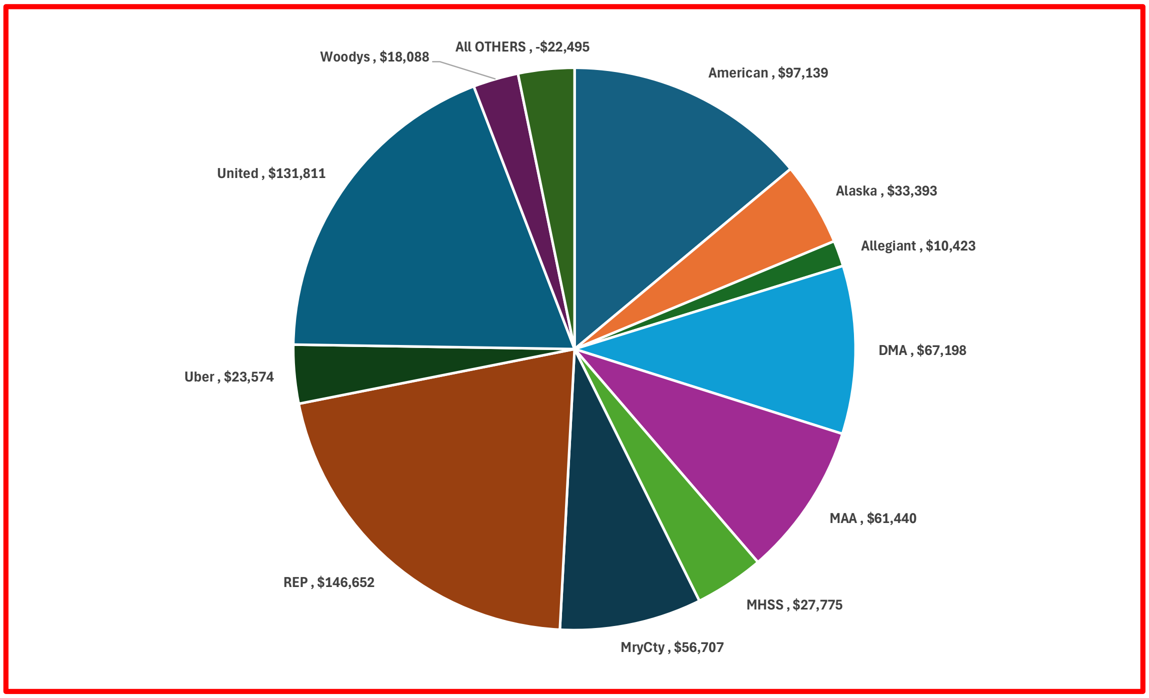
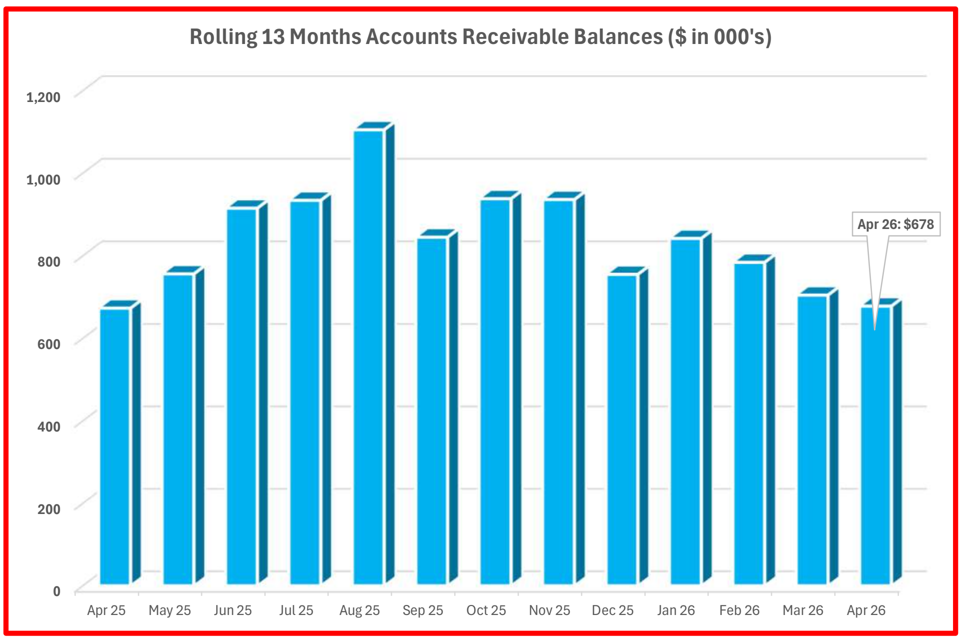


Chart 4 below depicts the total accounts receivable balances for the 13 months from April 2025 to April 2026.

Chart 4



The balance of accounts receivable at month-end aligns with operating revenues in that month. On April 30, 2026 accounts receivable is 53% of revenues and the rolling thirteen-month average is 67.5%.

FAA GRANT REIMBURSEMENT RECEIVABLE. As of April 30, 2026 the District requested $4.482M of CapEx reimbursement requests to the FAA under AIP87 and AIP89. This has been recorded as a receivable in these financial statements as of April 30, 2026. These funds were received on May 4, 2026.

UNRESTRICTED CASH AND INVESTMENTS. The unrestricted cash and investments balance on April 30, 2026 was $15.26M and the unrestricted cash and investments balance on March 31, 2026 was $15.77M, a decrease of $0.51M, due primarily to the timing of District reimbursement of previous funding of Capital Expenditures.

DISTRICT TEMPORARY CAPEX FUNDING. The District is temporarily funding the following CapEx related item: 1. PFC eligible matching funds where the FAA match is outpacing our current PFC generations ($1,245.9K).

GRANTS AVAILABLE FOR ONGOING CAPEX. The following is a summary of FAA Grants awarded and the remaining balances available for ongoing CapEx as of April 30, 2026:

	Award	Remaining
AIP 83 (Runway)	$ 2,815,801	$ 120,769
AIP 84 (Apron)	16,788,053	506,746
AIP 86 (Circulation)	16,744,657	12,374,488
AIP 87 (Terminal)	14,200,000	3,360,206
AIP 88 (Parking)	5,353,204	4,655,722
AIP 89 (Terminal)	25,130,846	21,561,190
Totals	**$ 81,032,561**	**$ 42,579,121**

INTERIM NOTES. On February 4, 2026, the California Municipal Finance Authority issued $50,000,000 of Interim Notes, with MPAD as the Borrower. These Notes have a maturity date of February 15, 2029 and are subject to an initial Mandatory Tender Date of March 4, 2027. Proceeds of the Interim Notes will be used to pay for construction costs for the Replacement Terminal. The Notes bear interest based on the weekly SIFMA Rate, plus a spread of 1.75%. Construction Fund proceeds will remain invested by the Trustee until Replacement Terminal construction draws are made.

	Market Value	Yield
Interim Notes Proceeds - Construction Fund:		
JPMorgan 100% U.S. Treasury		
Securities Money Market Fund - Capital	$ 48,969,002	3.53%
plus: Accrued Interest Income	143,313	
	$ 49,112,315	
Interim Notes Proceeds - Issuance Costs Fund:		
JPMorgan 100% U.S. Treasury		
Securities Money Market Fund - Capital	$ 47,400	3.53%
plus: Accrued Interest Income	138	
	$ 47,538	

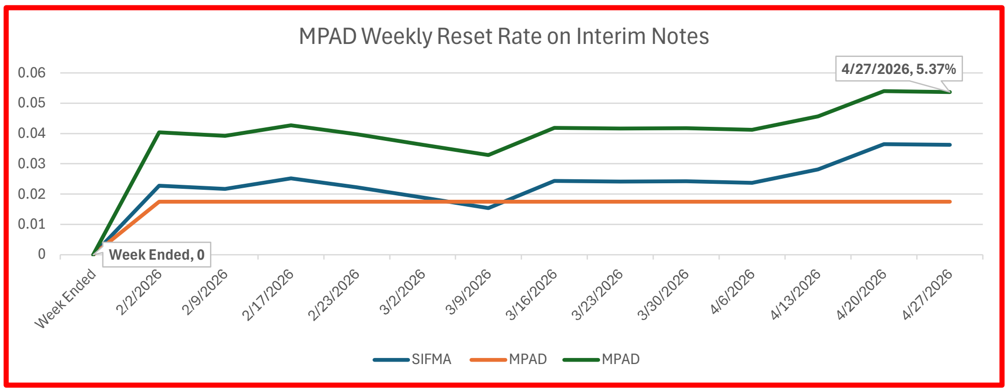
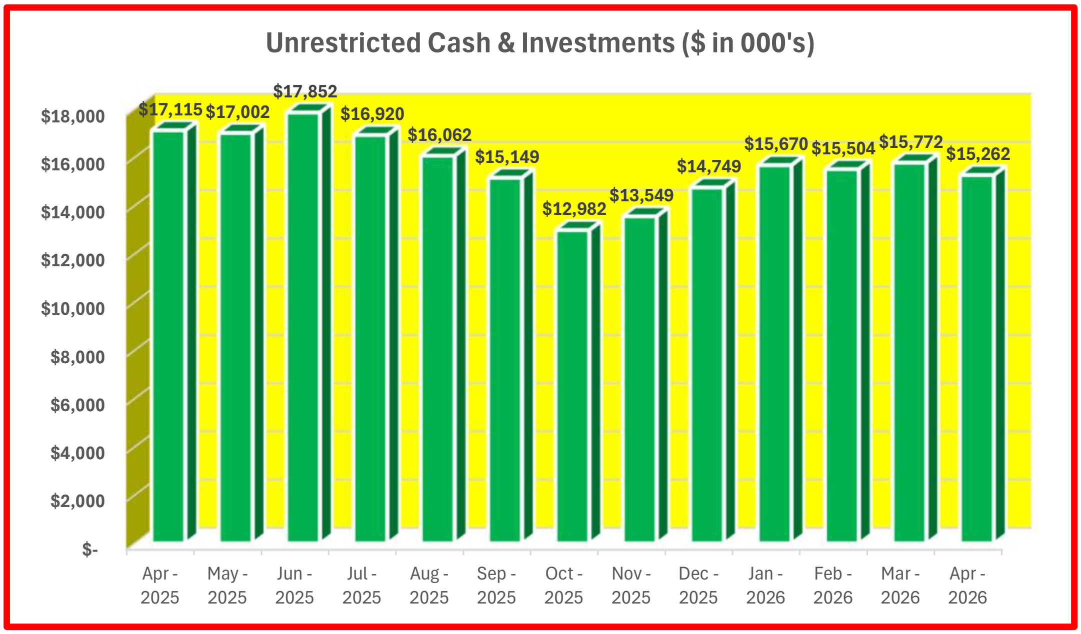


Chart 6 graphically presents the monthly balances of unrestricted cash and investments.

Chart 6



SELECTED OPERATING STATISTICS:

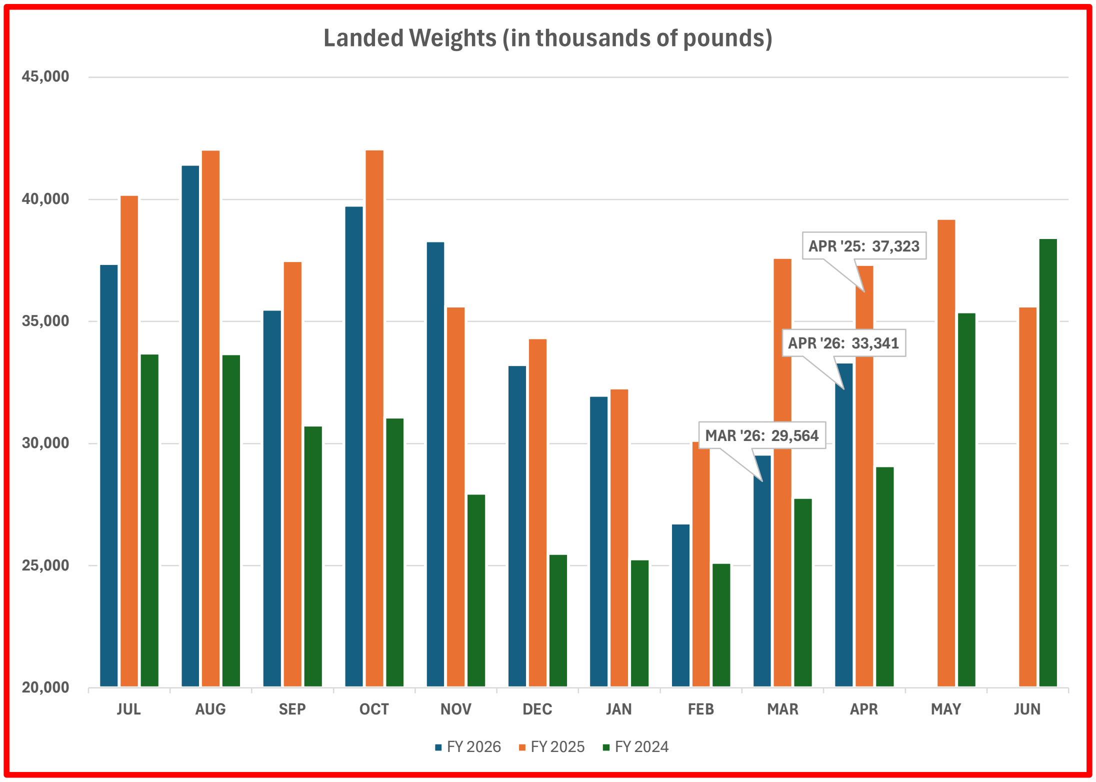
ENPLANEMENTS AND LOAD FACTORS. The table below presents simple load factors for fiscal years 2021 to 2026. Load factors indicate the customer utilization of available airline seat capacity which generally correlates to customer use of TCP, Taxi and TNC services, parking, and other support services. Simple load factors do not include non-revenue enplanements. Historically, annual load factors range from approximately 70% to 77%; FY21 load factors reflect the impact of COVID-19. Commercial Airline aircraft types have a direct impact on capacity and potential changes in enplanements. As the mix of aircraft and destinations change, the goal is to have load factors sustained or increased, which indicates that customers are willing to use the services offered by the Airlines.

	April 30, 2026				FYTD			
Fiscal Year	Load Factors	Revenue Enplanements	Capacity/ Available Seats	Flights	Load Factors	Revenue Enplanements	Capacity/ Available Seats	Flights
2026	80.4%	27,034	33,630	465	76.8%	266,613	347,013	4,381
2025	72.8%	26,887	36,914	463	72.4%	264,619	365,348	4,476
2024	76.9%	22,400	29,143	358	74.9%	218,110	291,114	3,492
2023	76.2%	20,246	26,578	338	75.6%	191,637	253,549	3,494
2022	80.0%	19,758	24,687	385	74.1%	187,518	253,216	3,765
2021	62.2%	12,618	20,290	269	45.8%	69,792	152,468	2,077

LANDED WEIGHTS. Chart 7 compares the Airport's landed weights for FY26, FY25 and FY24.

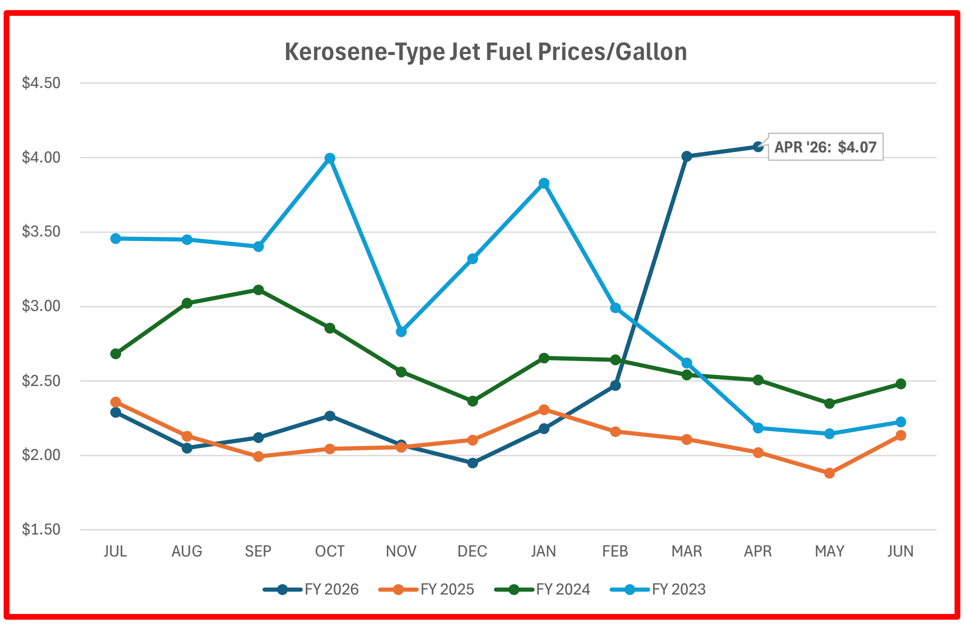
Total landed weights for April 2026 were 33,341K pounds, a decrease of 3,982K pounds over the 37,323K pounds landed in the comparable period in FY25, and an increase of 3,777K pounds over the 29,564K pounds landed in March 2026.

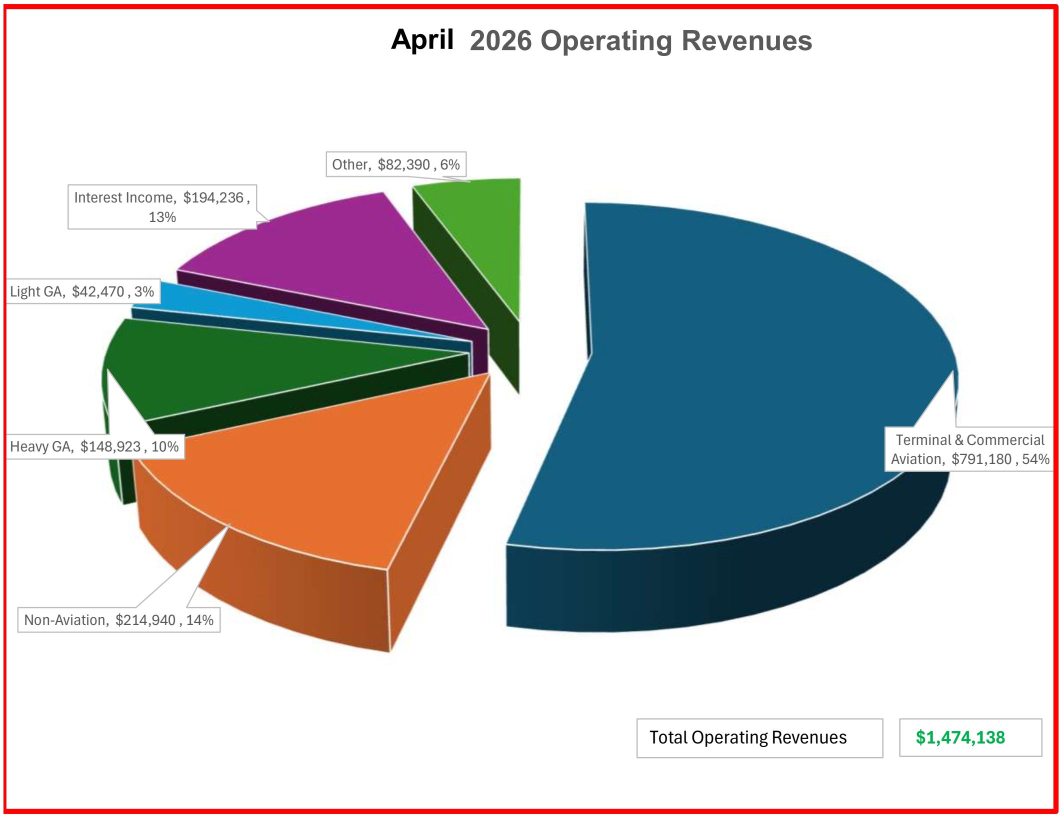
Chart 7

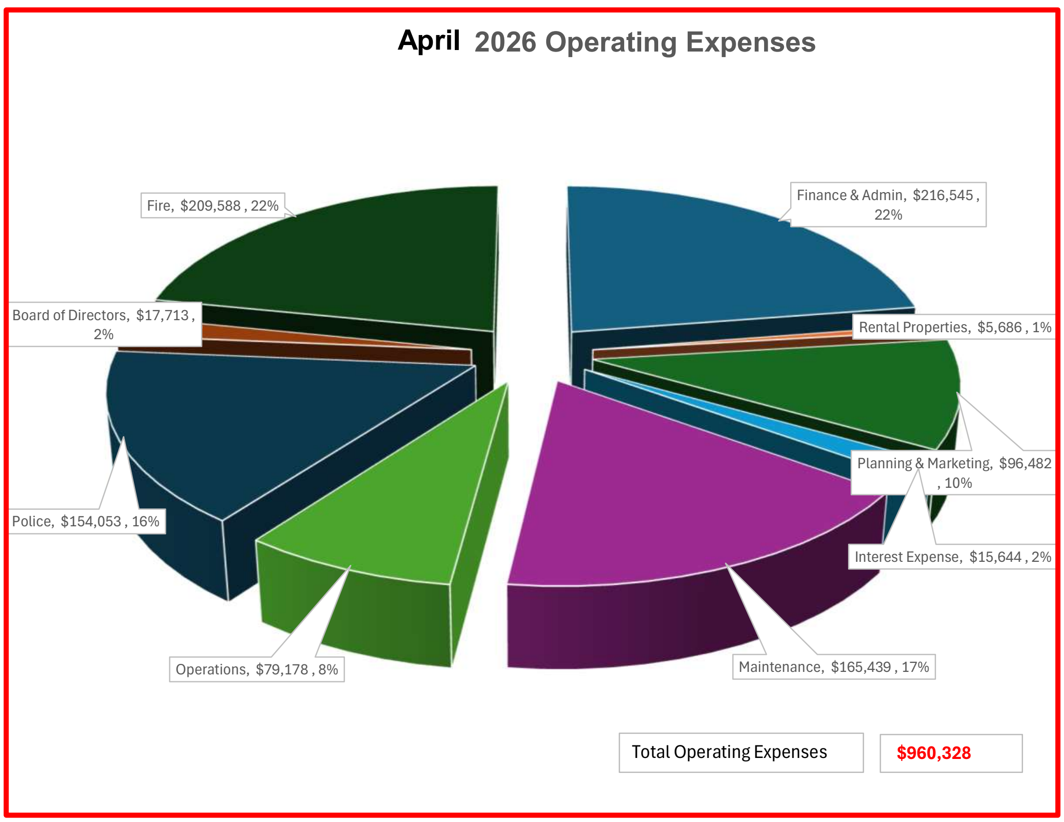


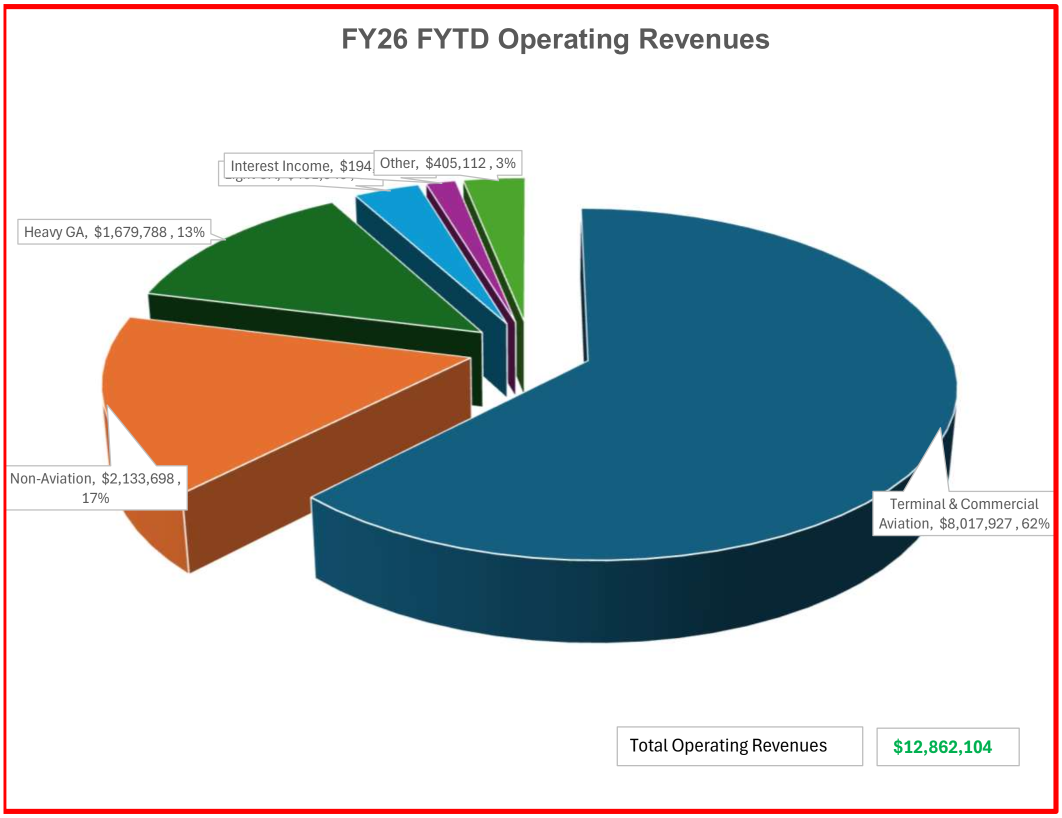
JET FUEL PRICES. Fuel (after crew costs) is an airline's largest operating cost, comprising as much as 29% of operating expenses. Rising fuel costs may put negative pressure on air carrier profitability, and as such it is an important macro indicator. Jet Fuel Prices are 100% correlated to fluctuations in crude oil spot prices, plus fluctuations in the Crack Spread (the Refinery's margin). **Chart 8** tracks the historical wholesale prices over the last 4 fiscal years.

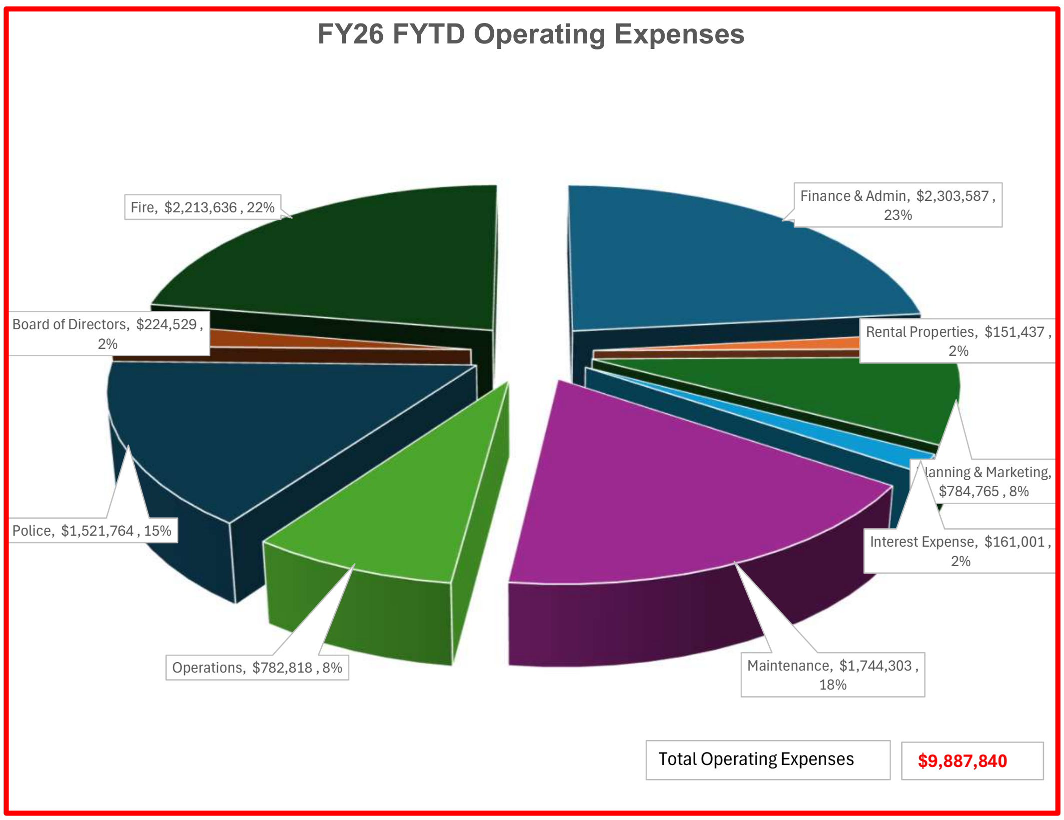
Chart 8




April 2026 Operating Revenues
Other, $82,390 , 6%
Interest Income, $194,236 , 13%
Light GA, $42,470 , 3%
Heavy GA, $148,923 , 10%
Non-Aviation, $214,940 , 14%
Terminal & Commercial Aviation, $791,180 , 54%
Total Operating Revenues
$1,474,138


April 2026 Operating Expenses
Fire, $209,588 , 22%
Finance & Admin, $216,545 , 22%
Board of Directors, $17,713 , 2%
Rental Properties, $5,686 , 1%
Planning & Marketing, $96,482 , 10%
Police, $154,053 , 16%
Interest Expense, $15,644 , 2%
Operations, $79,178 , 8%
Maintenance, $165,439 , 17%
Total Operating Expenses
$960,328


FY26 FYTD Operating Revenues
Interest Income, $194
Other, $405,112 , 3%
Heavy GA, $1,679,788 , 13%
Non-Aviation, $2,133,698 , 17%
Terminal & Commercial Aviation, $8,017,927 , 62%
Total Operating Revenues
$12,862,104


FY26 FYTD Operating Expenses
Fire, $2,213,636 , 22%
Finance & Admin, $2,303,587 , 23%
Board of Directors, $224,529 , 2%
Rental Properties, $151,437 , 2%
lanning & Marketing, $784,765 , 8%
Interest Expense, $161,001 , 2%
Police, $1,521,764 , 15%
Operations, $782,818 , 8%
Maintenance, $1,744,303 , 18%
Total Operating Expenses
$9,887,840

AIRPORT DISTRICT OPERATING AND FINANCIAL PERFORMANCE SUMMARY
April 2026

OPERATING STATISTICS	April 2026	Budget	%	April 2025	YTD FY 26	Budget	%	YTD FY 25
AIRPORT ACTIVITY								
Air Carrier Landings[1]	465	444	5%	359	4,381	4,210	4%	4,372
Landed Weight (in thousands of pounds)	33,341	35,166	-5%	37,323	318,117	347,227	-8%	369,103
Enplanements (revenue+non-revenue)	27,667	27,668	0%	27,426	272,209	273,358	0%	270,344
Passengers (enp/dep)	54,758			55,017	543,260			540,548
Total Cargo (in pounds)	53,608			27,981	486,991			447,465
Commercial	1,681			1,495	16,403			15,835
General Aviation	2,562			2,809	27,704			29,445
Military	132			93	1,125			1,709
TOTAL AIRCRAFT OPERATIONS	**4,375**			**4,397**	**45,232**			**46,989**
VEHICLE EXIT COUNT								
Long Term (1) Lot	1,636	1,568	4%	1,835	16,135	18,903	-15%	18,516
Upper Short Term (2) Lot	3,087	2,915	6%	2,915	30,239	29,410	3%	30,050
Lower Short Term (3) Premium Lot	4,591	5,525	-17%	5,525	49,503	56,970	-13%	58,190
TOTAL VEHICLE EXIT COUNT	**9,314**	**10,008**	-7%	**10,275**	**95,877**	**105,283**	-9%	**106,756**

	April 2026 ACTUAL	April 2026 Budget	$▲Favorable $▼Unfavorable	April 2025 ACTUAL	YTD FY 26 ACTUAL	Budget	$▲Favorable $▼Unfavorable	YTD FY 25 ACTUAL
OPERATING REVENUE								
TERMINAL								
CA Landing, RON, Apron, and Fuel Flowage Fees	$ 185,878	$ 193,659	($7,781)▼	$ 174,355	$ 1,895,761	$ 1,898,950	($3,189)▼	$ 1,799,109
Rents	216,744	212,900	3,845 ▲	207,750	2,162,339	2,128,998	33,342 ▲	2,082,862
TCP, Taxi & TNC Operator Permits	643	503	141 ▲	503	7,078	7,493	(415)▼	7,493
Taxi Trip Fees	2,307	2,814	(507)▼	2,679	18,045	27,097	(9,052)▼	26,887
TNC Trip Fees and Peer-to-Peer Rentals	34,866	31,663	3,203 ▲	31,663	334,460	291,769	42,691 ▲	291,768
Concessions	31,042	27,041	4,000 ▲	27,114	280,859	260,386	20,473 ▲	256,471
Rental Car	165,798	166,492	(694)▼	166,492	1,857,092	1,770,653	86,439 ▲	1,722,101
Parking	153,902	169,982	(16,080)▼	159,642	1,462,293	1,613,189	(150,896)▼	1,515,014
HEAVY GENERAL AVIATION								
GA Landing and Special Event Fees	45,364	31,727	13,637 ▲	39,011	556,778	517,033	39,745 ▲	485,207
FBO Rent	56,890	56,887	3 ▲	56,156	568,904	568,870	34 ▲	561,563
Fuel Flowage Fees	46,669	46,161	508 ▲	39,493	554,106	483,245	70,861 ▲	464,663
LIGHT GENERAL AVIATION	42,470	43,871	(1,400)▼	42,776	431,343	438,707	(7,364)▼	397,505
NON-AVIATION	214,940	203,722	11,218 ▲	197,752	2,133,698	2,035,300	98,397 ▲	1,991,865
OTHER OPERATING REVENUE	82,390	82,164	226 ▲	77,478	405,112	440,714	(35,601)▼	445,854
INTEREST INCOME	194,236	46,965	147,271 ▲	58,098	194,236	46,965	147,271 ▲	640,795
TOTAL OPERATING REVENUE	**$ 1,474,138**	**$ 1,316,550**	**$157,589 ▲**	**$ 1,280,960**	**$ 12,862,104**	**$ 12,529,369**	**$332,735 ▲**	**$ 12,689,158**
OPERATING EXPENSE								
Finance & Administration	$ 216,545	$ 232,729	$16,184 ▲	$ 235,218	$ 2,303,587	$ 2,253,658	($49,929)▼	$ 2,181,731
Planning & Marketing	96,482	117,104	20,621 ▲	132,953	784,765	1,203,580	418,815 ▲	1,139,846
Maintenance & Custodial Services	165,439	168,758	3,319 ▲	177,822	1,744,303	1,736,775	(7,529)▼	1,695,563
Airport Operations	79,178	83,421	4,243 ▲	77,747	782,818	848,921	66,103 ▲	768,671
Police Services	154,053	150,796	(3,257)▼	137,398	1,521,764	1,507,955	(13,809)▼	1,373,245
ARFF/Fire Services	209,588	218,175	8,587 ▲	211,297	2,213,636	2,188,445	(25,191)▼	2,093,165
Board of Directors	17,713	22,001	4,287 ▲	88,000	224,529	233,692	9,163 ▲	261,158
Office Rentals	5,686	22,986	17,301 ▲	8,177	151,437	141,301	(10,136)▼	120,499
Interest Expense	15,644	15,483	(161)▼	16,420	161,001	162,558	1,557 ▲	168,743
TOTAL OPERATING EXPENSE	**$ 960,328**	**$ 1,031,453**	**$71,125 ▲**	**$ 1,085,034**	**$ 9,887,840**	**$ 10,276,883**	**$389,043 ▲**	**$ 9,802,620**
OPERATING INCOME	**$ 513,810**	**$ 285,097**	**$228,713 ▲**	**$ 195,926**	**$ 2,974,263**	**$ 2,252,486**	**$721,778 ▲**	**$ 2,886,538**
DISTRICT ONLY CAPITAL EXPENDITURES (See Page 20)	**$ (443,080)**	**$ (28,854)**	**($414,226)▼**	**$ -**	**$ (4,447,210)**	**$ (28,854)**	**($4,418,356)▼**	**$ (990,621)**
DEBT SERVICE - PRINCIPAL ONLY	**$ (239,259)**			**$ (152,216)**	**$ (319,748)**			**$ (242,543)**

MONTEREY PENINSULA AIRPORT DISTRICT
Statements of Net Position

	April 30, 2026 (Unaudited)	**June 30, 2025 (Audited)**
ASSETS:		
Current assets:		
Unrestricted:		
Cash	$ 628,239	$ 372,238
Investments - L.A.I.F.	13,918,734	176,934
Investments - T-Bills	714,785	17,302,738
Accounts receivable, net of $10,000 allowance	668,100	904,869
Accrued Interest receivable	54,074	162,233
Leases receivable (GASB 87), current portion (1)	1,318,801	1,318,801
FAA Grant Reimbursements Receivable	4,482,007	2,344,847
Prepaid and other assets	298,508	138,261
	22,083,248	22,720,921
Restricted:		
Cash	828,600	222,859
Investments - T-Bills (CalTrans & Security Deposits)	862,544	813,205
Trustee Held Proceeds - U.S. Treasury MM Fund	49,159,853	-
CFC Receivable	156,239	-
PFC Receivable	125,919	222,490
Total restricted current assets	51,133,154	1,258,555
Total Current Assets	**73,216,402**	**23,979,476**
Noncurrent assets:		
Leases receivable (GASB 87), net of current portion (1)	8,836,689	8,836,689
Tenant receivable, net of current portion	-	9,273
Capital assets:		
Construction-in-Process	57,196,828	40,783,934
Non-depreciable land	4,206,755	4,206,755
Depreciable capital assets, net	110,507,202	91,401,671
Total Capital assets:	171,910,785	136,392,359
Total Noncurrent assets:	**180,747,474**	**145,238,322**
Total Current and Noncurrent assets:	**253,963,876**	**169,217,798**
DEFERRED OUTFLOWS OF RESOURCES:		
Actuarial valuation of deferred outflows related to pensions (2)	3,592,768	3,592,768
Actuarial valuation of deferred outflows related to OPEB (4)	212,504	212,504
	3,805,272	**3,805,272**
LIABILITIES:		
Current liabilities:		
Accounts Payable - Operating Expenses	339,921	234,983
Accounts Payable - Capital Expenditures	4,657,161	3,474,239
Checks in Excess of Cash Balance - Capital Expenditures	4,482,007	-
Capital Improvements - Retentions Payable	1,718,427	1,781,872
Accrued liabilities	217,492	226,557
Accrued Interest	55,204	35,052
Unearned revenues, current portion	203,245	246,245
Loans payable, current portion	320,498	320,123
Funds held in trust (CFCs)	934,046	127,564
Accrued compensated absences, current portion	66,302	44,055
Total Current Liabilities	**12,994,304**	**6,490,691**
Long-term liabilities:		
Security deposits	445,103	432,473
Unearned revenues, net of current portion	196,016	203,413
Accrued compensated absences, net of current portion	145,985	145,053
Actuarial valuation of net pension liability(6)	8,103,169	8,103,169
Actuarial valuation of OPEB liability(7)	1,444,275	1,444,275
Interim Notes, Series 2026	50,000,000	-
Loans payable, net of current portion	4,673,393	4,993,517
Total Long-Term Liabilities	**65,007,942**	**15,321,900**
Total Liabilities	**78,002,245**	**21,812,592**
DEFERRED INFLOWS OF RESOURCES:		
Actuarial valuation of deferred inflows related to pensions(3)	2,104,793	2,104,793
Actuarial valuation of deferred inflows related to OPEB(5)	500,460	500,460
Deferred inflows related to leases (GASB 87)(1)	8,321,459	8,321,459
Total Deferred Inflows of Resources	**10,926,712**	**10,926,712**
NET POSITION:		
Net investment in capital assets	165,198,466	127,604,483
Restricted - unspent Passenger Facilities Charges	163,552	-
Restricted - Cash Assets	657,841	1,032,419
Unrestricted	2,820,333	11,646,864
	$ 168,840,191	**$ 140,283,766**

See Notes to Statement of Net Position.

Notes to Statement of Net Position
As of April 30, 2026

1.	**Lease Receivable (GASB 87)**	**Lease Receivable**	**Lease Interest**	**Total Lease Payments**
	Current:			
	FY 2026	**$ 1,318,801** ☑	$ 220,638	$ 1,539,439
	Noncurrent:			
	FY 2027	1,339,901	194,969	1,534,870
	FY 2028	996,537	170,661	1,167,198
	FY 2029	795,407	152,770	948,177
	FY 2030	663,456	138,172	801,628
	FY 2031-FY2035	1,796,458	551,830	2,348,288
	FY 2036-FY2040	987,981	403,187	1,391,168
	FY 2041-FY2045	1,139,858	251,310	1,391,168
	FY 2046-FY2050	832,188	99,570	931,758
	FY 2051-FY2053	284,903	14,646	299,549
		8,836,689 ☑	1,977,115	10,813,804
		$ 10,155,490 ☑	$ 2,197,753	$ 12,353,243

The District recognizes lease revenues by category and three categories were impacted by the implementation of GASB 87; General Aviation, Terminal Concessions and Non-Aviation revenue categories.

GASB 87 specifically excludes Regulated leases for which the District is the lessor. Terminal space, aircraft hangars, and recreational vehicle parking space future lease revenue are excluded.

2.	**Deferred Outflows of Resources related to Pensions**	Combined	Miscellaneous	Safety
	Pension contributions subsequent to measurement date	$ 912,171	$ 194,541	$ 717,630
	Changes of Assumptions	202,213	62,016	140,197
	Differences between expected and actual experience	672,993	208,616	464,377
	Net Difference between Projected and Actual Earnings	413,949	138,907	275,042
	Adjustments due to differences in proportions	702,460	58,266	644,194
	Difference in actual to proportionate share contribution	689,040	159,876	529,164
		$ 3,592,826 ☑	**$ 822,222**	**$ 2,770,604**

3.	**Deferred Inflows of Resources related to Pensions**	Combined	Miscellaneous	Safety
	Differences between expected and actual experience	$ 23,239	$ 8,140	$ 15,099
	Adjustments due to differences in proportions	1,180,554	256,995	923,559
	Differences between actual contributions and the proportionate share of contributions	900,998	355,776	545,222
		$ 2,104,791 ☑	**$ 620,911**	**$ 1,483,880**

The District's proportion of the net pension liability was based on the District's share of the actuarial accrued liability of the cost-sharing plan, less the District's share of the fiduciary net position.

4.	**Deferred Outflows of Resources related to OPEB**	
	Changes in assumptions	$ 80,928
	Differences between expected and actual experience	58,243
	Contributions made subsequent to the Measurement Date	73,333
		$ 212,504 ☑

5.	**Deferred Inflows of Resources related to OPEB**	
	Changes in assumptions	$ 216,138
	Differences between expected and actual experience	284,322
		$ 500,460 ☑

6.	**Net Pension Liability**	
	CalPERS - Miscellaneous Plan (6/30/2023 Measurement Date)	$ 2,412,889
	CalPERS - Safety Plan (6/30/2023 Measurement Date)	5,690,280
		$ 8,103,169 ☑

7.	**Total OPEB Liability**	
	Police	$ 607,974
	Fire	366,310
	Miscellaneous Plan	469,991
		$ 1,444,275 ☑

MONTEREY PENINSULA AIRPORT DISTRICT

Statement of Cash Flows

		April 2026 (Unaudited)		FYTD 2026 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$	1,311,298	$	12,760,924
Payments to vendors for goods and services		(1,464,632)		(5,772,238)
Payments for employees pension and OPEB benefits		(105,012)		(1,038,074)
Payments to employees for services		(301,352)		(2,891,236)
Net Cash Provided (Used) by Operating Activities		**(559,698)**		**3,059,376**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from FAA Grants and Passenger Facilities Charges		1,002,735		30,338,155
Proceeds from Customer Facilities Charges		156,239		806,483
Proceeds from Interim Notes		-		50,000,000
Acquisition and construction of capital assets		(887,586)		(36,127,405)
Interest paid on loans		(333,097)		(649,390)
Principal paid on loans		(239,259)		(319,748)
Debt Issuance Costs		(13,963)		(745,852)
Net cash provided (used) by capital and related financing activities		**(314,931)**		**43,302,243**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income received		226,661		1,034,079
Investments matured (purchased)		1,102,228		(46,363,035)
Net cash (used) by investing activities		**1,328,889**		**(45,328,956)**
CASH FLOWS FROM NON-OPERATING ACTIVITIES:				
CalPERS UAL Prepayment		85,460		(170,920)
Net Change in Cash and Cash equivalents		539,720		861,743
Cash and Cash Equivalents at Beginning of Period		917,120		595,097
Cash and Cash Equivalents at End of Period	**$**	**1,456,840**	**$**	**1,456,840**
STATEMENT OF NET POSITION				
CLASSIFICATION OF CASH AND CASH EQUIVALENTS:				
Unrestricted	$	628,239		628,239
Restricted		828,600		828,600
Total cash and cash equivalents	**$**	**1,456,840**	**$**	**1,456,840**
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating Loss after Depreciation and Amortization	$	(346,578)	$	(3,327,661)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation and amortization		681,797		6,273,911
(Increase) decrease in:				
Accounts receivable		8,219		138,234
Prepaid and other current assets		42,873		(42,946)
Increase (decrease) in:				
Accounts payable		(968,322)		41,494
Accrued liabilities		(6,209)		(9,460)
Security deposits		5,947		13,230
Deferred revenue		23,177		(50,398)
Accrued compensated absences		(602)		23,569
Total Adjustments		(213,120)		6,387,634
Net cash provided (used) by operating activities	**$**	**(559,698)**	**$**	**3,059,973**
Non-cash capital and related financing activities:				
Acquisition of capital assets in accounts payable	**$**	**4,657,161**	**$**	**4,657,161**
Accrued interest on CEC and CalTrans loans	**$**	**2,555**	**$**	**2,555**

MONTEREY PENINSULA AIRPORT DISTRICT
FINANCIAL STATEMENTS UNAUDITED

	FY 2026 April ACTUAL	FY 2026 YEAR-TO-DATE ACTUAL
SOURCES AND USES OF CASH -- OPERATIONS		
SOURCES OF CASH:		
CASH RECEIVED - OPERATING REVENUE	$ 1,279,902	$ 12,667,868
CASH RECEIVED - INTEREST INCOME	194,236	925,918
CASH RECEIVED	1,474,138	13,593,786
USES OF CASH -- OPERATIONS:		
CASH (DISBURSED) - OPERATING EXPENSE	(944,684)	(9,726,840)
CASH (DISBURSED) - DEBT SERVICE (INTEREST EXPENSE)	(15,644)	(161,001)
CASH (DISBURSED) - DEBT SERVICE (PRINCIPAL REDUCTION)	(239,259)	(319,748)
CASH (DISBURSED)	(1,199,588)	(10,207,589)
CHANGE IN CASH POSITION FROM OPERATIONS & DEBT SERVICE	274,551	3,386,198
SOURCES (USES) OF CASH -- CAPITAL PROGRAM:		
PROCEEDS FROM INTERIM NOTES, SERIES 2026	-	50,000,000
CASH (DISBURSED) - ALL CAPITAL PROJECTS (See Page 20)	(4,691,835)	(41,503,656)
CASH REIMBURSED - ALL CAPITAL PROJECTS (See Page 21)	964,803	31,466,967
CHANGE IN CASH POSITION FROM CAPITAL PROGRAM	(3,727,033)	39,963,311
CHANGE IN CASH POSITION FROM OPERATIONS, CAPITAL & DEBT SERVICE	**$ (3,452,482)**	**$ 43,349,508**

FISCAL YEAR 2026
FINANCIAL STATEMENTS UNAUDITED
Construction-In-Progress
April 30, 2026

Project Number/AIP #	Project Name	Balance at June 30, 2025	FYTD Additions	FYTD Placed in Service	Balance at April 30, 2026	Costs Incurred Subject to 5% Retainage	Remaining AIP Grant Dollars[1]	Total Project Budget	Percentage Complete
District Only Funded:									
2025-06	2801 MSH Bldg. C Property Repairs	$ 292,648	$ 694,583	$ -	$ 987,231		n/a	$ 1,000,000	99%
2026-01	AFFF Foam Transition[2]	-	174,015		174,015			200,000	87%
2026-02	Rental Car Ready Return Lot	-	76,910		76,910			3,895,470	2%
2026-03	Skypark Drive Improvements		54,615		54,615			995,000	5%
2025-09	HP Constr. Office Rental (from MPAD)	-	112,500		112,500			300,000	38%
2023-03	Commercial Apron - Redesign Credit	-	(9,584)		(9,584)			-	n/a
-various-	MPAD Project Managers Capitalized Costs	-	247,406		247,406			346,008	72%
		292,648	1,350,445	-	1,643,093	-	-	6,736,478	
CFC Only Funded:									
2019-03	Water Distribution System - Retention	-	110,286		110,286	-	-	110,286	100%
FAA/PFC/District Funded:									
2023-01/AIP 82	SEP Phase D1 - Terminal Design	3,738,694	(12,115)		3,726,579	-	-	3,865,969	96%
2023-02/AIP 83	Runway 28L-10R Treatmnt-2.17M	1,657,183	1,386,893		3,044,076	67,996	120,769	3,105,891	98%
2023-03/AIP 80	Commercial Apron - AIP 80	23,636,301	2,668,608	(26,304,909)	-	-	-	45,050,651	0%
2025-07/AIP 84	Commercial Apron - Phase 2B - AIP 84	9,672,022	9,004,752		18,676,774	515,256	506,746	*(included above)*	
2024-1A/AIP 81	SEP Phase D1 - Terminal Design (BIL ATP)	63,362	80,697		144,059	-	-	-	
2025-01/AIP 86	Landside Improvement Project	720,674	5,050,405		5,771,079	235,440	13,842,245	18,469,730	31%
2025-02/AIP 85	Purchase Primary ARFF Vehicle	-	1,084,465		1,084,465	-	-	1,056,997	103%
2025-08/AIP 88	Short Term Lot Reconfiguration	24,855	836,271		861,126	2,584	5,325,342	8,182,929	11%
2025-09/AIP 87	Replacement Terminal - Hard Costs	861,899	12,014,991		12,876,891	788,514	33,366,873	99,902,710	13%
2025-9A/AIP 89	Replacement Terminal - Hard Costs	-	6,822,079		6,822,079				
2025-9B	Replacement Terminal - Soft Costs	116,296	2,320,025		2,436,321	-	-	7,000,000	35%
		40,491,287	41,257,071	(26,304,909)	55,443,449	1,609,791	53,161,975	186,634,877	
		$ 40,783,935	**$ 42,717,803**	**$ (26,304,909)**	**$ 57,196,827.90**	**$ 1,609,791**	**$ 53,161,975**	**$ 193,371,355**	

[1] *The ADO has provided the Western Pacific Regional office with a request for an estimated additional $8.5M for the Replacement Terminal Project 2025-09. This amount is not included herein.*

2 This project is eligible for 100% reimbursement by FAA under an AIP Grant yet to be applied for.

FISCAL YEAR 2026

Airport Capital Improvements / Capital Expenditures
FINANCIAL STATEMENTS UNAUDITED
April 30, 2026

Airport Improvement Programs	Actual FY 2026 Current Period		Actual FY 2026 Year-To-Date	
District Only Expenditures	**$ 24,561.92**	1%	**$ 1,165,103.33**	3%
AIP -- FAA Funded Expenditures	3,995,407.00	85%	34,274,969.01	83%
AIP -- PFC Funded Expenditures	226,455.34	5%	2,705,485.41	7%
CFC Funded Expenditures	26,893.10	1%	75,991.53	0%
District	418,518.02	9%	3,282,107.12	8%
subtotal - FAA/PFC/District	**4,667,273.46**	99%	**40,338,553.07**	97%
Total Capital Improvement Expenditures	**$ 4,691,835.38**	100%	**$ 41,503,656.40**	100%

FY 2026 District Capital Expenses/Budget:	April 2026	April Budget	Actual FYTD	FY 2026 Budget	Actual ITD
District Only Funded:					
2025-06 2801 MSH Property Repairs $0.29M	-	-	694,582.99	272,710.00	987,230.60
2026-01 AFFF Foam Transition	-		174,015.31	200,000.00	174,015.31
MPAD Project Managers Capitalized Costs	24,561.92	28,854.25	247,406.60	346,008.00	247,406.60
	24,561.92	**28,854.25**	**1,116,004.90**	**818,718.00**	**1,408,652.51**
CFC Funded:					
2026-02 Rental Car Ready Return Lot Improvements	26,893.10	-	75,991.53	1,561,127.00	75,991.53
FAA/PFC/District Funded:					
2023-01 SEP Phase D1 Terminal Design	-	-	(12,115.00)	187,406.00	3,726,579.00
2023-02 Runway 28L-10R Treatmnt-2.17M	2,700.00	-	1,386,893.11	1,516,749.00	2,976,080.62
2023-03 Commercial Apron - AIP 80		-	2,668,608.18	16,859,866.00	26,304,909.18
2025-07 Commercial Apron - AIP 84	2,700.00	4,700.00	9,004,751.65	*Included above*	18,161,516.80
2024-1A Terminal Design (BIL ATP)	-	-	80,697.00	-	144,059.38
2025-01 Landside Improvement Project - AIP 86	351,282.81	1,061,790.00	4,838,892.44	12,875,488.00	5,535,638.48
2025-02 Purchase Primary ARFF Vehicle	-	-	1,084,465.19	1,056,997.00	1,084,465.19
2025-08 Short Term Lot Reconfiguration	125,269.79	-	836,270.93	3,117,925.00	859,460.23
2025-09 Terminal Replacement - Hard Costs	678,067.68	3,000,000.00	11,226,477.56	35,600,000.00	12,088,376.94
2025-9A Terminal Replacement - Hard Costs	3,064,546.06	-	6,822,078.95	-	6,822,078.95
2025-09 Terminal Replacement - Soft Costs	415,814.02	450,000.00	2,320,024.96	5,200,000.00	2,436,321.10
2026-03 Skypark Drive Road Improvements	-	-	54,615.00	415,000.00	54,615.00
2026-04 Shuttle Vehicles & Service	-		-	-	-
	4,640,380.36	**4,516,490.00**	**40,311,659.97**	**76,829,431.00**	**80,194,100.87**
	$ 4,691,835.38	**$ 4,545,344.25**	**$ 41,503,656.40**	**$ 79,209,276.00**	**$ 81,678,744.91**

FISCAL YEAR 2026
FINANCIAL STATEMENTS UNAUDITED
Funding and Reimbursements of Construction-In-Progress
April 30, 2026

Project Number/AIP #	Project Name	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Totals
Reimbursements & Tranfers from Restricted Cash														
FAA Reimbursed:														
2023-03/AIP 80	SEP Phase 2B - Apron - AIP 80						2,207,717	-		632,204				2,839,921
2023-01/AIP 81	Terminal Design						110,162	-						110,162
2023-02/AIP 83	Runway 28L-10R Treatmnt-2.17M	-	-	-	1,039,136		54,045	161,093						1,254,274
2025-07/AIP 84	SEP Phase 2B - Apron - AIP 84	-	-	6,927,458	-	-	-	1,172,059	-	-	-	-	-	8,099,517
2025-02/AIP 85	Purchase Primary ARFF Vehicle	-	-	-	856,737	101,537								958,274
2025-01/AIP 86	SEP Landside Improv $18.5M	-	-	184,045	355,496	-	1,175,658	558,678	-	865,684	602,073	-	-	3,741,634
2025-09/AIP 87	Replacement Terminal	-	-	1,402,112	-	-	2,052,555	1,690,502	-	3,963,470	-	-	-	9,108,639
2025-08/AIP 88	Relocated Parking						1,439	26,423		397,003	272,617			697,482
		$ -	$ -	$ 8,513,615	$ 2,251,369	$ 101,537	$ 5,601,576	$ 3,608,755	$ -	$ 5,858,361	$ 874,690	$ -	$ -	$ 26,809,903
PFCs Eligibility Matching:														
2023-03/AIP 80	SEP Phase 2B - Apron - AIP 80						251,658	-						251,658
2023-01/AIP 81	Terminal Design						18,621	-						18,621
2023-02/AIP 83	Runway 28L-10R Treatmnt-2.17M	-	-	-	107,055		128,592	5,106						240,753
2025-07/AIP 84	SEP Phase 2B - Apron - AIP 84	-	-	764,088	-	-	-	70,341	-	-	-	-	-	834,429
2025-02/AIP 85	Purchase Primary ARFF Vehicle	-	-	-	88,263	10,460								98,723
2025-01/AIP 86	SEP Landside Improv $18.5M	-	-	22,182	36,623	-	70,614	57,555	-	89,185	62,027	-	-	338,186
2025-09/AIP 87	Replacement Terminal	-	-	73,795	-	-	108,029	88,975	-	208,604	-	-	-	479,402
2025-08/AIP 88	Relocated Parking						75	1,390		20,895	28,086			50,446
		$ -	$ -	$ 860,064	$ 231,941	$ 10,460	$ 577,589	$ 223,367	$ -	$ 318,684	$ 90,113	$ -	$ -	$ 2,312,217
	Collected PFCs Available for Funding			218,400	-		220,000	81,300	-	110,080	90,113			719,893
	Draw on Interim Notes Held Proceeds									208,604				208,604
	District Temporary Funding			641,664	231,941	10,460	357,589	142,067						1,383,721
		$ -	$ -	$ 860,064	$ 231,941	$ 10,460	$ 577,589	$ 223,367	$ -	$ 318,684	$ 90,113	$ -	$ -	$ 2,312,217

FISCAL YEAR 2026

Schedule Of Cash and Investments

FINANCIAL STATEMENTS UNAUDITED

	Par Value	Acq. Date	Maturity Date	Value At April 30, 2026	Yield/ Interest Rate
UNRESTRICTED:					
U.S. Treasury Bills - MPAD (JP Morgan custodian):					
U.S. Treasury Bill - $723,000 - 4 Month	$ 723,000.00	1/6/26	5/5/26	$ 714,784.66	3.53%
Pooled Money Investment Account - MPAD					
State of California - Local Agency Investment Fund		Various	Daily	13,918,992.28	**3.82%**
General Accounts - MPAD					
JP Morgan Chase - various checking accounts				628,189.43	
MPAD Cash and Investments - Unrestricted				15,261,966.37	
Plus: L.A.I.F. April 30, 2026 Fair Value Adjustment				(258.37)	
Unrestricted Cash and Investments				**$ 15,261,708.00**	
Unrestricted Cash				**$ 628,189.43**	
Unrestricted Investments				**14,633,518.57**	
				$ 15,261,708.00	

FISCAL YEAR 2026

Schedule Of Cash and Investments

FINANCIAL STATEMENTS UNAUDITED

	Par Value	Purchase Date	Maturity Date	Value At April 30, 2026	Yield/ Interest Rate
RESTRICTED:					
Tenant's Security Deposits - RESTRICTED:					
U.S. Treasury Bills - MPAD (JP Morgan custodian):					
U.S. Treasury Bill - $497,000 - 6 Month	$ 497,000.00	3/19/26	9/17/26	**$ 488,251.09**	3.59%
Tenant's Security Deposits - RESTRICTED:					
Chase Bank - Money Market Account				**$ 7,071.07**	0.01%
Passenger Facility Charges (PFCs) - RESTRICTED:					
Chase Bank - Passenger Facility Charges (PFCs)				**$ 163,552.17**	0.01%
Customer Facility Charges (CFCs) - RESTRICTED:					
Chase Bank - Customer Facility Charges (CFCs)				**$ 653,340.56**	0.01%
Airport Improvement Program - RESTRICTED:					
Chase Bank - AIP Checking Account				**$ 4,500.00**	
CalTrans Annual Debt Service - RESTRICTED:					
U.S. Treasury Bill - $381,000 - 6 Month	$ 381,000.00	3/19/26	9/17/26	$ 374,293.09	3.59%
Chase Bank - Checking Account				136.41	
				$ 374,429.50	
Restricted Cash				$ 828,600.21	
Restricted Investments				862,544.18	
				$ 1,691,144.39	

MONTEREY FIRE DEPARTMENT

Report to Airport Board of Directors

May 2026

1. **Incident Responses**

   Engine assigned to Fire Station 16 (Airport) responded to a total of 50 incidents during the month as follows:

   - MPAD property – 5
   - City of Monterey – 38
   - Other Cities in Monterey Fire Jurisdiction – 3
   - Auto / Mutual Aid – 4

   Engine 16 responded to an incident from the Airport Fire Station within airport property between the hours of 20:00 and 07:59. 49 incidents were responded from the South side between the hours of 08:00 and 19:59 hours.

2. **Training**

   Personnel completed a total of 90.25 hours of Airport-related training during the month. Currently the following numbers of personnel are qualified in the ARFF training program:

   - Awareness (familiar with operations at the Airport): 82
   - Operational (qualified to work at Airport, but live fire training not current): 42
   - Technician (fully qualified to be the designated ARFF fire engineer): 12

3. **Other**

   - Fire Department Staff participated in the Airport's tabletop exercise on May 27, 2026.
   - At the airport, we are continuing to coordinate with the tower to conduct mock alert ring-down exercises to improve communication and response readiness. Beginning in May, and continuing into June, we are evaluating and refining response strategies for airport alerts when units are operating on the south side of our district.

     Additionally, we continue to foster strong working relationships with Monterey Jet Center and Del Monte Aviation personnel to enhance coordination and operational effectiveness.

4. **Incident List –** on Airport property incidents

Alarm Date / Time	Response Time	Location	Incident Type
5/1/2026 10:13 AM	0:00:00	200 Fred Kane DR	Accidental alarm
5/27/2026 9:18 AM	0:00:00	300 Sky Park DR	Standby (public service)
5/27/2026 12:38 PM	0:00:42	200 Fred Kane DR	Citizen assist / service call
5/27/2026 9:38 PM	0:05:29	200 Fred Kane DR	Cancelled
5/30/2026 1:15 PM	0:00:50	200 Fred Kane DR	Altered mental status

AGENDA ITEM: H-4
DATE: June 25, 2026

TO: Chris Morello, Executive Director
FROM: Operations Department
DATE: June 4, 2026
SUBJ: Operations Report

The following is a summary of the activity of general Airport Operations for May 2026 and planned airline activities for June 2026.

1. The following reports are attached:
   - May 2026 Noise Comment Report
   - Operating and Expense Reports for the Taxi (through May 2026) and TNC ground transportation systems (through April 2026)
   - Commercial Flight Cancellations & Delays Report for May 2026
   - Commercial Flight Schedule for June 2026

2. Below is the summary of scheduled airline activity for June 2026:

   Alaska Air operated by SkyWest / Horizon
   - SAN operates twice a day using the E175.
   - SEA operates daily using the E175.
   - Scheduled to operate a monthly total of 180 flights (Arrivals and Departures)

   Allegiant Air
   - Continues to operate twice weekly to LAS using the Airbus 319 / 320 series.
   - Scheduled to operate a total of 18 flights (Arrivals and Departures)

   United operated by SkyWest / United Airlines
   - SFO operates three times a day using the CRJ200.
   - LAX operates twice daily using the E175 & B738.
   - DEN operates twice a day using the E175 & B738.
   - ORD operates once per week using the B738.
   - Scheduled to operate a monthly total of 420 flights (Arrivals and Departures)

   American and American Eagle operated by SkyWest / American Airlines
   - PHX is scheduled to operate four times a day using a CRJ7/9, E175, A319 mix.
   - DFW operates once a day using the B738.
   - Scheduled to operate a monthly total of 290 flights (Arrivals and Departures)

Cumulatively speaking, the airlines have increased flights by 58 (908 vs 850) compared to June 2025, an increase of 7%. The number of available seats has increased by approximately 19% (85,464 vs. 71,634).

MRY AIRPORT NOISE COMMENT LOG
MAY 2026

	Initials	Location (Address)	Incident Date	Incident Time	Aircraft ID	</> of Flight	Comments	By	Action Taken
AIR OPERATIONS CENTERED AT MONTEREY AIRPORT									
1	EB	Old Monterey	5/6/2026	All Day	N/A	28L Departute	The plane noise in my neighborhood is absolutely out of control. Especially on cloudy or overcast days. Sometimes, like yesterday, May 6, 2026, planes fly over within minutes of each other. The jets are so loud that they shake my windows. Last night, I was woken up every hour with incoming planes. Normally, they taper off around 11:37pm, but they continued through the night last night. I work from home and have to pause meetings for plane traffic. I have resorted to wearing noise canceling headphones in my own home almost all the time. I've even considered moving out of my home over this! Please, please, please take this seriously and do something about it! I'm losing my mind!	DW	Acknowledged, comment logged
2	EB	Old Monterey	5/8/2026	11:30AM-1:30PM	N/A	28L Departure	The plane noise is absolutely out of control in this area. Today while trying to work from home, I decided to spend an hour keeping track of every plane that went over. From 11:39-12:55, 11 planes flew overhead. I stopped tracking after that. Please figure out a different route or reinstate the ordinance that was repealed last year.	KC	The FAA requires us to be open for all aircraft operation 24/7. Our noise guidelines have most aircraft turn out over the bay but do get deviated from during high traffic events for spacing purposes
3	MV	Passadera	5/10/2026	8:30 PM	E-175	RNAV 28L	Overhead inbound to MRA. Low and loud. Sunday evening. What happened to staggering inbound flight paths?	KC	Explained the aircraft was using the RNAV approach due to inclement weather which brings the aircraft closer along Highway 68 than the normal raceway visual approach.
4	LH	Monterey	5/17/2026	1:08 PM	C210	28L Departure	loud private plane overhead	MC	C210 made a south turn enroute to SBA
5	Carol	N/A	5/18/2026	10:43 AM	Military	28L App	Call to the ops number complaining about the military jet and its dangerous maneuver. She is a pilot and feels the military are poorly trained dangerous pilots.	MC	I observed the flight from the airfield. Pilot performed air brake before flying pattern for touch and go. I advised we are Class C and tower separates aircraft and are used to dealing with military aircraft. Having observed the flight, I disagreed with the assessment that the pilot was flying dangerously.

6	RL	Santa Cruz	5/29/2026	N/A	N/A	28L App	Flight paths have been rerouted over the Monterey Bay completely destroying our peace and the peace of the people in the mountains yet once again the noise of aircraft not normally flying over this area, wakes us up at night and is annoying during the day	DW	We have not changed our flight path in MRY, all flights that are scheduled flights are controlled by the FAA. Due to the weather, safety and if certified to fly in the rain pilots may tend to stay in certain areas where it's clear to practice on rainy days. This does not mean they came from MRY there are several local airports in that area. Your comment has been logged.
7	II	Laguna Seca Esatates	5/31/2026	9:11 PM	B737	28L App	Plane fly very low, almost hit our home and scare our kids . This is unacceptable	KC	Explained that aircraft was using the 28L RNAV which keeps the aircraft north of 68. Also explained the aircraft is now a much larger B737 vs the previous E-175 which may have been why it appeared closer than usual.

AIR OPERATIONS ORIGINATING FROM ANOTHER AIRPORT

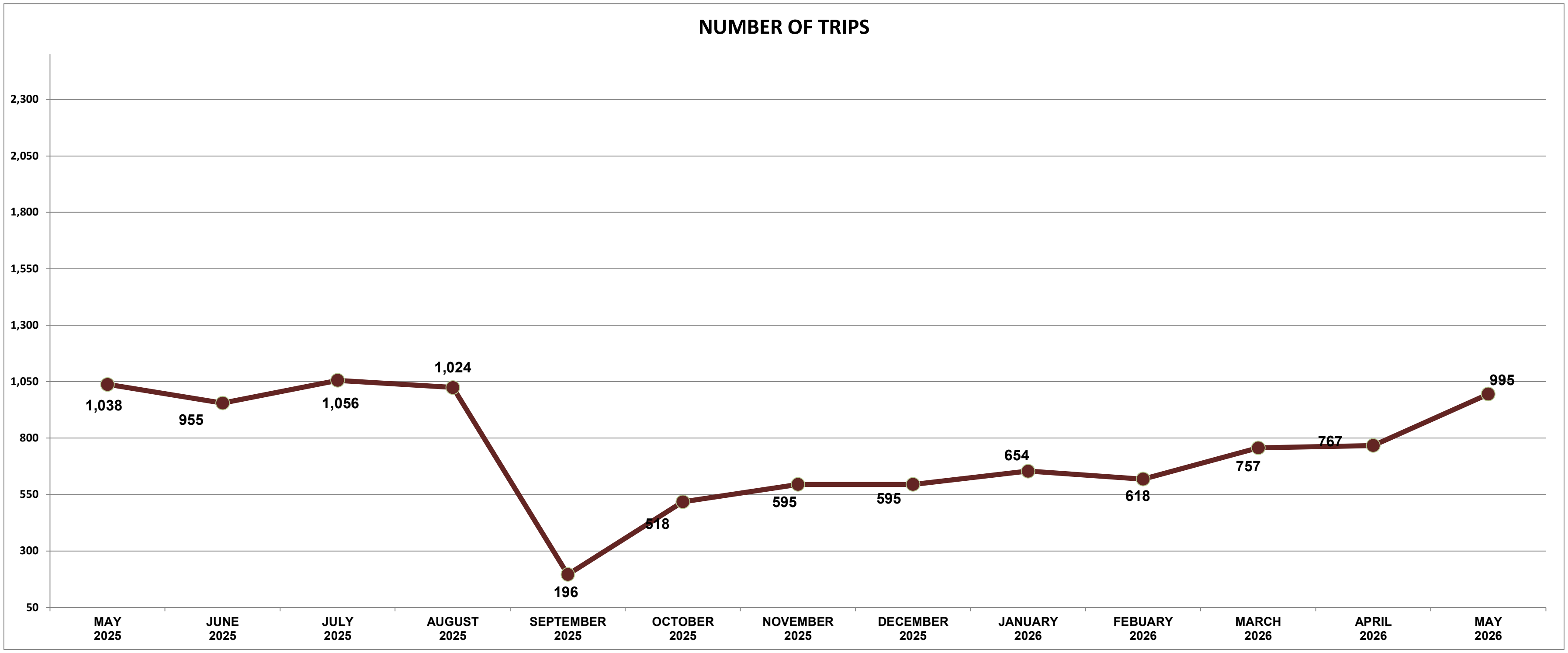
AIR OPERATIONS OF UNKNOWN ORIGIN

MONTHLY TOTALS and COMPARISONS

	May-26	May-25	% Change	Other Airport	Unknown Origin
Number of Complaints:	7	7	0%		
Number of Operations:	4,842	5,055	-4%	0	0
			% Change		
Annual Total	32	41	-22%	0	0

13-MONTH ROLLING COMPARISON

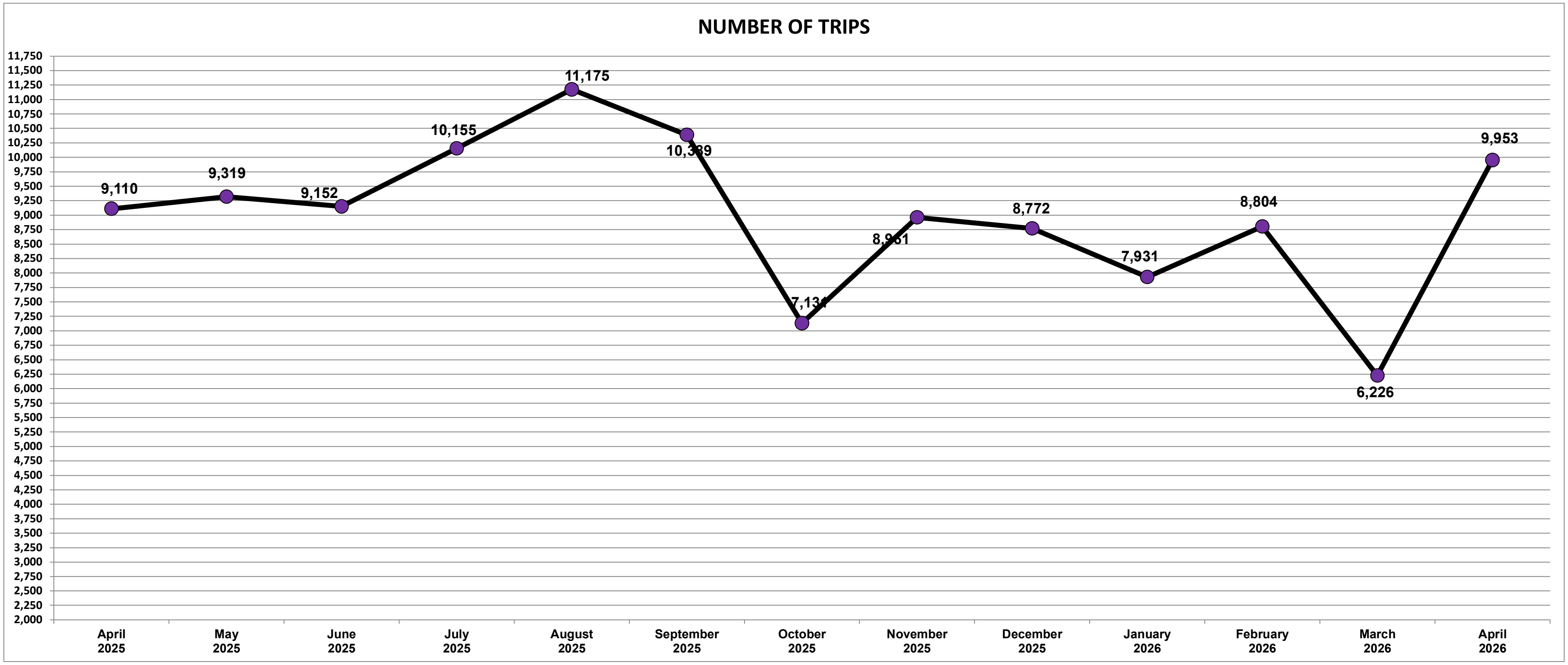
Taxis



	2025 MAY	2025 JUNE	2025 JULY	2025 AUGUST	2025 SEPTEMBER	2025 OCTOBER	2025 NOVEMBER	2025 DECEMBER	2026 JANUARY	2026 FEBUARY	2026 MARCH	2026 APRIL	2026 MAY
NUMBER OF TRIPS	1,038	955	1,056	1,024	196	518	595	595	654	618	757	767	995
PERMITS SOLD	0	11	17	1	0	0	0	0	0	0	0	1	1
TAXI TRIP FEES	$ 3,114	$ 2,865	$ 3,168	$ 3,072	$ 588	$ 1,554	$ 1,785	$ 1,785	$ 1,962	$ 1,854	$ 2,271	$ 2,301	$ 2,985
TAXI PERMIT FEES	$1,200	$1,100	$1,700	$100	$200	$0	$0	$0	$0	$0	$0	$100	$0
TAXI - TOTAL REVENUE	$ 4,314	$ 3,965	$ 4,868	$ 3,172	$ 788	$ 1,554	$ 1,785	$ 1,785	$ 1,962	$ 1,854	$ 2,271	$ 2,401	$ 2,985
CURB MGMT CONTRACT													
OBD LICENSING	$ 3,004	$ 3,004	$ 3,004	$ 3,004	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,004	$ 3,004	$ 3,004
TAXI - TOTAL EXPENSE	$ 3,004	$ 3,004	$ 3,004	$ 3,004	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,004	$ 3,004	$ 3,004
OPERATING INCOME / (LOSS)	$ 1,310	$ 961	$ 1,864	$ 168	$ 788	$ 1,554	$ 1,785	$ 1,785	$ 1,962	$ 1,854	$ (733)	$ (603)	$ (19)
FYTD 2026 (July 2025) OPERATING INCOME / (LOSS)* **													$ 10,405
CUMULATIVE (12-MONTH) OPERATING INCOME / (LOSS)													$ 11,366

***Decline in Taxi trips (Sept.-Jan.) is due to manual reporting. We experienced an outage with our automatic reporting. Software provider suspended fees for months of outage.

Transportation Network Companies (TNCs)



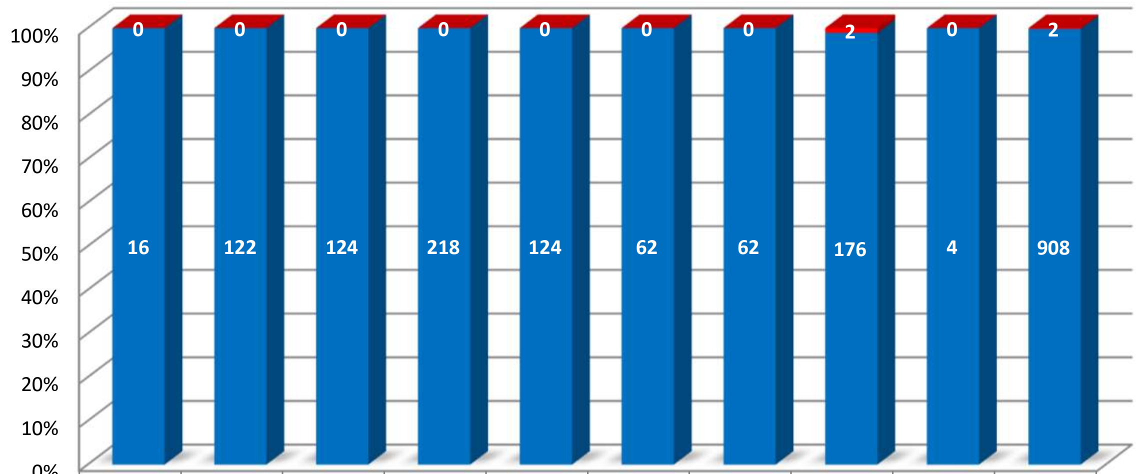
	2025 April	2025 May	2025 June	2025 July	2025 August	2025 September	2025 October	2025 November	2025 December	2026 January	2026 February	2026 March	2026 April
NUMBER OF TRIPS	9,110	9,319	9,152	10,155	11,175	10,389	7,131	8,961	8,772	7,931	8,804	6,226	9,953
NUMBER OF TNCs	2	2	2	2	2	2	2	2	2	2	2	2	2
TNC TRIP FEES	$ 27,330	$ 27,957	$ 27,456	$ 30,465	$ 33,525	$ 31,167	$ 21,393	$ 26,883	$ 26,316	$ 23,793	$ 26,412	$ 18,678	$ 29,859
TNC PAYMENT PENALTIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TNC - TOTAL REVENUE	$ 27,330	$ 27,957	$ 27,456	$ 30,465	$ 33,525	$ 31,167	$ 21,393	$ 26,883	$ 26,316	$ 23,793	$ 26,412	$ 18,678	$ 29,859

Cumulative 12-Month Operating Income: $ 323,904

Fiscal Year To Date Operating Income: $ 268,491

MAY 2026

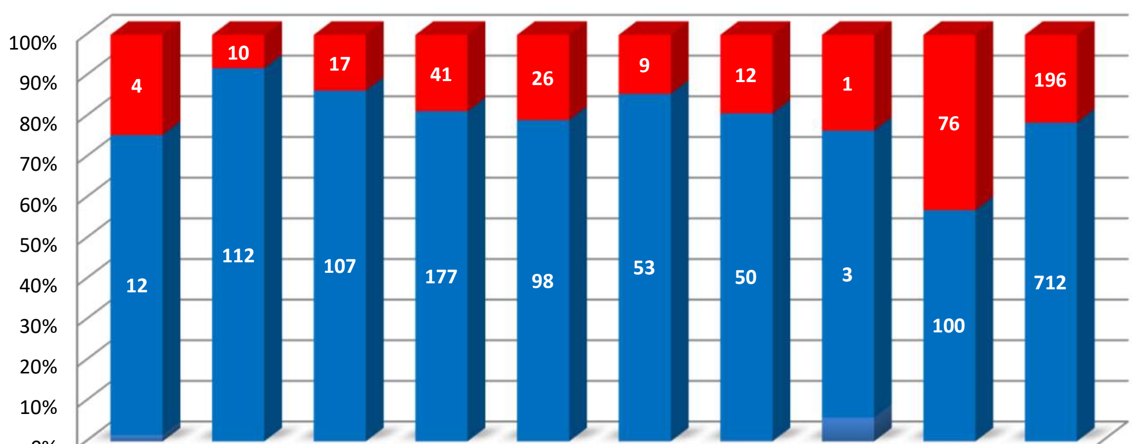
May Commercial Flights
Operated vs. Canceled



	LAS	DEN	LAX	PHX	SAN	DFW	SEA	SFO	ORD	TOTALS
Canceled	0	0	0	0	0	0	0	2	0	2
Operated	16	122	124	218	124	62	62	176	4	908
% Canceled	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.12%	0.00%	0.22%

TOTAL CANCELLATIONS: 2

May Commercial Flights
On Time vs. Delayed



	LAS	DEN	LAX	PHX	SAN	DFW	SEA	ORD	SFO	TOTALS
Delayed	4	10	17	41	26	9	12	1	76	196
On Time	12	112	107	177	98	53	50	3	100	712
% Delayed	25.00%	8.20%	13.71%	18.81%	20.97%	14.52%	19.35%	25.00%	42.70%	21.54%

TOTAL DELAYED FLIGHTS: 196

Monterey Regional Airport

JUNE 2026 Flight Schedule

Arrivals						Departures					
Aircraft Type (Seats)	From	Airline	Flight #	Time	Schd.	To	Airline	Flight #	Time	Schd.	Aircraft Type (Seats)
CR2 (50)	SFO	UNITED	5479	11:10 AM	Daily	DEN	UNITED	2771	5:00 AM	Daily	738 (166)
738 (166)	ORD	UNITED	485	11:29 AM	Saturday	PHX	American Airlines	6375	6:00 AM	Daily	CR7 (66)
E175 (76)	LAX	UNITED	5241	11:41 AM	Daily	SAN	Alaska AIRLINES	3384	6:00 AM	Daily	E175 (76)
738 (166)	DFW	American Airlines	2140	12:00 PM	Daily	LAX	UNITED	2655	7:05 AM	Daily EX 24	738 (166)
E175 (76)	PHX	American Airlines	3720	12:05 PM	Daily	SFO	UNITED	5502	8:00 AM	Daily	CR2 (50)
E175 (76)	DEN	UNITED	5438	1:10 PM	Daily	SFO	UNITED	5557	12:00 PM	Daily	CR2 (50)
E175 (76)	SAN	Alaska AIRLINES	3346	2:18 PM 2:28 PM	1-9 10-30	DEN	UNITED	4713	12:30 PM	Daily	E175 (76)
E175 (76)	SEA	Alaska AIRLINES	2129 2187	5:42 PM 6:14 PM	10-30 1-9	PHX	American Airlines	3720	12:40 PM	Daily	E175 (76)
CR2 (50)	SFO	UNITED	5738	2:55 PM	MON-SAT	DFW	American Airlines	2140	12:45 PM	Daily	738 (166)
CR9 (76)	PHX	American Airlines	6268	3:40 PM	4-30	LAX	UNITED	5523	2:00 PM	Daily	E175 (76)
A319 (128)	PHX	American Airlines	2884	6:25 PM	1, 4-30	ORD	UNITED	445	2:16 PM	Saturday	738 (166)
738 (166)	LAX	UNITED	2128	8:36 PM	Daily	SAN	Alaska AIRLINES	2180 3221	2:55 PM 3:05 PM	1-9 10-30	E175 (76)
738 (166)	DEN	UNITED	1371	9:10 PM	Daily	SFO	UNITED	4729	3:30 PM	Daily	CR2 (50)
CR7 (66)	PHX	American Airlines	6374	10:35 PM	Daily	PHX	American Airlines	6341	4:10 PM	4-30	CR9 (76)
CR2 (50)	SFO	UNITED	5670	11:47 PM	Daily EX 26	SEA	Alaska AIRLINES	2128 2187	6:20 PM 6:56 PM	10-30 1-9	E175 (76)
E175 (76)	SAN	Alaska AIRLINES	3005	11:30 PM 11:59 PM	1-9 10-30	PHX	American Airlines	2884	7:05 PM	1,4-30	A319 (128)
A319 (156)	LAS	allegiant	69	9:10 PM	MON & FRI	LAS	allegiant	71	10:00PM	MON & FRI	A319 (156)

Flight Schedule is general information and subject to change. Schedules are updated monthly and can change daily.
Please contact your airline for further information.

AGENDA ITEM: H-5
DATE: June 25, 2026

TO:	Monterey Peninsula Airport District Board of Directors
FROM:	Chris Morello, Executive Director
DATE:	June 1, 2026
SUBJ:	Planning/Marketing and Capital Projects Monthly Report

Attached is the current monthly Project Report for the Planning and Marketing Departments with the following highlights for May 2026:

- CONSTRUCTION UPDATES

The installation of the steel frame

Topping Out Ceremony, final steel beam installation.

	FUNDING				EXPENDITURES			STATUS			
	PROJECT #	**AIP #**	**PFC**	**Total Project Budget**	**Spent in Prior Fiscal Years**	**FY 2026 Expenditures to Date**	**5/31/2026**	**% Physical Complete**	**Project Name**	**Current Status**	**4 Week Look Ahead**
ACTIVE FEDERALLY-FUNDED PROJECTS:											
1	2024-01	81	18-22-C-00-MRY	$3,283,565	$3,157,895	$126,725	$3,284,620	100%	**SEP Phase D1 Terminal Design**	The BIL ATP grant application was executed on September 13, 2023 which funds 53% of the HOK design services. HOK made a presentation to the BOD on 11/30/23 and a design concept was chosen.	FAA has provided an additional $110,162 for the final design components to support the CMaC value engineering. Final drawdown was completed on November 30, 2025 with a grant closeout request.
2	2023-02	83	25-26-C-00-MRY	$3,105,891	$1,589,188	$1,524,217	$3,113,405	99%	**RUNWAY 28L-10R TREATMENT**	A contract based on bids was approved at the August board meeting with award to Granite Rock Company. GRC is currently working on the project schedule. Phase 1 mill and fill together with the replaced markings was completed in mid-March 2025.	Project closeout has been completed.
3	2023-03 2028-07	80-84	18-22-C-00-MRY and 25-26-C-00-MRY	$45,050,651	$31,728,676	$11,667,895	$43,396,571	99%	**SEP Phase B2 Commercial Apron Construction**	A notice to proceed was executed on 11/30/2023 and GRV JV began mobilization.	Project closeout documents are in progress.
4	2025-01	86	18-22-C-00-MRY	$18,469,730	$603,915	$4,931,723	$5,535,638	30%	**SEP Phase D3 Landside cirulation**	The construction costs based on a Guaranteed Maximum Price that was provided by OTTO Construction was approved at the August board meeting. OTTO continues to work with HOK to review the plans and discuss value engineering options.	Construction continues with the utilities for the round about and the first phase of the permanent long term parking area. The first phase of parking relocation is anticipated to be in early mid-June.
5	2025-02	85	25-26-C-00-MRY	$1,056,997		$1,084,465	$1,084,465	100%	**Purchase Primary ARFF Vehicle**	The BOD adopted Resolution 1881 authorizing a contract with Oshkosh Airport Products based on bids received for a replacement ARFF Vehicle.	Final drawdown was completed in November with a grant closeout request.

	FUNDING				EXPENDITURES			STATUS			
	PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2026 Expenditures to Date	5/31/2026	% Physical Complete	Project Name	Current Status	4 Week Look Ahead
6	2025-08	88	25-26-C-00-MRY	$8,182,929		$859,460	$859,460	10%	**SEP Phase D3 Relocated parking**	Otto submitted a GMP for the parking in December.	Construction continues with the utilities for the round about and the first phase of the permanent long term parking area. The first phase of parking relocation is anticipated to be in early mid-June.
7	2025-09 2025-9A	87-89	25-26-C-00-MRY	$106,902,710	$981,695	$20,365,082	$21,346,777	23%	**SEP Phase D2 Replacement Terminal Construction**	HP has begun to solicit the trades and have provided us with the first GMP and Cost Validation Model review. Staff are working with HP to identify Value Engineering options and will provide an update during the budget review process.	Footings and foundations have been ongoing and steel erection began in late April and will be completed by May 29, 2026.
8	2026-01		N/A	$200,000			$174,015	100%	**ARFF Foam Transition and Remediation**		Rosenbaurer transition to the new foam was completed in January 2026. MRY ARFF is 100% PFAS free.
OUTSIDE FUNDED PROJECTS:											
9	2026-02	N/A	N/A	$3,895,470		$75,992	$75,992	2%	**RENTAL CAR READY RETURN LOT EXISTING/FUTURE IMPROVEMENTS**		The design for this project has begun by Otto Construction. Staff are working with and communicating with the rental car companies.
DISTRICT ONLY FUNDED PROJECTS											
10	2025-06	N/A	N/A	$1,000,000	$292,648	$694,582	$987,230	100%	**2801 PROPERTY REPAIRS**	Staff have received approval from the City of Monterey to replace the walls that were removed during the asbestos removal and have been working to procure a contractor to replace the walls, glazing, and update the access to comply with ADA.	The work on this project was completed in August, 2025. We are actively recruiting tenants for the remainder of the space.
11	2026-03	N/A	N/A	$995,000		$54,615	$54,615	0%	**SKYPARK DRIVE IMPROVEMENTS**		Engineering has provided plans, we are looking to find a date to begin solicitation that coincides with the optimal time for construction.

	FUNDING				EXPENDITURES			STATUS			
	PROJECT #	AIP #	PFC	Total Project Budget	Spent in Prior Fiscal Years	FY 2026 Expenditures to Date	5/31/2026	% Physical Complete	Project Name	Current Status	4 Week Look Ahead
		N/A	N/A	$995,000		$33,919	$33,919	0%	**RENTAL CAR SHUTTLE SERVICE**		Staff have purchased the two EV carts and executed the contract with Republic Parking. We anticipate the service will begin on June 15, 2026

POLICE
DEL REY OAKS

MONTHLY POLICE ACTIVITY REPORT

May 2026

TO: Executive Director, Chris Morello
FROM: Commander Roger Guzman
DATE: June 5th, 2026
SUBJECT: Police Activity Report for May 2026

The following is a summary of significant activity in the Police Department in May 2026:

Highlights

Del Rey Oaks Police Officers responded to approximately 52 door and gate alarms in May. Daily Sterile Area Prohibited Items Search conducted with TSA Personnel, no discrepancies observed. Daily testing of the Law Enforcement paging system conducted without error. DRO PD Officers conducted the Weekly Duress Alarm testing with TSA Personnel, all test alarms performing as required.

Officers responded to 3 Elevator Alarm during the course of the month.

Officers responded to 7 calls for service for gate malfunctions.

Training

Officer Dowson provided updated training regarding MRY OPS. Met with Airport Operations throughout the month to ensure proper Airport protocols were being followed. MCI Table top was attended on May 27th, 2026. Quarterly meeting with Airport Operations and DRO PD held on May 19th, 2026.

Calls for Service

1. 05/01/2026 01:30 AM Ofcr Dowson
   Southside: Equipment Damage
   Parking lots/front curb/observed stop sign near short term entry knocked over see DRO CR 26-115 for further. Review of CCTV could not read license plate of vehicle that caused damage.

2. 05/01/2026 02:15 AM Ofcr Dowson
   Southside: Parking Issue
   Sky Park Dr (7 citations) for vehicles parked during posted no parking hours.

3. 05/01/2026 10:35 AM Ofcr Garcia
   Terminal: Fire Alarm
   Fire alarm - Woody's Cockpit - Monterey Fire reset alarm.

4. 05/01/2026 12:20 PM Ofcr Garcia
Southside: Parking Issue
Long term lot patrol, one citation for expired registration.

5. 05/04/2026 07:55 PM Ofcr J Andoy
Southside: Parking Issue
Front Terminal - One parking citation

6. 05/05/2026 09:50 AM Ofcr Garcia
AOA: Vehicle Inspection
TSA vehicle inspection for United - White Welding Truck (Valley Fabrication) (CA Plate: 61725L1)

7. 05/06/2026 09:00 PM Ofcr Tang
Northside: Suspicious Vehicle
Suspicious vehicle reported near Northside businesses. Area check conducted and unable to locate vehicle.

8. 05/08/2026 01:45 PM Ofcr Bough
Southside: Citizen Assist
Curbside patrol and citizen assisted with parking issue.

9. 05/10/2026 10:00 AM Ofcr Garcia
Terminal: Equipment Malfunction
Baggage claim North door unable to close. Airport Ops notified.

10. 05/10/2026 11:52 AM Ofcr Garcia
AOA: Medical on Commercial Aircraft
Medical call - Passenger on American Airlines (Envoy 3981) Flight arrival. Cleared by fire.

11. 05/10/2026 02:50 PM Ofcr Garcia
Terminal: Badging Issue
American Airlines employee issued new AOA badge

12. 05/10/2026 03:25 PM Ofcr Garcia
AOA: Property Damage
An aircraft taxing from Alpha to the DMA ramp attempted to park between other aircraft. One aircraft (N654TC) wing collided into the propeller of parked (N5593C). DROCR26-124

13. 05/10/2026 04:38 PM Ofcr Garcia
Southside: Suspicious Person
Airport Ops reported that three individuals (father, and two daughters) had crossed the border at Gate V29. Father contacted advised he could watch the planes but not passed the safety line.

14. 05/11/2026 10:29 AM Ofcr Garcia
Southside: Parking Issue
One citation issued for unattended vehicle on front baggage curb.

15. 05/11/2026 03:24 PM Ofcr Garcia
Southside: Lost and Found
Airport Ops reported an unattended black bag on the MrY bus stop bench. Inside the bag was a Samsung tablet, key board, bible, and notebook. Placed in lost and found (26-555)

16. 05/12/2026 11:50 PM Ofcr Garcia
Terminal: Suspicious Person
Officers dispatched to a suspicious male adult in the baggage claim area. The male, later identified, was seen spreading out his luggage across the ground. He had an issue with his rental and was awaiting a Uber ride.

17. 05/13/2026 09:02 AM Ofcr Bough
Southside: Traffic Control
Traffic stop: Olmsted/HWY 68. Driver cited

18. 05/14/2026 08:30 AM Ofcr Garcia
Terminal: Lost and Found
TSA advised a delivery person was injured after a box fell from his work van, causing the dolly to strike him in the face. TSA and DRO PD offered to call AMR for further medical evaluation, but the individual declined. Documented under DRO PD FI#1414.

19. 05/14/2026 10:58 AM Ofcr Tang
Terminal: Card Reader Error
United Counter Door, Invalid card. Alaska Airlines IT person advised she scanned her San Jose badge accidently. SIDA badge checked and was valid.

20. 05/14/2026 11:10 PM Ofcr Gomez
Terminal: Lost and Found
Unattended bag. Searched and placed in lost and found.

21. 05/15/2026 08:08 AM Ofcr Tang
Northside: Abandoned Vehicle
Report of an abandoned vehicle Airport/Aviation. Vehicle was located off airport property in Monterey PD's jurisdiction.

22. 05/15/2026 10:20 AM Ofcr Tang
Terminal: 911 Hang Up
911 hang up call. Area check conducted. Unable to locate any distress. East Elevator.

23. 05/15/2026 12:42 PM Ofcr Tang
TSA: TSA Assisted
Assisted TSA with an ID verification.

24. 05/16/2026 12:46 PM Ofcr Tang
TSA: Duress Alarm
Duress Alarm triggered and PD responded to TSA checkpoint. Power outage caused systems to malfunction. System was retested and were properly functioning.

25. 05/16/2026 01:22 PM Ofcr Tang
Northside: Gate Malfunction
Tenant needed help into V-22. Tenant was gone upon arrival.

26. 05/16/2026 02:30 PM Ofcr Tang
Southside: Parking Issue
Found property, blankets and pillows left at united ticket counter.

27. 05/16/2026 03:27 PM Ofcr Tang
Northside: Equipment Malfunction
Assisted 2 Hanger tenants into V-22. Cards were not allowing entry.

28. 05/17/2026 10:27 AM Ofcr Dowson
    Northside: Gate Malfunction
    V-22 reported not functioning. Airport operations advised. The gate would not open from either side. Tenant escorted through V-18.

29. 05/17/2026 12:29 PM Ofcr Dowson
    Northside: Gate Malfunction
    V-22, gate still not functioning. Tenant escorted through gate V-18.

30. 05/17/2026 01:55 PM Ofcr Dowson
    TSA: TSA Assistance
    Assisted with passenger verification at the TSA Checkpoint.

31. 05/17/2026 04:30 PM Ofcr Dowson
    Northside: Gate Malfunction
    V-22 still not functioning. Tenant escorted thru V-18.

32. 05/17/2026 05:22 PM Ofcr Dowson
    Northside: Gate Malfunction
    Additional tenant unavailable to access V-22. Tenant escorted thru v-18.

33. 05/18/2026 05:30 AM Ofcr Garcia
    Northside: Gate Malfunction
    Report of V22 not operational, assistance into V18 for hanger access.

34. 05/18/2026 11:59 AM Ofcr Dowson
    Terminal: Lost Badge
    Badge holder called to report the loss of his badge in the Baggage Claim area. DRO CR 26-131 for further.

35. 05/18/2026 03:25 PM Ofcr Dowson
    Northside: Suspicious Vehicle
    Vehicle Check. FedEx pilot contacted along Airport Rd just east of gate V-22B. The pilot was waiting for the driver to escort him to the FedEx plane.

36. 05/18/2026 03:55 PM Ofcr Dowson
    Southside: Citizen Assist
    Assisted Airport Operations in locating passenger vehicle parked in the Long Term Parking lot.

37. 05/19/2026 03:13 AM Ofcr Garcia
    Terminal: Lost and Found
    Unattended small blue backpack left on the seating (right side) in baggage claim. Inside the bag had a copy of a passport. Item place in L&F.

38. 05/19/2026 12:02 PM Ofcr Dowson
    Terminal: Medical
    Possible medical reported at the United ticket counter. Male declined medical and rebooked on later flight.

39. 05/19/2026 01:33 PM Ofcr Dowson
    Southside: Traffic Control
    Big rig took a wrong turn onto Henderson Way. Traffic stopped on Fred Kane while vehicle was escorted to Highway 68.

40. 05/19/2026 01:50 PM Ofcr Dowson
Northside: Gate Malfunction
Assisted Airport operations with the testing of gate V 22.

41. 05/21/2026 09:45 AM Ofcr Tang
Southside: Traffic Control
PD assisted with a truck stuck near the tower. Moved along without incident.

42. 05/21/2026 11:00 AM Ofcr Tang
Terminal: Lost Badge
Badge holder reported his badge was lost. He was issued a new badge. DRO case #26-135.

43. 05/21/2026 11:24 AM Ofcr Tang
Southside: Parking Issue
Curbside parking ticket issued to a black Chrysler van for being left unattended in the taxi loading zone.

44. 05/24/2026 06:50 PM Ofcr Garcia
Southside: Parking Issue
Airport Ops reported a vehicle blocking entry into the Premium Lot. Vehicle gone on arrival.

45. 05/24/2026 07:00 PM Ofcr Garcia
Terminal: Lost and Found
Avis employee reported unattended baggage near the Avis rental counter. Bag was searched and taken into lost and found.

46. 05/25/2026 12:15 PM Ofcr Dowson
Terminal: Equipment Malfunction
Assisted Ops with baggage door that was reported not closing. Door found to be working properly.

47. 05/26/2026 09:15 AM Ofcr Dowson
Terminal: Elevator Alarm
Elevator Alarm: "New Terminal" elevator checked and functioning properly, no one in distress located.

48. 05/26/2026 09:44 PM Ofcr Garcia
Southside: Traffic Control
Traffic stop on a white Ford Focus for expired registration tabs. Driver issued a written warning for 4000(a)(1) VC

49. 05/27/2026 05:26 AM Ofcr Garcia
Southside: Parking Issue
Toyota Prius unattended on the front loading curb. Citation given.

50. 05/27/2026 09:06 PM Ofcr Garcia
Southside: Vehicle Inspection
Airplane jack and other equipment inspected at DMA. White utility box truck (20971G3) cleared.

51. 05/27/2026 09:15 PM Ofcr Garcia
Southside: Citizen Assist
TSA agent requested assistance regarding his keys locked inside his vehicle. Agent awaited AAA at DMA.

52. 05/27/2026 09:40 PM Ofcr Garcia
AOA: Medical
30 YO Female exited the plane with a headache and vomiting. AMR transported female passenger to NMC.

53. 05/29/2026 05:15 PM Ofcr Tang
Southside: Suspicious Person
Suspicious person contacted near DMA fence line. Subject was discovered to be a pilot's father from Aerodynamic Aviation.

54. 05/30/2026 11:00 AM Ofcr Tang
Terminal: Elevator Alarm
Alarm from east side terminal triggered. No one in distress found.

55. 05/30/2026 01:20 PM Ofcr Tang
Terminal: Medical
Medical emergency near baggage claim. Subject was transported to CHOMP via AMR.

56. 05/31/2026 10:23 PM Ofcr Garcia
Southside: Traffic Control
Vehicle traffic stop - White Toyota Tacoma issued a warning citation for a non-operational driver side tail light

End of Report.