



AGENDA

SOLVANG CITY COUNCIL MONDAY AUGUST 11, 2025 5:30 PM SPECIAL CLOSED SESSION 6:30 PM REGULAR MEETING

City Council:

David Brown,	Mayor
Mark Infanti	District 1
Claudia Orona	Mayor pro tem, District 2
Louise Smith	District 3
Elizabeth Orona	District 4

1644 Oak Street, Solvang, Ca 93463
Virtual & in Council Chamber

AGENDA AND SUPPORTING MATERIALS – Available for viewing 8:00a.m.-5:00p.m. at City Hall, 1644 Oak Street, Solvang, and on the City’s website <https://www.cityofsolvang.com/agendacenter>. Additional writings distributed to a majority of the City Council after the posting of the agenda will be made available at City Hall and on the City’s website.

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PUBLIC COMMENT - The public is encouraged to address the City Council in-person, virtually, or in-writing on agenda and non-agenda items. If provided in writing, comments must be submitted to the City Clerk at cityclerk@cityofsolvang.com by 5:00 p.m. on the Friday before the meeting to be considered. Your comment will be recorded and distributed appropriately. Comments on agenda items will be heard at the time each item is considered, including non-agenda items. In-person speakers will be invited to make public comments first. Virtual speakers will follow.

CAMPAIGN CONTRIBUTION DISCLOSURE - Pursuant to Government Code Section 84308, any party to a City proceeding must disclose on the record any campaign contributions made to a member of the City Council [or commission] in excess of \$250 in the past 12 months. This disclosure requirement includes contributions by the party’s agent and aggregated contributions from persons or entities related to the party. Please make the disclosure as soon as possible, but not later than the beginning of the proceeding.

AMERICANS WITH DISABILITIES ACT - If, as a participant of this meeting, you need special assistance the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk at either (805) 688-5575 x206 or cityclerk@cityofsolvang.com. 72- hours’ notice is requested.

LET YOUR VOICE BE HEARD! Do you have about one minute a month to help make Solvang better? The City of Solvang is working with FlashVote to engage the community and gather valuable input from residents to inform our decisions. We encourage residents to sign up at www.flashvote.com/Solvang or call 775-235-2240 to participate by phone or text only.

PARTICIPATING IN THE MEETING – City Council meetings will be in person and conducted by video/teleconferencing through Zoom. The meeting will also be broadcast live on Channel 23 and streamed on the City’s website, Vimeo, and YouTube <https://www.youtube.com/@CityofSolvang1/>

- To join by Zoom, visit <https://zoom.us/j/3066529195>. If you wish to speak, please use the “raised hand” symbol.
- To join by phone, call **(888) 788-0099** and enter Meeting ID: **306 652 9195#**. The phone line will be open 30 minutes before the meeting.

5:30 PM SPECIAL CLOSED SESSION

CALL TO ORDER
ROLL CALL
PLEDGE OF ALLEGIANCE

1. PUBLIC COMMUNICATIONS ON CLOSED SESSION ONLY

Each speaker will be afforded three minutes and may speak only once.

2. RECESS TO CLOSED SESSION

- a. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** – pursuant to Government Code Section 54956.9(d)(1)

Name of case:

South Coast Property Company 13-B, LP v. City of Solvang et al, Case No. 22-cv-00254

RECONVENE TO OPEN SESSION

3. ANNOUNCEMENT OF CLOSED SESSION ACTIONS

4. ADJOURNMENT

6:30 PM REGULAR MEETING

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

1. PROCLAMATIONS, COMMENDATIONS AND CEREMONIAL ITEMS

None

2. PRESENTATIONS

- a. Solvang Senior Center Update
- b. IPW 2025 Trade Show Update

3. PUBLIC COMMUNICATIONS – NON- AGENDA AND CONSENT ITEMS

To address the Council on items not on the Agenda and on Consent. Each speaker will be afforded three minutes.

4. CITY MANAGER REPORT AND ADVANCE CALENDAR

Informational Report

4

5. GC SECTION 53232.3(d) (aka AB 1234) and GC SECTION 84308 (aka SB 1439), REPORT OUT, EX-PARTE COMMUNICATIONS, COUNCIL COMMENTS, REQUESTS

Meetings attended, contributions made or received, communications, Comments and requests

6. CONSENT ITEMS

Routine, administrative city matters approved with one motion.

- a. Approve Order of Agenda.
- b. Approve City Council Minutes: July 14, 2025 5
- c. Receive Santa Ynez Active Transportation Project Letter of Support 9
- d. Adopt (Second Reading) Ordinance 25-0383 Amending the City’s Cross-Connection Program 10
- e. Approve Marketing and Events Assistant Part-time Job Description 20
- f. Adopt Resolution No. 25-1301 Updated Organization Chart 24
- g. Approve Amended IT Contract with SaberDome dba Lanspeed 28

h. VisitSYV Annual Report 2024	66
i. Opposition to Federal Bill H.R. 4403- Cloud Seeding	91
7. PUBLIC HEARINGS	
8. DISCUSSION ITEMS:	
a. Adopt Resolution 25-1302 Authorizing Participation in the PARS Post-Employment Benefits Trust, Termination of CalPERS CERBT, a Trust-to-Trust Transfer of CERBT Assets, and Approval of a Pension and OPEB Funding Policy	104
b. Wine Country Marathon Update	183
c. Julefest Planning Update	185
d. Direction on Short Term Rental Ordinance Amendment	188
e. Approve Video Surveillance Policy	192
9. COUNCIL CLOSING COMMENTS	
10. ADJOURNMENT	

AFFIDAVIT OF POSTING

I, Annamarie Porter, City Clerk for the City of Solvang, California, DO HEREBY CERTIFY under penalty of perjury under the laws of the State of California, that the foregoing notice was posted at the City of Solvang City Hall bulletin board at 1644 Oak Street, Solvang, CA and on the City of Solvang website not less than 72 hours prior to the meeting, per Government Code 54954.2.
Dated this 6th day of August 2025.



CITY COUNCIL ADVANCE CALENDAR

Meeting Date	Agenda Item	Agenda	Dept
25-Aug	No Meeting		
8-Sep	Special Events Guidelines Update	Consent	Parks & Rec
	Qtly Apr May Jun Financial Report	Consent	Administration
	Sheriff's Calendar Year 2024 update	Presentation	Administration
	California Nature Art Museum 25th Anniversary	Proclamation	City Clerk
	Alamo Pintado Pavement Rehab project award	Discussion	Public Works
22-Sep	CCWA Bond Update	Presentation	Utilities
	PG&E Presentation	Presentation	Administration
	Adopt short term rentals policy & application	Discussion	Planning
	Chain Retailers	Discussion	Planning
13-Oct	CCCE presentation	Presentation	Administration
	County Assessor Presentation	Presentation	City Clerk
	New City Hall feasibility	Discussion	Administration
	Caltrans Mission Traffic Flow update receive & file	Consent	Public Works
	Revenue Measures Committee Appointment process	Discussion	City Clerk
	Wildfire Mitigation update	Consent	Administration
	Award Downtown BID Contract	Discussion	Administration
27-Oct	Objective Design Standards Reso & Policy	Discussion	Planning
10-Nov	Urban Growth Boundary Direction to Staff	Discussion	Planning
24-Nov			
8-Dec	Adopt Urban Growth Boundary Reso	Discussion	Planning
	Adopt Mitigation Fees Reso	Public Hearing	Planning
	City Council Reorganization - Appt of Mayor pro tem	Discussion	City Clerk
	Approve 2026 City Council Meeting Calendar	Consent	City Clerk
	Revenue Measures Committee Appointment	Discussion	City Clerk
22-Dec	No Meeting		
Future Meetings	RFQ Interim Financing WWTP Administration	Discussion	Finance
	Adopt IS-MND for HCA well	Public Hearing	Utilities
	Library Update	Receive & File	Administration
	Los Olivos CSD Sewer Connection Update	Receive & File	Utilities
	Outdoor dining	Discussion	Planning
	Modify City Code Title 9, Chapter 3, 9-3D-3 Water Conservation	Public Hearing	Utilities
	Divestment of Transit responsibility	Discussion	Public Works
	On-Street Parking Restrictions Policy	Discussion	Public Works
	Calpers Debt Reduction Plan	Discussion	City Manager
	Surveillance Camera Policy	Discussion	Administration
	WWTP Finance Solution Directon to Staff	Discussion	Utilities
Council Requested Agenda Items			
Target Date	Agenda Item	Agenda	Dept
Annual Reports			
	Agenda Item	Agenda	Dept



**MINUTES
SOLVANG CITY COUNCIL
MONDAY, JULY 14, 2025**

Regular Meeting – 6:30 PM

6:30 PM REGULAR MEETING

CALL TO ORDER

Mayor Brown called the Regular meeting to order at 6:31 p.m. in the City Hall Council Chamber, 1644 Oak Street, Solvang, California.

ROLL CALL

Present: Mayor David Brown, Mayor pro tem Claudia Orona, Councilmembers Mark Infanti, Elizabeth Orona, Louise Smith

Staff: City Manager Randy Murphy, City Attorney Chelsea O'Sullivan, City Clerk Annamarie Porter, Administrative Services Director Wendy Berry, Utility Director Jose Acosta, Community Development Director Rafael Castillo.

PLEDGE OF ALLEGIANCE

Jamie Baker led in the Pledge of Allegiance.

1. **PROCLAMATIONS, COMMENDATIONS AND CEREMONIAL ITEMS** - None
2. **PRESENTATIONS** - None
3. **PUBLIC COMMUNICATIONS – NON- AGENDA AND CONSENT ITEMS**

Mayor Brown invited public comments.

Utility Director Jose Acosta notified residents of the upcoming Nyborg Estates water mainline project.

Aaron Petersen
Lazer Friedman

There were no other public comments.

4. CITY MANAGER REPORT AND ADVANCE CALENDAR

City Manager Murphy provided a reminder of a community cleanup, announced a junior entrepreneur workshop, and a Caltrans workshop about the bridge on Mission Drive over Alamo Pintado Creek

5. GC SECTION 53232.3(d) (aka AB 1234) and GC SECTION 84308 (aka SB 1439) REPORT OUT, COUNCIL COMMENTS, REQUESTS

Councilmember Smith reported attending the board meeting for the Eastern Management Area ground water rates review.

Mayor pro tem Claudia Orona asked about the possibility of adding to the budget the purchase of a

water bottle filling station.

Councilmember Elizabeth Orona reported attending the board meeting for the Eastern Management Area ground water rates review.

Councilmember Infanti reported that he also attended the board meeting for the Eastern Management Area ground water rates review, the Library Advisory meeting and a Friends of the Solvang Library meeting.

Mayor Brown reported visiting Vandenberg Space Force Base for the changing of Commanders; noted attending the North County Subregional SBCAG meeting; and the Los Olivos Rotary gave him the Paul Harris Award.

6. CONSENT ITEMS

- a. Approve Order of Agenda
- b. Approve City Council Minutes: June 23, 2025
- c. Quarterly public records requests report
- d. June Warrants
- e. Quarterly Marketing Reports
- f. Council Goals update
- g. SBC Civil Grand Jury Report 2024-25
- h. Adopt Resolution No. 25-1300 authorizing execution of agreement with SBCAG for SB 125 Transit Program funding
- i. Approve GeoSolutions contract for Fredensborg Canyon Road Multi-Purpose Trail design
- j. SYVT Monthly Report
- k. SBC Fire Quarterly Reports

Motion by Councilmember Elizabeth Orona to approve the Consent Calendar, as presented, seconded by Councilmember Smith, and carried 5-0.

7. PUBLIC HEARINGS

a. Resolution No. 25-1299, Ratifying FY 2025/2026 Appropriation Limit

Administrative Services Director Berry presented details of the report.

Mayor Brown opened the public hearing and invited public comments.

There were no public comments on this item and Mayor Brown closed the public hearing.

Motion by Councilmember Infanti to adopt Resolution No. 25-1299, ratifying the FY 2025/2026 appropriation limit, seconded by Mayor pro tem Claudia Orona, and carried 5-0.

b. Resolution 25-1298 Amending the Safety Element of the Solvang General Plan to incorporate the adopted Local Hazard Mitigation Plan, and update Figure SAF-8, Fire Hazard Severity Zones

Planning Manager Castillo narrated a PowerPoint presentation with details of the report.

Mayor Brown opened the public hearing and invited public comments.

There were no public comments on this item and Mayor Brown closed the public hearing.

Motion by Councilmember Elizabeth Orona to adopt Resolution 25-1298 Amending the Safety Element of the Solvang General Plan to incorporate the adopted Local Hazard Mitigation Plan, and update Figure SAF-8, Fire Hazard Severity Zones, seconded by Councilmember Smith, and carried 5-0.

8. DISCUSSION ITEMS:

a. Cross-Connection Control

- i. Updated Cross-Connection Control Plan.
- ii. Introduce, for first reading by title only, Ordinance 25-0383 Amending the City's Cross Connection Program and making a determination of exemption under the California Environmental Quality Act.

Utilities Director Acosta presented details of the staff report.

Discussion followed regarding hazard assessments, requirements, enforcement, certified testers, and State requirements.

Mayor Brown invited public comments.

There were no public comments on this item.

Motion by Councilmember Elizabeth Orona to receive and file the Cross-Connection Control Plan and Introduce, for first reading by title only, Ordinance 25-0383 Amending the City's Cross Connection Program and making a determination of exemption under the California Environmental Quality Act seconded by Councilmember Infanti, and carried 5-0.

b. Approval of Willdan Engineering and 4Leaf, Inc. contracts for Building Official Services, Plan Review, and Inspection.

Planning Manager Castillo presented details of the staff report.

Discussion followed regarding a small claims case filed against the City by a resident who held the City responsible for Willdan approving a permit and then the City rescinded it. The City tendered the claim to Willdan, and they disagreed with the tender.

Mayor Brown invited public comments.

There were no public comments on this item.

Motion by Councilmember Infanti to approve the contracts of Willdan Engineering and 4Leaf, Inc. for Building Official Services, Plan Review, and Inspection, seconded by Councilmember Smith, and carried 5-0.

c. Approval of XIT Inc dba XIT Solutions contract for surveillance camera and related services.

City Manager Murphy presented details of the staff report and noted this is a pilot program.

Discussion followed regarding access to the system/data, a surveillance policy, number of camera locations, advice from the Sherriff's Department, identifying procedures when there is an incident, and having clear guidelines.

Mayor Brown invited public comments.

There were no public comments on this item.

Motion by Councilmember Infanti to approve the contract to XIT Inc dba XIT Solutions for surveillance camera and related services, under the premise that staff present a policy for Council to review, at the next City Council meeting, seconded by Mayor pro tem Claudia Orona, and carried 5-0.

9. COUNCIL CLOSING COMMENTS

10. ADJOURNMENT

The meeting was adjourned at 8:00 p.m.

Respectfully submitted:

Annamarie Porter, CMC, City Clerk



July 14, 2025

The Honorable Sean Duffy
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Support for the Santa Ynez Valley Active Transportation Regional Connector Project

Dear Secretary Duffy:

The City of Solvang is proud to join with the Santa Ynez Band of Chumash Indians, the City of Buellton, and Santa Barbara County in strong support of the Santa Ynez Valley Active Transportation Regional Connector (SYV Connector). We respectfully request the timely release of the federal funds awarded in 2023 to support this important infrastructure investment.

The SYV Connector will expand an existing trail network to include an additional 8.7 miles of protected, multi-use pathway connecting Solvang to Santa Ynez High School, the Reservation, and the broader Valley. These improvements are critical to enhancing safety for our residents—especially children—many of whom currently have no protected route to school or other essential destinations.

Solvang is committed to supporting regional sustainability, safety, and mobility. This project will significantly reduce the risks pedestrians and cyclists face when navigating State Route 246, a corridor that has already seen multiple avoidable tragedies. It also positions our community to better accommodate bike-tourism and reduce vehicle congestion.

We thank the Department for its past support and urge you to facilitate the release of grant funding so this much-needed project can move forward without further delay.

Sincerely,

Signed by:
David Brown
0569319E925C466...
David Brown, Mayor



SUBJECT: Second Reading and Adoption of Ordinance No. 25-0383 Amending the City's Cross-Connection Control Program

PREPARED BY: Jose Acosta, Utility Director

DISCUSSION:

At the July 14, 2025, meeting, the City Council introduced for first reading Ordinance No. 25-0383. This ordinance, if adopted, will update the City's cross-connection control requirements to align with the State's new standards and supports implementation of the City's Cross Connection Control Plan (CCC Plan), which was submitted to the State and approved on June 13, 2025.

The proposed updates to the Municipal Code include revised definitions, hazard assessment protocols, backflow prevention requirements, certification procedures, and enforcement provisions, all of which are necessary for continued compliance with State law and the protection of the public water system.

Staff recommends the City Council adopt Ordinance No. 25-0383 amending Chapter 4 of Title 9 of the Solvang Municipal Code to implement the updated CCC Plan and comply with the State Water Resources Control Board's Cross-Connection Control Policy Handbook (SWRCB CCCPH) (effective July 1, 2024).

RECOMMENDED MOTION:

I move to adopt Ordinance No. 25-0383 Amending Chapter 4 (Cross-Connection Control) of Title 9 (Water and Sewer) of the Solvang Municipal Code to Comply with Updated State Requirements.

ALTERNATIVES:

None. The City must adopt the proposed ordinance amending Chapter 4 of Title 9 of the Municipal Code to follow the requirements of the SWRCB CCCPH.

FISCAL IMPACT:

There is no immediate fiscal impact resulting from the adoption of the plan and ordinance. Ongoing implementation will be managed by existing Water Division staff and contractors.

ATTACHMENTS:

A. Ordinance No 25-0383

ORDINANCE NO. 25-0383

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA AMENDING CHAPTER 4 (CROSS CONNECTION PLAN) OF TITLE 9 (WATER AND SEWER) OF THE SOLVANG MUNICIPAL CODE TO UPDATE THE CITY'S CROSS CONNECTION PROGRAM AND MAKING A DETERMINATION OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, on December 19, 2023, as amended on March 19, 2025, in accordance with Health and Safety Code Section 116407, the State Water Resources Control Board (SWRCB) adopted a Cross-Connection Control Policy Handbook (CCCPH) to establish standards and principles for California's public water systems, effective July 1, 2024, which replaces regulations previously contained in Title 17 of the California Code of Regulations; and

WHEREAS, pursuant to the CCCPH, each public water system must have a cross-connection program and operating rules, ordinances, bylaws, or a resolution to implement that cross-connection program and submit the program to the Division of Drinking Water of the State Water Resources Control Board by July 1, 2025; and

WHEREAS, the City of Solvang has prepared a Cross-Connection Control Plan ("CCC Plan") pursuant to the amended CCCPH; and

WHEREAS, in order to maintain compliance with the CCCPH and the CCC Plan, the City of Solvang City Council wishes to amend Chapter 4, Cross Connection Program, of Title 9, Water and Sewer, of the Solvang Municipal Code.

NOW, THEREFORE, the people of the chartered City of Solvang do ordain as follows:

SECTION 1. Chapter 4 (Cross Connection Program) of Title 9 (Water and Sewer) is hereby amended in its entirety to read as follows:

Chapter 4. Cross Connection Program

- 9-4-1 Purpose.
- 9-4-2 Responsibility and administration.
- 9-4-3 Definitions.
- 9-4-4 Hazard assessment.
- 9-4-5 Cross connection protection requirements.
- 9-4-6 Backflow prevention assemblies.
- 9-4-7 Backflow prevention assembly testing.
- 9-4-8 Water service termination.
- 9-4-9 Hearing.

9-4-1 Purpose.

This chapter is adopted pursuant to the State Water Resources Control Board's Cross-Connection Control Policy Handbook (CCCPH), and the purpose of this chapter is: (1) to protect the public water supply against actual or potential cross connection by isolating within the premises contamination that may occur because of some undiscovered or unauthorized cross connection on the premises; (2) to eliminate existing connections between drinking water systems and other sources of water that are not approved as safe and potable for human consumption; (3) to eliminate cross connections between drinking water systems and actual or potential sources of contamination; and (4) to prevent the making of cross-connections in the future. This shall be accomplished by the establishment of a cross-connection control program as required by state regulations.

9-4-2 Responsibility and administration.

The City Manager or designee shall be responsible for implementing, enforcing and administering the cross-connection control program. An appropriate backflow prevention assembly shall be installed by and at the expense of the property owner, or water user at each user connection where required to prevent backflow from the water user's premises to the domestic water system. It shall be the user's responsibility to comply with City requirements.

9-4-3 Definitions.

As used in this chapter:

Air-Gap Separation (AG). A physical separation of at least two (2) times the effective pipe diameter between the free-flowing discharge end of a potable water supply pipeline and the flood level of an open or non-pressurized receiving vessel and in no case less than one (1) inch.

Approved Water Supply. A water source that has been approved by the State Water Board for domestic use in a public water system and designated as such in a domestic water supply permit issued pursuant to section 116525 of the CHSC.

Auxiliary Water Supply. Any water supply located on the premises of, or available to, the water user other than the approved water supply.

Backflow. A flow condition, caused by a differential in pressure, that causes the undesired or unintended reversal of flow of water or other liquids, gases, mixtures or substances into the distributing pipes of a potable supply of water from any source or sources other than an approved water supply source. Back siphonage is one cause of backflow, back pressure is the other cause.

Backflow Prevention Assembly. A mechanical assembly designed and constructed to prevent backflow, such that while in-line it can be maintained and its ability to prevent backflow, as designed, can be field tested, inspected and evaluated.

Backflow Prevention Assembly Tester. A person who is certified as a backflow prevention assembly tester.

Contamination. A degradation of the quality of the potable water by any foreign substance which interferes with the usefulness or quality of the water.

Cross-Connection. Any actual or potential connection or structural arrangement between a potable water system used to supply water for drinking purposes, including a piping system connected to the public water system and located on the premises of a water user or available to the water user, and any source or systems containing unapproved water or a substance that is not or cannot be approved safe, wholesome and potable. Bypass arrangements, jumper connections, removable sections, swivel or changeover devices or other devices through which backflow could occur, shall be considered cross connections.

Cross-Connection Control Specialist. A person who is certified as a cross-connection control specialist pursuant to section 3.4.2 of the CCCPH.

Distribution System. As defined in section 63750.50 of CCR, Title 22, Division 4, Chapter 13, any combination of pipes, tanks, pumps, etc., which delivers drinking water from a source or treatment facility to the consumer.

Double Check Detector Backflow Prevention Assembly (DCDA). A double check valve backflow prevention assembly that includes a bypass with a water meter and double check backflow prevention

assembly, with the bypass's water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow.

Double Check Valve Backflow Prevention Assembly (DC). An assembly composed of two independently acting and internally-loaded check valves, including tightly closing resilient seated shutoff valves attached at each end of the assembly and fitted with properly located resilient seated test cocks that enable accurate field testing of the assembly.

Hazard Assessment. An evaluation of a user premises designed to evaluate the types and degrees of hazard at a user's premises.

High Hazard Cross-Connection. A cross-connection that poses a threat to the potability or safety of the public water supply. Materials entering the public water supply through a high hazard cross-connection are contaminants or health hazards.

Low Hazard Cross-Connection. A cross-connection that has been found to not pose a threat to the potability or safety of the public water supply but may adversely affect the aesthetic quality of the potable water supply. Materials entering the public water supply through a low hazard cross-connection are pollutants or non-health hazards.

Health Agency. The California Department of Health Services, or the local health agency with respect to a small water system.

Premises Containment. The protection of a public water system's distribution system from backflow from a user's premises through the installation of one or more air gaps or BPAs, installed as close as practical to the user's service connection, in a manner that isolates the water user's water supply from the public water system's distribution system.

Pressure Vacuum Breaker Backsiphonage Prevention Assembly (PVB). An assembly containing an independently-operating internally-loaded check valve and an independently-acting loaded air inlet valve located on the discharge side of the check valve. The assembly is to be equipped with properly located resilient seated test cocks and tightly closing resilient seated shut off valves attached at each end of the assembly that enable accurate field testing of the assembly.

Public Water System (PWS). A system for the provision of piped water to the public for human consumption.

Reclaimed/Recycled Water. Wastewater which, as a result of treatment, is suitable for uses other than potable use.

Reduced Pressure Principle Backflow Prevention Assembly (RP). An assembly containing two independently acting internally-loaded check valves together with a hydraulically operating, mechanically independent pressure differential relief valve located between the check valves and at the same time below the upstream check valve. The unit shall include properly located resilient seated test cocks and tightly closing resilient seated shutoff valves at each end of the assembly to enable accurate field testing of the assembly.

Reduced Pressure Principle Detector Backflow Prevention Assembly (RPDA). An RP that includes a bypass with a water meter and RP, with the bypass's water meter accurately registering flow rates up to two gallons per minute and visually showing a registration for all rates of flow.

User Premises. Any and all areas on a water user's or customer's property which is served or has the potential to be served by the public water system.

User's Service Connection. The point of connection of user's piping to the water supplier's facilities (water meter).

Water Supplier. A person or entity who owns or operates a public water system.

Water User. Any person obtaining water from an approved water supply system.

9-4-4 Hazard assessment.

The Water Division shall evaluate the degree of potential health hazard to the potable water distribution system, which may result from conditions existing on a water user's premises. The Water Division, however, shall not be responsible for abatement of cross-connections, which may exist within a water user's premises. As a minimum, the evaluation should consider the existence of cross-connections, the type and use of materials handled or likely to be present on the property, the probability of a backflow occurring, distribution system conditions that increase the likelihood of backflow events (such as hydraulic gradient differences impacted by main breaks and high water demand conditions), the degree of piping system complexity and accessibility, the potential for piping system modification. Special consideration shall be given to the premises of the following types of water users:

- A. Premises where substances harmful to health are handled under pressure in a manner that could permit their entry into the potable water distribution system. This includes chemical or biological process waters and water from potable water distribution system supplies that have deteriorated in sanitary quality.
- B. Premises having an auxiliary water supply, unless the auxiliary water supply is accepted as an additional source by the Water Division and is approved by the State Water Board.
- C. Premises that have internal cross-connections that are not abated to the satisfaction of the City or the Santa Barbara County Department of Public Health.
- D. Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist. Such premises will be required to have cross-connection protection meeting the requirements of Section 9-4-5.
- E. Premises having a repeated history of cross-connections being established or re-established.

9-4-5 Cross connection protection requirements.

It is unlawful for any person at any time to make or maintain or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross connection between plumbing pipes or water fixtures being served with water by the City any other source of water supply or to maintain any sanitary fixture or other appurtenances or fixtures which by reason of their construction may cause or allow backflow of water, auxiliary supply or other substances into the water supply system of the City and/or the service pipes or fixtures of any consumer of the City.

- A. The type of protection that shall be provided to prevent backflow into the approved water supply system shall be commensurate with the degree of hazard, actual or potential, that exists on the water user's premises.
- B. Unprotected cross connections with the public water supply system are prohibited.
- C. Whenever backflow protection has been found necessary, the City will require the water user to install an approved backflow prevention assembly by and at his or her expense for continued water services or before a new service will be granted.
- D. Wherever backflow protection has been found necessary on an approved water supply line entering a water user's premises, then any and all water supply lines from the City mains entering such premises, buildings or structures shall be protected by an approved backflow prevention assembly. The type of backflow prevention assembly to be installed will be in accordance with the requirements of this chapter.

- E. Each service connection from the City water system for supplying water to any premises on which any substance is handled in such fashion as may allow its entry into the water system shall be protected against backflow of the water from the premises into the public system. This shall include the handling of process waters and waters originating from the City which have been subjected to deterioration in sanitary quality.
- F. Backflow prevention assemblies shall be installed as close as practical to the meter box and public right-of-way to any premises having:
 - 1. internal cross connections that cannot be permanently corrected and controlled to the satisfaction of the health agency and the City; or
 - 2. intricate plumbing and piping arrangements or where accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not cross connections exist; or
 - 3. use of reclaimed/recycled water. Backflow prevention assemblies shall also be installed as close as practical to the meter box and public right-of-way for all commercial, industrial, and irrigation water service connections.
- G. Backflow prevention assemblies used for internal protection in lieu of service protection shall be approved by the City. All approved assemblies shall have successfully passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated their competency to perform such tests to the California Department of Health Services.
- H. The City shall be notified of changes of or additions to the internal plumbing of the premises, to include the addition or replacement of any water using equipment prior to issuance of a land use permit by the City.
- I. All internal backflow prevention assemblies shall be tested and maintained in accordance with this chapter.
- J. The types of backflow prevention assemblies that may be required include AG, RP, RPDA, DC, and DCDA. The water user may choose a higher level of protection than required by the City.

9-4-6 Backflow prevention assemblies.

Only backflow prevention assemblies which have been approved by the City shall be acceptable for installation by the water user. A list of approved backflow prevention assemblies will be provided upon request to any affected customer. The installation of these approved assemblies must be done as follows. In order to perform any installations on the following types of assemblies, the user must possess one of the following license classifications:

- A. Domestic.
 - 1. Plumbing (c-36)
 - 2. General engineering (a)
 - 3. Limited specialty (c-61/d-64)
- B. Landscape Irrigation.
 - 1. Plumbing (c-36)
 - 2. General engineering (a)
 - 3. Limited specialty (c-61/d-64)

4. Landscape (c-27)
- C. Fire Sprinkler System.
1. Plumbing (c-36)
 2. General engineering (a)
 3. Limited specialty (c-61/d-64)
 4. Fire sprinkler (c-16)

The testing, repair or maintenance of backflow prevention assemblies may be performed by certified backflow prevention assembly testers. The owners of any premises on which, or on account of which, backflow prevention assemblies are installed, shall have the backflow prevention assemblies tested by a certified backflow prevention assembly tester who has demonstrated their competency in testing of these backflow prevention assemblies to the City. Backflow prevention assemblies must be tested at least annually and immediately after installation, relocation or repair. The City may require a more frequent testing schedule if it is determined to be necessary. No backflow prevention assembly shall be placed back in service unless it is functioning as required. A report in a form acceptable to the City shall be filed with the City each time a backflow prevention assembly is tested, re-located or repaired. It is the water user's responsibility to make sure the testers' report form is filed with the City by the required time period. All backflow prevention assemblies shall be serviced, overhauled or replaced whenever they are found to be defective and all costs of testing, repair and maintenance shall be borne by the water user.

9-4-7 Backflow prevention assembly training.

- A. The City will establish and maintain a list of approved backflow prevention assemblies and an approved certified testers list. The City shall conduct necessary surveys of water user premises to evaluate the degree of potential health hazards. The City shall notify the water user when their assembly needs to be tested. A notice to test will be sent by mail and will have the date the test shall be completed. The water user shall supply proof to the City by such date that the assembly has passed the test. If the test is not completed and proof supplied to the City by the date on the notice to test a final notice will be sent. If the test is not completed and proof supplied to the City within the time set forth in the final notice, then a noncompliance notice will be sent. If the backflow prevention assembly has not been tested and proof of compliance has not been supplied to the City by the date set forth on the noncompliance notice, water service will be terminated on such date unless the user has filed a written request for a hearing on the matter prior to the date set forth on the noncompliance notice. The hearing will be held within 10 days of the written request pursuant to Section 9-4-9. If it is determined that the water user's water service is a threat to the City's water system because of the existence of any condition listed in Section 9-4-8(B), then the hearing officer shall order the water service terminated. A failure to appear at the hearing will be deemed an admission that such conditions do exist and shall result in termination of the water service. A reconnect fee in an amount established by resolution of City Council will be charged before the service is reconnected. The water supply to the address will be discontinued until the backflow prevention assembly is tested and certified as functioning properly.
- B. The purpose of this chapter is to outline the requirements of the City with regard to persons who test backflow prevention assemblies within the City limits. This procedure is in accordance with this chapter. The following requirements are hereby established:
 1. Each applicant shall file with the City a valid photocopy of their certification from a certifying organization.

2. Each applicant shall furnish evidence to show that he or she has the necessary tools and equipment to properly test backflow prevention assemblies.
3. Each applicant shall furnish evidence to show his or her test gauges have been recalibrated, and/or the calibration checked within one year of the application date. Every year thereafter, each applicant will submit the written proof that his or her test gauges have been recalibrated and/or the calibration checked for accuracy by a certified agency.
4. Each applicant shall at any time have his or her certification revoked, suspended or not renewed by the City for improper testing, repairs, reporting and/or violating any of or part of this chapter.

9-4-8 Water service termination.

- A. General. When the City encounters a water customer that represents a clear and immediate hazard to the potable water supply that cannot be immediately abated, the City shall institute the following procedures for discontinuing the City's water service to said customer.
- B. Basis for Termination. Conditions that create a basis for water service termination shall include, but are not limited to, the following items:
 1. Refusal to install a required backflow prevention assembly.
 2. Refusal to test a backflow prevention assembly.
 3. Refusal to repair a faulty backflow prevention assembly.
 4. Refusal to replace a faulty backflow prevention assembly.
 5. Direct or indirect connection between the public water system and a sewer line or other nonpotable line.
 6. Unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants.
 7. Unprotected direct or indirect connection between the public water system and an auxiliary water system.
 8. A situation which presents an immediate health hazard to the public water system.
- C. Water Service Termination Procedures. The water service will be terminated at the address where the backflow device is located if any of the conditions set forth in subsection B of this section exist and are not corrected by the date set forth in the noncompliance notice, and if the water user does not file a timely appeal from the noncompliance notice, as set forth in section 9-4-7(A) of this chapter. If water service is terminated, the water service will remain inactive until correction of violations has been approved by the City.

9-4-9 Hearing.

If a noncompliance notice has been served and a timely appeal has been filed with the City pursuant to section 9-4-6, a hearing shall be held before the City Manager or designee at the time and place set forth by the City Manager and within 10 days of the written request for a hearing. At such hearing, the appellant shall present evidence to prove that none of the conditions set forth in section 9-4-8(B) of this chapter exist. The failure of the appellant to appear for the hearing shall be deemed an admission that such conditions do exist. At the conclusion of the hearing, the City Manager shall determine, based upon the evidence presented, whether any of the conditions set forth in section 9-4-8(B) of this chapter

exist. If any such conditions exist or the appellant fails to appear for the hearing, the City Manager shall order termination of the water service.

SECTION 2. This Ordinance has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines (Title 14, Division 6, Chapter 3 of the California Code of Regulations), and the City’s environmental procedures. The City has determined that this Ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility the passage of this Ordinance will result in a direct or reasonably foreseeable indirect physical change in the environment nor have a significant effect on the environment.

SECTION 3. If any section, subsection, sentence, clause or phrase of this Ordinance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction or preempted by State or Federal legislation, such decision or legislation shall not affect the validity of the remaining provisions of this Ordinance.

SECTION 4. This Ordinance shall become effective 30 days after its adoption.

SECTION 5. The City of Solvang is a Charter City and has adopted its own rules for summarizing and posting ordinances once they are adopted. A summary of this Ordinance will be prepared by the City Attorney. The summary will be posted in three locations after adoption as directed in the Solvang Municipal Code. A true and correct copy of the full ordinance together with a record of the vote of each council member shall be kept by the City Clerk.

PASSED, APPROVED, AND ADOPTED on this 11 day of August, 2025.

David Brown, Mayor

APPROVED AS TO FORM:

ATTEST:

Chelsea O’Sullivan, City Attorney

Annamarie Porter, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)ss
CITY OF SOLVANG)

I, Annamarie Porter, City Clerk of the City of Solvang, California do hereby certify that the foregoing Ordinance No. 25-0383 was duly introduced at a regular meeting of the City Council held on the 14th day of July, 2025, and was duly adopted at a regular meeting of said City Council held on the 11 day of August 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said Ordinance was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Annamarie Porter, City Clerk



AGENDA ITEM 6.e

Meeting Date: August 11, 2025

SUBJECT: Approve the Marketing and Event Assistant part-time job description

PREPARED BY: Wendy Berry, Administrative Services Director

DISCUSSION:

The City of Solvang has earned national recognition as a premier travel destination, celebrated for its unique character, cultural richness, and welcoming atmosphere. To support tourism, promote local economic vitality, and foster community pride, the City has developed and maintained a robust year-round calendar of events. Signature celebrations such as Julefest, Solvang Danish Days, and Fourth of July festivities continue to expand in size, attendance, and operational complexity. In addition, newly introduced events like the Solvang Brick & Builds has further increased demand for City resources and staff time.

As the scope and scale of these events grow, the need for additional staffing support has become increasingly evident. The proposed part-time Marketing and Events Assistant position is essential to ensure that City-sponsored events are efficiently planned, professionally promoted, and seamlessly executed from initial preparation through post-event evaluation.

This position will serve as a key point of contact for residents, visitors, vendors, and community stakeholders. By facilitating effective communication, delivering excellent customer service, and upholding the City's brand and public image, it will help engage in proactive outreach to local businesses and residents to communicate marketing opportunities, road closures and partnership initiatives to help minimize disruption and maximize community and economic benefits.

The creation of this role will enable the Parks and Recreation Department to sustain and expand its successful event and tourism initiatives without overburdening existing personnel, who are currently operating at or above full capacity. This addition supports Council priorities related to tourism promotion, community engagement, and quality of life enhancements.

The part-time Marketing and Events Assistant will significantly strengthen the City's ability to maintain high-quality event programming, promote tourism, and engage with the community without the fiscal impact of a full-time position. The flexible structure of the role allows the City to address seasonal workload demands while ensuring consistent support across a growing slate of programs and initiatives. This strategic investment in staff capacity will help preserve Solvang's status as a dynamic, welcoming, and professionally run destination.

This position was incorporated into the 25/26 budget process that was adopted on June 23, 2025.

RECOMMENDED MOTION:

I move to approve the Marketing and Event Assistant part-time job description as presented.

ALTERNATIVES:

None

FISCAL IMPACT:

This position is included in the 25/26 budget

ATTACHMENTS:

A. Job Description



PART TIME MARKETING AND EVENT ASSISTANT

DEFINITION

Under the supervision of the Parks and Recreation Director or their designee, the Marketing and Events Assistant provides essential support in the planning, coordination, and execution of city-sponsored events. This position is instrumental in ensuring events are executed seamlessly, from initial preparation through post-event wrap-up, to deliver memorable experiences for participants. As a direct point of contact with residents, visitors, and stakeholders, the Events Assistant plays a key role in upholding the City of Solvang's reputation by providing exceptional service and fostering positive public engagement.

DISTINGUISHING CHARACTERISTICS

The Marketing and Events Assistant position is distinguished by its hands-on involvement in the coordination and execution of public events and its direct interaction with the community, vendors, and sponsors. This role requires a high level of adaptability, strong interpersonal communication, and a commitment to excellent customer service. Unlike administrative roles, the Marketing and Events Assistant is frequently engaged in fieldwork, including physical setup and breakdown of event spaces, and often works outside standard business hours to accommodate event schedules. The ideal candidate demonstrates initiative, thrives in a dynamic, fast-paced environment, and contributes to the City of Solvang's mission of creating positive, memorable community experiences.

This is a part-time, hourly, at-will position not to exceed an average of 19 hours per week and 1000 hours in the fiscal year. The position is excluded from the represented bargaining unit and is not eligible for health, welfare, retirement benefits or any other benefits not required by law.

SUPERVISION RECEIVED AND EXERCISED

Receives supervision from the Parks and Recreation Director or their designee.

EXAMPLES OF DUTIES:

Below is a descriptive list of the range of duties performed by employees in this classification. These examples are not intended to reflect all duties performed within the job, and not all duties listed are necessarily performed by each individual.

- Assist in planning, organizing, and executing events, including but not limited to vendor coordination, venue set-up, registration, and on-site logistics.
- Communicate with vendors, volunteers, and attendees in a professional and timely manner.
- Maintain and distribute event and promotional materials and supplies; assist with packing, transporting, and setting up event equipment.
- Support event promotional efforts including social media posts, email communications, and flyer distribution.
- Manage vendor check-in and registration during events.
- Help track event expenses and ensure records are updated post-event.
- Provide post-event support, including breakdown, feedback collection, and summary reports.
- Help review tourism website to ensure data is accurate and up to date.
- Assist in the development and maintenance of sponsorship databases, tracking current sponsors, prospects, and deliverables.
- Help draft sponsorship proposals, packages, and promotional materials for potential sponsors.
- Assist in scheduling and coordinating sponsor-related elements at events.

QUALIFICATIONS

Knowledge of:

- Previous experience in event planning or customer service preferred.
- Excellent organizational, multitasking and time management skills.
- Strong communication and interpersonal abilities.
- Ability to work independently, multitask and work efficiently in a fast-paced environment.
- Flexibility to work evenings, weekends and holiday.
- Proficiency with Microsoft Office, Google Workspace, and social media platforms is a plus.
- Excellent communication skills, both written and oral.
- Excellent public speaking and presentation skills.
- Exceptional customer service skills.
- Ability to work and make decisions proactively, take the initiative, prioritize, plan and meet deadlines.

Ability to:

- Assist in the planning, coordination, and execution of public events and promotional activities.
- Communicate clearly, courteously, and effectively with the public, vendors, volunteers, and City staff both orally and in writing.
- Represent the City of Solvang in a professional, positive, and service-oriented manner.
- Work collaboratively in a team environment and contribute to successful project outcomes.
- Organize, prioritize, and execute tasks efficiently while meeting deadlines in a fast-paced setting.
- Operate standard office equipment and software including Microsoft Office, Google Workspace, and social media platforms.
- Interpret and follow oral and written instructions with attention to detail.
- Maintain accurate records and assist in tracking event budgets and sponsorship deliverables.
- Perform physical tasks associated with event setup and breakdown, including lifting and transporting materials.
- Work flexible hours, including evenings, weekends, and holidays, as required by event schedules.
- Adapt to changing situations and troubleshoot problems quickly and effectively during events.
- Maintain confidentiality and professionalism in all interactions.
- Work independently, deal with frequent interruptions, handle high transaction volume, prioritize, meet deadlines, and work with speed and accuracy.

Education and Experience:

Any combination of training and experience that would provide the knowledge, skills, and abilities necessary to perform the duties of the position. A typical way to obtain the knowledge and abilities would be:

High School diploma or equivalent required. The ability to read, write, and communicate at a level sufficient to carry out assigned duties. Previous experience in event planning and customer service preferred.

Licenses and Certifications:

Possession of a valid California Class C Driver's License with a satisfactory driving record is required.

SPECIAL REQUIREMENTS

Employees may be required to work evenings, weekends, and holidays.

PHYSICAL AND MENTAL DEMANDS

The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this class. Reasonable accommodation may be made to enable individuals with disabilities to perform the essential functions.

Physical Demands:

While performing the duties of this class, the employee will be required to exert medium force of 20-50 pounds occasionally, 10-25 pounds frequently, or up to 10 pounds constantly to lift, carry, push, pull, or move objects. May involve significant standing, walking, pushing and/or pulling; Constant sitting, frequent typing, and frequent extension of the neck upward, downward and side to side; Occasional standing, walking, bending, stooping, crouching, pushing, pulling, twisting at the waist, handling, gripping, grasping, reaching at, above and below shoulder level; On rare occasion, kneeling, climbing stairs and ladders. Frequent typing and sitting is anticipated with occasional standing, walking, running, bending, stopping, crouching, reaching at, above and below shoulder level, pushing, pulling, twisting at the waist, handling, gripping, and grasping.

Vision: Visual acuity sufficient to perform the essential functions of the position.

Hearing: Effectively hear and comprehend oral instructions and communication.

WORKING CONDITIONS

The employee typically works indoors; occasionally works outdoors in seasonal climate weather conditions with frequent use of products and equipment required in a standard office work setting such as a personal computer. The employee may be required to use word processing, database, and spreadsheet programs and may use a calculator, telephone, photocopier, fax machine, and other standard office equipment. Works independently and with the public and may be exposed to moderately loud noises when outdoors and dust when indoors.

Mental Demands:

While performing the duties of this class, the employee is regularly required to use oral and written communication skills; exercise sound judgment in the absence of specific guidelines; establish priorities and work on multiple assignments and projects concurrently; meet intense and changing deadlines given continual interruptions; and interact appropriately with staff, management, City officials, Boards, Commissions, contractors, consultants, and others encountered in the course of work.

Disaster Service Worker:

All City of Solvang employees are designated Disaster Service Workers through state and local law (California Government Code Section 3100-3109). Employment with the City requires the affirmation of a loyalty oath to this effect. Employees are required to complete all Disaster Service Worker-related training as assigned and to return to work as ordered in the event of an emergency.

This is to acknowledge that I have received a copy of this job description and understand its contents.

Employee Signature

Date

HISTORY

Adopted:

Revised: n/a

FLSA Status: Non-exempt



AGENDA ITEM 6.f

Meeting Date: August 11, 2025

SUBJECT: Adopt Resolution No. 25-1301 Updated Organizational Chart

PREPARED BY: Wendy Berry, Administrative Services Director

DISCUSSION:

The attached Organizational Chart reflects recently updated job title changes and the addition of the part-time Marketing and Events Assistant position.

During the 25/26 budget review, City staff took the recommendations from the Class and Compensation study and renamed the Management Analyst position to the Assistant to the City Manager, the Planning Manager changed to the Community Development Director and the Accounting Supervisor was changed to the Administrative Services Manager position. These changes were made to better align staffing and titles with current operational needs.

The Part-Time Marketing and Events Assistant position was created to support growing needs in promoting City-sponsored events, managing communications, and enhancing tourism coordination. This role is expected to provide support to Marketing and Events Coordinator and collaborate with local organizations and event partners.

All of these changes were included in the adopted FY 2025-26 budget and are consistent with the City's commitment to operational efficiency, clarity in roles and responsibilities, and improved public service delivery.

RECOMMENDED MOTION:

I move to adopt Resolution No. 25-1301 approving the updated organizational chart reflecting new positions and job descriptions in the FY25/26 Budget.

ALTERNATIVES: None

FISCAL IMPACT:

No adjustments are required: All fiscal impacts have been included in the adopted 25/26 budget

ATTACHMENTS:

- A. Organizational Chart
- B. Resolution No. 25-1301

RESOLUTION NO. 25-1301

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA APPROVING THE UPDATED ORGANIZATIONAL CHART FOR THE CITY REFLECTING NEW POSITIONS AND JOB DESCRIPTIONS INCLUDED IN THE FISCAL YEAR 2025-2026 BUDGET

WHEREAS, the City hired a consultant to conduct a comprehensive compensation and classification study; and

WHEREAS, on June 23, 2025, in light of the results of that study, the City Council approved establishing a new position titled Administrative Services Manager and reclassification of the Management Analyst to Assistant to the City Manager and Planning Manager position to Community Development Director; and

WHEREAS, the City Council approved creation of a Part-Time Marketing and Events Assistant position on August 11, 2025; and

WHEREAS, on June 23, 2025 the City Council also adopted the Fiscal Year 2025-26 budget, which included all these positions; and

WHEREAS, pursuant to Solvang Municipal Code Section 1-5A1-4.B, the City Manager is authorized to effect reorganization of officers, departments or divisions when authorized by city council; and

WHEREAS, the City Council desires to authorize the update to the organizational chart for the city to reflect the changes to positions described herein.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLVANG DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are incorporated herein and adopted as findings in support of this Resolution.

SECTION 2. The City Council of the City of Solvang does hereby adopt the organizational chart for the City attached as Exhibit A, which is incorporated herein.

SECTION 3. This Resolution is effective immediately upon adoption.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution and shall cause a certified copy to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 11th day of August, 2025.

David Brown, Mayor

APPROVED AS TO FORM:

ATTEST:

Chelsea O’Sullivan, City Attorney

Annamarie Porter, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)ss
CITY OF SOLVANG)

I, Annamarie Porter, City Clerk of the City of Solvang, California do hereby certify that Resolution No. 25-1301 was passed and adopted by the City Council of the City of Solvang at a regular meeting of said City Council held on the 11th day of August, 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

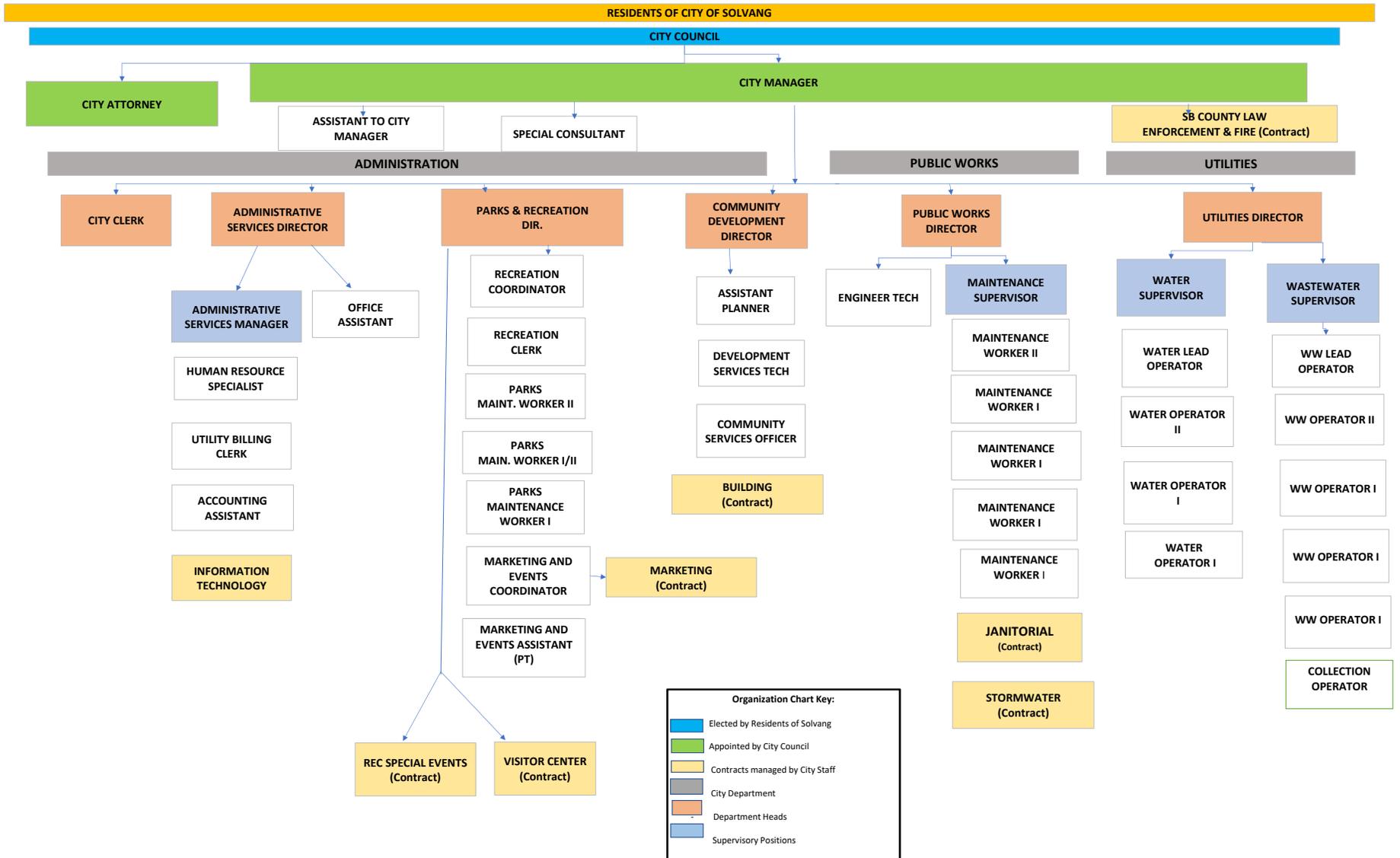
ABSTAIN:

ABSENT:

Annamarie Porter, City Clerk

Exhibit A

City of Solvang - FY 2025-2026 Organizational Chart





SUBJECT: Approve an amended contract with SaberDome, Corporation dba Lanspeed.

PREPARED BY: Wendy Berry, Administrative Services Director

DISCUSSION:

At its regular meeting on June 23, 2025, the City Council awarded the Information Technology (IT) Services Contract to SaberDome Corporation, doing business as Lanspeed, in response to the City's Request for Proposals (RFP). Following the Council's approval, the contract was routed for execution.

During this process, Lanspeed's legal counsel raised concerns regarding specific provisions within the contract that had been included as part of the original RFP. In response, City staff met with Lanspeed representatives to reiterate that the contract terms were provided as part of the RFP package and that the appropriate time for raising such concerns was during the proposal phase.

Nevertheless, to move the project forward and in good faith, the City Attorney reviewed Lanspeed's requested revisions and has proposed new Sections 5.05 and 5.06 of the agreement to address the contractor's concerns. These revisions have been incorporated into an updated version of the contract.

The proposed amendments are considered substantive and material and, as such, require formal approval by the City Council. Should the Council decline to approve the revised contract, staff will proceed with engaging the next qualified IT service provider. This course of action would require onboarding a new vendor and could result in changes to the City's current software subscriptions, which may impact ongoing operations.

In recognition of the delay caused by the contract review, Lanspeed has offered to reduce its July invoice by 50% until the contract dispute is resolved and a formal agreement is executed.

RECOMMENDED ACTION:

I move to approve the amended contract with SaberDome, Corporation dba Lanspeed as presented.

ALTERNATIVES:

Award the IT Services contract to another vendor.

FISCAL IMPACT:

If the contract is awarded to Lanspeed, there will be no fiscal impact. If the IT services contract is awarded to another vendor the monthly cost may increase based on the cost provided in the RFP.

ATTACHMENTS:

A. Revised Contract



CITY OF SOLVANG PROFESSIONAL SERVICES AGREEMENT

PARTIES AND DATE. This Agreement is made and entered into **this 1st** day of **July, 2025** (“Effective Date”) by and between the **CITY OF SOLVANG**, a Municipal Corporation and Charter City organized under the Constitution and laws of the State of California with its principal place of business at 1644 Oak Street, Solvang, CA 93463 (“City”) and **SABERDOME CORPORATION dba LANSPEED**, a California Corporation with its principal place of business at 606 Alamo Pintado Rd, Suite 3-302, Solvang, CA 93463 (“Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement. The parties hereto, in consideration of the mutual covenants contained herein, hereby agree to the following terms and conditions:

1.0 GENERAL PROVISIONS

1.01 **Term:** This agreement will become effective on the date of execution set forth below, and will continue in effect until terminated as provided herein.

1.02 **Services:** Consultant shall perform the **scope of work (tasks)** described and set forth in **Exhibit A**, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the **project schedule** which is also set forth in **Exhibit A**.

Consultant shall determine the method, details and means of performing the above-referenced services.

Consultant may, at their own expense, employ such assistants and subconsultants, as Consultant deems necessary to perform the services required of Consultant by this agreement. However, Consultant may not assign this agreement to any other person or entity in the performance of required project-related services, and the City may not control, direct or supervise Consultant’s assistants or employees in the performance of those services.

1.03 **Standard of Performance:** Consultant’s services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Consultant’s profession currently practicing under similar conditions. Whenever the scope of work requires or permits approval by the City, it is understood to be approval solely for the purposes of conforming to the requirements of the scope of work and not acceptance of any professional or other responsibility for the work. Such approval does not relieve the Consultant of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Consultant or its subcontractors. By delivery of completed work, Consultant certifies that the work conforms to the requirements of this contract and all applicable federal, state and local laws. If Consultant is retained to perform services requiring a license, certification, registration or other similar requirement under California law, Consultant shall maintain that license, certification, registration or other similar requirement throughout the term of this Contract.

1.04 **Compensation:** In consideration for the services to be performed by Consultant, City agrees to pay Consultant monetary consideration for professional services in accordance with the **fee schedule** set forth in **Exhibit A**. The parties agree that total compensation for fees and costs for the services detailed in **Exhibit A** for a total of **\$105,252.64 per fiscal year with a not**

to exceed amount of \$315,757.92 , unless and until this Agreement is amended as provided herein.

1.05 **Billing/Payment Terms.** All charges for Consultant's services and authorized related reimbursable expenses shall be billed monthly, and all undisputed charges will be paid by City within 30 (thirty) days of receipt. The bills shall list all tasks under this Agreement, the task budget, project total budget, percentage completed for each task for that month, associated percentage billing against each task, and total billing for that month. In the event the Agreement is based on time & materials billing up to a not-to-exceed amount, the bill shall itemize by date all services and expenses provided during the invoice period (under this Agreement) including a brief description of the nature of work performed, the person or vendor performing them, the applicable billing rate, and the time expended. All Consultant service invoices must be approved by the City Manager prior to payment.

2.0 OBLIGATIONS OF CONTRACTOR

2.01 **Contract Management and Service Performance:** Principal shall serve as the project manager and will personally prepare, or direct and supervise the preparation of, all work product called for by this agreement. Consultant represents that it has the qualifications, experience and facilities to properly perform all services hereunder in a thorough, competent, timely, and professional manner and shall, at all times during the term of this Agreement, have in full force and effect all licenses required of it by law. Consultant agrees to devote the hours and the human resources necessary to timely perform the services set forth in this agreement in an efficient, professional, and effective manner.

2.02 **Avoidance of Conflict of Interest.**

(a) Consultant may represent, perform services for, and be employed by additional individuals or entities, in Consultant's sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with City's business or interfere with the timely performance and completion of Consultant's services under this Agreement.

(b) Consultant shall comply with all conflict of interest laws and regulations including, without limitation, the City's Conflict of Interest Code (on file in the City Clerk's Office). All officers, employees and/or agents of Consultant who will be working on behalf of the City pursuant to this Agreement may be required to file Statements of Economic Interest. Therefore, it is incumbent upon the Consultant to notify the City of any staff changes relating to this Agreement.

(c) In accomplishing the scope of services of this Agreement, all officers, employees and/or agents of the Consultant unless as indicated in Subsection (d), will be performing a very limited and closely supervised function, and therefore, unlikely to have a conflict of interest arise. No disclosures are required for any officers, employees, and/or agents of Consultant, except as indicated in Subsection (d). _____ (*Initials*).

(d) In accomplishing the scope of services of this Agreement, Consultant will be performing a specialized or general service for the City, and there is substantial likelihood that the Consultant's work product will be presented, either written or orally for the purpose of influencing a governmental decision. As a result, the following persons shall be subject to the City's Conflict of Interest Code.

_None_____

2.03 **Tools and Instrumentalities**: Consultant shall provide all tools and instrumentalities to perform the services under this agreement.

2.04 **Workers' Compensation and Other Employee Benefits**: City and Consultant intend and agree that Consultant is an independent contractor of City and agree that Consultant and Consultant's employees and agents have no right to Workers' Compensation and other City-sponsored employee benefits. Consultant agrees to provide Workers' Compensation and other employee benefits, where required by law, for Consultant's employees and agents. Consultant agrees to hold harmless and indemnify City for any and all claims arising out of any claim for injury, disability, or death of Consultant and any of Consultant's employees or agents.

2.05 **Indemnification**

(a) **Non-design, non-construction Professional Services**: To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), Consultant shall indemnify, defend, and hold harmless the City, and its elected officials, officers, employees, volunteers, and agents ("City Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Consultant's performance or Consultant's failure to perform its obligations under this Agreement or out of the operations conducted by Consultant, including the City's active or passive negligence, except for such loss or damage arising from the sole negligence or willful misconduct of the City. In the event the City Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims.

(b) **Non-design, construction Professional Services**: To the extent the Scope of Services involve a "construction contract" as that phrase is used in Civil Code Section 2783, this paragraph shall apply in place of paragraph (a). To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8), Consultant shall indemnify, defend, and hold harmless the City, and its elected officials, officers, employees, volunteers, and agents ("City Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable legal counsels' fees and costs of litigation ("claims"), arising out of the Consultant's performance or Consultant's failure to perform its obligations under this Agreement or out of the operations conducted by Consultant, except for such loss or damage arising from the active negligence, sole negligence or willful misconduct of the City. In the event the City Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims.

(c) **Design Professional Services**: In the event Consultant is a "design professional", and the Scope of Services require Consultant to provide "design professional services" as those phrases are used in Civil Code Section 2782.8, this paragraph shall apply in place of paragraphs (a) or (b). To the fullest extent permitted by law (including, but not limited to California Civil Code Sections 2782 and 2782.8) Consultant shall indemnify, defend and hold harmless the City and its elected officials, officers, employees, volunteers and agents ("City Indemnitees"), from and against all claims, damages, injuries, losses, and expenses including costs, attorney fees, expert consultant and expert witness fees arising out of, pertaining to or relating to, the negligence, recklessness or willful misconduct of Consultant, except to the extent caused by the sole negligence, active negligence or willful misconduct of the City. Negligence, recklessness or willful misconduct of any subcontractor employed by Consultant shall be

conclusively deemed to be the negligence, recklessness or willful misconduct of Consultant unless adequately corrected by Consultant. In the event the City Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this Agreement, the Consultant shall provide a defense to the City Indemnitees or at the City's option, reimburse the City Indemnitees their costs of defense, including reasonable legal fees, incurred in defense of such claims. In no event shall the cost to defend charged to Consultant under this paragraph exceed Consultant's proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, Consultant shall meet and confer with other parties regarding unpaid defense costs.

(d) Payment by City is not a condition precedent to enforcement of the indemnities in paragraph (a), (b), or (c). In the event of any dispute between Consultant and City, as to whether liability arises from the active negligence, sole negligence or willful misconduct of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as having been actively negligent, solely negligent or as having engaged in willful misconduct. Except as otherwise required by Civil Code Section 2782.8, Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation. The provisions of this Section 2.05 shall survive completion of Consultant's services or the termination of this Agreement.

2.06 **Insurance**: Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and part of this agreement.

2.07 **Campaign Contribution Disclosure**: Pursuant to Government Code Section 84308, any party to a City proceeding (which includes, but is not limited to, all contracts with the City, other than competitively bid, labor, or personal employment contracts) must disclose on the record any campaign contributions made to a member of the City Council or other elected or appointed officer of the City, any candidate for elected office of the City, or any candidate for elective office of any other agency who is also an elected or appointed officer of the City in excess of \$250 in the past 12 months. This disclosure requirement includes contributions by the party's agent, such as a consultant, and aggregated contributions from persons or entities related to the party. Consultant is required to fill out and provide the attached Exhibit C 'Applicant/Interested Party Campaign Contribution Disclosure Form' with submission of this Agreement and to update this form after each contribution and no later than the beginning of any associated proceeding.

3.0 OBLIGATIONS OF CITY

3.01 **Cooperation**: City agrees to comply with all reasonable requests of Consultant necessary to the performance of Consultant's duties under this agreement. City employees, agents and officers of the City agree to disclose all information relevant to this project to Consultant. Consultant shall be entitled to reasonably rely upon the accuracy and completeness of information furnished by City, provided that Consultant shall give City prompt written notice of any known defects in such information.

4.0 TERMINATION OF AGREEMENT

4.01 **Termination Notice**: Notwithstanding any other provision of this agreement, any party hereto may terminate this agreement, at any time, without cause, by giving at least 30 (thirty) days' prior written notice to the other parties to this agreement.

4.02 **Termination on Occurrence of Stated Events:** This agreement shall terminate automatically on the occurrence of any of the following events:

- a. Sale of the business of any party;
- b. The end of the 30 (thirty) days as set forth in section 4.01;
- c. End of the contract to which Consultant's services were necessary; or
- d. Assignment of this agreement by Consultant without the consent of City.
- e. Death of any party.

4.03 **Termination by any Party for Default:** Should any party default in the performance of this agreement or materially breach any of its provisions, the non-breaching party, at its option, may terminate this agreement, immediately, by giving written notice of termination to the breaching party.

4.04 **Termination:** This agreement shall terminate on **June 30, 2028**, unless earlier extended as set forth in this Section. The City, with the agreement of Consultant, is authorized to extend the term of this agreement beyond the termination date, for up to two (2) one-year extensions, under the same terms and conditions as set forth in this agreement. Any such extension shall be in writing and be an amendment to this agreement.

5.0 SPECIAL PROVISIONS

5.01 **Additional Tasks as May Be Assigned by the City Manager:** Prior to initiating any Consultant work on matters relating to the purposes of this Agreement, but outside the Scope of Services for this Agreement, it shall be the responsibility of Consultant to obtain written approval of the City Manager, prior to initiation of such tasks.

5.02 **Time Schedule:** Consultant is to begin work upon receipt and execution of City contract. Consultant agrees to engage its best efforts to adhere strictly to the schedule set forth in **Exhibit A** and incorporated herein.

5.03 **Work Outside Contract Scope:** No payment for changed or additional work shall be made unless the changed or additional work has first been approved in writing by the City Manager and the parties have agreed upon the appropriate adjustment, if any, to the payment schedule and maximum payment amount for the changed or additional work. The Contract Manger may order changes or additions to the scope of work. Whether a change or addition to the scope of work is proposed by the Consultant or ordered by the City Manager, the parties shall in good faith negotiate an appropriate adjustment, if any, to the payment schedule and maximum payment for the changed or additional work. An approved change or addition, along with the payment adjustment, if any, will be effective upon an amendment to this contract executed by both parties. The amendment shall not render ineffective or invalidate unaffected portions of this contract.

5.04 **Confidentiality:**

- (a) Confidential Nature of Information. Consultant shall treat all information obtained from the City in the performance of this contract as confidential and proprietary to the City. Consultant shall treat all records and work product prepared or maintained by Consultant in the performance of this contract as confidential.
- (b) Limitation on use and disclosure. Consultant agrees that it will not use any information obtained as a consequence of the performance of work for any purpose other than

fulfillment of Consultant's scope of work. Consultant will not disclose any information prepared for the City, or obtained from the City or obtained as a consequence of the performance of work to any person other than the City, or its own employees, agents or subcontractors who have a need for the information for the performance of work under this contract unless such disclosure is specifically authorized in writing by the City.

- (c) Security plan. If requested by the City Manager, Consultant shall prepare a security plan to assure that information obtained from the City or as a consequence of the performance of work is not used for any unauthorized purpose or disclosed to unauthorized persons. Consultant shall advise the City of any request for disclosure of information or of any actual or potential disclosure of information.
- (d) Survival. Consultant's obligations under this paragraph shall survive the termination of this contract.

5.05 **Reseller:** Consultant is a reseller and/or facilitator of certain third party services and does not provide those services to the City directly. For this reason, Consultant is not and cannot be responsible for any defect, act, omission, or failure of any third party provider of such third party service. Third party services are provided on an "as is" basis only. If an issue requiring remediation arises with a third party service, then Consultant will endeavor to provide a reasonable workaround or, if available, a "temporary fix" for the situation; however, Consultant does not warrant or guarantee that any particular workaround or fix will be available or achieve any particular result, or that third party services will run in an uninterrupted or error-free manner. By way of example, third party services may include malware detection and remediation services, firewall and endpoint security-related services, backup and disaster recovery solutions, and the provision of software used to monitor the managed part of the City's network, among others. Notwithstanding the foregoing, the provisions of Section 2.05 of this agreement or any liability to the City provided for under this Agreement shall not be altered, amended, limited or otherwise affected in any manner by this section.

5.06 **Advice:** Consultant may offer the City specific advice and directions related to the services. For example, Consultant's advice may include increasing server or hard drive capacity, increasing CPU power, or replacing obsolete equipment. Consultant strongly advises that the City promptly follow Consultant's advice which, depending on the situation, may require the City to make additional purchases or investments. Consultant is not responsible for any problems or issues, including but not limited to downtime or security-related issues, solely caused by the City's delay in implementing Consultant's advice or directions related to the services. Notwithstanding the foregoing, the provisions of Section 2.05 of this agreement or any liability to the City provided for under this Agreement shall not be altered, amended, limited or otherwise affected in any manner by this section.

6.0 MISCELLANEOUS

6.01 **Notices:** Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this agreement or by law to be served on or given to any party to this agreement shall be in writing and delivered or, in lieu of such personal service, when deposited in the United States mail, first class postage prepaid, to the following address for each respective party:

PARTY	ADDRESS
TO: CITY OF SOLVANG	City of Solvang 1644 Oak Street Solvang, CA 93463

Attention: City Clerk

Copy to: Chelsea O'Sullivan, City Attorney
Richards, Watson & Gershon
847 Monterey Street, Suite 206
San Luis Obispo, CA 93401

TO: CONSULTANT

SaberDome Corporation
dba Lanspeed
Toby Kruse, CEO
606 Alamo Pintado Rd., Suite 3-302
Solvang, CA 93463
tkruse@lanspeed.com

6.02 **Governing Law:** This agreement and all matters relating to this agreement shall be governed by the laws of the State of California in force at the time, should any need for interpretation of this agreement or any decision or holding concerning this agreement arise.

6.03 **Binding Effect:** This agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing in this Section shall be construed as consent by City to any assignment of this agreement or any interest in the agreement.

6.04 **Remedies:** The remedies set forth in this agreement shall not be exclusive, but shall be cumulative with, and in addition to, all remedies now or hereafter allowed by law or equity.

6.05 **Due Authority:** The parties hereby represent that the individuals executing this agreement are expressly authorized to do so on and in behalf of the parties.

6.06 **Ownership of Work Product:** Upon delivery, the work product, including without limitation, all original reports, writings, recordings, drawings, files, and detailed calculations developed under this contract are the property of the City. Consultant agrees that all copyrights, which arise from creation of the work pursuant to this contract, shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Consultant makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

6.07. **Integration and Modification:**

(a) This contract represents the entire understanding and agreement of the City and Consultant as to those matters contained herein. This agreement correctly sets forth the obligations of the parties hereto to each other as of the date of this agreement. All agreements or representations respecting the subject matter of this agreement not expressly set forth or referred to in this agreement are null and void. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This contract may not be modified, amended, or altered except in writing signed by the City and Consultant.

(b) In the event of any conflict between the terms of this agreement and the terms of an exhibit, the terms of this agreement shall control, even if the exhibit purports to modify this agreement. In the event an exhibit incorporates by reference any additional physical documents, websites, web links or other electronic location not under the control of the City, the parties agree that such additional documents shall have no impact on this

agreement and shall be deemed to be void unless actually attached to the exhibit that purports to incorporate such additional document. Notwithstanding the foregoing sentence, the provisions of Section 2.05 of this agreement shall not be altered, amended, limited or otherwise affected in any manner by any language included in an exhibit to this agreement, even if such exhibit purports to affect the provisions of Section 2.05. Furthermore, any attempt to limit liability to the City that is expressed in an exhibit shall have no force or effect unless City has expressly agreed to such limitation by providing the initials of its authorized representative here: _____.

6.08. **Advice of Counsel:** The parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms, and conditions of this contract, and that the decision of whether or not to seek the advice of counsel with respect to this contract is a decision which is the sole responsibility of each of the parties hereto. This contract shall not be construed in favor or against either party by reason of the extent to which each party participated in the drafting of the contract.

6.09. **Independent Review:** Each party hereto declares and represents that in entering this contract it has relied and is relying solely upon its own judgment, belief and knowledge of the nature, extent, effect and consequence relating thereto. Each party further declares and represents that this contract is being made without reliance upon any statement or representation not contained herein of any other party, or any representative, agent, or attorney of any other party.

6.10. **Attorney Fees:** In the event of any controversy, claim or dispute between the parties hereto, arising out of or relating to this agreement, or the breach hereof, the prevailing party shall be entitled, in addition to other such relief as may be granted, to a reasonable sum as and for attorney fees.

6.11. **No waiver:** The waiver of any breach by any party of any provision of this agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of this agreement.

6.12. **Assignment:** This agreement is specifically not assignable by Consultant to any person or entity. Any assignment or attempt to assign by Consultant whether it be voluntary or involuntary, by operation of law or otherwise, is void and is a material breach of this agreement, giving rise to a right to terminate as set forth in Section 4.03.

6.13. **Time for Performance:** Except as otherwise expressly provided for in this agreement, should the performance of any act required by this agreement to be performed by either party be prevented or delayed by reason by any act of God, strike, lockout, labor trouble, inability to secure materials, epidemics, pandemics, or any other cause, except financial inability, which is the fault of the party required to perform the act, the time for performance of the act will be extended for a period of time equivalent to the period of delay and performance of the act during the period of delay will be excused: provided, however, that nothing contained in this Section shall exclude the prompt payment by either party as required by this agreement of the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

6.14. **Severability:** Should any provision of this agreement be held by a court of competent jurisdiction or by a legislative or rulemaking act to be either invalid, void or unenforceable, the remaining provisions of this agreement shall remain in full force and effect, unimpaired by the holding, legislation or rule.

6.15. **Construction:** The parties agree that each has had an opportunity to have their counsel review this agreement and that any rule of construction to the effect that ambiguities are

to be resolved against the drafting party shall not apply in the interpretation of this agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provision to which they relate.

6.16. **Amendments:** Amendments to this agreement shall be in writing and shall be made only with the mutual written consent of all the parties to this agreement.

6.17. **Signatures:** The individuals executing this contract represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this contract on the following date.

CITY OF SOLVANG

CONTRACTOR
SABERDOME CORPORATION dba LANSPEED

David Brown, Mayor

Toby Kruse, CEO

ATTEST:

APPROVED AS TO FORM
Richards, Watson & Gershon

Annamarie Porter, City Clerk

Chelsea O'Sullivan, City Attorney

EXHIBIT A
SCOPE OF WORK,
FEE SCHEDULE
&
PROJECT SCHEDULE

EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, or a City approved equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence and in the aggregate.

Business Auto Coverage on ISO Business Auto Coverage form CA 00 01 including symbol 1 (Any Auto) or the equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds City, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992, or a City approved equivalent. Consultant also agrees to require all contractors, and subcontractors to do likewise.
2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement

or any other agreement relating to the City or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
5. Consultant's general liability policy shall not contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
6. All coverage types and limits required are subject to approval, reasonable modification and reasonable additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, City has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
8. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage by the carrier.
9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self insurance available to City.
10. Consultant agrees to require that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
11. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions. Consultant shall be responsible for paying any deductibles or self-insured retentions on its policies.
12. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increased benefit to City.
13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
15. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
21. Consultant agrees to be responsible for ensuring that no contract used between itself and its sub-consultants reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
22. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

Exhibit A



Managed Services Proposal

City of Solvang

May 2025

lanspeed

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lanspeed



People Above All.

We are passionate about what we do and why we do it! Infused throughout every aspect of our company is our love for serving people. Technology is exciting to us, but technology by itself is not what we are about.

When we leverage technology to make a meaningful difference for our clients and see their organization grow and succeed, then we are achieving our why!

We have a team of certified and highly experienced IT professionals located throughout the United States.

For over 40 years, we have been providing IT services to hundreds of businesses and organizations.

Lanspeed Core Values

These values drive our day-to-day behavior and define our culture.

BE HUMBLE

HAVE INTEGRITY

BUILD RELATIONSHIPS

PURSUE EXCELLENCE

ENJOY YOUR WORK

Monitoring & Alerting

- ✓ 24x7x365 Remote Monitoring
- ✓ Automated Ticketing, Alerting & Resolution
- ✓ Cybersecurity Services (SOC)
- ✓ OS & Application Patching & Updates
- ✓ Business & Data Continuity Services

Support

- ✓ Friendly Support & Expertise
- ✓ On-Site & Remote
- ✓ Swift Resolution Times
- ✓ Emergency After Hours Support
- ✓ Top Industry Certifications



IT Health & Reporting

- ✓ Dedicated IT Administrator
- ✓ Monthly IT Health Reports
- ✓ Standardization
- ✓ Asset Tracking
- ✓ Change Control

Strategic Planning

- ✓ CIO Level Consulting (vCIO services on a quarterly basis)
- ✓ Technology Road-Mapping
- ✓ Strategic Business Reviews
- ✓ Project Planning
- ✓ Budget Planning
- ✓ Sourcing & Procurement



Meet Your Team



Eric Black

As your **vCIO**, I will have an opportunity to get to know about you and your organization on a more personal level to provide technology consulting, planning, and budgeting.

Zoila Portillo

We'll have an opportunity to talk often! As a **Dispatch & Project Coordinator**, I'll help with communication and scheduling of your services.



Alex Star

As one of your **Support Engineers**, the team and I will troubleshoot your technology problems.

Alana Guevara

I'll have the opportunity to be your **Technology Alignment Manager**. Each month, I perform Network Health Reviews and supply reports used to refine your services and IT environment.



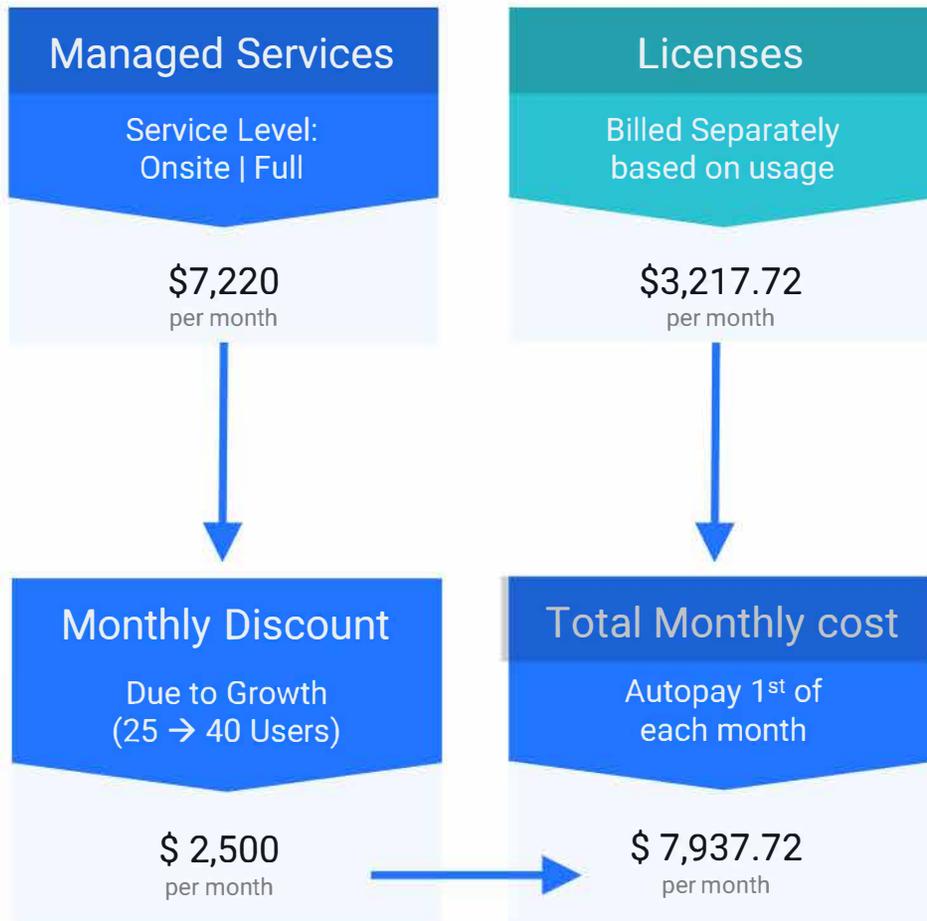
Lance Legleiter

As one of your **NOC Engineers**, I centrally monitor, patch, and maintain your environment.



Lanspeed's Connect Managed Services pricing is based on the size of your organization and the services that Lanspeed will include. Pricing adjustments may be necessary with any changes to scope of services. All prices are subject increases.

Pricing for Lanspeed's Connect Managed IT Services



Connect Managed Services Details for City of Solvang	
End User Support	<ul style="list-style-type: none"> Onsite Support for all users and Network Infrastructure. Based on a count of approximately 40 staff members that need IT support. Lanspeed will install an agent on each Windows or Mac device. Normal hours of support between 7am – 5pm Pacific time.
Device Support	<ul style="list-style-type: none"> 24x7x365 monitoring, alerting, patching & maintenance of servers, workstations and network infrastructure. Support for server and network infrastructure: <ul style="list-style-type: none"> Servers (1 Azure) Users: 40 Windows workstations (approx. 51) Firewalls (2 includes Active/Passive Device as 1) Switches (5) Wireless access points (all)
Licensing (Billed Separately)	<ul style="list-style-type: none"> Sophos Central Complete MDR for all seats (32) Sophos Central Complete MDR for Server servers (1) Sophos Phish Threat (51) Sophos XGS XGS 2100 Standard Protection (1) Sophos XGS 126 Xstream Protection (1) Sophos Central Email Protection (73) Sophos Mobile (1) M365 Business Basic (3) M365 Business Premium (54) Exchange Online P1 (3) M365 E3 (2) Microsoft Azure (Usage) Datto SaaS (65) Barracuda (70)
Monthly Totals	<ul style="list-style-type: none"> \$7,937.72 = Connect Services + Licenses
Emergency After-Hours Support or Holiday Support	<ul style="list-style-type: none"> Support incidents classified as Critical for qualifying managed services and covered seats outside of Lanspeed normal business hours will be included. Remote support efforts must be exhausted prior to dispatching an outside technician. After-hours or holiday support requested for non-critical issues will be billed separately according to Professional Services rate.



Connect Managed Services: Additional Details	
Vendor Management	<ul style="list-style-type: none"> Lanspeed will facilitate with an Authorized Vendor to repair, replace and/or remediate issues experienced by Client related to hardware or services covered by herein proposed services. Additional terms apply.
Network Health Reviews	<ul style="list-style-type: none"> An ever evolving, centralized library of technical standards used to evaluate the Client's managed environment. Areas of evaluation can include security, continuity, warranty status and areas for recommended improvements. This may include either internal or external vulnerability or network scanning. Impact assessments of areas that don't meet standards guidelines..
Technology Alignment	<ul style="list-style-type: none"> As a part of Strategic Services, a dedicated resource is assigned to manage health reporting and standardization efforts. Goal of documenting and understanding the Client's managed environment. Works to review technology alignment with Lanspeed recommended standards. Reports findings to the assigned vCIO.
vCIO Services	<ul style="list-style-type: none"> As a part of Lanspeed Strategic Services, a dedicated resource is assigned to collaborate with Client to provide strategic consulting advice. Periodic analysis of data collected by Technology Alignment, Remote Support and Centralized Services to proactively resolve or advise of potential risks or areas of improvement within the managed environment. In conjunction with Client's appropriate key decision makers, help understand needed areas for investment and develop a budget for expense items in alignment with organizational goals. Goal of road-mapping technical goals in conjunction with Client's appropriate key decision makers and improving alignment with Lanspeed recommended technical standards.
Additional Recommendations	<ul style="list-style-type: none"> Further conversations will reveal what project-based work will be necessary to bring the IT environment up to acceptable minimum operational and or security standards.
Service Rates for Professional Services (Projects, Adds/Changes/Removal, Any Service Outside of Managed Services)	
Standard	\$250/hour
After Hours	1.5x standard
Holiday Hours	2x standard
Additional Services Billed Separately from Connect Managed Services	
Microsoft Azure Usage	Azure cloud computing services billed outside of managed services based on consumption invoiced by Microsoft.

“Before Lanspeed, I had to handle every issue. Now, everybody can reach Lanspeed directly and that really saves a lot of time.”

Christy Pinuelas

Director of Finance
City of Agoura Hills

“We were so impressed with your business ethics and the understanding you had of what our needs are as a school district.”

Todd Ryckman

Former Educational Chief Technology Officer
Santa Barbara Unified School District

“It was an issue of focus. We were spending a tremendous amount of time managing and monitoring our IT environment. Now we can focus on new developments and not waste time on day-to-day tasks.”

Peter Blair

Chief Technology Officer
Rincon Technology



THE WALKING COMPANY



CMC RESCUE



CITY OF CAMARILLO



CITY OF AGOURA HILLS



CITY OF WESTLAKE VILLAGE



PLATINUM PERFORMANCE



Santa Barbara Unified
Every child, every chance, every day.

SANTA BARBARA UNIFIED



CITY OF SIMI VALLEY



BARTLETT, PRINGLE & WOLF LLP



NORTH LOS ANGELES COUNTY REGIONAL CENTER



COUNTY OF SANTA BARBARA



PETROLEUM TRANSPORT

COX PETROLEUM



RINCON TECHNOLOGY



BISHOP DIEGO HIGH SCHOOL



SECURITY DOOR CONTROLS



DENMAT



SANTA BARBARA FARMS



COUNTY OF SAN LUIS OBISPO



98.6%
Customer Satisfaction



We appreciate the opportunity to present this proposal to you. You may authorize our services by signing this proposal and emailing it to: sales@lanspeed.com

At Lanspeed, our goal is to build long-term relationships based on our technical expertise, proven methodologies and emphasis on delivering exceptional value. We look forward to partnering with you to achieve your IT goals. If you have any questions, please feel free to contact me at 805-682-9981. We appreciate the opportunity to assist you.

Sincerely,

Toby Kruse, CEO
Lanspeed

Service Terms & Conditions

This Quote is governed under the provisions of the Master Services Agreement located at <https://www.lanspeed.com/msa> ("MSA"). This Quote is further defined by the conditions and provisions of the services guide located at <https://www.lanspeed.com/servicesguide> ("Services Guide"). The MSA and Services Guide contain important provisions related to the Services (including payment and auto-renewal terms). By agreeing to this Quote, you agree to the provisions of the MSA and the Services Guide. If you cannot access the MSA or Services Guide, or if you have any questions about those documents, then please do not sign this Quote and contact us for further information.

The password for these links is: `managementservices`

Authorization

Approved and Accepted:
City of Solvang

Name (Print)

Signature

Title

lanspeed

Lanspeed delivers a full suite of as-a-service IT solutions for businesses, schools, and local government. From initial planning to deployment to ongoing support, our approach is designed to solve problems and deliver success at every step. We'll help you achieve your IT goals.

Toll Free: 877-682-9981
Phone: 805-682-9981

www.lanspeed.com
sales@lanspeed.com



Agreement Licenses

Quote #008804 v1

Microsoft		Recurring	Qty	Ext. Recurring
	NCE Microsoft 365 Business Basic Monthly	\$7.20	3	\$21.60
	Microsoft 365 Business Premium	\$24.81	54	\$1,339.74
	NCE Office 365 E3 Monthly	\$25.81	2	\$51.62
	NCE Exchange Online (Plan 1) Annual Paid Monthly * Email with 50 GB mailbox per user * Web-based access and Outlook support * Share calendar and contacts	\$4.80	3	\$14.40
Recurring Subtotal:				\$1,427.36

Sophos		Recurring	Qty	Ext. Recurring
	CONNECT: Sophos Central Managed Detection and Response Complete Server * MDR Complete provides analyst-led threat hunting and investigation as well as full-scale incident response. Threats are fully eliminated.	\$19.47	1	\$19.47
	CONNECT: Sophos Central Managed Detection and Response Complete *MDR Complete provides analyst-led security, threat hunting and investigation as well as full-scale incident response.	\$13.23	32	\$423.36
	CONNECT: Sophos Central Email Protection Advanced	\$1.00	73	\$73.00
	CONNECT: Sophos Central Mobile Advanced Monthly License * Security for mobile users	\$4.00	1	\$4.00
	CONNECT: Sophos XGS 2100 Standard Protection Monthly License * Network Protection * Web Protection * Enhanced Support	\$118.30	1	\$118.30

Sophos		Recurring	Qty	Ext. Recurring
	CONNECT: Sophos XGS 126 Xstream Protection Monthly License * Network Protection * Web Protection * Enhanced Support * Sandstorm included	\$50.80	1	\$50.80
	CONNECT: Sophos Central Phish Threat *Allows automated attack simulations, security awareness training, and actionable reporting metrics	\$1.05	51	\$53.55
	CONNECT: Sophos Virtual Firewall for Azure	\$36.00	1	\$36.00
Recurring Subtotal:				\$778.48

Datto		Recurring	Qty	Ext. Recurring
	CONNECT: Datto SaaS Protection for M365 *Monthly license *Automated backup for Microsoft 365's Exchange, OneDrive and SharePoint	\$3.60	65	\$234.00
Recurring Subtotal:				\$234.00

Barracuda		Recurring	Qty	Ext. Recurring
	Barracuda Cloud Archiver- *Originally billed separately	\$4.32	70	\$302.40
Recurring Subtotal:				\$302.40

Azure	Recurring	Qty	Ext. Recurring
CONNECT: Microsoft Azure Cloud Computing Platform & Services Pay for what you use (i.e. Reserved IP Address, Premium Storage, Compute Hours...) * Reported usage: *Originally billed separately	\$475.48	1	\$475.48
Recurring Subtotal:			\$475.48

Agreement Licenses

Quote Information:

Quote #: 008804
 Version: 1
 Delivery Date: 05/22/2025
 Expiration Date: 06/11/2025

Prepared for:

City of Solvang
 1644 Oak Street
 Solvang, CA 93463
 Wendy Berry
 wendyb@cityofsolvang.com
 (805) 688-5575

Prepared by:

Lanspeed Headquarters
 John Pierce
 805-682-9981
 jpierce@lanspeed.com

Recurring Expenses Summary		Amount
	Microsoft	\$1,427.36
	Sophos	\$778.48
	Datto	\$234.00
	Barracuda	\$302.40
	Azure	\$475.48
	Recurring Total	\$3,217.72

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.
 Terms: 100% of hardware/software prepaid. Labor will be bill as accrued.

 Signature

 Date

To:
Wendy Berry
Admin Services Director

City of Solvang

May 21, 2025

PROPOSAL for Professional Services – Information Technology Managed Services

Dear Wendy Berry,

Our company, Lanspeed, is submitting a response to the City of Solvang's Information Technology Managed Services request for proposal.

Since 1983, Lanspeed has partnered with organizations like yours to help navigate the complex and ever-changing world of information technology. It is our vision and passion to be an integral part of the success of our clients. Lanspeed has 17 full-time employees, including 15 IT professionals. Our team works hard to achieve and maintain industry certifications from partners such as Microsoft, HPE, Aruba Networks, Sophos, Eaton, Datto, Cisco and others in order to provide you with the highest level of professional expertise.

We actively provide IT services to several municipalities including:

- City of Agoura Hills
- City of Hidden Hills
- County of Santa Barbara
- City of Westlake Village
- City of Solvang
- County of San Luis Obispo

Lanspeed specializes in providing IT managed services to dozens of municipalities, schools and businesses on the Central California coast. Our headquarters is located in Solvang and we offer both on-site and remote support, strategic planning and 24x7 monitoring.

For the past six years, Lanspeed has been the IT provider for the City of Solvang. We have significantly upgraded the IT environment at the City during this time including a new phone system, upgraded network infrastructure, migration to Azure, new backup system, etc.

Thank you for taking the time to review our proposal and we look forward to the prospect of continuing to serve the City of Solvang's IT needs.

Toby Kruse, CEO



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Lanspeed – About Us

Founded in 1983, Lanspeed has been providing expert-level managed IT services, IT consulting and IT project services for local government, schools and businesses all over the Central California coast and northern Los Angeles region. We combine intelligent technology solutions, automation, and a team of highly experienced IT professionals to provide responsive, predictable, friendly and knowledgeable IT support.

Lanspeed currently provides managed IT services to several municipalities in the region, including the City of Westlake Village, City of Agoura Hills, City of Solvang and the City of Hidden Hills. We have also provided IT project services in the past several years to the City of Camarillo, City of Simi Valley and the County of San Luis Obispo and County of Santa Barbara.

Lanspeed is a leading regional certified partner with several IT vendors including Microsoft, HPE, Aruba Networks, Cisco, Sophos, Datto, VMware, Eaton and others. We have extensive experience with numerous other vendors including Fortinet, SonicWALL, Palo Alto, Dell, Ubiquiti and others.

Lanspeed has a team of 16 full-time employees with 13 experienced and certified IT support staff, including a Network Operations Center (NOC) that specifically focus on solely pro-active management and network monitoring. We provide 24x7x365 support, including a fully staffed help desk between the hours of 7am and 5pm PST. Lanspeed's IT engineers are all based in the United States and are full-time employees.

From the start, Lanspeed has worked to maintain an unwavering commitment to delivering superior results. Our clients know they can count on Lanspeed to deliver outstanding results and this shows with our lifetime 98.6% customer satisfaction rating.

Lanspeed - Company Overview

Company Ownership	SaberDome, Corp. (DBA – “Lanspeed”). SaberDome is a California S Corporation. Lanspeed has been operating since 1983.
Office Locations	Headquarters: 606 Alamo Pintado, 3-302 Solvang, CA 93463
Contact Information	Phone: (805) 682-9981 Email: info@lanspeed.com
Number of Employees	16
Location(s) from which employees will be assigned	Santa Barbara County
Company background/history and why proposer is qualified to provide the services described in this RFP	Lanspeed was originally formed in 1983 to provide IT services and solutions to local businesses. Today, we have 16 full-time employees, including 13 technical professionals. We work with many cities in the region including Agoura Hills, Westlake Village, Hidden Hills, Solvang, and the Counties of Santa Barbara and San Luis Obispo. We currently support around 75 businesses and organizations throughout the region. Lanspeed partners with Microsoft, Aruba, Sophos, Datto, HP, Cisco, and several other vendors.
Company Core Values	<ol style="list-style-type: none"> 1. Build Relationships 2. Be Humble 3. Pursue Excellence 4. Have Integrity 5. Enjoy our Work

Lanspeed - Client References

City of Agoura Hills	Services Provided: Managed Services and Project Services Dates: June 2011 - Present Contact: Amber Victoria Title: Management Analyst Phone: (818) 597-7316 Email: avictoria@agourahillscity.org
City of Westlake Village	Services Provided: Managed Services and Project Services Dates: October 2012 - Present Contact: Caleb Mott Title: Administrative Analyst Phone: (818) 706-1613 Email: Caleb@wlv.org
City of Hidden Hills	Services Provided: Managed Services and Project Services Dates: June 2019 - Present Contact: Deana Gonzalez Title: City Clerk Phone: (818) 470-9056 Email: deana@hiddenhillscity.org
Rincon Technology	Services Provided: Managed Services and Project Services Dates: October 2003 - Present Contact: Peter Blair Title: IT Manager Phone: (805) 335-2417 Email: pblair@rincontechology.com

Lanspeed - Team Members

Management and Administrative Team

Name	Role	Years with Lanspeed
Toby Kruse	Owner/CEO	4
Natalie Nagaty	People Manager	3
Zoila Portillo	Service & Project Manager	3

Service Desk Team

Name	Role	Years with Lanspeed
Jonathan Axsom	Senior Network Architect	18
Angel Cardenas	Senior Network Engineer	17
Aaron Akzin	Lead Systems Engineer	1
Lance Legleiter	NOC II Engineer	12
Eric Black	vCIO	12
Mae Harrison	Technology Alignment Manager	5
Kristine Ostrea	Systems Engineer	<1
Diego Lara	Support Engineer	7
Jason Spicer	Support Engineer	5
Andrew Ortiz	Support Engineer	3
Alex Star	Support Engineer	3
Alana Guevara	Technology Alignment Manager	7
John Pierce	Procurement Specialist	3

*More detailed resumes upon request

Lanspeed - Team Members involved with the City of Solvang

If Lanspeed is awarded this contract, we anticipate the following team members would be the primary team members involved with supporting the City of Solvang.

Primary Service Desk Engineers for on-site: Alex Star, Jason Spicer Jonathan Axsom

NOC Team: Lance Legleiter

vCIO: Eric Black

Technology Alignment Manager: Mae Harrison

Our team members have multiple IT certifications from our primary vendors including Sophos, Datto, Cisco, Aruba Networks, Microsoft, etc. Jonathan Axsom is our most senior level systems engineer with numerous industry certifications and nearly two decades of experience architecting, deploying and supporting IT environments. Alex Star lives in the near area and has been the primary on-site engineer for the City of Solvang the past two years. Jason Spicer lives in Lompoc and has recently been going on-site to support the City of Solvang. Eric Black is the current vCIO for the City of Solvang and every month reviews the City's IT environment. Our NOC team will be responsible for monitoring your network 24x7x365 and alerting our team of any issues. Lanspeed also has a team of support engineers that are available for remote support around the clock. We do not intend to use any sub-contractors.

Lanspeed – Fee Proposal

We have attached a **separate document** titled "City of Solvang – Information Technology Managed Services Fee Proposal from Lanspeed". This document includes Lanspeed's fees for managed services as well as our hourly fee for Professional Services (project work).

Lanspeed – Managed Services Approach

Lanspeed will provide the following services and roles for the City of Solvang:

1. Service Desk Support:

Lanspeed provides 24x7x365 monitoring, maintenance and support of all approved end users, servers and network infrastructure devices. These devices include but are not limited to routers, firewalls, switches, wireless access points, UPS's, servers, workstations, mobile devices, cloud servers, etc. Lanspeed is fully staffed between the hours of 7am and 5pm Pacific time. We have team members on a rotational basis providing after-hours support.

Our request and escalation process are as follows: A service ticket is created either by the client or by the Lanspeed system agent. Service tickets can be created by phone, email, web site or system agent in the taskbar. That ticket is reviewed by either Lanspeed's Service Desk Dispatcher or by pre-determined rules (automation & scripting) and assigned to the appropriate service team. If it's a Level 1 ticket, our Service Desk Level 1 team will attempt to remotely resolve the issue. Over 95% of all service tickets are successfully closed by our Level 1 engineers. If the Level 1 team cannot resolve this issue within 30 to 45 minutes, they will escalate this to our Level 2 & 3 team. In our Managed Services Agreement, Lanspeed has an escalation matrix detailing how we determine the severity level of tickets and the time associated with opening and escalating tickets. Typically, an engineer will be sent on-site if a problem is unable to be resolved remotely.

Lanspeed utilizes industry leading device and network monitoring tools such as PRTG and ConnectWise Automate to provide around the clock monitoring. Our priority is to detect, diagnose and resolve problems before they become an issue.

Lanspeed keeps approved devices up to date with firmware and patching on a schedule. Lanspeed keeps configurations and documentation updated in our Services Automation tool.

2. Vendor Support & Management:

Lanspeed has decades of experience working with numerous technology vendors such as Microsoft, Aruba, Sophos, Cisco, VMware, Eaton, HPE, Dell, Datto, etc. Lanspeed is a Silver Certified Microsoft Partner with competencies in Office 365, Azure, Active Directory, Exchange, Windows Servers & Desktop, Hyper-V, etc. Lanspeed takes responsibility for providing vendor management. This reduces finger pointing and allows our clients to focus on their business rather than time spent interacting with vendors for support.

3. Network, Server & Cloud Support:

Lanspeed has extensive expertise in network management, network architecting and network troubleshooting. Our network engineers hold numerous certifications from Cisco, HP, Dell, Sophos, SonicWALL and other vendors. We use PRTG, ConnectWise Automate, Aruba Central and other tools to monitor and manage the network. We also document networks and keep the documentation up to date.

Over the past few years, we have migrated dozens of our clients to the cloud – mostly Microsoft Azure. We have developed deep expertise in managing Azure environments and other Microsoft Cloud services such as InTune. Lanspeed has a decade plus experience with Hyper-V and VMware for virtualization solutions.

4. Strategic IT Planning & Technology Alignment:

Lanspeed will analyze the IT environment on a consistent basis and provide suggestions and recommendations for areas of improvement via scheduling of quarterly Strategic Business Reviews (SBR's). Lanspeed assigns a Technology Alignment Manager (TAM) and a virtual CIO (vCIO) to each account. The TAM provides monthly reporting and health / alignment reviews. We review IT strategies, IT budgeting and business needs related to technology. A well-planned and executed IT strategy can provide a significant competitive advantage, reduce costs, and improve operational efficiencies. Some organizations may not have the in-house expertise and knowledge to develop a comprehensive IT strategy or have the ability to successfully implement it.

5. Cybersecurity:

Cyber threats are continuously evolving and organizations today need a comprehensive security approach to stay protected. Lanspeed recommends and will implement a multi-layer approach including perimeter security, endpoint protection, 24x7 SOC services, MFA, business continuity planning, staff training, etc.

Service Ticket Severity Levels and On-Site Response Times

Severity Level	Definition
1	System wide outage. The City is unable to conduct business or services for all users have failed. Examples may be a server down, network down, or primary application down.
2	Down department. A department or shared device is down and affecting more than 20% of the City's users.
3	Down user or issue that is affecting less than 20% of the City and operations can continue.
4	Request from any single user for new service or clarification such as new user logins, new workstation setups, etc.
5	Long term projects planned preventative maintenance, or issues that are not time sensitive.

Severity Level	On-Site Response Times	
	Normal Business Hours	Non-Business Hours
1	2 Hour	3 Hours
2	4 Hours	6 Hours
3	24 Hours	Scheduled
4	48 Hours	Scheduled
5	Scheduled	Scheduled



CITY OF SOLVANG

Applicant/Interested Party Campaign Contribution Disclosure Form

1644 Oak Street | Solvang, CA 93463 | www.cityofsolvang.com | (805) 688-5575

APPLICANT/INTERESTED PARTY INFORMATION			
Applicant Name: Lanspeed			
Phone: 805-682-9981	Email (required): tkruse@lanspeed.com		
Representative/Agent: Toby Kruse			
Phone: 805-682-9981	Email: tkruse@lanspeed.com		
Mailing Address: 606 Alamo Pintado Road Suite #3-302			
City: Solvang	State: CA	Zip: 93463	
Website: www.lanspeed.com			
Name and subject matter of applicant's proceeding: Managed Services Contract			

CONTRIBUTION DISCLOSURE (GOVERNMENT CODE SECTION 84308)			
<p><i>Please list all contributions in excess of \$250 (either as a single payment or in aggregate) made within the past 12 months to officers of the agency involved in the above-mentioned proceeding by any parties (applicants) or their agents or representatives, including corporations, limited liability companies (LLCs), or other business entities and principals thereof, that are affiliated with the above-referenced proceeding. You may attach additional pages as necessary to list contributions made to involved agency officers and provide additional information about the contributor's relationship with the recipient.</i></p>			
Contributor Name:			
Date of Contribution	Recipient Office/Candidate	Contribution Amount (\$):	Refund: Yes or No; Date of Refund.
<input checked="" type="checkbox"/> By checking this box I certify that I have not given any contributions consistent with Government Code Section 84308			

ACKNOWLEDGEMENT	
<p>This form must be updated after each contribution, and no less than 45 days before any agency consideration regarding the above-referenced application. Completion of this form does not waive or in any way impact a party's obligation to disclose such contributions over \$250 on the record of the proceeding pursuant to Government Code section 84308(e).</p>	
<p>I declare under penalty of perjury that the information which has been included in this Disclosure Form is true and correct:</p>	
Signature: <u>T. Kruse</u>	Date: <u>6/17/2025</u>
Print Name: <u>T. Kruse</u>	

OFFICIAL USE ONLY	
File/Project No:	Date Received:



Annual report for 2024 of the Santa Ynez Valley Hotel Association (dba Visit the Santa Ynez Valley) – Submitted 7/24/25. VisitSYV is reporting activity for 2024. This report is submitted to the City of Solvang, the City of Buellton, and the Santa Barbara County Board of Supervisors in fulfillment of the provisions of the SYV TBID.

Financial

Beginning balance on January 1, 2024: \$611,990

2024 Income

TBID Funding received 1/1/24 through 12/31/24: \$1,205,059

Membership income:	\$48,875
County Grant:	\$6,942
TasteSYV:	\$97,049
IPW Reimbursement:	\$4,325
Other types of income:	\$3,752

Total Income received 2024: \$1,366,002

Expenses

Advertising/Marketing:	\$933,377
Grants/Special Projects:	\$133,660
Travel & Conventions:	\$148,225
Personnel Costs:	\$466,066
Contract Services:	\$74,115
Facilities/Equipment:	\$10,174
Operations:	\$23,781
Other Types of Expenses:	\$12,250
Total expenses 2024:	\$1,801,648

Operating balance as of December 31, 2024: \$176,344



Membership

We receive TBID funding from 37 lodging properties and currently have **219 members**, who pay a basic membership fee of \$250, a nonprofit fee of \$125, and trade members, for whom services are traded for membership, such as wine, catering, and photography. We held 2 networking receptions that were well attended throughout the year.

Annual Meeting

We held our annual meeting at Petros Winery on July 11, 2024, with over 100 residents of the Santa Ynez Valley, community leaders, media representatives, and VisitSYV members in attendance. Following a welcome reception, Shelby Sim presented a recap of 2023, highlighting key points from 2024 to date, and introduced the 2024–2025 term Board of Directors.

Winter Networking Reception and 2025 Destination Guide Launch

On Thursday, December 5, 2024, we hosted a winter reception to network and debut our 2025 print Santa Ynez Valley Destination Guide at Roblar Winery, with over 100 partners, community leaders, and Visit SYV members in attendance.

Marketing (January 1, 2024– December 31, 2024)

Santa Ynez Valley Marketing Campaign

DVA Advertising & PR Agency remains our contracted advertising and public relations agency of record. VisitSYV supplements the annual campaign with additional programs. 2024 marketing results are detailed below.

Creative

VisitSYV continued the Perfectly campaign in 2024. It continues to share space with content-forward Facebook and native ads.

The Perfectly campaign centers around the idea that everyone’s idea of the perfect getaway isn’t the same. Some people are happy to sip a glass of pinot by the pool while others would rather put down some miles on the nearest hiking trail. Sometimes both. But when you spend time in the Santa Ynez Valley, you’re sure to find your perfect escape. **The perfect getaway does exist, and it’s Perfectly SYV.**



Digital Key Takeaways

Overall, 2024 web traffic was up 23.7% year-over-year, and overall clicks-to-book were up 12.8% year-over-year. Our programmatic campaign attributed 1,432 unique visitors and 309 hotel bookings and saw an ROAS of 7.4x.

Digital Targeting

Target Markets included:

- Los Angeles
- San Francisco
- Palm Springs
- San Bernardino
- San Luis Obispo
- San Francisco
- Bakersfield
- San Francisco
- Phoenix
- Denver
- Las Vegas

Demographic Targeting

On Meta, we are targeting lookalike audiences of people based on past web visitors and people who clicked to book on the site. We don't set strict targeting parameters on these audiences, as we want to give Meta more freedom in finding the best-performing users. Programmatic uses similar audiences based on people who have traveled to SYV (using Azira data).

Google Search

*CTR was a bit low this year, but CPC is 42.6% lower than last year.

Benchmark CTR: 4.68%

Benchmark CPC: \$1.53

Impressions: 1,578,519

Clicks: 56,438

CTR: 3.58%

CPC: \$0.47



Paid Facebook - Out-of-state

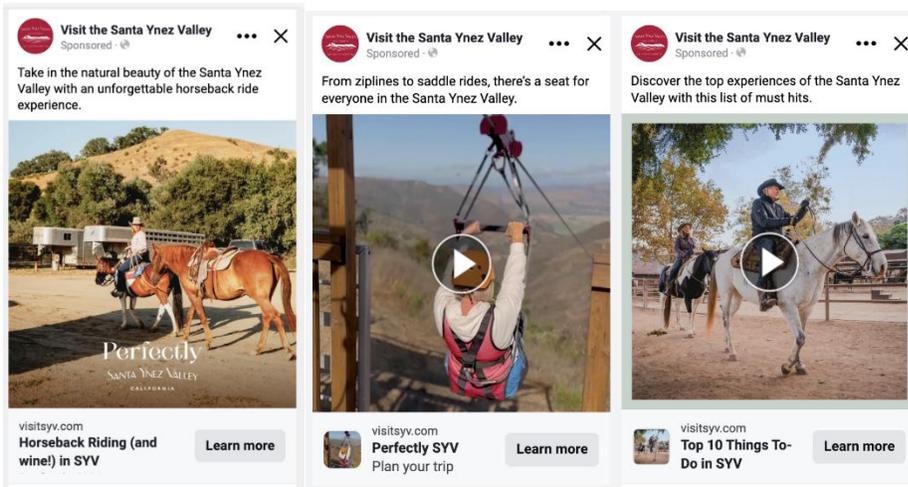
*Performance has remained fairly level compared to the previous period.

Impressions: 2,941,653

Link Clicks: 54,628

CTR: 1.86%

CPC: \$0.36



Paid Facebook - In-state

*Performance has been consistently strong for in-state.

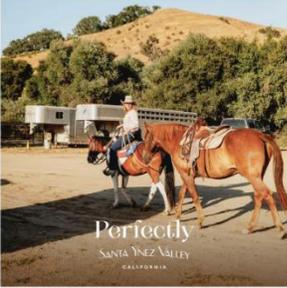
Impressions: 1,150,848

Link Clicks: 15,544

CTR: 1.35%

CPC: \$0.43



<p>Visit the Santa Ynez Valley Sponsored · 🌐</p> <p>Take in the natural beauty of the Santa Ynez Valley with an unforgettable horseback ride experience.</p>  <p>visitsyv.com Horseback Riding (and wine!) in SYV</p> <p>Learn more</p>	<p>Visit the Santa Ynez Valley Sponsored · 🌐</p> <p>Discover the top experiences of the Santa Ynez Valley with this list of must hits.</p>  <p>visitsyv.com Top 10 Things To-Do in SYV</p> <p>Learn more</p>	<p>Visit the Santa Ynez Valley Sponsored · 🌐</p> <p>From ziplines to saddle rides, there's a seat for everyone in the Santa Ynez Valley.</p>  <p>visitsyv.com Perfectly SYV Plan your trip</p> <p>Learn more</p>
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Paid Facebook - Retargeting

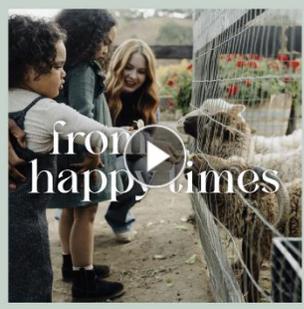
*Retargeting CTR improved 29.7% with the new retargeting GIFs.

Impressions: 770,081

Link Clicks: 18,287

CTR: 2.37%

CPC: \$0.66

<p>Visit the Santa Ynez Valley Sponsored · 🌐</p> <p>Feed the favorite locals, then sip a local favorite. It's all here for you in the Santa Ynez Valley.</p>  <p>visitsyv.com Perfectly SYV Plan your trip</p> <p>Book now</p>	<p>Visit the Santa Ynez Valley Sponsored · 🌐</p> <p>Sit back, relax, and reconnect with nature (and your friends) in the beautiful Santa Ynez Valley.</p>  <p>visitsyv.com Perfectly SYV</p> <p>Book now</p>
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Sunset Campaign

*Sunset drove very high-quality traffic to the site, with an average session duration of 22 seconds. These Sunset stats are for all of 2024 (July through December)

Display:

Impressions: 383,737

Clicks: 801

CTR: 0.21%



E-Newsletter:

Delivered: 684,454

Opened: 207,363

Open Rate: 30.3%

Clicks: 837

CTR: 0.40%



Custom E-Blast
Delivered: 75,354
Opened: 33,868
Open Rate: 45%
Clicks: 103
CTR: 0.09%



Copy [here](#)

Programmatic - Native & Display

*StackAdapt does see a higher CPC, but it has the strongest CPM and reaches the most people out of any of our channels, thus is a great brand awareness tool.



Impressions: 14,808,627
Link Clicks: 33,439
CTR: 0.23%
CPC: \$4.53
CPM: \$4.63



Sponsored by Visit Santa Ynez Valley

Discover Santa Ynez Valley Wines

Taste your way through the SYV's six towns and discover why these vineyards and wineries are at the heart of the region.



Sponsored by Visit Santa Ynez Valley

Horseback Riding (and wine!) in SYV

Take in the natural beauty of the Santa Ynez Valley with an unforgettable horseback ride experience.



Perfectly
SANTA YNEZ VALLEY
CALIFORNIA

LEARN MORE



Programmatic – CTV

*CTV performance is always very consistent, although the view rate is stronger since this restarted.

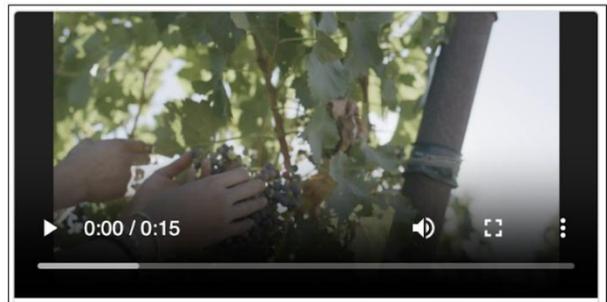
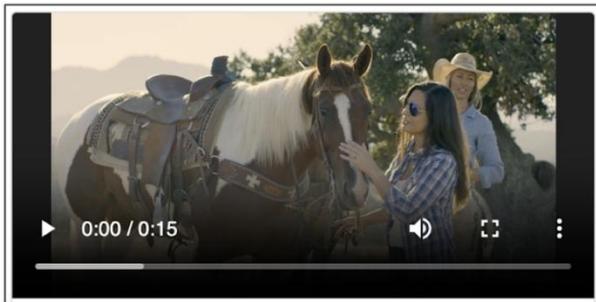
Impressions: 757,692

Views: 566,497

Cost per view: \$0.02

View Rate: 80.6%

CPM: \$15.84



Programmatic - StackAdapt Attribution/Geo-Conquesting Campaigns

Through a partnership with StackAdapt, Azira, and PlacelQ, we're able to report on programmatic advertising attribution.

Report Dates: September-November, 2024

Media Costs: \$37,968

Impressions Served: 9.1 million

Campaign Attribution Visits: 8,368

Campaign Unique Visits: 1,432

There are in-depth reports available [here](#) that highlight performance by campaign, visits by location, origin markets by state, and demographic visitor insights.



To date, the campaign’s economic impact has been \$281,936 with a Return On Ad Spend of 7.4 to 1.

Confirmed Hotel Stays: 309

Confirmed Unique Travelers: 1,432

Confirmed Travelers Across all POI: 8,368

Economic Impact (Combined Destination & Hotel): \$281,936

*ROAS currently stands at 7.4:1. Last year’s attribution campaign started at 3.5:1 in the first month, so this new reporting is looking stronger with the improved hotel attribution.

Website Key Takeaways

In 2024, VisitSYV.com received **710,000** pageviews from **375,000** visitors. The site has also seen **30,253** clicks to book for VisitSYV lodging properties. The most popular pages on the site were as follows: (1) **Homepage** (2) **Horseback Riding Blog** (3) **Things to Do In Los Olivos**.

**Clicks to book includes clicks off the lodging page, Book Direct booking bar searches, and clicks to the Book Direct lodging page from the advertising campaign landing pages.*

Clicks to Book

*Compared to 2023

*Paid search and Paid Meta led to a huge chunk of this overall increase.

BookDirect Searches: 17,237 (up 14.7% vs ‘23)

Book Your Stay Outbound Clicks: 13,016 booking searches (up 10.3% vs ‘23)

Combined: Up 12.8% vs ‘23

What’s BookDirect?

BookDirect is a booking widget that lives on VisitSYV.com. This added feature allows visitors to search rates, dates and hotel availability directly on VisitSYV.com, while allowing our hoteliers to secure the leads without paying any additional agency fees.

Visit Widget

VisitSYV continues to work with app developer, Visit Widget, to provide “Discover Santa Ynez Valley”, a website widget and mobile app which allows visitors to plan itineraries and map out their visit to the Santa Ynez Valley. In 2024, the widget was used by 1,162 travelers.



Public Relations Key Takeaway

Editorial coverage for 2024 included more than 900 stories/mentions, with a combined value of \$6.8m. This represents a 47% YoY increase, driven in part by the Sideways 20th anniversary.

2024 Year-End Metrics

- Total number of stories mentioning the Santa Ynez Valley in Q4 = 928
- Total reach/circulation/UVPM of editorial coverage for Q4 = 15.1b
- Total value of public relations media coverage for Q4 = \$6.8m

**PR value is calculated by multiplying the advertising rate times the size of the story, and then doubling that number to reflect the added value of editorial coverage*

2024 Press Releases & Content:

- Holidays Press Release
- Restaurant Weeks/MWMC Press Release
- Develop materials to support Brand USA CEO Summit
- Visit CA LA Media Mission attendee follow-ups
- Content for Visit CA Canada Reverse Mission PPT
- Taste of the Santa Ynez Valley Press Release
- Fall Press Release
- Fall Media Invitation
- Sunset Travel Awards – drafted and submitted entries in the following categories
 - Where to Go – Santa Ynez
 - What to Do – Solvang Festival Theater
 - What to Do – Taste of the Santa Ynez Valley
- What's New for 2024 Press Release
- IPW – Compile press releases & content ahead of tradeshow
- SLC & ATL Direct Flights Press Release
- Midweek Membership Club & SYV Restaurant Weeks Press Release
- Sideways 20th Anniversary Press Release
- IMM Travel Media Summit – Media invitations for attendance & meetings

2024 Media Visits:

- Ana Sandee, Colorful Foodie – Jan. 9-12
- Lauren Mowery & Paul Caputo, Forbes – Jan. 18-21
- Jennifer Simonson, Wine Enthusiast – Feb. 27-29



- Andy Manz, Boulder Lifestyle – March 12-15
- Kristen Schott, Philadelphia Magazine – March 17-20
- Francesca Angelini, The Sunday Times of London – April 23-26
- Malik Cocherel, Le Devoir – April 30-May 3
- Matt Metzler, Fifty Grande – May 16-18
- Craig Stoltz, Fodor’s Travel – June 22-26
- Cathay Chaplin, Eater LA – July 16-17
- Jordan Reid, Discover California – July 18-19
- Monique Soltani, Wine Oh! TV – July 22-24
- Carrie Rad & Alex Ayling, Visit CA Collab – July 22-24
- Charlotte & Natalie Bruynseels, Visit CA Collab – Sept. 20-22
- Greg Freitas, Seattle Magazine – Sept. 27-30
- Jami Savage, CTV (Canada) – Oct. 2-4
- Leila Najafi, Observer – Oct. 14-17

Notable 2024 Media Coverage:

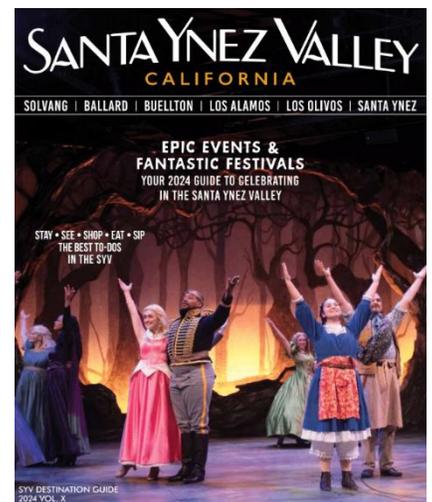
- Sunset – [20 Wine Country Hotspots to Visit Now](#)
- USA Today – [‘Sideways’ Is A Good Start For A Santa Ynez Valley Road Trip](#)
- AFAR – [The Most Charming Small Town in Every State](#)
- Travel + Leisure – [The Most Underrated Destinations in California](#)
- Islands – [The Most Underrated Wine Region You’ll Find in California](#)
- Wine Enthusiast – [The Best Wineries \(and more\) To Visit in SYV Right Now](#)
- Hotels Above Par – [Where to Find California’s Most Underrated Vineyards](#)
- Escape Magazine – [The Santa Ynez Valley is California’s Most Underrated Road Trip](#)
- Westways – [Three Central Coast Foodie Road Trips](#)
- The Globe and Mail – [20 Years Later, How Sideways Has Shaped Wine Tourism](#)
- Decanter – [A Weekend Spent “Sideways” In The Santa Ynez Valley](#)
- Forbes – [How Santa Ynez Valley Stole The Spotlight From Napa](#)
- Boulder Lifestyle – [All Country, No Club](#)
- Smithsonian Magazine – [15 Best Small Towns to Visit in 2024](#)
- Food & Wine – [Where Hipsters, LA Weekenders, and Cowboys Collide](#)
- Sunset Magazine – [Sunset Travel Award: Best Wine Country Destinations](#)
- Fodor’s Travel – [20 Years Later, Does The Sideways Wine Trail Still Stand?](#)



- Food & Wine – [This Movie Changed a Tiny California Wine Region Forever](#)
- The Skimm – [This Charming Wine Town is California’s Best-Kept Secret](#)
- Sunday Times – [I’ve found the new Napa Valley, and it’s more laidback and fun](#)
- Le Devoir – [“Road Trip” Through the Vineyards in California](#)
- AFAR – [America’s Best Small Towns for Wine Lovers](#)
- TV Azteca – [2 Hours from LA lies one of the most attractive towns in California](#)
- Seattle Magazine – [Sip, Swirl, and Stay](#)
- Observer – [How to Spend a Dreamy Weekend in the Santa Ynez Valley](#)
- LA Times – [The Rural Paradise You’ve Never Heard Of](#)
- The Hollywood Reporter – [A Sideways Revolution](#)
- Esquire – [How To Have a Sideways Weekend in the Santa Ynez Valley](#)
- CBS News LA – [Exploring the Santa Ynez Valley](#)
- Wine Oh TV/CBS – [Santa Ynez Valley: Take the Sideways Tour and So Much More](#)

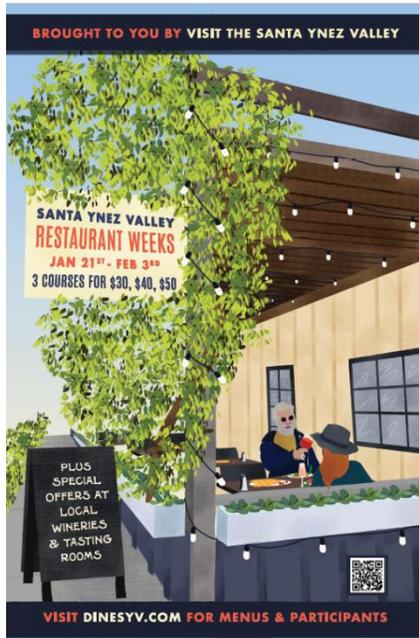
2024 Santa Ynez Valley Destination Guide

70,000 Destination Guides were printed, with monthly distribution taking place via the Solvang Visitors Center, the Buellton Visitors Center, the Santa Barbara Visitors Center, the Santa Barbara Airport and Santa Barbara area hotels. The guides are also distributed monthly to Santa Ynez Valley hotels, museums, and popular restaurants and retailers.





VisitSYV Promotions



Santa Ynez Valley Restaurant Weeks (January 21 – February 3, 2024) is an annual VisitSYV promotion. Over the course of 10+ years, the promotion has developed a strong following, with residents and drive market visitors treating the 2-week promotion as a major celebration. The promotion features 3 course menus for \$30, \$40 and \$50 from over two dozen restaurants and two-for-one tastings and bottle discounts at over two dozen wineries.

We provided a full list of participating restaurants and tasting rooms on a branded landing page at DineSYV.com.

VisitSYV’s Restaurant Weeks advertising campaign reached consumers via paid Facebook, Instagram, and Meta distribution, and printed poster and postcard distribution.

Restaurant Weeks presents an opportunity for increased

engagement and visitation for our website and acts as a great opportunity to showcase our members and show appreciation. Please see additional stats below.



Paid Facebook - Restaurant Weeks January 2024

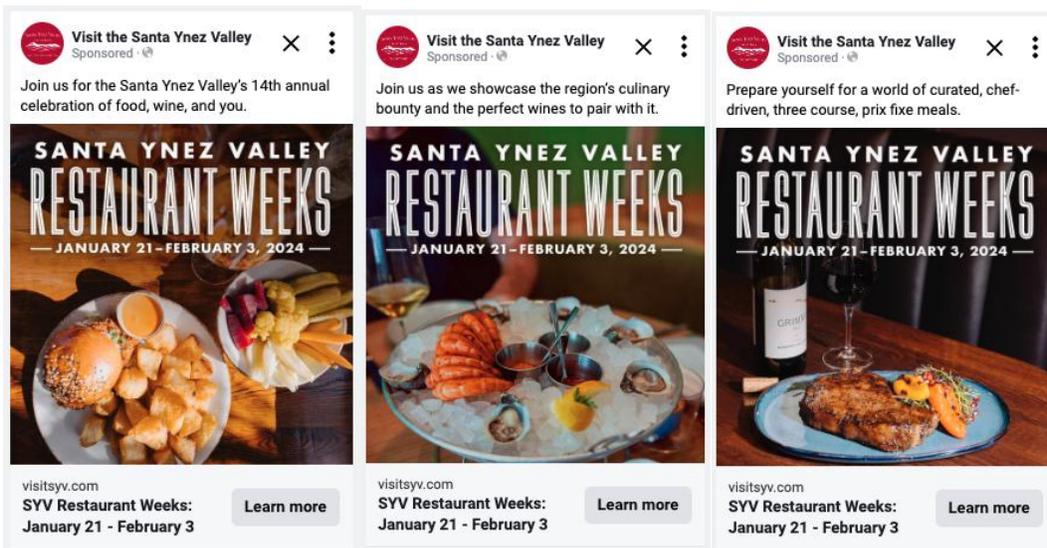
*Performance was very level with last year.

Impressions: 172,653

Link Clicks: 6,113

CTR: 3.54%

CPC: \$0.09



The Place to Be Midweek returned for its fourth year as a Q1 promotion. To entice visitors to stay midweek during the shoulder season, our Midweek Membership Club promotion puts a spotlight on the benefits of a midweek trip. This year the offering provided \$100 cash for guests to enjoy locally during their midweek stay.

Visitors simply had to book a minimum two-night stay at any one of our Santa Ynez Valley hotels, Sunday through Thursday to receive a \$100 cash during check-in. All promotional details, rules, and regulations were featured on a branded landing page on the Visit the Santa Ynez Valley website: www.visitsyv.com/midweek/.



2024 Midweek Promotion Stats

- 63 redemptions
- 150 room nights booked
- \$33,852 in room sales
- \$178/day average visitor spend
- Total estimated economic impact = \$60,552
- 5.4x ROAS

See below for sample ads and stats from the campaign.

Paid Facebook -Midweek Full Campaign - Dec 28 - Apr 4

*448 booking searches happened on the Midweek page (vs 161 last year).

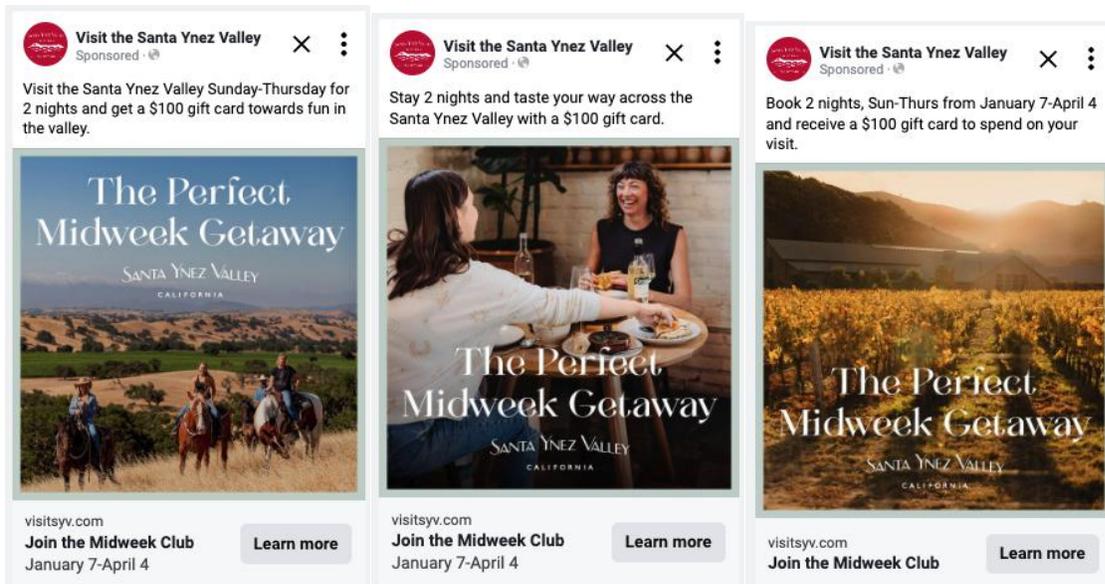
*270 were directly from this campaign (vs 85 last year).

Impressions: 670,205

Link Clicks: 9,257

CTR: 1.38%

CPC: \$0.32





Taste of the Santa Ynez Valley (TasteSYV), a multi-day, six-town event, returned September 26 – September 29, 2024, with Sunset Magazine also returning as our presenting media sponsor. Running over four days, TasteSYV featured multi-course dinners prepared by chefs from Santa Ynez Valley restaurants in Los Alamos, Los Olivos, and Santa Ynez, culminating in a Sideways the Movie Celebration in Buellton and the Solvang Festival Theater. Daytime events spanned all six of our Santa Ynez Valley towns, highlighting the food, wine, cultural, and outdoor offerings each of our unique communities has to offer. The goal was to provide a “taste” that would encourage attendees to return and spend more time. A comprehensive marketing campaign, along with its accompanying assets, was developed. Total ticket revenue was \$97,049 with 1174 tickets sold. 5% of all ticket sales went to People Helping People, totaling \$4,880.





@VisitSYV Social Media Stats

- Facebook: 20,583 followers (3% YOY increase)
- Twitter: 4,186 followers
- Instagram: 15,739 followers (12.5% YOY increase)

Verdin Marketing

VisitSYV continues to work with Central Coast-based marketing agency Verdin Marketing on our organic social media. Under VisitSYV's guidance and marketing pillars, Verdin produces and schedules organic social content utilizing a combination of VisitSYV assets and user generated content.

Print Advertising

2024 California Visitors Guide & Central Coast Insert

VisitSYV partnered with the California Central Coast Tourism Council for an insert listing and a directory listing in the Official 2024 California Visitors Guide (**500,000 copies printed**). Distribution takes place via newsstand copies, Visit California and Sunset events, direct mailings to qualified consumers, and targeted distribution via auto clubs, rental car agencies, visitor centers, and more. The co-op partnership allowed for both a featured listing in the insert, and a featured listing in the guide's directory, doubling VisitSYV's coverage within the guide.

Los Olivos Chamber of Commerce Map

VisitSYV placed a 3.66" x5" ad in the Los Olivos Chamber of Commerce's Annual Visitors Map, with 15,000 copies distributed to visitors via Santa Ynez Valley hotels, Los Olivos kiosks, and Santa Barbara area hotels.

California Road Trips Guide

An annual print publication produced by Visit California, VisitSYV purchased a listing as part of the Central Coast Tourism Council's Co-Op within the guide. The print publication has a 1 million circulation through the following distribution points: Parent Magazine (200,000 – California, Phoenix/Scottsdale, Nevada, Washington; Travel + Leisure (75,000 – California, Phoenix/Scottsdale); Exposure on VisitCalifornia.com through Nxtbook Media digital edition which includes a link to VisitSYV.com; 400,000 direct to consumers, fulfillment upon request, at key destinations. Distribution locations include California Welcome Centers, CVBs and Visitor Centers.



Central Coast Tourism Council Map

VisitSYV purchased a listing in the Central Coast Tourism Council (CCTC) map. 200,000 full color Central Coast Visitors Maps are published annually in partnership with Certified Folder Display and distributed at key points as well as digital exposure through CCTC's website, TheOriginalRoadTrip.com

Trade Shows

IMM – A TravMedia Event

Shelby Sim and Danielle Laudon Ruse attended IMM in New York, January 24 – 26, 2024. TravMedia's International Media Marketplace (IMM) is the leading global networking event connecting the travel industry with editors, journalists, broadcasters, and influencers. Staff had a full book of prescheduled meetings with media, pitching a year's worth of stories, FAM trips, and features.

USA Travel Show & FDM

Shelby Sim and Danielle Laudon Ruse attended the annual USA Travel show in Copenhagen, Denmark, February 29 – March 1, 2024, meeting with Scandinavian Journalists and travel buyers, and sharing what's new in Solvang and the Santa Ynez Valley. The two also attended FDM, a consumer travel show, with a travel booth on Sunday, March 3, 2024, engaging with hundreds of travelers planning their California trips. Sim provided a twenty-minute stage presentation showcasing Solvang and the Santa Ynez Valley to Danes interested in traveling to the area.

ITB

Shelby Sim and Danielle Laudon Ruse attended ITB in Berlin March 5 – 7, 2024, following USA Travel and FDM. ITB is considered the world's largest travel trade show and has been in existence since 1966. In 2024, the convention attracted 24,000 visitors and included travel trade and media.

USA Travel Show

Shelby Sim attended the annual USA Travel show in Copenhagen, Denmark March 20 – 24, 2024. Shelby met one on one with Scandinavian journalists and spoke on a panel on what's new in Solvang and the Santa Ynez Valley.



IPW

VisitSYV partnered with the Buellton Visitors Bureau and Hotel Corque for 3 days of intensive in-person travel buyer & media appointments at IPW in Anaheim, California, May 4 – 8, 2024. IPW is the travel industry's premier international marketplace and the largest generator of travel to the U.S. In just three days of pre-scheduled business appointments, thousands of delegates representing U.S. travel organizations from every region of the USA and international and domestic buyers and media from 70+ countries meet face-to-face to conduct future travel business to the USA. Buyers & media received flash drives with Santa Ynez Valley lodging options, press releases, itineraries, story ideas and photography for their catalogues. Danielle Laudon Ruse, Cynthia Gonzalez, Stormie Strickland and Kathy Vreeland held over 40 appointments on the showroom floor while Shelby took an additional 20 appointments in the media marketplace, meeting with travel journalists from around the globe. Because this year's event was held in Los Angeles, we partnered with Visit Santa Barbara, the Chumash Foundation and Vintners Association on an activation held in the Visit California Welcome Pavillion. We poured wine and provided bites to all IPW attendees each morning and evening of the show.

California Cup

Shelby Sim attended the annual 4-day California Cup in Carlsbad, California May 9 – 13, 2024, where he met and established relationships with international tour operators from Europe, Asia, and Australia.

Onsite Activations

Santa Barbara International Film Festival

VisitSYV was a proud on-screen sponsor at the Santa Barbara International Film Festival, February 7 – 17, 2024. Our full screen ad was played before over 300 screenings during the festival. Our goal was to increase VisitSYV's presence within Santa Barbara County and inspire the 90,000 festival attendees from around the globe to spend a few days with us here in the SYV.



Staff, Board and Member Development

Visit California Travel Outlook

Shelby Sim and Danielle Laudon Ruse attended the Visit California Travel Outlook in Palm Springs March 7 – 9, 2024. Staff were able to network with Visit California’s international representatives and foster both new and existing relationships, while learning about current travel trends and strategies. Destinations International

Central Coast Tourism Council Annual Retreat

Danielle Laudon Ruse attended the Central Coast Tourism Council’s (CCTC) retreat, an annual event where dozens of Destination Marketing Organizations from across the California Central Coast collaborate on marketing efforts to draw visitation to the entire rural region. The retreat took place in Pacific Grove, April 21 – 23, 2024.

Zarticon

Danielle Laudon Ruse attended Zarticon, a multi-day educational conference held by data partner Zartico in Charlotte, North Carolina May 13 – 15, 2024. Zartico is a SaaS technology company that uses data science and AI to create strategic planning and optimization solutions for destination leaders. VisitSYV partners with Zartico to source anonymized credit card and cell phone data tracking visitation to the Santa Ynez Valley. Utilizing this data, we aim to have a better understanding of both peak and soft seasons of visitation. This data informs our marketing efforts as we aim to hold events and special promotions during slower periods, moving more visitation and traffic to those shoulder seasons.

One West Tourism Alliance Leadership Summit

Shelby Sim attended One West Tourism Alliance Summit June 20 – 22, 2024 in Cheyenne, Wyoming. Sim met with destination leaders from Destination Marketing Organizations from across the Western United States, sharing ideas, strategies and best practices among the industry.



Destinations International

VisitSYV President & CEO, Shelby Sim, attended Destinations International, July 16 – 18, 2024 in Tampa Florida. Tourism and destination marketers from almost a dozen countries participated at the in-person event to discuss tourism trends and the latest technology.

ESTO

VisitSYV President & CEO, Shelby Sim, and Vice President of Marketing, Danielle Laudon Ruse, attended ESTO (Educational Seminar for Tourism Organizations), August 11 – 13, 2024, in Columbus, Ohio. The 3-day tourism conference is the premier annual learning and knowledge-sharing forum produced by the U.S. Travel Association for destination marketing organizations.

Grants and Special Projects

The purpose of our grants program remains to support publicity and outreach for valley events that promote overnight stays. Primary consideration is given to events that occur mid-week (Sunday to Thursday) and/or during the off-season. Special projects include charitable donations and community improvement.

Funds awarded in 2024:

Solvang Theaterfest (Ven)	Annual pledge for campaign	1,000.00
World of Pinot Noir	WOPN 2024 Magnum sponsorship	1,500.00
Santa Ynez Valley Pride	SYV Pride Love Above All Ball	1,000.00
805 Lacrosse Project	Grant for SB/SY Shootout 2024	5,000.00
Cal Coast Sports Ventures	Grant for SB/SY Winter Showdown	5,000.00
Garagiste Events, Inc.	Grant for 2024 Garagiste Festival	5,000.00
Figuroa Mountain Brewing Co.(ven)	Lagerville Sponsorship	1,500.00
Bethania Luthern Church	Empty Bowls Sponsorship 2024	250.00
Solvang Festival Theater	Spring concert series	10,000.00
Vintegrated Solutions	Women Winemaker's & Culinarians	5,546.87
Buellton Chamber of Commerce	Buellton Wine & Chili Festival	4,000.00
Solvang Chamber of Commerce	2024 corporate sponsor	5,000.00
SB International Film (SBIFF)	Film Festival	10,000.00
Sta. Rita Hills Wine Alliance	Sta. Rita Hills Wine Alliance events	1,500.00
Viking Charities, Inc.	Vikings annual classic car show	1,000.00



Santa Barbara County Vintners Assoc.	Golf Classic Vintners Foundation	2,000.00
Santa Ynez Chamber (V) Jazz & Olive Festival	Old Santa Ynez Day Sponsorship annual Jazz & Olive Festival	3,500.00
Santa Ynez Valley Pride	SYV Pride Parade & Festival	3,000.00
Elverhoj Museum of History & Art	Donation 3 Moonrise Sponsorships	2,500.00
Madi's Treasure Box & COCA	Juneteenth Celebration	1,500.00
Mental Wellness Center	Alma Rosa's mental health walk	3,000.00
One Mind	Alma Rosa's mental health walk	750.00
Rotary Club of Santa Ynez Valley	4th of July Fireworks	750.00
Santa Barbara Vintners	Vintners Festival Grant sponsorship	4,000.00
Santa Ynez Valley Youth Recreation	2024 Fundraiser	5,000.00
SYV Community Foundation	Champions of the Valley	475.00
Solvang Danish Days Foundation	Danish Days 2024 sponsorship	1,000.00
Michelle Castle	Santa Ynez township map	5,000.00
Arthristis Foundation	California Coast Classic Bike Tour Day in Country/Old Fashioned Christmas	500.00
Los Olivos Chamber of Commerce	Fall Fest Sponsorship	5,000.00
Discover Buellton	Lighting of the windmill for julefest	2,000.00
City of Solvang	Holiday Tree Lighting	5,690.75
Santa Ynez Chamber (V)	Annual Capital Campaign	200.00
Solvang Theaterfest (Ven)	Grant for 2024 Holiday Lights	1,000.00
SYV Botanic Garden	Troll Sponsorship, first payment	5,000.00
CA Nature Art Museum	TasteSYV Charitable Donation	5,000.00
People Helping People		<u>4,880.00</u>

Total amount awarded in 2024: **\$124,043**



California Hotel & Lodging Association

VisitSYV renewed its annual contract with CH&LA, the California Hotel and Lodging Association. VisitSYV provides each of our hotel members with a CH&LA Membership. CH&LA provides our members with legislative advocacy, educational training, communication, and cost-saving programs. They also support strategic alliances to promote the value of California travel and tourism.

Education

Community Safety Seminars

We put together and hosted five Community Safety (Active Shooter) seminars across the valley, working with the local sheriff's department to provide training and a question-and-answer session. These sessions were free and open to the entire community.

Collaborations with Santa Barbara County DMOs and other organizations

VisitSYV collaborates actively with other county destination marketing organizations, City of Solvang, Buellton Visitor Bureau, the Santa Barbara Vintners Association, the Buellton, Solvang, Los Olivos, and Santa Ynez Chambers as well as the Los Alamos Business Association, the Chumash Foundation, Visit Santa Barbara, Go Goleta, Explore Lompoc, Santa Maria Valley, and the Santa Barbara County Association of Governments.

Public comment

Members of the board and the President continue to be called upon to make written and/or verbal public comments on several hotel and tourism-related issues. Each question is raised on a board agenda and voted upon by the board or authorized by the Chairman before comment is made. Hearings and correspondence as needed by President Shelby Sim, and, when needed, Linda Johansen, Chairperson.



Organization

Dave Elcon (The Inn at Mattei's Tavern) stepped down in January due to moving out of the area. He was replaced by Kristopher McLaughlin, General Manager of The Genevieve Hotel. Michael Brughelli (Sunstone) stepped down in February due to a job change. He was replaced by Jeff Hartman, owner and operator of Highline Adventures.

The board meets monthly, generally on the second Thursday at 9:00 a.m. at Alisal Ranch in Solvang. The board consists of nine individuals, seven of whom are from the hotel industry, and the other two represent the at-large membership base.

Staff & Board of Directors

President & CEO - Shelby Sim

Vice President of Marketing - Danielle Laudon Ruse

Director of Sales – Cynthia Gonzales

Website & Membership Administrator – Brenda Ball

The board members are:

Chairperson – Linda Johansen, Owner, Pea Soup Andersen's Inn, Buellton

Vice Chairperson – Jonathan Rosenson, Owner, Mirabelle Inn, Solvang

Secretary – Stormie Strickland, Director of Sales, Hotel Corque, Solvang

Treasurer – Jim Flagg, Owner, Hampton Inn & Suites, Buellton

Kathleen Cochran, General Manager, Alisal Ranch, Solvang

Greer Shull, Director of Marketing, Fess Parker Wine Country Inn, Los Olivos

Kristopher McLaughlin, General Manager, The Genevieve Hotel, Santa Ynez

Jeff Hartman, Owner/Operator, Highline Adventures, Buellton

Will Henry, Owner, PICO Restaurant, Los Alamos

Respectfully submitted by:

Shelby Sim, President & CEO

Santa Ynez Valley Hotel Association, dba Visit the Santa Ynez Valley

Shelby@VisitSYV.com

PO Box 633, Solvang, CA 93464

www.visitsyv.com, 805-451-6038



Agenda Item 6.i

Meeting Date: August 11, 2025

SUBJECT: Opposition to Federal Bill H.R. 4403 - Cloud Seeding
PREPARED BY: Olivia Uribe Mutal, Assistant to the City Manager

DISCUSSION:

Staff recommends that the City Council authorize the Mayor to send a formal letter of opposition to the U.S. House Committee on Energy and Commerce and the City's Congressional delegation regarding H.R. 4403 (Rep. Marjorie Taylor Greene), legislation that would prohibit weather modification activities—including cloud seeding—nationwide.

On July 15, 2025, Representative Marjorie Taylor Greene (R-GA) introduced House Resolution 4403, titled the "Clear Skies Act," in the U.S. House of Representatives. The bill seeks to ban all forms of weather modification, including cloud seeding, across the United States. The legislation has been referred to the House Committee on Energy and Commerce but has not yet been scheduled for hearings or further action.

The bill includes provisions to:

- Prohibit any federal, state, or local entity or individual from engaging in weather modification activities, including cloud seeding.
- Repeal all current federal authorizations or regulatory permissions related to such practices.
- Impose both civil and criminal penalties for violations, including fines and potential imprisonment.
- Establish a public reporting system for suspected violations.

The bill is rooted in misinformation and misconceptions about cloud seeding and other forms of atmospheric research. There is no scientific evidence suggesting that cloud seeding poses public health risks or environmental hazards when conducted under current regulatory guidelines. Agencies such as the U.S. Environmental Protection Agency under prior administrations have dismissed these concerns as unfounded.

Santa Barbara County—including the City of Solvang—has long participated in coordinated cloud seeding efforts to supplement precipitation during drought years and to support regional water supply. These programs are operated by licensed hydrologists and funded by county and state agencies with environmental safeguards in place.

If passed, H.R. 4403 would effectively eliminate the ability of local jurisdictions like Solvang to support or participate in precipitation enhancement activities, even during declared drought emergencies. This action would remove a valuable drought management tool used to help protect water resources, agriculture, and wildfire resilience in arid and semi-arid communities throughout the western United States.

This legislation is particularly problematic because it originates from representatives of regions not affected by persistent drought or water scarcity, imposing a one-size-fits-all prohibition on states that have a demonstrated need for such technology.

STATUS OF LEGISLATION:

- Bill Number: H.R. 4403
- Title: Clear Skies Act

- Author: Rep. Marjorie Taylor Greene (R-GA)
- Date Introduced: July 15, 2025
- Referred To: U.S. House Committee on Energy and Commerce
- Current Status: Awaiting committee hearing; no vote scheduled at this time

Support for cloud seeding has historically been consistent with Solvang’s strategic goals related to drought preparedness, climate adaptation, and regional collaboration on water resource management. Opposing H.R. 4403 aligns with the City’s commitment to local control, science-based decision making, and proactive drought mitigation.

Staff recommends that the City Council direct the Mayor to submit a letter of opposition to H.R. 4403 to the U.S. House Committee on Energy and Commerce and to the City’s federal legislative representatives, urging rejection of the bill or amendment to exempt scientifically supported precipitation enhancement efforts in water-stressed regions like Santa Barbara County.

RECOMMENDED MOTION:

I move the City Council direct the City Manager to submit a letter to the U.S. House Committee on Energy and Commerce and to the City’s federal legislative representatives urging rejection of H.R. 4403.

ALTERNATIVES:

Take no action on HR 4403

FISCAL IMPACT:

There is no direct fiscal impact from submitting a letter of opposition. However, passage of the bill could result in indirect economic impacts related to water supply reliability, agricultural productivity, and increased drought-related costs.

ATTACHMENTS:

- A. Draft Letter of Opposition
- B. Bill Text – H.R. 4403 (Clear Skies Act)
- C. Santa Barbara County Water Agency Correspondence

August 11, 2025

Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

RE: Opposition to Federal Bill H.R. 4403

Dear Members, U.S. House Committee on Energy and Commerce:

On behalf of the City of Solvang in Santa Barbara County, I write in strong opposition to H.R. 4403, the “Clear Skies Act.” While the bill is positioned as a general prohibition on weather modification, in practice, it wipes out cloud-seeding capabilities that are a proven and vital resource for arid regions battling drought.

Cloud seeding has functioned for decades as a scientifically grounded, locally tailored water-management tool. In Santa Barbara County, these operations are coordinated with expert hydrologists and state agencies to enhance precipitation in a controlled manner. The provision to repeal all federal weather-modification authority would abruptly terminate essential permits and programs, putting local water security at risk.

We object to the bill on the following grounds:

1. Regional harm: A blanket federal ban disregards the needs of communities in drier climates where augmentation is carefully regulated and beneficial.
2. Loss of local control: The city values its ability to partner with state agencies and experts in making data-driven decisions—this bill negates that authority.
3. Lack of evidence: Proponents cite unsubstantiated distrust or conspiracy narratives. EPA findings under previous administrations (including the Trump EPA) found no credible basis to outlaw cloud seeding broadly.

We respectfully urge the Committee to reject H.R. 4403 or to consider exemptions for scientifically governed cloud-seeding operations in regions that depend on them.

Thank you for your attention to protecting responsible local water management while preserving due process, science-based policymaking, and regional flexibility.

Sincerely,

David Brown, Mayor

cc:

The Honorable Salud O. Carbajal
2331 Rayburn House Office Building
Washington, DC 205150524

Congressmember Salud Carbajal
Regional Office for constituent awareness:
125 E. De La Guerra St., Suite 203B
Santa Barbara, CA 93101

The Honorable Senator Alex Padilla
331 Hart Senate Office Building
Washington, DC 20510

119TH CONGRESS
1ST SESSION

H. R. 4403

To prohibit weather modification within the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 2025

Ms. GREENE of Georgia introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To prohibit weather modification within the United States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Clear Skies Act”.

5 **SEC. 2. PROHIBITION OF WEATHER MODIFICATION.**

6 (a) IN GENERAL.—Whoever, in any circumstance de-
7 scribed in subsection (b), knowingly conducts weather
8 modification in the United States, including the territories
9 and possessions of the United States, shall be subject to
10 the penalties described in subsection (c).

1 (b) CIRCUMSTANCES DESCRIBED.—For the purposes
2 of subsection (a), the circumstances described in this sub-
3 section are that—

4 (1) the defendant traveled in interstate or for-
5 eign commerce, or traveled using a means, channel,
6 facility, or instrumentality of interstate or foreign
7 commerce, in furtherance of or in connection with
8 the conduct described in subsection (a);

9 (2) the defendant used a means, channel, facil-
10 ity, or instrumentality of interstate or foreign com-
11 merce in furtherance of or in connection with the
12 conduct described in subsection (a);

13 (3) the defendant transmitted in interstate or
14 foreign commerce any communication relating to or
15 in furtherance of the conduct described in subsection
16 (a) using any means, channel, facility, or instrumen-
17 tality of interstate or foreign commerce or in or af-
18 fecting interstate or foreign commerce by any means
19 or in any manner, including by computer, mail, wire,
20 or electromagnetic transmission;

21 (4) the conduct described in subsection (a) oc-
22 curred within the special maritime and territorial ju-
23 risdiction of the United States, the special aircraft
24 jurisdiction of the United States, or any territory or
25 possession of the United States; or

1 (5) the conduct described in subsection (a) oth-
2 erwise occurred in or affected interstate or foreign
3 commerce.

4 (c) PENALTIES.—

5 (1) CRIMINAL PENALTY.—Whoever violates
6 subsection (a) shall be fined not more than
7 \$100,000 for each violation, imprisoned not more
8 than 5 years, or both.

9 (2) CIVIL PENALTY.—The Administrator of the
10 Environmental Protection Agency may, in coordina-
11 tion with the Administrator of the Federal Aviation
12 Administration, impose a civil penalty of not more
13 than \$10,000 for each violation of subsection (a), in
14 addition to any other penalties provided by law.

15 (3) REPEAT VIOLATIONS.—Each instance of in-
16 jection, release, emission, or dispersal under sub-
17 section (a) shall constitute a separate violation of
18 such section.

19 **SEC. 3. REPORTING AND INVESTIGATION.**

20 (a) PUBLIC REPORTING.—

21 (1) ESTABLISHMENT OF SYSTEM.—The Admin-
22 istrator of the Environmental Protection Agency, in
23 coordination with the Administrator of the Federal
24 Aviation Administration and the Administrator of
25 the National Oceanic and Atmospheric Administra-

1 tion, shall establish a system for the public to report
2 suspected violations of section 2.

3 (2) SUBMISSION OF REPORTS.—Such system
4 may collect reports via telephone, email, mail, or an
5 online portal.

6 (3) PUBLICATION OF REPORTS.—The Adminis-
7 trator of the Environmental Protection Agency shall
8 make publicly available on the website of the Envi-
9 ronmental Protection Agency any reports collected
10 by such system under this subsection.

11 (b) INVESTIGATION.—

12 (1) IN GENERAL.—The Administrator of the
13 Environmental Protection Agency shall investigate
14 suspected violations of section 2 reported under sub-
15 section (a) that the Administrator determines war-
16 rant further review.

17 (2) DETERMINATION.—

18 (A) REQUIREMENT.—For any suspected
19 violation investigated under paragraph (1), the
20 Administrator shall determine whether a viola-
21 tion of section 2 has occurred.

22 (B) COORDINATION.—In determining
23 whether a violation of section 2 occurred, the
24 Administrator of the Environmental Protection
25 Agency may coordinate with the Secretary of

1 Agriculture, the Secretary of the Interior, the
2 Administrator of the Federal Aviation Adminis-
3 tration, the Administrator of the National Aero-
4 nautics and Space Administration, the Adminis-
5 trator of the National Oceanic and Atmospheric
6 Administration, or the head of any other Fed-
7 eral agency that the Administrator of the Envi-
8 ronmental Protection Agency determines to be
9 relevant, to verify the nature of any activities
10 described in a report submitted under sub-
11 section (a).

12 (c) REFERRAL TO DOJ.—The Administrator of the
13 Environmental Protection Agency shall refer a suspected
14 violation that the Administrator determines to have oc-
15 curred under subsection (b)(2) to the Attorney General
16 of the United States for further action.

17 **SEC. 4. REPEAL OF EXISTING AUTHORITIES.**

18 (a) FEDERAL STATUTES.—Any provision of a Fed-
19 eral statute authorizing or requiring weather modification,
20 including a licensing requirement or permit for any such
21 weather modification, is hereby repealed.

22 (b) FEDERAL REGULATIONS OR EXECUTIVE OR-
23 DERS.—Any provision of a Federal regulation or executive
24 order authorizing or requiring weather modification, in-
25 cluding a licensing requirement or permit for any such

1 weather modification, is hereby nullified and shall have no
2 force or effect.

3 **SEC. 5. DEFINITIONS.**

4 In this Act:

5 (1) **ATMOSPHERE.**—The term “atmosphere”
6 means the gaseous envelope surrounding the Earth,
7 including all airspace within the territorial jurisdic-
8 tion of the United States.

9 (2) **WEATHER MODIFICATION.**—

10 (A) **IN GENERAL.**—The term “weather
11 modification” means any injection, release,
12 emission, or dispersal of a chemical, a chemical
13 compound, or a substance, or conveyance of an
14 apparatus, into the atmosphere for the express
15 purpose of—

16 (i) producing an artificial change in
17 the composition, behavior, or dynamics of
18 the atmosphere; or

19 (ii) affecting the temperature, weath-
20 er, climate, or intensity of sunlight.

21 (B) **EXAMPLES.**—Such term includes—

22 (i) geoengineering;

23 (ii) cloud seeding;

24 (iii) solar radiation modification and
25 management; and

1 (iv) a release of an aerosol into the at-
2 mosphere to influence temperature, pre-
3 cipitation, or the intensity of sunlight.

4 **SEC. 6. EFFECTIVE DATE.**

5 This Act shall take effect 90 days after the date of
6 enactment of this Act.

○

From: [Randy Murphy](#)
To: [Olivia Uribe-Mutal](#)
Cc: [Chelsea E. O'Sullivan](#); [Annamarie Porter](#)
Subject: Fw: Opposition to Federal Bill H.R. 4403
Date: Thursday, July 31, 2025 3:56:04 PM
Attachments: [image001.png](#)

Let's see if we can get this on the Aug 11 agenda

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From: Matthew Scrudato <mscruda@countyofsb.org>
Sent: Thursday, July 31, 2025 4:26:32 PM
To: aadam@smvwcd.org <aadam@smvwcd.org>; bob@cvwd.net <bob@cvwd.net>; callen@vvcasd.org <callen@vvcasd.org>; Casey Conrad <cconrad@smvwcd.org>; cthomaskeeper@rgs.ca.gov <cthomaskeeper@rgs.ca.gov>; Dakota Corey <dcorey@SantaBarbaraCA.gov>; 'districtoffice@smvwcd.org' <districtoffice@smvwcd.org>; DMatson@goletawater.com <DMatson@goletawater.com>; Jcole@vvcasd.org <Jcole@vvcasd.org>; 'JHaggmark@SantaBarbaraCA.gov' <'JHaggmark@SantaBarbaraCA.gov'>; jmahoney@smvwcd.org <jmahoney@smvwcd.org>; Jose Acosta <jacosta@cityofsolvang.com>; khadick@smvwcd.org <khadick@smvwcd.org>; Matthew Young <mcyoung@countyofsb.org>; Michael Garner <mgarner@vvcasd.org>; nturner@montecitowater.com <nturner@montecitowater.com>; oldbeanfarmer@yahoo.com <oldbeanfarmer@yahoo.com>; pgarcia@syrwd.org <pgarcia@syrwd.org>; pleffler@lsce.com <pleffler@lsce.com>; Randy Murphy <randym@cityofsolvang.com>; rdrake@goletawater.com <rdrake@goletawater.com>; sspringer@cityofsantamaria.org <sspringer@cityofsantamaria.org>; TMA@cityofsantamaria.org <TMA@cityofsantamaria.org>; TobyMoore@gswater.com <TobyMoore@gswater.com>; Walter Rubalcava <wrubalc@countyofsb.org>; Zimmer, Mark A <MarkZimmer@gswater.com>
Subject: Opposition to Federal Bill H.R. 4403

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Subject: Urgent: Opposition to Federal Bill H.R. 4403

Dear Cloud Seeding Partners,

Representative Marjorie Taylor Greene of Georgia, along with others, has introduced federal legislation ([H.R. 4403](#)) in the U.S. House of Representatives that seeks to prohibit cloud seeding nationwide. The bill has been referred to the [House Committee on Energy and Commerce](#).

This legislation is based on misinformation and flawed reasoning. It is especially troubling that representatives from states with abundant rainfall—states that do not depend on precipitation enhancement—are attempting to restrict critical water

management tools used by more arid regions, such as Santa Barbara County.

I strongly urge you to contact your congressional representatives and members of the House Committee on Energy and Commerce to voice your opposition to this bill. Now is the time to stand together against legislation driven by unfounded claims and conspiracy theories—many of which have been [debunked](#), including by the EPA under the Trump administration.

If this effort is not stopped, we risk losing the ability to conduct cloud seeding operations in Santa Barbara County altogether.

Thank you,
Matt



Matthew C. Scudato

Senior Hydrologist
620 West Foster Road
Santa Maria, CA 93455
(805) 803-8781

[SANTA BARBARA COUNTY WATER AGENCY](#)



Meeting Date: August 11, 2025

SUBJECT: Adopt Resolution 25-1302 Authorizing Participation in the PARS Post-Employment Benefits Trust, Termination of CalPERS CERBT, a Trust-to-Trust Transfer of CERBT Assets, and Approval of a Pension and OPEB Funding Policy

PREPARED BY: Wendy Berry, Administrative Services Director

DISCUSSION:

In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB 68 requires that governmental employers that sponsor Defined Benefit plans (i.e., CalPERS) must recognize a net pension liability (unfunded accrued liability) on their balance sheet. This is the difference between the City's total pension liability (actuarial accrued liability) and actual plan assets. GASB 68 became effective for fiscal years starting after June 15, 2014.

In 2015, the Government Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 requires the City to report costs and obligations for post-employment healthcare and other post-employment benefits (called "OPEBs") much like the current accounting requirement to report pension obligations. Similar to GASB 68, the City must also report its net OPEB liability (difference between the total OPEB liability and assets accumulated in an irrevocable trust) on its Financial Statements. GASB 75 (which replaces the requirements of GASB 45) became effective for fiscal years beginning after June 15, 2017.

As a member of the California Public Employees' Retirement System (CalPERS), the City contributes funds towards employees' and retirees' pension benefits. The City's costs to make required, minimum payments have grown significantly in recent years and are projected to continue to grow. Based on the CalPERS actuarial valuation, the City is also projected to have a \$1.0 Million liability of future benefits that the City will be required to pay in fiscal year 30/31 which is a 42.7% increase over the current allocation.

PARS Post-Employment Benefits Trust

In an effort to help public agencies address and manage their GASB 68 and 75 liabilities, Public Agency Retirement Services (PARS) has sought and received approval from the IRS in the form of a Private Letter Ruling on its Post-Employment Benefits Trust Program. PARS has assembled leading professionals to provide the City with the necessary services required under one program to pre-fund both pension and retiree health care liabilities. This would provide the City with an alternative to CalPERS that would allow for greater local control over assets, investment by a professional fund management team selected and monitored by the City, with contributions and distributions from the trust determined at the discretion of the City.

The PARS Program is a multiple employer trust so that public agencies regardless of size can join the program to receive the necessary economies of scale to keep administrative fees low and avoid any setup costs. Funds must be set aside in an exclusive benefit, irrevocable trust that cannot be accessed by creditors in order to be accounted for as assets to address the liabilities on the City's financial statements. The trust permits the City, under federal and state law, to utilize a more diversified array of investments to maximize investment returns long term and address the City's liabilities. The funds that are contributed to the Trust account can only be used to pay Pension and OPEB; the City can utilize these funds to pay for such costs during fiscal emergencies.

To date, over 500 agencies have adopted the Post-Employment Benefits Trust through PARS including nearby agencies such as City of Santa Barbara, City of Goleta, City of Calabasas, City of Camarillo, City of Morro Bay, and City of Thousand Oaks.

Expected benefits offered by the PARS Pension Rate Stabilization Program (PRSP) include:

- An offset of unfunded liabilities and lowering of the City's Net OPEB Liability and address its Net Pension Liability because contributions are placed in an exclusive benefits trust.
- Investment flexibility with Section 115 Trust compared to restrictions on General Fund investments
- Increased risk diversification of plan assets through different asset management
- Tailoring of Investments to the City's unique demographics
- Oversight and control of fund management selection, monitoring of performance and ability to replace fund management based on performance criteria
- Increased flexibility on use of trust assets (i.e., trust assets can be accessed at any time provided the assets are used to fund the City's pension and OPEB obligations and defray reasonable expenses associated therewithin)
- Lower investment management and administrative expenses compared to CalPERS Pension Program
- Potential for positive rating agency and investor consideration.

PARS has partnered with US Bank to serve as trustee and its sub-adviser PFM Asset Management, LLC, to provide investment management services for the program.

An Internal Revenue Service (IRS) Section 115 Trust helps invest cash at higher rates of return, while diversifying investment assets and strategies that are separate from CalPERS. Cash invested into a 115 Trust is irrevocable and must be used for pension liability or OPEB obligations. An Unfunded Accrued Liability (UAL) payment is calculated using CalPERS methodology and is impacted by numerous variables where actual events can be different to the actuarial assumptions. Some key inputs to consider that impact pension liability include, but are not limited to: the discount rate used to assume investment return; salary growth requires higher contributions (MOU contracts); living longer means longer draw on pension (mortality rates); maturity measures based on ratio of active employees supporting retirees; amortization schedule changes; inflation; and pension policy.

Pension policy implementation and diverse investment strategies through an exclusive benefit trust help guide proactive pension contributions while preventing service delivery challenges related to increased costs of pension obligations.

Funding the Trust: Trust-to-Trust Transfer and Annual Contributions

The City currently has an OPEB Trust with California Employers' Retiree Benefit Trust (CERBT), which is managed by the California Public Employees Retirement System (CalPERS) for healthcare coverage obligations. CERBT has three investment strategies (level 1, 2 3) that provide for alternative levels of tolerance for investment volatility risk. CERBT investments are managed by State Street Global Advisors in lieu of CalPERS investment staff with investment criteria dictated by an investment policy adopted by the CalPERS Board. The City's OPEB Trust has a balance of approximately \$1.3 million and is invested at the Strategy 2 level.

If the City Council supports the staff recommendation to adopt and approve the PARS Program, staff is also recommending the Council authorize and direct the City Manager to give notice to the CalPERS Board that the City wishes to terminate its participation in CERBT and that the City Council request a trust-to-trust transfer of the City's CERBT funds to the PARS Program.

At the end of each fiscal year-end, the City will contribute up to \$500,000 of General Fund surplus (Total Actual Revenues minus Total Actual Expenditures, including Transfers) into the PARS Program. Enterprise funds (e.g., Water and Sewer) shall contribute a proportional share based on their operating surplus.

Pension and OPEB Funding Policy

If the City Council supports utilizing the PARS Program, then staff recommends Council also adopt a funding policy to serve as the foundational investment framework guiding the management of the City's Trust accounts. The policy will also guide City staff and PARS in development of a tailored investment policy, operational procedures, and a long-term funding strategy for future contributions to the Trust. Staff has drafted a proposed Funding Policy, included as Attachment B for Council review and approval. Council could adopt the policy as presented, or make amendments. Alternatively, Council could directly select an investment strategy.

RECOMMENDED MOTION:

I move to adopt Resolution No. 25-1302 to authorize adoption of the trust agreement and appointment of a plan administrator for the Public Agencies Post-Employment Benefits Trust administered by Public Agency Retirement Services (PARS) and upon such adoption, to authorize termination of the City's participation in CalPERS CERBT and a trust-to-trust transfer of the City's CERBT assets, and to approve a pension and other post-employment benefits funding policy.

ALTERNATIVES:

- Proceed with the PARS Program as recommended but directly select an investment strategy instead of adopting a funding policy.
- Explore alternative financial firms to manage a Section 115 Trust; however, engaging a different provider would likely result in increased management fees for the City.

FISCAL IMPACT:

\$500,000 is allocated in the 25/26 budget to fund the new trust in addition to the funds currently in CERBT. There are no startup fees, no minimum contributions and no minimum fees to establish and administer the Trust beyond staff time. Once the PARS Program accounts for pension and OPEB are funded, the cost for PARS to administer the Program is projected to be no more than .60% of the funds invested. These costs should be covered by the expected interest earnings resulting in no additional out-of-pocket expenses. Due to the structure and investment options of the PARS Program, the City could expect to earn a long-term rate of return greater than what would be attained through the City's investment pool managed by the Finance Director/City Treasurer. Because the trust assets are designated for essential government expenses, they are exempt from state mandated investment restrictions placed on the City's internally managed portfolio. As such, they can be used to purchase mutual funds or bonds with mid- to long-term horizons and higher returns. As with all investments, there will be risk associated with the investments of the PARS Program and market value fluctuations. Returns on trust fund portfolios managed through PARS vary due to the different levels of risk tolerance and asset mixes.

ATTACHMENTS:

- A. Resolution 25-1302 & Pension & OPEB Policy
- B. Presentation Materials
- C. Trust Agreement
- D. Master Plan Document
- E. Draft Administrative Agreement
- F. Sample Trustee Investment Strategy and Fee Schedule
- G. Sample Adoption Agreement
- H. Private Letter Ruling on its Post Employment Benefits Trust Program

RESOLUTION NO. 25-1302

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA
AUTHORIZING ADOPTION OF THE TRUST AGREEMENT AND APPOINTMENT OF A PLAN
ADMINISTRATOR FOR THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS), AND UPON SUCH
ADOPTION, AUTHORIZING TERMINATION OF THE CITY'S PARTICIPATION IN CALPERS
CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) AND A TRUST-TO-TRUST
TRANSFER OF THE CITY'S CERBT ASSETS AND APPROVING A PENSION AND OTHER POST-
EMPLOYMENT BENEFITS FUNDING POLICY**

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the "PARS Program") for the purpose of prefunding pension obligations and/or its other post-employment benefit ("OPEB") obligations, including health care coverage obligations; and

WHEREAS, the PARS Program is a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued thereunder, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the City of Solvang ("City") is eligible to participate in the PARS Program provided the City Council authorizes adoption of the Public Agencies Post-Employment Benefits Trust Agreement ("Trust Agreement") for the PARS Program by resolution and executes all other required documentation; and

WHEREAS, participation in the PARS Program enables the City to set aside funds in a professionally managed Section 115 Trust to reduce future contribution volatility and enhance budgetary flexibility; and

WHEREAS, the City's adoption of the Trust Agreement and participation in the PARS Program has no effect on any current or former employee's entitlement to post-employment benefits or OPEBs; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the PARS Program; and

WHEREAS, the City's funding of the PARS Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the City reserves the right to make contributions, if any, to the PARS Program, and

WHEREAS, the City currently participates in the California Public Employees' Retirement System ("CalPERS") California Employers' Retiree Benefit Trust ("CERBT") to prefund its health care coverage obligations; and

WHEREAS, the City's participation is CERBT governed by the "CERBT Agreement and Election of the City of Solvang to Prefund other Post Employment Benefits through CalPERS" ("CERBT Agreement"), and

WHEREAS, under the CERBT Agreement the City can terminate its participation in CERBT upon written notice to the CalPERS Board of Administration ("Board") and after such termination can request a trustee-to-trustee transfer of the City's CERBT assets; and

WHEREAS, upon receipt of such a request and determination that such a transfer will satisfy applicable requirements, the Board shall transfer the funds within 150 days from the date of the request; and

WHEREAS, after the Trust Agreement is adopted and the City's participation in the PARS Program is effective, the City Council wishes to terminate the City's participation in CERBT and, upon termination, transfer all the City CERBT assets, including investments earnings, to the PARS Program; and

WHEREAS, the City of Solvang provides retirement benefits through CalPERS, which include both normal pension costs and an Unfunded Accrued Liability ("UAL"); and

WHEREAS, in alignment with long-term fiscal sustainability and prudent financial management, the City is electing to pre-fund its pension and OPEB obligations by participating in the PARS Program; and

WHEREAS, the establishment of a formal Pension and OPEB Funding Policy (the "Policy"), attached as Exhibit A, outlines a comprehensive, long-term strategy for reducing the UAL, achieving funding sustainability, and ensuring transparency in funding decisions across all affected City funds with pension related expenses, including but not limited to the General Fund, Water Fund, and Sewer Fund; and

WHEREAS, the Policy outlines guidelines for annual budgetary contributions, discretionary transfers of surplus funds, prepayment practices, and conditions for withdrawals to ensure the PARS Program is used responsibly and exclusively for eligible pension and OPEB expenses; and

WHEREAS, the Policy establishes guidelines for plan funding through actuarial valuations, regular contribution rates, contribution timing and actuarial assumptions; and

WHEREAS, adopting this Policy demonstrates the City Council's fiduciary responsibility and commitment to financial stewardship.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLVANG DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and are adopted as findings in support of the Council's actions herein.

SECTION 2. The City Council hereby adopts the PARS Public Agencies Post-Employment Benefits Trust to prefund its pension and OPEB obligations and authorizes the adoption of the Public Agencies Post-Employment Benefits Trust Agreement.

SECTION 3. The City Council hereby appoints the City Manager or his/her successor or his/her designee as the City's Plan Administrator for the PARS Public Agencies Post-Employment Benefits Trust.

SECTION 4. The City's Plan Administrator is hereby authorized to execute the Public Agencies Post-Employment Benefits Trust Agreement and all other legal and administrative documents on behalf of the City and to take any and all necessary actions to establish and maintain the City's participation in the PARS Public Agencies Post-Employment Benefits Trust and to maintain compliance with any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the City's participation in the PARS Public Agencies Post-Employment Benefits Trust.

SECTION 5. Upon adoption of the Public Agencies Post-Employment Benefits Trust Agreement and establishment of the City's participation in the PARS Public Agencies Post-Employment Benefits Trust, the City Council hereby authorizes and directs the City Manager, or his designee, to give written notice to the CalPERS Board of Administration of the City's election to terminate the City's participation in CERBT, and after such termination is effective, the City Council hereby requests the Board perform a trustee-to-trustee transfer of the City's CERBT assets to the PARS Program. Such election to terminate and request for transfer of assets shall have no force and effect unless and until the City adopts the

Public Agencies Post-Employment Benefits Trust Agreement and executes all other documents necessary to participate in the PARS Public Agencies Post-Employment Benefits Trust.

SECTION 6. The City Council hereby adopts the Pension and OPEB Funding Policy, as set forth in Exhibit A.

SECTION 7. This Resolution is effective immediately upon adoption.

SECTION 8 The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED on this 11th day of August 2025.

David Brown, Mayor

APPROVED AS TO FORM:

ATTEST:

Chelsea O'Sullivan, City Attorney

Annamarie Porter, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)ss
CITY OF SOLVANG)

I, Annamarie Porter, City Clerk of the City of Solvang, California do hereby certify that Resolution No. 25-1302 was passed and adopted by the City Council of the City of Solvang at a regular meeting of said City Council held on the 11th of August 2025, and thereafter signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Annamarie Porter, City Clerk

Exhibit A

 Pension and Other Post-Employment Benefits Funding Policy	Section: Finance
	Adopted: August 11, 2025
	Last Amended: August 11, 2025

PURPOSE

The purpose of this Pension and OPEB Funding Policy ("Policy") is to establish a long-term, disciplined strategy for funding the City of Solvang's pension and Other Post-Employment Benefits (OPEB) obligations. This policy provides a structured approach to meet current and future liabilities while maintaining budgetary flexibility and preserving essential community services.

This Policy applies to all funds of the City that are responsible for pension and OPEB obligations, including but not limited to the General Fund, Water Fund, and Sewer Fund.

USE OF TRUST FUNDS

Withdrawals from the Trust shall be permitted only for eligible pension and OPEB costs and shall not be used to fund recurring operating costs. Trust pension funds shall only be withdrawn to pay for eligible pension costs and Trust OPEB funds shall only be withdrawn to pay for eligible OPEB costs. Withdrawals other than those to reimburse or pay regular annual pension and OPEB payments must be approved by a formal resolution by the City Council.

INVESTMENT OVERSIGHT AND RISK MANAGEMENT

Trustee: US Bank shall safeguard assets, provide custodial services, and disburse funds.

Investment Manager: PFM Asset Management will recommend and implement investment strategies aligned with the City's risk tolerance and expected rate of return. The City shall review its risk profile and target returns every three years.

Risk Mitigation Measures:

- Perform periodic stress testing.
- Monitor actuarial assumptions and discount rates.
- Adjust funding or investment strategies in response to material changes

OPEB-SPECIFIC FUNDING STRATEGY

- While the Section 115 Trust allows for combined funding of pension and OPEB, the City will maintain separate accounts for both pension assets and liabilities and OPEB assets and liabilities
- The City shall establish OPEB funding targets consistent with actuarial recommendations.
- Annual OPEB funding decisions shall be reviewed as part of the budget adoption process.
- Benefit design changes shall be explored if long-term affordability is at risk.

ROLES AND RESPONSIBILITIES

City Council: Approves this policy and any subsequent amendments, authorizes Trust withdrawals, and reviews annual funding reports.

City Manager: Oversees implementation and ensures alignment with broader fiscal strategy.

Administrative Services Director: Coordinates contributions, monitors funded status, and prepares performance and compliance reports.

PARS / US Bank / PFM: Provide administrative, custodial, and investment services, respectively.

INTEGRATION WITH LONG-TERM FINANCIAL PLANNING

This Policy shall be integrated with the City's budget planning future financial plans to ensure alignment with broader fiscal sustainability goals. Pension and OPEB cost projections shall be included in long-term modeling scenarios.

POLICY REVIEW AND REPORTING REQUIREMENTS

This Policy shall be reviewed annually in conjunction with the release of CalPERS actuarial reports. Staff shall prepare an annual Pension and OPEB Funding Report that includes:

- Trust performance
- Contributions made
- Funded status progress
- Policy recommendations
- The report shall be presented to City Council and made available to the public.



CITY OF SOLVANG

PARS 115 Trust – Pension Rate Stabilization Program (PRSP) & OPEB Prefunding Program
City Council Meeting: August 11, 2025

PARS 115 TRUST TEAM

As of March 31, 2025

Trust Administrator & Consultant*



- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

41	2,000+	1,100+	500+	750K+	\$9.2B+
Years of Experience (1984-2025)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

* See important information regarding PARS in the Disclaimer page at the end of the presentation.

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

162	\$11.0T
Years of Experience (1863-2025)	Assets under Administration

Investment Manager

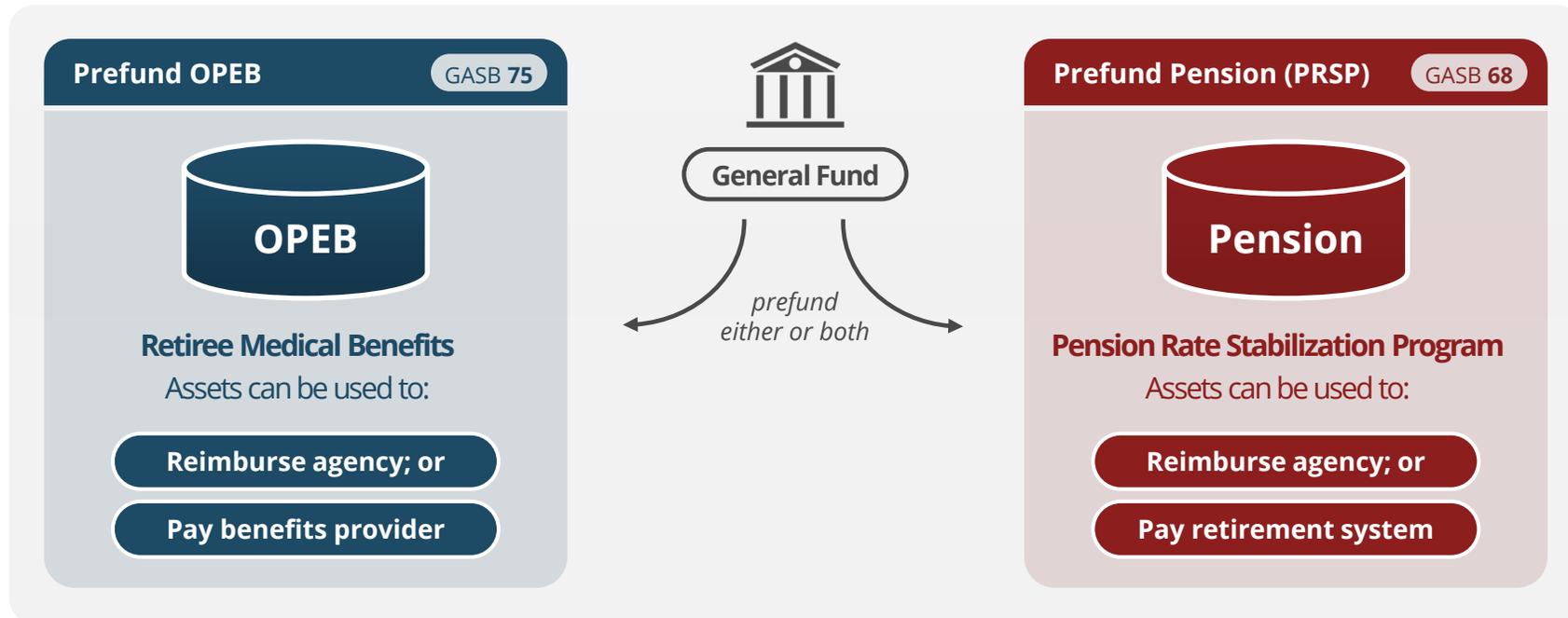


- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Active and passive platform options
- Customized portfolios (with minimum asset level)

40+	\$174.6B+ *
Years of Investment Experience (As of 3/31/2025)	Assets under Management & Advisement

*As of March 31, 2025. Total assets under management for U.S. Bancorp Asset Management, Inc. were \$399.7 billion. Please see disclosures at the end of this presentation

PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts
 OPEB and Pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center

Financial Stability
 Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.

Flexible Investing
 Allows separate investment strategies for OPEB and Pension subaccounts.

Anytime Access
 Trust funds are available anytime; OPEB for OPEB and Pension for Pension.

Economies-of-Scale
 OPEB and Pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!

No Set Up Cost or Minimums
 No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.



PENSION FUNDING STATUS

As of June 30, 2023, the City of Solvang’s CalPERS pension plan is funded as follows:

Combined Miscellaneous Groups *	Valuation as of June 30, 2022	Valuation as of June 30, 2023	Change
Actuarial Liability	\$22.1 M	\$22.9 M	3.7% ↑
Assets	\$15.9 M	\$16.3 M	2.1% ↑
Unfunded Liability	\$6.2 M	\$6.6 M	7.6% ↑
Funded Ratio	72.1%	71.0%	1.5% ↓
Employer Contribution Amount	\$598.9 K (FY 23-24)	\$705.5 K (FY 24-25)	17.8% ↑
Employer Contribution Amount – Projected *	---	\$1.0 M (FY 30-31)	42.7% ↑

* Data through 2030-31 from City’s latest CalPERS actuarial valuation.

WHY PREFUND PENSION OBLIGATIONS?

1. Complete Local Control over Assets

Agency has complete control over assets, including contributions, disbursements and the timing, amount, and risk tolerance level of investments

2. Pension Rate Stabilization

Assets can be transferred to the retirement system at the City's direction, potentially reducing/eliminating large fluctuations in employer contribution amounts

3. Rainy Day Fund

Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

4. Diversification

Allows for investment flexibility and offers the potential for assets to earn greater returns than the general fund; spread the risk vs. sending additional money to CalPERS

OPEB ACTUARIAL RESULTS

Data from 2024 ACFR Measurement Date: June 30, 2023	Prefunding Discount Rate: 6.25% (CERBT Strategy 2)
Total OPEB Liability (TOL)	\$2,301,248
Fiduciary Net Position	\$1,081,546*
Net OPEB Liability (NOL)	\$1,219,702
Funded Ratio (%)	47.0%
Service Cost	\$26,740
Annual Benefit Payments (Pay-as-you-Go)	\$162,892

Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

**City's CERBT assets are \$1,241,177 as of June 30, 2024
 (source: CalPERS CERBT "Schedule of Fiduciary Net Position by Employer" report)*

KEY PROGRAM ADVANTAGES

	PARS	CERBT
1. No minimum annual contributions/fees	✓	✓
2. No fees charged until assets are in the trust	✓	✓
3. No start-up costs or trading fees	✓	✓
4. Reimbursement of OPEB expenses	2 years (\$1.24 M x 2 = \$2.48 M)	Current year only (\$1.24 M)
5. Combination trust for OPEB and Pension. OPEB and Pension assets are aggregated for economies of scale and low ongoing fees	✓	Not available; two separate trusts that are not integrated
6. IRS-approved combination trust structure for your protection	✓	Yes on CERBT but no approval for CEPPT; two separate trusts
7. Active/passive diversified investment options	5 active, 5 passive + custom option ¹	3 portfolios; no customization or choice of active/passive
8. Historical return information over 10 years; NET of all fees (through 3/31/25)	6.02% (Balanced) ²	4.78% (Strategy 2) ³
9. Ongoing Plan Reviews (at minimum annually)	✓	Not available

¹Available based on asset size

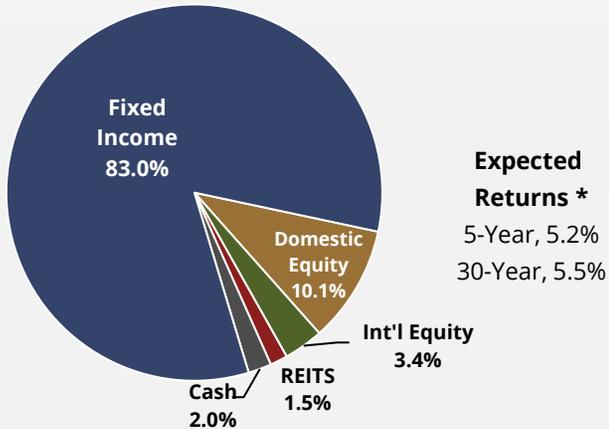
²For illustration purposes, 10-year returns are based on the PARS/PRHCP Balanced Strategic Blend portfolio. The returns provided are gross of investment advisory fees and net of mutual fund fees.

³Source: CERBT Strategy 2 quarterly fact sheet. www.calpers.ca.gov as of March 31, 2025.

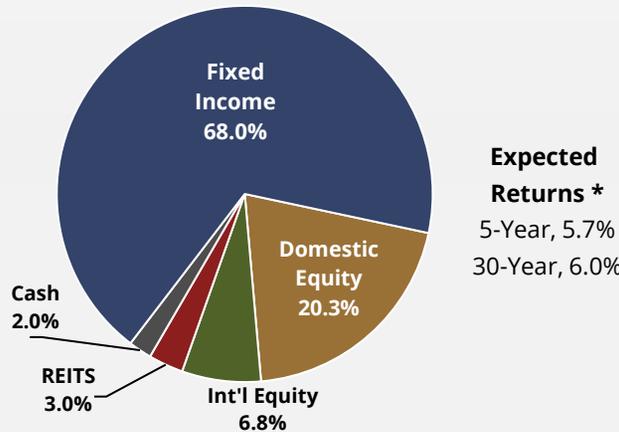
PFMAM MANAGED TACTICAL STRATEGIES

The following portfolios, managed by PFM Asset Management (PFMAM), can be selected as either **active** or **passively managed**:

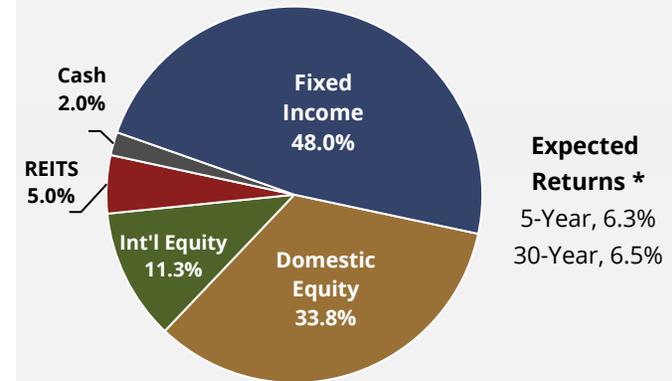
Conservative



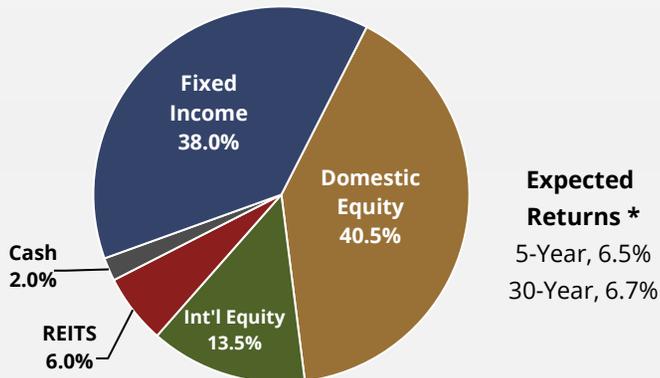
Moderately Conservative



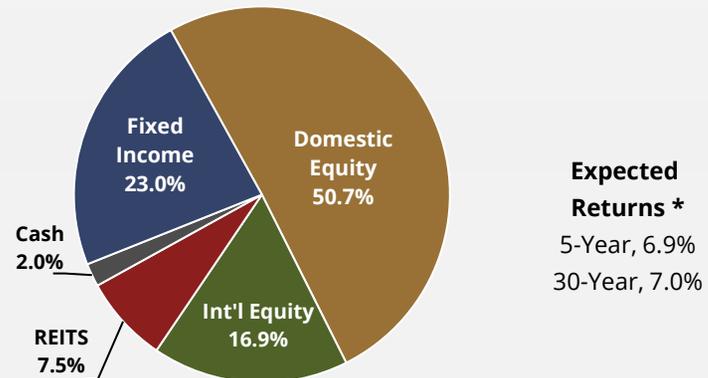
Moderate



Balanced



Capital Appreciation



* Data from PFMAM Managed Tactical strategies: Asset Allocation Summary. Representative as of 3/31/2025. Asset allocations and assumptions are subject to change. Please see important disclosures at the end of this presentation for additional information.

MANAGED TACTICAL PORTFOLIOS

As of March 31, 2025

ACTIVE PORTFOLIO ANNUALIZED RETURNS* (Gross of Investment Management Fees, but Net of Embedded Fund Fees)
Please see complete Investment Strategy Sheets for more information.

Strategy	Equity (%)	1 Year	3 Years	5 Years	10 Years
Capital Appreciation	65-85%	5.58%	5.19%	12.09%	7.43%
Balanced	50-70%	5.54%	4.52%	10.01%	6.62%
Moderate	40-60%	5.53%	4.00%	8.50%	5.82%
Moderately Conservative	20-40%	5.56%	3.16%	5.69%	4.23%
Conservative	5-20%	5.54%	2.35%	3.46%	3.05%

**Annualized Returns over 1, 3, and 5 years are based on the PARS/115P Strategic Blend portfolios, which have not reached 10 years since inception. For illustration purposes, 10-year returns are based on the PARS/PRHCP Strategic Blend portfolios (Index for Capital Appreciation). The returns provided are gross of investment advisory fees and net of mutual fund fees.*

Subject to change due to rebalancing; Past performance does not guarantee future results.

Please see important additional disclosures to the PARS portfolios included in the individual strategy fact sheets.

PROGRAM FEES

Please note that OPEB and pension assets will be combined for fee calculation purposes.

Trust Administration/Consulting Fees *



Plan Set-Up Fee:

None

Ongoing Fees:

0.25%	for assets \$0-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

Discretionary Trustee/Investment Management Fees **



Plan Set-Up Fee:

None

Ongoing Fees Paid to U.S. Bank:

0.35%	for assets under \$5 million
0.25%	for assets \$5-10 million
0.20%	for assets \$10-15 million
0.15%	for assets \$15-50 million
0.10%	for assets over \$50 million

* PARS does not receive any compensation from the investments or any commissions, back-end loads, or any other forms of compensation.

** Subject to change due to rebalancing. Additional information on U.S. Bancorp Asset Management, Inc. and a description of its fees are described in its ADV which is available on the SEC's website at www.adviserinfo.sec.gov. Fees charged by U.S. Bank N.A. for Discretionary Trustee/Investment Management services are based on individual agency assets. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees, as detailed above. See disclosures at the end of this presentation for more information.

STEPS TO IMPLEMENTATION

- 1 City authorizes establishment of The PARS Trust through Council Resolution and appoints a Plan Administrator*
- 2 PARS provides legal documents for signature by Plan Administrator to set up the Trust
- 3 City works with Portfolio Manager to select investment strategy
- 4 After receipt of signed documents, City's account is set up and available for receipt of contributions
- 5 City sends Directive to transfer OPEB assets to OPEB account within Combo Trust
- 6 City makes initial deposit to The PARS Trust (no minimum contribution nor timeframe requirement for the first contribution)
- 7 PARS and Portfolio Manager conducts an annual review of investment performance with City and discuss future contribution and disbursement requirements

**The resolution must adopt the PARS Trust by name, "Public Agencies Post-Employment Benefits Trust" and appoint a position of employment as Plan Administrator.*

QUESTIONS?



Rachael Sanders, CEBS
Vice President, Consulting
(800) 540-6369 x121
rsanders@pars.org

APPENDIX

Important Disclaimers for Return Projections (Intermediate and Long-Term)

The information provided reflects standard risk and return metrics for the portfolio depicted and are derived by running Monte Carlo simulations using PFMAM's Capital Market Assumptions and target asset class allocations based on the specific scenario within this presentation. Please refer to PFMAM's Capital Market Assumptions for key assumptions and the methodology utilized. PFMAM's Capital Market Assumptions are available upon request.

The return data is representative in nature and should not be relied upon as independently verifiable information. There is no guarantee that the projected returns can or will be achieved. Results may vary with each use and over time. This material does not purport to contain all of the information that a prospective investor may wish to consider and is not to be relied upon or used in substitution for the exercise of independent judgement.

Past performance is not a guarantee of future results. Prior to investing, you should consult your accounting, tax, and legal advisors to understand the implications of such an investment. Asset class and risk return analytics are run through FactSet.



Additional Disclaimers

The returns presented in this simulation are not actual returns experienced by a real investor, but rather simulated returns that we believe could have been achieved under controlled circumstances using a number of assumptions. No representation or warranty is made to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered.

No assurance can be given as to whether the information and/or assumptions upon which this hypothetical performance is based reflect present market conditions or future market performance. Actual performance results may differ from this hypothetical performance presented. Changes in the assumptions may have a material impact on the hypothetical performance presented. Past performance is no guarantee of future results.

The material is provided to you on the understanding that, as a sophisticated investor, you will understand and accept its inherent limitations.



Disclosures

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc. which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

Public Agency Retirement Services (“PARS”) is a third-party and not affiliated with PFM Asset Management, U.S. Bancorp Asset Management, Inc. or U.S. Bank N.A. PARS serves as the trust administrator to the Public Agencies Post-Employment Benefits Trust, Public Agencies Post-Retirement Health Care Plan Trust, and the Public Agency Retirement System Trust (the “Trusts”). U.S. Bank N.A. serves as the discretionary trustee to the Trusts. In its capacity as discretionary trustee, U.S. Bank N.A. delegates the investment management of the Trusts to its affiliate U.S. Bancorp Asset Management, Inc. through a sub-advisory agreement. PARS is serviced by PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.

U.S. Bank N.A. pays the sub-adviser up to 67% of the annual management fee for assets sub-advised under its sub-advisory agreement with U.S. Bank N.A. Refer to your U.S. Bank N.A. fee schedule for investment management fees applied to your specific portfolio. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

For Institutional Investor or Investment Professional Use Only – This material is not for inspection by, distribution to, or quotation to the general public.



**PUBLIC AGENCIES
POST-EMPLOYMENT BENEFITS
TRUST AGREEMENT**

(Effective November 5, 2014)

ARTICLE I

DEFINITIONS

- 1.1 “**Adoption Agreement**” shall have the meaning given to such term in Section 2.3.
- 1.2 “**Agency Account**” shall have the meaning given to such term in Section 2.4.
- 1.3 “**Agreement for Administrative Services**” shall mean the agreement executed between the Employer and the Trust Administrator which authorizes the Trust Administrator to perform specific duties of administering the Agency Account of the Employer.
- 1.4 “**Assets**” shall have the meaning given to such term in Section 2.5.
- 1.5 “**Code**” shall mean the Internal Revenue Code of 1986 as amended from time to time.
- 1.6 “**Delegatee**” shall mean an individual or entity, appointed by the Plan Administrator or Employer to act in such matters as are specified in the appointment.
- 1.7 “**Effective Date**” shall mean the date first written above, the date the Trust was established, and with respect to each Employer, the Effective Date shall be the date on which the Employer executes the Adoption Agreement.
- 1.8 “**Eligible Beneficiary**” shall mean any person who, due to his or her relationship to an Eligible Employee, is entitled to post-employment benefits pursuant to the Employer’s Pension Plan or OPEB Plan, including but not limited to the Eligible Employee’s current or former spouse or domestic partner, child, dependent, or survivor.
- 1.9 “**Eligible Employee**” shall mean any employee of an Employer who is entitled to post-employment benefits pursuant to the Employer’s Pension Plan or OPEB Plan. Unless the context otherwise requires, the term “Eligible Employee” as used herein shall include any Eligible Beneficiaries.
- 1.10 “**Employer**” shall mean a public agency that executes the Adoption Agreement, thereby adopting the provisions of this Trust Agreement, provided that such agency is a state, a political subdivision of a state, or an entity the income of which is excludible from gross income under Section 115 of the Code.
- 1.11 “**GASB**” shall mean the Governmental Accounting Standards Board.
- 1.12 “**Omnibus Account**” shall mean an account, established for record keeping purposes only, to aggregate the balances of the Assets credited to the Agency Accounts. The Trust Administrator shall maintain and reconcile, at the Agency Account level (and subaccount level), the investments of the Agency Accounts

and will provide reports to the Plan Administrator with respect to such investments. The Trustee will maintain a record of the aggregate balance (principal and earnings) for all Agency Accounts. The Trust Administrator will in the ordinary course of business maintain a record of the name, address, taxpayer identification number, account number and amount of funds, including earnings, of each Employer. On periodic valuation dates (no less frequently than monthly) to be established by the Trust Administrator, the Trustee and Trust Administrator will reconcile the aggregate balance information maintained by the Trustee with the Agency Account level records maintained by the Trust Administrator pursuant to this Trust Agreement.

- 1.13 “**OPEB**” shall mean “other post-employment benefits,” such as medical, dental, vision, life insurance, long-term care and other similar benefits provided to retirees, other than pension benefits.
- 1.14 “**OPEB Obligation**” shall mean an Employer’s obligation to provide OPEB to its Eligible Employees in accordance with the Employer’s OPEB Plan.
- 1.15 “**OPEB Plan**” shall mean the Public Agencies Post-Employment Health Care Plan, as adopted by the Employer under the Adoption Agreement.
- 1.16 “**Pension Obligation**” shall mean an Employer’s obligation to contribute to the Pension Plan’s Qualified Trust and shall not, for example, mean an Employer’s Obligation to provide retirement benefits under the Pension Plan to the Employer’s Eligible Employees.
- 1.17 “**Pension Plan**” shall mean an Employer’s defined-benefit pension plan or plans, each of which is (i) qualified under Section 401(a) of the Code, (ii) sponsored by the Employer in order to provide retirement benefits to its Eligible Employees, and (iii) partly or wholly funded by the Employer’s contributions to a Qualified Trust.
- 1.18 “**Plan Administrator**” shall mean the individual designated by position of employment at the Employer to act on its behalf in all matters relating to the Employer's participation in the Trust.
- 1.19 “**Qualified Trust**” shall mean a trust which (i) is separate and apart from the Trust, (ii) constitutes a qualified trust under Code Section 401(a), and (iii) funds retirement benefits provided under an Employer’s Pension Plan to the Employer’s Eligible Employees.
- 1.20 “**Trust**” shall mean the Public Agencies Post-Employment Benefits trust arrangement.
- 1.21 “**Trust Administrator**” shall mean Public Agency Retirement Services or any successor trust administrator appointed by the Employers as provided herein. The Trust Administrator shall serve as trust administrator to the Trust established

pursuant to this Trust Agreement until such Trust Administrator resigns or is removed as provided in Article III.

1.22 “**Trust Agreement**” shall mean this Public Agencies Post-Employment Benefits trust document adopted by each Employer upon execution of an Adoption Agreement, as amended from time to time.

1.23 “**Trustee**” shall mean U.S. Bank National Association, or any successor trustee appointed by the Employers as provided herein. The Trustee shall serve as trustee of the Trust established pursuant to the provisions of this Trust Agreement until such Trustee resigns or is removed as provided in Article III.

ARTICLE II

THE TRUST

2.1 Multiple Employer Trust

The Trust is a multiple employer trust arrangement established to provide economies of scale and efficiency of administration to public agencies that adopt it to hold the assets used to fund the agency’s OPEB Obligation or Pension Obligation or both. The Trust is divided into Agency Accounts to hold the Assets of each Employer as described in Section 2.4.

2.2 Purpose

The Trust is established with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder and as a tax-exempt trust under the provisions of the relevant state’s statutory provisions of each Employer. This Trust Agreement shall be construed and the Trust shall be administered in a manner consistent with such intention. The fundamental purpose of the Trust is to fund the Employer’s OPEB Obligation or Pension Obligation or both. It is intended that adopting Employers retain an interest in the underlying securities held in the Trust on their behalf, rather than in the Trust itself.

The Employer hereby represents and warrants that the assets held hereunder (including the Assets) are not assets of any qualified plan under Code Section 401(a), regardless of the character of such assets once distributed. The Employer hereby acknowledges that the Trust does not constitute a qualified trust under Code Section 401(a).

2.3 Employers

Any public agency may, by action of its governing body in writing accepted by the Trustee, adopt the provisions of the Trust Agreement. Executing an adoption instrument for the Trust (“**Adoption Agreement**”), in the form attached hereto as Exhibit "A" (or such other form as may be approved by the Trustee), shall

constitute such adoption, unless the Trustee requires additional evidence of adoption. In order for such adoption to be effective, the public agency must also execute an Agreement for Administrative Services with Public Agency Retirement Services, the Trust Administrator, pursuant to Section 3.6 of this Trust Agreement. Such adopting Employer shall then become an Employer of the Trust.

Each such Employer shall, at a minimum, furnish the Trust Administrator with the following documents to support its adoption of the Trust:

- (a) a certified copy of the resolution(s) of the governing body of the Employer authorizing the adoption of the Trust Agreement and the appointment of the Plan Administrator for such Employer;
- (b) an original of the Adoption Agreement executed by the Plan Administrator or other duly authorized Employer employee;
- (c) an original of the Agreement for Administrative Services with Public Agency Retirement Services executed by the Plan Administrator or other duly authorized Employer employee and Public Agency Retirement Services;
- (d) an address notice; and
- (e) such other documents as the Trustee may reasonably request.
- (f) Any action taken by the Plan Administrator for an Employer shall be deemed to have been taken by such Employer. Any notice given to or delivered by the Plan Administrator for an Employer shall be deemed to have been given to or delivered by such Employer.

2.4 Agency Accounts

- (a) Upon an Employer's adopting the Trust Agreement, as provided in Section 2.3, a separate "**Agency Account**" shall be established under the Trust for that Employer, and all Assets of the Trust attributable to that Employer shall be held in that Employer's Agency Account.
- (b) An Employer's Agency Account comprises three subaccounts: a "**Pension Account**", an "**OPEB Account**", and a "**Suspense Account**". The Assets of the Trust that are held in the Employer's Pension Account will be available only to fund the Employer's Pension Obligation and defray the reasonable expenses associated with the same. The Assets of the Trust that are held in the Employer's OPEB Account will be available only to fund the Employer's OPEB Obligation and defray the reasonable expenses associated with the same.
- (c) The Assets of the Trust that are held in an Employer's Agency Account shall not be available to pay any obligations incurred by any other Employer as provided in Section 2.8.

(d) All contributions and transfers received by the Trust on behalf of the Employer will be held in the Employer's Agency Account and will be allocated to the subaccounts under the Agency Account as follows:

(1) If the Employer maintains a Pension Account or OPEB Account (and not both a Pension Account and an OPEB Account), all contributions and transfers received by the Trust on the Employer's behalf will be allocated to that subaccount.

(2) If the Employer maintains both a Pension Account and an OPEB Account, contributions and transfers received by the Trust on the Employer's behalf will be allocated to either the Pension Account or OPEB Account, as directed by the Plan Administrator. To the extent the Plan Administrator does not provide such direction, the Employer hereby directs the Trustee to allocate such contributions and transfers to the Suspense Account and to use the assets of the Suspense Account to purchase a position in the sweep vehicle identified on an exhibit hereto or, if none is identified, to hold such assets un-invested. The Plan Administrator may at any time direct the reallocation of cash from the Suspense Account to either the Pension Account or the OPEB Account.

(3) Once allocated to the Pension Account or the OPEB Account, amounts under the Trust may not subsequently be transferred to the other subaccount.

2.5 Assets of Agency Account

The assets held in an Agency Account shall consist of all contributions and transfers received by the Trust on behalf of the Employer, together with the income and earnings from such contributions and transfers, and any increments accruing to the Agency Account, net of any investment losses, benefits, expenses or other costs ("Assets"). All contributions or transfers shall be received by the Trustee in cash or in other property acceptable to the Trustee. The Trustee shall manage and administer the Assets held in Agency Accounts without distinction between principal and income. The Trustee and the Trust Administrator shall have no duty to compute any amount to be transferred or paid to the Agency Account by the Employer, and the Trustee and the Trust Administrator shall not be responsible for the collection of any contributions or transfers to the Agency Account.

2.6 Aggregate Balance for Investment and Administration

The balances of the Assets of more than one Agency Account may be aggregated by the Trustee in one or more Omnibus Accounts for investment and administrative purposes, to provide economies of scale and efficiency of administration to the Agency Accounts. The responsibility for Agency Account level accounting (including subaccount-level accounting within each Agency Account) within this Omnibus Account(s) shall be that of the Trust Administrator.

2.7 Trustee Accounting

The Trustee shall be responsible only for maintaining records and maintaining accounts for the aggregate assets of the Trust. The responsibility for accounting and subaccounting for each Agency Account, based upon the Omnibus Account(s), shall be that of the Trust Administrator.

2.8 No Diversion of Assets

The Assets in each Employer's Agency Account shall be held in trust for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same. The Assets in each Agency Account shall not be used for or diverted to, any other purpose, including, but not limited to, the satisfaction of any other Employer's Pension Obligation or OPEB Obligation.

2.9 Type and Nature of Trust

Neither the full faith and credit nor the taxing power of each Employer is pledged to the distribution of amounts hereunder. Except for contributions and other amounts hereunder, no other amounts are pledged to the distribution of benefits hereunder. Distributions of benefits are neither general nor special obligations of any Employer, but are payable solely from the Assets held in such Employer's Agency Account, as more fully described herein. No employee of any Employer or beneficiary may compel the exercise of the taxing power by any Employer.

Distributions of Assets from any Agency Account are not debts of any Employer within the meaning of any constitutional or statutory limitation or restriction. Such distributions are not legal or equitable pledges, charges, liens or encumbrances, upon any of an Employer's property, or upon any of its income, receipts, or revenues, except amounts in the accounts which are, under the terms of each Plan and the Trust set aside for distributions. Neither the members of the governing body of any Employer nor its officers, employees, agents or volunteers are liable hereunder.

2.10 Loss of Tax-Exempt Status as to Any Employer

If any Employer participating in the Trust receives notice from the Internal Revenue Service that the Trust as to such Employer fails to satisfy the requirements of Section 115 of the Code, or if any Employer consents to the Internal Revenue Service's determination that the Trust fails to meet such requirements, Assets having a value equal to the funds then held in such Employer's Agency Account shall be segregated and placed in a separate trust by the Trustee for the exclusive benefit of such Employer's Eligible Employees within a reasonable time after the Trust Administrator notifies the Trustee of the Internal Revenue Service's determination. Each Employer participating in the Trust agrees to immediately notify the Trust Administrator upon receiving such

notice or giving such consent. The separate trust provided for in this Section 2.10 shall thereafter be considered as a separate trust containing all of the provisions of this Trust Agreement until terminated as provided in this Trust Agreement.

ARTICLE III

ADMINISTRATIVE MATTERS

3.1 Appointment of Trustee

The Employers may, with the approval of two-thirds (2/3) or more of the Employers then participating in the Trust, act to appoint a bank, trust company, retirement board, insurer, committee or such other entity as permitted by law, to serve as the trustee of this Trust. Such action must be in writing. Upon the written acceptance of such entity it shall become the Trustee of the Trust. If the Trustee is removed or resigns pursuant to Section 3.2, the Employers shall appoint a successor Trustee in accordance with the voting requirements set forth in this Section 3.1.

3.2 Resignation or Removal of Trustee

The Employers may act to remove the Trustee, provided that such action must satisfy the voting requirements set forth in Section 3.1 and notice of such action must be promptly delivered to the Trust Administrator, the Trustee and each Plan Administrator. The Trustee may also resign at any time by giving at least ninety (90) days prior written notice to the Trust Administrator and to the Plan Administrator of each Employer that has adopted the Trust Agreement and not terminated its participation in the Trust; provided, however, that the Trustee may resign immediately upon the earlier of the approval date or the effective date of any amendment of the Trust Agreement by the Employers that would change or modify the duties, powers or liabilities of the Trustee hereunder without the Trustee's consent. The Trustee shall, upon the appointment and acceptance of a successor trustee, transfer and deliver the Assets and all records relating to the Trust to the successor, after reserving such reasonable amount as it shall deem necessary to provide for its fees and expenses and any sums chargeable against the Trust for which it may be liable. The Trustee shall do all acts necessary to vest title of record in the successor trustee.

3.3 Withdrawal of Employer

An Employer may elect to withdraw from the Trust by giving at least thirty (30) days prior written notice to the Trustee and the Trust Administrator. If an Employer so elects to withdraw, Assets having a value equal to the funds held in such Employer's Agency Account shall be segregated by the Trustee and, as soon as practicable, shall be transferred to one or more trusts maintained by the Employer, provided that (i) for Assets transferred from the OPEB Account, any such trust shall satisfy the requirements of Section 115 of the Code, (ii) for Assets

transferred from the Pension Account, any such trust shall satisfy the requirements of either Section 115 or 401(a) of the Code, and (iii) all assets held by any such trust and previously held in the Employer's Pension Account or OPEB Account shall qualify as "plan assets" within the meaning of GASB Statement No. 68 (Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27) or GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions), respectively, in each case as reasonably determined by the Employer and certified in writing by the Employer to the Trust Administrator. The Employer shall appoint a trustee for such Employer's separate trust and, upon the trustee's acceptance of that appointment, the trustee will be vested with title to the transferred Assets.

3.4 The Plan Administrator

The governing body of each Employer shall have plenary authority for the administration and investment of such Employer's Agency Account pursuant to any applicable state laws and applicable federal laws and regulations. Each Employer shall by resolution designate a Plan Administrator. Unless otherwise specified in the instrument the Plan Administrator shall be deemed to have authority to act on behalf of the Employer in all matters pertaining to the Employer's participation in the Trust and in regard to the Agency Account of the Employer. Such appointment of a Plan Administrator shall be effective upon receipt and acknowledgment by the Trustee and the Trust Administrator and shall be effective until the Trustee and the Trust Administrator are furnished with a resolution of the Employer that the appointment has been modified or terminated.

3.5 Failure to Appoint Plan Administrator

If a Plan Administrator is not appointed, or such appointment lapses, the Employer shall be deemed to be the Plan Administrator. As used in this document the term "Plan Administrator" shall be deemed to mean "Employer" when a Plan Administrator has not been appointed for such Employer.

3.6 Delegatee

The Plan Administrator, acting on behalf of the Employer, may delegate certain authority, powers and duties to a Delegatee to act in those matters specified in the delegation. Any such delegation must be in a writing that names and identifies the Delegatee, states the effective date of the delegation, specifies the authority and duties delegated, is executed by the Plan Administrator, is acknowledged in writing by the Delegatee, and is certified as required in Section 3.7 to the Trust Administrator. Such delegation shall be effective until the Trustee and the Trust Administrator are directed in writing by the Plan Administrator that the delegation has been rescinded or modified.

3.7 Certification to Trustee

The governing body of each Employer, or other duly authorized official, shall certify in writing to the Trustee and the Trust Administrator the names and specimen signatures of the Plan Administrator and Delegatee, if any, and all others authorized to act on behalf of the Employer whose names and specimen signatures shall be kept accurate by the Employer acting through a duly authorized officer or governing body of the Employer. The Trustee and the Trust Administrator shall have no liability if they act upon the direction of a Plan Administrator or Delegatee that has been duly authorized, as provided in Section 3.6, if that Plan Administrator or Delegatee is no longer authorized to act, unless the Employer has informed the Trustee and the Trust Administrator of such change.

3.8 Directions to Trustee

All directions to the Trustee from the Plan Administrator or Delegatee must be in writing and must be signed by the Plan Administrator or Delegatee, as the case may be. For all purposes of this Trust Agreement, direction shall include any certification, notice, authorization, application or instruction of the Plan Administrator, Delegatee or Trustee appropriately communicated. The above notwithstanding, direction may be implied if the Plan Administrator or Delegatee has knowledge of the Trustee's intentions and fails to file written objection.

The Trustee shall have the power and duty to comply promptly with all proper directions of the Plan Administrator or Delegatee, appointed in accordance with the provisions of this Trust Agreement. In the case of any direction deemed by the Trustee to be unclear or ambiguous the Trustee may seek written instructions from the Plan Administrator, the Employer or the Delegatee on such matter and await their written instructions without incurring any liability. If at any time the Plan Administrator or the Delegatee should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of the Trust and/or the applicable Agency Account which may include not taking any action. The Trustee may request directions or clarification of directions received and may delay acting until clarification is received. In the absence of timely direction or clarification, or if the Trustee considers any direction to be a violation of the Trust Agreement or any applicable law, the Trustee shall in its sole discretion take appropriate action, or refuse to act upon a direction.

3.9 Appointment of Trust Administrator

The Employers may, with the approval of two-thirds (2/3) or more of the Employers then participating in the Trust, act to appoint a bank, trust company, retirement board, insurer, committee or such other entity as permitted by law, to serve as Trust Administrator of the Trust. Such action must be in writing. Upon the written acceptance of such entity it shall become the Trust Administrator of

the Trust. If the Trust Administrator is removed or resigns pursuant to Section 3.13, the Employers shall appoint a successor Trust Administrator in accordance with the voting requirements set forth in this Section 3.9.

3.10 Trust Administrator

The Trust Administrator's duties involve the performance of the following services pursuant to the provisions of this Trust Agreement and the Agreement for Administrative Services:

- (a) Performing periodic accounting of each Agency Account (including subaccount-level accounting within each Agency Account) and reconciling such Agency Account balances with the Trust/Omnibus Account;
- (b) Directing the Trustee to make distributions from the appropriate subaccount under an Agency Account in accordance with Section 5.9.
- (c) Allocating contributions, earnings and expenses to each Agency Account and the underlying subaccounts;
- (d) Directing the Trustee to pay the fees of the Trust Administrator and to do such other acts as shall be appropriate to carry out the intent of the Trust;
- (e) Such other services as the Employer and the Trust Administrator may agree in the Agreement for Administrative Services pursuant to Section 2.3.

The Trust Administrator shall be entitled to rely on, and shall be under no duty to question, any direction and/or data received from the Plan Administrator, or other duly authorized entity, in order to perform its authorized duties under this Trust Agreement. The Trust Administrator shall not have any duty to compute contributions made to the Trust, determine or inquire whether contributions made to the Trust by the Plan Administrator or other duly authorized entity are adequate to meet an Employer's Pension Obligation or OPEB Obligation as may be determined under any applicable GASB pronouncement; or determine or inquire whether contributions made to the Trust are in compliance with the Employer's OPEB Plan or Pension Plan. The Trust Administrator shall not be liable for nonperformance of duties if such nonperformance is directly caused by erroneous, and/or late delivery of, directions or data from the Plan Administrator, or other duly authorized entity.

3.11 Additional Trust Administrator Services

The Plan Administrator may at any time retain the Trust Administrator as its agent to perform any act, keep any records or accounts and make any computations which are required of the Employer or the Plan Administrator by this Trust Agreement or by the Employer's policies and/or applicable collective bargaining agreements. The Trust Administrator shall be separately compensated

for such service and such services shall not be deemed to be contrary to the Trust Agreement.

3.12 Trust Administrator's Compensation

As may be agreed upon from time to time by the Employer and Trust Administrator, the Trust Administrator will be paid reasonable compensation for services rendered or reimbursed for expenses properly and actually incurred in the performance of duties with respect to such Employer's Agency Account and to the Trust.

3.13 Resignation or Removal of Trust Administrator

The Employers may act to remove the Trust Administrator, provided that such action must satisfy the voting requirements set forth in Section 3.9 and notice of such action must be promptly delivered to the Trust Administrator, the Trustee and each Plan Administrator. The Trust Administrator may also resign at any time by giving at least one hundred and twenty (120) days prior written notice to the Trustee and to the Plan Administrator of each Employer that has adopted the Trust Agreement and not terminated its participation in the Trust; provided, however, that the Trust Administrator may resign immediately upon the earlier of the approval date or the effective date of any amendment of the Trust Agreement by the Employers that would change or modify the duties, powers or liabilities of the Trust Administrator hereunder without the Trust Administrator's consent. The Trust Administrator shall, upon the appointment and acceptance of a successor trust administrator, transfer all records relating to the Trust to the successor.

ARTICLE IV

THE TRUSTEE

4.1 Powers and Duties of the Trustee

Except as otherwise provided in Article V and subject to Article VI, the Trustee shall have full power and authority with respect to property held in the Trust to do all such acts, take all proceedings, and exercise all such rights and privileges, whether specifically referred to or not in this document, as could be done, taken or exercised by the absolute owner, including, without limitation, the following:

(a) To invest and reinvest the Assets or any part hereof in any one or more kind, type, class, item or parcel of property, real, personal or mixed, tangible or intangible; or in any one or more kind, type, class, item or issue of investment or security; or in any one or more kind, type, class or item of obligation, secured or unsecured; or in any combination of them (including those issued by the Trustee of any of its affiliates, to the extent permitted by applicable law), and to retain the property for the period of time that the Trustee deems appropriate;

(b) To acquire and sell options to buy securities ("call" options) and to acquire and sell options to sell securities ("put" options);

(c) To buy, sell, assign, transfer, acquire, loan, lease (for any purpose, including mineral leases), exchange and in any other manner to acquire, manage, deal with and dispose of all or any part of the Trust property, for cash or credit and upon any reasonable terms and conditions;

(d) To make deposits, with any bank or savings and loan institution, including any such facility of the Trustee or an affiliate thereof provided that the deposit bears a reasonable rate of interest;

(e) To invest and reinvest the Assets, or any part thereof in any one or more collective investment trust funds, including common and group trust funds that consist exclusively of assets of exempt pension and profit sharing trusts and individual retirement accounts qualified and tax exempt under the Code, that are maintained by the Trustee or an affiliate thereof. The declaration of trust or plan of operations for any such common or collective fund is hereby incorporated herein and adopted into this Trust Agreement by this reference. The combining of money and other assets of the Trust with money and other assets of other non-qualified trusts in such fund or funds is specifically authorized. Notwithstanding anything to the contrary in this Trust Agreement, the Trustee shall have full investment responsibility over Assets of the Trust invested in such commingled funds. If the plan and trust for any reason lose their tax exempt status, and the Assets have been commingled with assets of other tax exempt trusts in Trustee's collective investment funds, the Trustee shall within 30 days of notice of such loss of tax exempt status, liquidate the Trust's units of the collective investment fund(s) and invest the proceeds in a money market fund pending investment or other instructions from the Plan Administrator. The Trustee shall not be liable for any loss or gain or taxes, if any, resulting from said liquidation;

(f) To place uninvested cash and cash awaiting distribution in one or more mutual funds and/or commingled investment funds maintained by or made available by the Trustee or any of its affiliates, and to receive compensation from the sponsor of such fund(s) for services rendered, separate and apart from any Trustee's fees hereunder. The Trustee or its affiliate may also be compensated for providing investment advisory services to any mutual fund or commingled investment funds;

(g) To borrow money for the purposes of the Trust from any source with or without giving security; to pay interest; to issue promissory notes and to secure the repayment thereof by pledging all or any part of the Assets;

(h) To take all of the following actions: to vote proxies of any stocks, bonds or other securities; to give general or special proxies or powers of attorney with or

without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities or other property held in the Trust;

(i) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(j) To raze or move existing buildings; to make ordinary or extraordinary repairs, alterations or additions in and to buildings; to construct buildings and other structures and to install fixtures and equipment therein;

(k) To pay or cause to be paid from the Trust any and all real or personal property taxes, income taxes or other taxes or assessments of any or all kinds levied or assessed upon or with respect to the Trust;

(l) To exercise all the further rights, powers, options and privileges granted, provided for, or vested in trustees generally under applicable federal or state laws, as amended from time to time, it being intended that, except as herein otherwise provided, the powers conferred upon the Trustee herein shall not be construed as being in limitation of any authority conferred by law, but shall be construed as consistent or in addition thereto.

4.2 Additional Trustee Powers

In addition to the other powers enumerated above, the Trustee in any and all events is authorized and empowered:

(a) To invest funds pending required directions in any type of interest-bearing account, including, without limitation, time certificates of deposit or interest-bearing accounts issued by the Trustee, or any mutual fund or short term investment fund (“**Fund**”), whether sponsored or advised by the Trustee or any affiliate thereof); the Trustee or its affiliates may be compensated for providing such investment advice and providing other service to such Fund, in addition to any Trustee’s fees received pursuant to this Trust Agreement;

(b) To cause all or any part of the Trust to be held in the name of the Trustee (which in such instance need not disclose its fiduciary capacity) or, as permitted by law, in the name of any nominee, and to acquire for the Trust any investment in bearer form, but the books and records of the Trust shall at all times show that all such investments are a part of the Trust and the Trustee shall hold evidences of title to all such investments;

- (c) To serve as custodian with respect to the Trust Assets;
- (d) To employ such custodians, agents and counsel as may be reasonably necessary in managing and protecting the Assets and to pay them reasonable compensation from the Trust; to employ any broker-dealer or other agent, including any broker-dealer or other agent affiliated with the Trustee, and pay to such broker-dealer or other agent, at the expense of the Trust, its standard commissions or compensation; to settle, compromise or abandon all claims and demands in favor of or against the Trust; and to charge any premium on bonds purchased at par value to the principal of the Trust without amortization from the Trust, regardless of any law relating thereto;
- (e) In addition to the powers listed herein, to do all other acts necessary or desirable for the proper administration of the Trust, as though the absolute owner thereof;
- (f) To prosecute, compromise and defend lawsuits, but without obligation to do so, all at the risk and expense of the Trust; and to tender its defense to the Employer in any legal proceeding where the interests of the Trustee and the Employer are not adverse;
- (g) To exercise and perform any and all of the other powers and duties specified in this Trust Agreement or the Plan;
- (h) To permit such inspections of documents at the principal office of the Trustee as are required by law, subpoena or demand by a United States agency;
- (i) To comply with all requirements imposed by applicable provisions of law;
- (j) To seek written instructions from the Plan Administrator or other fiduciary on any matter and await their written instructions without incurring any liability. If at any time the Plan Administrator or the fiduciary should fail to give directions to the Trustee, the Trustee may act in the manner that in its discretion seems advisable under the circumstances for carrying out the purposes of the Trust;
- (k) To compensate such executive, consultant, actuarial, accounting, investment, appraisal, administrative, clerical, secretarial, medical, custodial, depository and legal firms, personnel and other employees or assistants as are engaged by the Plan Administrator in connection with funding the Employer's OPEB Obligation or Pension Obligation or both and to pay from the Trust the necessary expenses of such firms, personnel and assistants, to the extent not paid by the Plan Administrator;

(l) To act upon proper written directions of the Plan Administrator or Delegatee, including directions given by photostatic transmissions using facsimile signature, and such other forms of directions as the parties shall agree;

(m) To pay from the Trust the expenses reasonably incurred in the administration of the Trust;

(n) To maintain insurance for such purposes, in such amounts and with such companies as the Plan Administrator shall elect, including insurance to cover liability or losses occurring by reason of the acts or omissions of fiduciaries but only if such insurance permits recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation by such fiduciary.

ARTICLE V

INVESTMENTS

5.1 Discretionary Versus Directed Investment

For the Pension Account and the OPEB Account under the Agency Account, the Employer shall elect either a discretionary or directed investment approach. The Employer may elect the same or different investment approaches for those two subaccounts. The Employer hereby elects a directed approach for the Suspense Account. If the Employer elects a discretionary investment approach for a subaccount, the Employer shall further elect between the various investment strategies offered and the Trustee, in accordance with Article IV, shall have absolute discretion over the investment of the Assets held in such subaccount under the Employer's Agency Account. If the Employer elects a directed investment approach for a subaccount, the Trustee shall direct the investment of the Assets of such subaccount under the Employer's Agency Account in accordance with the direction provided by such Employer.

5.2 Trustee Fees

As may be agreed upon, in writing, between the Plan Administrator and Trustee, the Trustee will be paid reasonable compensation for services rendered or reimbursed for expenses properly and actually incurred in the performance of duties with respect to the applicable Agency Account or the Trust.

5.3 Contributions

Eligible Employees are not permitted to make contributions to the Trust. The Plan Administrator shall, on behalf of the Employer, make all contributions to the Trustee. Such contributions shall be in cash unless the Trustee agrees to accept a contribution that is not in cash. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of this Trust Agreement. The Trustee shall not have any duty to determine or inquire whether any contributions

to the Trust made to the Trustee by any Plan Administrator are in compliance with the Employer's Pension Plan or OPEB Plan; nor shall the Trustee have any duty or authority to compute any amount to be paid to the Trustee by any Plan Administrator; nor shall the Trustee be responsible for the collection or adequacy of the contributions to meet an Employer's Pension Obligation or OPEB Obligation. The contributions received by the Trustee from each Employer shall be held and administered pursuant to the terms hereof without distinction between income and principal.

5.4 Records

(a) The Trustee shall maintain accurate records and detailed accounts of all investments, receipts, disbursements and other transactions hereunder at the Trust level. Such records shall be available at all reasonable times for inspection by the Trust Administrator. The Trustee shall, at the direction of the Trust Administrator, submit such valuations, reports or other information as the Trust Administrator may reasonably require.

(b) The Assets of the Trust shall be valued at their fair market value on the date of valuation, as determined by the Trustee based upon such sources of information as it may deem reliable; provided, however, that the Plan Administrator shall instruct the Trustee as to valuation of assets which are not readily determinable on an established market. The Trustee may rely conclusively on such valuations provided by the Plan Administrator and shall be indemnified and held harmless by the Employer with respect to such reliance. If the Plan Administrator fails to provide such values, the Trustee may take whatever action it deems reasonable, including employment of attorneys, appraisers or other professionals, the expense of which will be an expense of administration of the Trust. Transactions in the account involving such hard to value assets may be postponed until appropriate valuations have been received and Trustee shall have no liability therefore.

5.5 Statements

(a) Periodically as specified, and within sixty days after December 31, or the end of the Trust's fiscal year if different, Trustee shall render to the Trust Administrator as directed, a written account showing in reasonable summary the investments, receipts, disbursements and other transactions engaged in by the Trustee during the preceding fiscal year or period with respect to the Trust. Such account shall set forth the assets and liabilities of the Trust valued as of the end of the accounting period.

(b) The Trust Administrator may approve such statements either by written notice or by failure to express objections to such statements by written notice delivered to the Trustee within 90 days from the date the statement is delivered to the Trust Administrator. Upon approval, the Trustee shall be released and discharged as to all matters and items set forth in such statement as if such

account had been settled and allowed by a decree from a court of competent jurisdiction.

5.6 Wire Transfers

The Trustee shall follow the Plan Administrator's, Delegate's, or Trust Administrator's wire transfer instructions in compliance with the written security procedures provided by the party providing the wire transfers. The Trustee shall perform a telephonic verification to the Plan Administrator, Trust Administrator, or Delegate, or such other security procedure as selected by the party providing wire transfer directions, prior to wiring funds or following facsimile directions as Trustee may require. The Plan Administrator assumes the risk of delay of transfer if Trustee is unable to reach the Plan Administrator, or in the event of delay as a result of attempts to comply with any other security procedure selected by the directing party.

5.7 Exclusive Benefit

The Assets of an Employer's Agency Account shall be held in trust for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same and shall not be used for or diverted to any other purpose. No party shall have authority to use or divert the Assets of an Agency Account of an Employer for the satisfaction of any other Employer's Pension Obligation or OPEB Obligation or any other Employer's expenses.

5.8 Delegation of Duties

The Plan Administrator, Delegate, or Trust Administrator, may at any time retain the Trustee as its agent to perform any act, keep any records or accounts and make any computations that are required of the Plan Administrator, Delegate or Trust Administrator by this Trust Agreement or by the Plan. The Trustee may be compensated for such retention and such retention shall not be deemed to be contrary to this Trust Agreement.

5.9 Distributions

(a) The Trustee shall, from time to time, upon the written direction of the Plan Administrator or Delegate, make distributions from the Assets of the Trust under the OPEB Account to the insurers, third party administrators, service providers or other entities providing benefits or services under the OPEB Plan, or to Eligible Employees and Eligible Beneficiaries for reimbursement of OPEB Plan premiums (or other payments for OPEB Plan benefits) paid by the Eligible Employee or Eligible Beneficiary, or to the Employer for reimbursement of OPEB Plan benefits and expenses paid by the Employer, in such manner in such form(s), in such amounts and for such purposes as may be specified in such directions.

(b) In addition, the Trustee shall, from time to time, upon the written direction of the Plan Administrator or Delegatee, make distributions from the Assets of the Trust under the Pension Account directly to (i) the Qualified Trust as employer contributions, (ii) any insurers, third party administrators, service providers or other entities providing services in connection with determining the Employer's Pension Obligation, or (iii) the Employer as reimbursement for the Employer's payment of amounts described in this Section 5.9(b)(i) and (ii).

(c) In no event shall the Trustee have any responsibility respecting the application of distributions from the Assets of the Trust, or for determining or inquiring into whether such distributions are in accordance with the Employer's OPEB Plan, Pension Plan, policies, or applicable collective bargaining agreements.

ARTICLE VI

FIDUCIARY RESPONSIBILITIES

6.1 More Than One Fiduciary Capacity

Any one or more of the fiduciaries with respect to the Trust Agreement or the Trust may, to the extent required thereby or as directed by the Plan Administrator pursuant to this Trust Agreement, serve in more than one fiduciary capacity with respect to the Trust Agreement and the Trust.

6.2 Fiduciary Discharge of Duties

Except as otherwise provided by applicable law, each fiduciary shall discharge such fiduciary's duties with respect to the Trust Agreement and the Trust:

(a) solely in the interest of the Eligible Employees and for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same; and

(b) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

6.3 Limitations on Fiduciary Responsibility

To the extent allowed by the laws of the state of each Employer:

No fiduciary shall be liable with respect to a breach of fiduciary duty by any other fiduciary if such breach was committed before such party became a fiduciary or after such party ceased to be a fiduciary.

No fiduciary shall be liable for a breach by another fiduciary except as provided by law.

No fiduciary shall be liable for carrying out a proper direction from another fiduciary, including refraining from taking an action in the absence of a proper direction from the other fiduciary possessing the authority and responsibility to make such a direction, which direction the fiduciary in good faith believes to be authorized and appropriate.

6.4 Indemnification of Trustee by Employer

The Trustee shall not be liable for, and Employer shall (to the extent allowed by the laws of the state of each Employer) indemnify, defend (as set out in Section 6.8 of this Trust Agreement), and hold the Trustee (including its officers, agents, employees and attorneys) and other Employers harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Employer's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.5 Indemnification of Employer by Trustee

The Employer shall not be liable for, and Trustee shall (to the extent allowed by the laws of the state of each Employer) indemnify, defend (as set out in Section 6.8 of this Trust Agreement), and hold the Employer (including its officers, agents, employees and attorneys) and other Employers harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trustee's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.6 Indemnification of Trustee by Trust Administrator

The Trustee shall not be liable for, and Trust Administrator shall (to the extent allowed by the laws of the state of each Employer) indemnify and hold the Trustee (including its officers, agents, employees and attorneys) harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trust Administrator's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.7 Indemnification of Trust Administrator by Trustee

The Trust Administrator shall not be liable for, and Trustee shall (to the extent allowed by the laws of the state of each Employer) indemnify and hold the Trust

Administrator (including its officers, agents, employees and attorneys) harmless from and against any claims, demands, loss, costs, expense or liability imposed on the indemnified party, including reasonable attorneys' fees and costs incurred by the indemnified party, arising as a result of Trustee's active or passive negligent act or omission or willful misconduct in the execution or performance of its duties under this Trust Agreement.

6.8 Indemnification Procedures

Promptly after receipt by an indemnified party of notice or receipt of a claim or the commencement of any action for which indemnification may be sought, the indemnified party will notify the indemnifying party in writing of the receipt or commencement thereof. When the indemnifying party has agreed to provide a defense as set out above that party shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to such indemnitee) and the payment of expenses, insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against the indemnifying party. Any indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party unless (i) the employment of such counsel has been specifically authorized by the indemnifying party or (ii) the named parties to any such action (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. The indemnifying party shall not be liable to indemnify any person for any settlement of any such action effected without the indemnifying party's consent. The indemnification procedures of this Trust Agreement shall survive the termination of the Trust, any Employer's participation in the Trust and/or this Trust Agreement.

6.9 No Joint and Several Liability

This document is not intended to and does not create any joint powers agreement or any joint and several liability. No Employer shall be responsible for any contributions, costs or distributions of any other Employer.

ARTICLE VII

AMENDMENT, TERMINATION AND MERGER

7.1 No Contractual Obligation

An Employer's participation in the Trust does not create, and is not intended to create, any contractual obligation to Eligible Employees. Therefore, no Employer is contractually obligated to Eligible Employees solely due to its participation in

the Trust to continue providing benefits under its Pension Plan or OPEB Plan or to make contributions to the Trust.

7.2 Amendment of Trust

(a) The Trust Agreement may be amended only by the approval of two-thirds (2/3) or more of the Employers then participating in the Trust. Any such amendment by the Employers shall be set forth in an instrument in writing and shall be delivered to the Trustee, the Trust Administrator and all Plan Administrators not less than one hundred and eighty (180) days before the effective date of such amendment; provided, however, that any party may waive in writing such 180-day requirement with respect to any amendment (and such waiver shall not constitute a waiver with respect to any other amendment); and provided, further, that a waiver in writing of such 180-day requirement by two-thirds (2/3) or more of the Plan Administrators of the Employers participating in the Trust as of the date the amendment is adopted shall constitute a waiver of such 180-day requirement by all of the Employers then participating in the Trust. In addition, the Trust Administrator or the Trustee shall have the right to amend this Trust Agreement from time to time (without the requirement of a vote of Employers) solely for the purpose of keeping the Trust Agreement in compliance with the Code and applicable state law. Any such amendment by the Trust Administrator or the Trustee shall be set forth in an instrument in writing and shall be delivered to the Trustee, the Trust Administrator and all Plan Administrators promptly as each is made.

(b) Any amendment of the Trust Agreement may be current, retroactive or prospective, provided, however, that no amendment shall:

(1) Cause the Assets of any Agency Account to be used for or diverted to purposes other than for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same.

(2) Permit the Assets of any Agency Account to be used for the benefit of any other Employer.

7.3 Termination of Employer's Obligation to Provide Pension Benefits or OPEB

A termination of the Employer's obligation to provide benefits under the Employer's Pension Plan or OPEB Plan for which the Employer's Agency Account was established shall not, in itself, effect a termination of the Agency Account. Upon a termination of the Employer's obligation to provide benefits under its Pension Plan or OPEB Plan, the Assets of the Employer's Pension Account or OPEB Account, as applicable, will be distributed by the Trustee when directed by the Plan Administrator in accordance with this Section 7.3. From and after the date of such termination and until final distribution of all Assets under the Employer's Agency Account, the Trustee shall continue to have all the powers

provided herein as are necessary or expedient for the orderly liquidation and distribution of such Assets, and the Agency Account shall continue until the Assets have been completely distributed. Any Assets remaining in the Pension Account or OPEB Account will be used first to satisfy any remaining Pension Obligation or OPEB Obligation, respectively, pursuant to the Employer's Pension Plan or OPEB Plan (to the extent that such distribution constitutes the exercise of an "essential governmental function" within the meaning of Section 115 of the Code) and to satisfy any of such Employer's obligations under this Trust Agreement. Any Assets remaining in the Employer's Pension Account or OPEB Account (as applicable) after giving effect to the preceding sentence will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

7.4 Fund Recovery Based on Mistake of Fact

Except as hereinafter provided or in accordance with Section 7.3, the Assets of the Trust shall never inure to the benefit of the Employer. The Assets shall be held for the exclusive purpose of funding the Employer's OPEB Obligation or Pension Obligation or both and defraying the reasonable expenses associated with the same. However, in the case of a contribution which is made by an Employer because of a mistake of fact, that portion of the contribution relating to the mistake of fact (exclusive of any earnings or losses attributable thereto) may be returned to the Employer, provided such return occurs within two (2) years after discovery by the Employer of the mistake. If any repayment is payable to the Employer, then, as a condition to such repayment, and only if requested by Trustee, the Employer shall execute, acknowledge and deliver to the Trustee its written undertaking, in a form satisfactory to the Trustee, to indemnify, defend and hold the Trustee harmless from all claims, actions, demands or liabilities arising in connection with such repayment.

7.5 Termination of Trust

(a) The Trust and this Trust Agreement may be terminated by the unanimous agreement of all Employers, which action must be in writing and delivered to the Trustee and Trust Administrator. Upon termination of the Trust under this Section 7.5(a), the Assets of each Employer's Pension Account or OPEB Account, as applicable, will be distributed by the Trustee when directed by the Plan Administrator in accordance with this Section 7.5(a). From and after the date of such termination and until final distribution of all Assets under each Employer's Agency Account, the Trustee shall continue to have all the powers provided herein as are necessary or expedient for the orderly liquidation and distribution of such Assets, and the Agency Account shall continue until the Assets have been completely distributed. Any Assets remaining in the Pension Account or OPEB Account will be used first to satisfy any remaining Pension Obligation or OPEB Obligation, respectively, pursuant to the Employer's Pension Plan and OPEB Plan (to the extent that such distribution constitutes the exercise of an "essential governmental function" within the meaning of Section 115 of the Code) and to

satisfy any of such Employer's obligations under this Trust Agreement. Any Assets remaining in the Employer's Pension Account or OPEB Account (as applicable) after giving effect to the preceding sentence will be paid to the Employer to the extent permitted by law and consistent with the requirements of Section 115 of the Code.

(b) Contributions to the Trust are conditioned on initial qualification of the Trust under Section 115 of the Code. If the Trust receives an adverse determination with respect to its initial qualification, then the Trust and this Trust Agreement will automatically terminate without any action by any Employer or other parties. After such termination, the Assets of each Employer's Pension Account or OPEB Account, as applicable, will be returned by the Trustee to the Employer as directed by the Plan Administrator in accordance with this Section 7.5(b) to the extent permitted by law and consistent with the requirements of Section 115 of the Code. This Section 7.5(b) will cease to apply upon the Trust's receipt of a favorable determination with respect to its initial qualification.

(c) The Trust and this Trust Agreement may be terminated only as described in this Section 7.5. In no case will the assets of the Trust be distributed on termination to an entity that is not a state, a political subdivision of a state or an entity the income of which is excluded from gross income under Section 115 of the Code.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 Nonalienation

Eligible Employees do not have an interest in the Trust. Accordingly, the Trust shall not in any way be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of an Eligible Employee or any other party. Trust Assets shall not be subject to the claims of any Employer or the claims of its creditors.

8.2 Saving Clause

In the event any provision of this Trust Agreement is held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Trust Agreement, but this instrument shall be construed and enforced as if said provision had never been included.

8.3 Applicable Law

This Trust Agreement and the Trust shall be construed, administered and governed under the Code and the law of the State of California. To the extent any

of the provisions of this Trust Agreement are inconsistent with the Code or applicable state law, the provisions of the Code or state law shall control. In the event, however, that any provision is susceptible to more than one interpretation, such interpretation shall be given thereto as is consistent with the Trust Agreement being a tax-exempt trust within the meaning of the Code.

8.4 Joinder of Parties

In any action or other judicial proceedings affecting this Trust Agreement, it shall be necessary to join as parties only the Trustee, the Plan Administrator or Delegatee. No participant or other persons having an interest in the Trust or any Agency Account shall be entitled to any notice or service of process unless otherwise required by law. Any judgment entered in such a proceeding or action shall be binding on all persons claiming under this Trust Agreement; provided, however, that nothing in this Trust Agreement shall be construed as to deprive a participant of such participant's right to seek adjudication of such participant's rights under applicable law.

8.5 Employment of Counsel

The Trustee may consult with legal counsel (who may be counsel for the Trustee, the Trust Administrator or any Employer) with respect to the interpretation of this Agreement or the Trustee's duties hereunder or with respect to any legal proceedings or any questions of law and shall be entitled to take action or not to take action in good faith reliance on the advice of such counsel and charge the Trust and, as applicable, one or more Agency Accounts.

8.6 Gender and Number

Words used in the masculine, feminine or neuter gender shall each be deemed to refer to the other whenever the context so requires; and words used in the singular or plural number shall each be deemed to refer to the other whenever the context so requires.

8.7 Headings

Headings used in this Trust Agreement are inserted for convenience of reference only and any conflict between such headings and the text shall be resolved in favor of the text.

8.8 Counterparts

This Trust Agreement may be executed in an original and any number of counterparts by the Plan Administrator (executing an Adoption Agreement), the Trust Administrator and the Trustee, each of which shall be deemed to be an original of the one and the same instrument.

IN WITNESS WHEREOF, the Plan Administrator (by executing the Adoption Agreement), the Trustee and the Trust Administrator have executed this Trust Agreement by their duly authorized agents on the Effective Date.

U.S. BANK NATIONAL ASSOCIATION

“Trustee”

By: _____



Signature

Susan M. Hughes

Typed or printed name

Its: Vice President & Relationship Manager

**PUBLIC AGENCY
RETIREMENT SERVICES**

“Trust Administrator”

By: _____



Signature

Daniel Johnson

Typed or printed name

Its: President

**PUBLIC AGENCIES
POST-EMPLOYMENT HEALTH CARE PLAN
MASTER PLAN DOCUMENT**

(Effective as of November 5, 2014)

INTRODUCTION

The Employer specified in the Adoption Agreement has adopted this qualified governmental post-employment health care plan (“OPEB Plan”) for the benefit of its Eligible Employees. The plan document for the OPEB Plan consists of this Master Plan Document plus the Adoption Agreement. Assets of the OPEB Plan are held under a trust (the “Trust”) evidenced by a trust agreement (the “Trust Agreement”). Each Employer’s separate portion of the Trust dedicated to funding the Employer’s OPEB Obligation and defraying the reasonable expenses associated with the same is referred to as the Employer’s “OPEB Account.” Capitalized terms that are not defined herein shall have the meaning attributed to such terms in the Trust Agreement.

The Trust is established with the intention that it qualify as a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Code and any regulations issued thereunder and as a tax-exempt trust under the provisions of the relevant state’s statutory provisions of each Employer. It is intended that contributions to the Employer’s OPEB Account shall qualify as “plan assets” within the meaning of GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions). At any time prior to the satisfaction of all liabilities with respect to Eligible Employees under an Employer’s OPEB Account, the OPEB Account assets shall not be used for, or diverted to, any purpose other than funding the Employer’s OPEB Obligation and defraying the reasonable expenses associated with the same.

ARTICLE I

PLAN AND TRUST INFORMATION

1.1 Plan Name.

The name of the OPEB Plan adopted by the Employer is the Public Agencies Post-Employment Health Care Plan.

1.2 Effective Date.

The OPEB Plan is effective as of the date set forth in Section A.3.1.2 of the Adoption Agreement. If this OPEB Plan is a restatement of an existing plan, that date is also the effective date of the restatement.

1.3 Plan Year.

The plan year for the OPEB Plan shall be the consecutive twelve-month period beginning on January 1 and ending on December 31.

ARTICLE II

EMPLOYER INFORMATION

2.1 Employer.

The name and address of the Employer sponsoring this OPEB Plan (the "Employer") are as set forth in Section A.2.1 of the Adoption Agreement. The Adoption Agreement can only be used by a governmental agency that is a state, a political subdivision of a state, or an entity the income of which is excludible from gross income under Section 115 of the Code to establish a plan.

ARTICLE III

ELIGIBLE EMPLOYEES

3.1 Eligible Persons

Each employee of the Employer who is or becomes eligible for post-employment health care and welfare benefits as specified in such Employer's applicable policies and/or applicable collective bargaining agreements is an Eligible Employee under this OPEB Plan. In addition, any person who, due to his or her relationship with the Eligible Employee, is entitled to post-employment health care and welfare benefits as specified in the Employer's applicable policies and/or collective bargaining agreement, is an Eligible Beneficiary under this OPEB Plan.

3.2 Termination of Eligible Status

An Eligible Employee or Eligible Beneficiary shall cease to be an Eligible Employee or Eligible Beneficiary as specified in the Employer's applicable policies and/or applicable collective bargaining agreements.

ARTICLE IV

CONTRIBUTIONS

4.1 Amount of Member Agency Contributions

Eligible Employees and Eligible Beneficiaries are not permitted to make contributions to the Trust, provided however, that nothing herein shall be deemed to (i) prevent the Employer from imposing a charge (including, without limitation, a payroll deduction) for coverage under the OPEB Plan, or (ii) prevent the Employer from depositing the proceeds of any such charge to the Trust (provided that such deposit shall be considered an Employer contribution and shall not be segregated within Employer's OPEB Account from any other Employer contributions). Each Employer shall from time-to-time contribute to its OPEB Account an amount determined by such Employer in its sole discretion. Such amount may, but need not, equal such Employer's "annual required contribution" ("ARC") as determined in accordance with GASB 45.

4.2 Administrative Expenses

The Employer may make contributions to its OPEB Account sufficient to defray all or part of the expenses of administering the OPEB Plan or may pay such expenses directly.

4.3 Allocation of Administrative Expenses

If the Employer chooses not to directly pay the expenses of administering this OPEB Plan, such expenses shall be charged against the OPEB Account for such Employer.

4.4 Reversions

The Employer shall have the right to a return of contributions from this OPEB Plan only if the conditions for such return set forth in the Trust Agreement are satisfied.

ARTICLE V

DISTRIBUTION OF BENEFITS

5.1 Payment of Distribution

Distribution shall only be made to the insurers, third party administrators, service providers, or other entities providing benefits or services under the OPEB Plan, or to Eligible Employees and Eligible Beneficiaries for reimbursement of OPEB Plan premiums (or other payments for OPEB Plan benefits) paid by the Eligible Employee or Eligible Beneficiary, or to the Employer for the reimbursement of OPEB Plan benefits and expenses paid by the Employer. The Plan Administrator or its Delegatee shall provide instructions to the Trustee regarding how distributions and reimbursements are to be made.

ARTICLE VI

FUNDING AND INVESTMENT

6.1 Funding and Investment

The assets of the OPEB Plan shall be held in the OPEB Account of each Employer. In Section A.4.2.1 of the Adoption Agreement, each Employer shall elect between a discretionary or directed investment approach. If the Employer elects a discretionary investment approach, the Employer shall further elect between the various investment strategies offered in the investment strategy selection and disclosure form. If the Employer elects a directed investment approach, the Employer, in accordance with the Trust Agreement, shall have absolute discretion over the investment of the assets of its OPEB Account.

6.2 Type and Nature of Plan and Trust

Neither the faith and credit nor the taxing power of each Employer is pledged to the distribution of benefits hereunder. Except for contributions, earnings and other amounts held in the Trust, no amounts are pledged to the distribution of benefits hereunder. Distributions of benefits are neither general nor special obligations of the Employer, but are payable solely from contributions, as more fully described herein. No employee of any Employer or any other person may compel the exercise of the taxing power by the Employer. Distributions of benefits are not a debt of the Employer within the meaning of any constitutional or statutory limitation or restriction. Distributions are not a legal or equitable pledge, charge, lien or encumbrance, upon any of the Employer's property, or upon any of its income, receipts or revenues.

ARTICLE VII

ADMINISTRATION, AMENDMENT AND TERMINATION OF PLAN

7.1 Designation of Plan Administrator

In Section A.2.2 of the Adoption Agreement, the Employer shall provide the name of the Plan Administrator that has been duly authorized and designated by the governing body of the Employer to act on its behalf in all matters pertaining to the OPEB Plan and the Trust pursuant to Section 3.4 of the Trust Agreement. If no name is provided, the Employer is the Plan Administrator. In addition to a Plan Administrator the Employer may designate a Delegatee to perform those activities relating to the OPEB Plan as specified in the written appointment of such Delegatee certified to the Trust Administrator. Except where the context requires otherwise, the term "Employer" as used in this Article shall mean the Plan Administrator or Delegatee where responsibility for administration of the OPEB Plan has been given to such parties.

7.2 Rules and Regulations

The Employer has full discretionary authority to supervise and control the operation of this OPEB Plan in accordance with its terms and may make rules and regulations for the administration of this OPEB Plan that are not inconsistent with the terms and provisions hereof. The Employer shall determine any questions arising in connection with the interpretation, application or administration of the OPEB Plan (including any question of fact relating to age, employment, compensation or eligibility of Eligible Employees or Eligible Beneficiaries) and its decisions or actions in respect thereof shall be conclusive and binding upon all persons and parties.

The Employer shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

- (a) To determine all questions relating to an Eligible Employee's or Eligible Beneficiary's eligibility;
- (b) To construe and interpret the terms and provisions of the OPEB Plan;
- (c) To compute, certify to, and direct the Trustee with regard to the amount and kind of benefits payable to health care providers;
- (d) To authorize all disbursements from its OPEB Account;
- (e) To maintain all records that may be necessary for the administration of the OPEB Plan other than those maintained by the Trustee; and
- (f) To appoint a Plan Administrator or, any other agent, and to delegate to them or to the Trustee such powers and duties in connection with the administration of the OPEB Plan as it may from time to time prescribe.

Expenses and fees incurred in connection with the administration of the OPEB Plan and the Trust shall be paid from the Trust assets to the fullest extent permitted by law, unless the Employer determines otherwise. The Employer may elect to make contributions to its OPEB Account sufficient to defray the expenses of administering the OPEB Plan or may pay such expenses directly.

7.3 Amendment and Termination

The Employer shall have the right to amend, modify or terminate the OPEB Plan at any time. If an Employer terminates the OPEB Plan, the Assets held in its OPEB Account shall be distributed by the Trustee as provided in Section 7.3 of the Trust Agreement.

ARTICLE VIII

MISCELLANEOUS

8.1 Nonalienation

An Eligible Employee or Eligible Beneficiary does not have any interest in the OPEB Plan or the Assets held in the Trust. Accordingly, the Trust shall not in any way be liable to attachment, garnishment, assignment or other process, or be seized, taken, appropriated or applied by any legal or equitable process, to pay any debt or liability of an Eligible Employee, Eligible Beneficiary or any other party.

8.2 Investment

All contributions, interest earned, and any assets of the OPEB Plan shall at all times be invested and managed in accordance with the Trust Agreement and the requirements of applicable law.

8.3 Parties to the Plan

Eligible Employees, Eligible Beneficiaries and unions of each Employer are not parties to this OPEB Plan. The OPEB Plan is only a funding source for such Employer's post-employment health care and welfare benefits and does not increase the rights of any Eligible Employee, Eligible Beneficiary or union.

8.4 Confidential Medical Information

Each Employer and its health care providers or other service providers shall not share confidential medical information regarding employees of the Employer with the OPEB Plan, the Trustee, or the Trust Administrator.

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement (“Agreement”) is made this ____ day of _____, 2025, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter “PARS”) and the [Agency Name] (“Agency”).

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of prefunding pension obligations and/or Other Post-Employment Benefits (“OPEB”) obligations (“Plan”) and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as “Exhibit 1A” (“Services”) in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as “Exhibit 1B”.
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS’ standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency providing PARS the information specified in the exhibit attached hereto as “Exhibit 1C” (“Data”). It shall be the responsibility of the Agency to certify the accuracy, content, and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for nonperformance of Services to the extent such nonperformance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees, or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, and employees, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state, and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that its performance is prevented by such cause. Such cause shall include, but not be limited to: any incidence of fire, flood, acts of God or unanticipated communicable disease, acts of terrorism or war commandeering of material, products, plants or facilities by the federal, state or local government, a material act or omission by the other party or any law, ordinance, rule, guidance or recommendation by the federal, state or local government, or any agency thereof, which becomes effective after the date of this Agreement that delays or renders impractical either party's performance under the Agreement.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: [Agency]; [Agency Address]; Attention: [Plan Administrator Title]Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2025 and ending _____, 2028 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve-month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.

18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions, and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.
19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts. Electronic Signatures.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include digital electronic signatures (e.g., DocuSign). The use of digital electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____
Plan Administrator Name

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

EXHIBIT 1A
SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust (“Trustee”), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope of this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the Agency;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with the applicable GASB pronouncements and/or statements, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$1	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information. Agency is solely responsible for ensuring that all information and documentation provided to PARS is true, correct, and authorized:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

This document is entered into by Client and U.S. Bank National Association (“U.S. Bank”), as discretionary trustee.

Client/Employer: _____

Plan/Trust Name: Public Agencies Post-Employment Benefits Trust

Client/Employer directs the investment of assets of the above-referenced Plan/Trust in the (select one of the strategies listed below for each Account):

OPEB Account	Pension Account	Strategy	Primary Goal	Strategic Range
<input type="checkbox"/>	<input type="checkbox"/>	Liquidity Management	Generate current income with liquidity.	Money Market Fund
<input type="checkbox"/>	<input type="checkbox"/>	Conservative – Strategic Blend	Provide a consistent level of inflation-protected income over the long-term.	Equity: 5-20% Fixed Income: 60-95% Cash: 0-20%
<input type="checkbox"/>	<input type="checkbox"/>	Conservative – Index		
<input type="checkbox"/>	<input type="checkbox"/>	Moderately Conservative – Strategic Blend	Provide current income with capital appreciation as a secondary objective.	Equity: 20-40% Fixed Income: 50-80% Cash: 0-20%
<input type="checkbox"/>	<input type="checkbox"/>	Moderately Conservative – Index		
<input type="checkbox"/>	<input type="checkbox"/>	Moderate – Strategic Blend	Provide current income and moderate capital appreciation.	Equity: 40-60% Fixed Income: 40-60% Cash: 0-20%
<input type="checkbox"/>	<input type="checkbox"/>	Moderate – Index		
<input type="checkbox"/>	<input type="checkbox"/>	Balanced – Strategic Blend	Provide growth of principal and income.	Equity: 50-70% Fixed Income: 30-50% Cash: 0-20%
<input type="checkbox"/>	<input type="checkbox"/>	Balanced – Index		
<input type="checkbox"/>	<input type="checkbox"/>	Capital Appreciation – Strategic Blend	Primary goal is growth of principal.	Equity: 65-85% Fixed Income: 10-30% Cash: 0-20%
<input type="checkbox"/>	<input type="checkbox"/>	Capital Appreciation – Index		
<input type="checkbox"/>	<input type="checkbox"/>	Custom	Attach separate guidelines	

Strategic Blend strategies are invested in a blend of actively managed and index-based mutual funds and exchange traded funds. Index strategies are invested in index-based mutual funds and exchange traded funds.

Acknowledged and Approved	
_____	_____
Authorized Signer	Title
_____	_____
Print Name	Date

FEE SCHEDULE FOR PARS TRUST PROGRAM — PENSION /OPEB

This Fee Schedule relates to the U.S. Bank National Association (“USBNA”) Institutional Trust & Custody division (“IT&C”) account identified below (such account, including any sub-accounts therein, the “Account”) and is effective as of the date of the Account’s adoption of the governing trust agreement (the “Fee Schedule’s Effective Date”).

Trust Name: Public Agencies Post-Employment Benefits Trust

Employer Name: _____

USBNA; PFM Asset Management LLC (“PFMAM”); PFM Fund Distributors, Inc. (“PFMFD”); U.S. Bancorp Asset Management, Inc. (“USBAM”); and U.S. Bancorp Fund Services, LLC (“USBFS”) are affiliates of U.S. Bancorp (collectively with U.S. Bancorp, “U.S. Bank”). This Fee Schedule, together with the trust agreement and adoption agreement between the Customer (as defined below) and USBNA regarding the Account (“Account’s Governing USBNA Service Contract(s)”), describes services that U.S. Bank expects to provide to the Account pursuant thereto and compensation that U.S. Bank expects to receive therefor:

- Account Profile (Part A):** Describes the Account and U.S. Bank’s role with respect to the Account.
- Account-level Fees (Part B):** Describes fees U.S. Bank receives directly from the Account (the “Account Fees”).
- Fund-level Fees (Part C):** Describes fees the Account pays on the investment of Account assets in open-end investment companies registered under the Investment Company Act of 1940 (“Mutual Funds”), 3(c)(1) or (7) funds (“Private Funds”), bank-maintained collective trust funds (“CTFs”), and nonbank-maintained group trusts (“Group Trusts”) (each of the foregoing, a “Fund”) (the “Fund Fees”) and fees U.S. Bank receives from those investments or their agents (“U.S. Bank Revenue Share”).
- Other Compensation (Part D):** Describes compensation that U.S. Bank receives other than Account Fees or U.S. Bank Revenue Share (“Other Compensation”).
- Changes (Part E):** Describes circumstances under which this Fee Schedule may be changed.
- Approval (Part F):** Provides the customer’s approval of the fees described herein.

ACCOUNT PROFILE (PART A)

1. The Account holds assets of a health or welfare plan. The undersigned is the plan’s primary fiduciary (the “Customer”).
2. USBNA has discretion to invest Account assets to the extent provided in the Account’s Governing USBNA Service Contract(s) (to such extent, a “Managed Account”). PFMAM (the “Sub-Adviser”) invests Account assets in its discretion (a “Sub-Advised Account”) by way of a sub-contract between USBNA and the Sub-Adviser, the Sub-Adviser is an investment adviser registered under the Investment Advisers Act of 1940 (an “RIA”), and the Sub-Adviser’s Form ADV is available at <https://adviserinfo.sec.gov/>.
3. USBNA holds Account assets as trustee under a trust agreement adopted by the Customer. The Customer is the plan sponsor.

ACCOUNT-LEVEL FEES (PART B)

The Account Fees, which are in addition to Fund Fees and are paid directly to USBNA, are as follows. For a complete description of services that U.S. Bank expects to provide to the Account, see the Account’s Governing USBNA Service Contract(s).

Discretionary-trustee fee:

Provide investment management. This fee is calculated in tiers:

35 basis points	on the first \$ 5,000,000 of Account assets
25 basis points	on the next \$ 5,000,000 of Account assets
20 basis points	on the next \$ 5,000,000 of Account assets
15 basis points	on the next \$ 35,000,000 of Account assets
10 basis points	on the balance of Account assets

For assets invested in the First American Funds (as defined below) or PFMAM Funds (as defined below) or in a deposit account at USBNA, the rate is 0 bps, and the assets are excluded from the tiers above.

FOR A SUB-ADVISED ACCOUNT, if the Sub-Adviser or its affiliate is an investment advisor to a Mutual Fund (any such Mutual Fund, a “Sub-Adviser’s Mutual Fund”), then for assets invested in the Sub-Adviser’s Mutual Funds, the rate is 0 bps, and the assets are excluded from the tiers above. (U.S. Bank compensates the Sub-Adviser from U.S. Bank’s own fees; the Account does not pay fees in addition to the fees stated herein in connection with services provided by the Sub-Adviser.)

Manner of Receipt. Account Fees will be calculated monthly. Account balances held in OPEB and Pension within the Trust will be combined for fee calculations. Any asset-based Account Fees will be based on the applicable Account balance (or portion thereof) as of the end of the

billing period. (The asset values used in such calculation may vary from the asset values reported on an asset statement because of timing issues, such as the posting of accruals or the late-pricing of securities.) Account Fees will then be charged to the Account.

FUND-LEVEL FEES (PART C)

Fund Fees. Fund Fees, and U.S. Bank Revenue Share, are based on investment in a Fund and may vary by Fund and by class of shares or units issued by the Fund. Fund Fees are charged against the Fund's assets and reduce the Fund's average daily balance and investment yields. U.S. Bank Revenue Share is paid indirectly from the Fund Fees and is not in addition to the Fund Fees.

Additional Investment-Related Information. See a Mutual Fund's prospectus; a Private Fund's, CTF's, or Group Trust's governing documents (such as a limited liability company agreement, limited partnership agreement, trust agreement, or declaration of trust), offering documents (such as an offering circular, offering memorandum, private placement memorandum, prospectus, or summary description), and subscription documents (such as an adoption agreement or subscription agreement); and any Fund's fund-fact sheet, schedule of portfolio holdings, and annual report (collectively, as applicable, the "Fund-Issuer's Disclosure") for Fund details not reflected in this Fee Schedule. See, especially, sections thereof regarding fees, expenses, additional compensation, and payments to financial intermediaries.

Total Annual Operating Expenses ("TAOE"). From time to time, a Fund's service provider may voluntarily waive a portion of the fees it is entitled to receive for servicing the Fund or refund such a portion to a Fund investor. The term TAOE, as used herein, means the TAOE before waivers and refunds. If a waiver is in effect, the Customer's approval of Fund Fees and U.S. Bank Revenue Share includes approval up to the TAOE; if the service provider terminates the waiver as provided in the Fund-Issuer's Disclosure, the approval persists.

Estimating U.S. Bank Revenue Share. To estimate the amount of U.S. Bank Revenue Share, multiply the Account's average balance in a Fund over the relevant year by the fee rate set forth in the appropriate sub-column of the Rate-of-Fees-Received-By column below. (For help with estimating average balances, contact USBNA.) Except for the rates of USBNA's fees from National Financial Services LLC (EIN: 04-3523567) ("NES"), USBAM's fees, and PFMAM's fees, those fee rates are estimates. U.S. Bank calculates those estimated fee rates as follows: (i) Start with the total amount of fees received by the applicable U.S. Bancorp affiliate with respect to the Fund during the most recently ended calendar year; and (ii) Divide by the total value of all Fund shares serviced by the affiliate as of that calendar-year end. The sum of the fee rates in the sub-columns will not necessarily equal the TAOE, because the TAOE might be based on a different time period than such fee rates and because service providers unaffiliated with U.S. Bank might receive fees from the Fund. Actual fees may vary from such estimates and year to year.

Omnibus Accounts. Certain portfolios known as "Omnibus Accounts" are available to the plan under the Account's Governing USBNA Service Contract(s), and those portfolios include Mutual Funds. If the plan selects an Omnibus Account, then Account assets are invested in Mutual Funds accordingly. Such Mutual Funds are listed below if they pay U.S. Bank Revenue Share.

First American Funds. USBAM is the investment advisor to the Mutual Funds in the First American Funds Trust family (the "First American Funds"). First American Funds issue shares in multiple classes, and their fees may vary by class. U.S. Bank may enter into agreements with First American Funds or with First American Funds' service providers (including investment advisers, administrators, or transfer agents) whereby U.S. Bank provides services to the First American Funds, including, as applicable, services provided by USBAM (investment advisory, shareholder services), by USBNA (custody, shareholder services), and by USBFS (accounting, administration, transfer agency, shareholder services), and receives fees for these services from the Fund or the Fund's sponsor or agent. Prospectuses for First American Funds are available at <https://www.firstamericanfunds.com/index/FundPerformance/ShareholderDocuments.html>.

Fund Name	Ticker	Share Class	Rate Of Fees Received By (%)			TAOE (%)	TAOE After Waiver (%) ²
			USBAM ¹	USBNA ¹	USBFS ¹		
First American Government Obligs X	FGXXX	X	0.10	0.10	-	0.14	0.13

1— These fees are received from the Fund.

2— This amount is the TAOE less U.S. Bank's voluntary waiver, if any, of a portion of the fees it is entitled to receive for servicing the Fund.

PFMAM Funds. PFMAM is the investment advisor to the Mutual Funds in the PFM Multi-Manager Series Trust (the "PFMAM Funds"). U.S. Bank may enter into agreements with PFMAM Funds or with PFMAM Funds' service providers (including investment advisers, administrators, transfer agents, or distributors) whereby U.S. Bank provides services to the PFMAM Funds, including, as applicable, services provided by PFMAM (investment advisory), by USBNA (shareholder services), and by PFMFD (distribution), and receives fees for these services from the Fund or the Fund's sponsor or agent. Prospectuses for PFMAM Funds are available at <https://mmst.pfmam.com/forms-documents>.

Fund Name	Ticker	Share Class	Rate Of Fees Received By (%)			TAOE (%)	TAOE After Waiver (%) ²
			PFMAM ¹	USBNA ¹	PFMFD ¹		
<i>Not Applicable</i>							

Not Applicable

Other Mutual Funds. U.S. Bank may enter into agreements with Mutual Funds other than First American Funds or PFMAM Funds (“Other Mutual Funds”) or with Other Mutual Funds’ service providers (including investment advisers, administrators, transfer agents, or distributors) whereby U.S. Bank provides services to the Other Mutual Funds, including, as applicable, services provided by USBNA (custody, securities lending, shareholder services, National Securities Clearing Corporation (NSCC) networking) and by USBFS (accounting, administration, transfer agency), and receives fees for these services from the Fund or the Fund’s sponsor or agent. Prospectuses for Other Mutual Funds are available at <https://www.sec.gov/edgar/searchedgar/prospectus>.

Fund Name	Ticker	Share Class	Rate Of Fees Received By (%)			TAOE (%)
			USBNA ³ (not from NFS)	USBNA ⁴ (from NFS)	USBFS ³	

Not Applicable

Private Funds; CTFs; Group Trusts. U.S. Bank may enter into agreements with Private Funds, CTFs, or Group Trusts or with their service providers, whereby U.S. Bank provides services to such Funds, including, as applicable, services provided by USBNA (custody) and by USBFS (accounting, administration, shareholder services, transfer agency), and receives fees for these services from the Fund or the Fund’s sponsor or agent.

OTHER COMPENSATION (PART D)

Float Income. USBNA may hold (i) cash awaiting either investment or distribution to proper recipients or (ii) funds held for other purposes (for example, pending investment following a trade fail, because funds were received too late to be posted the same day, or pursuant to an investment direction) in a noninterest-bearing deposit account at USBNA and, thereby, earn and retain income on the float as part of its fees for servicing the Account. The payors of the float income are other financial institutions that borrow USBNA’s deposits on a short-term basis.

For cash awaiting investment, the float period is generally no longer than one business day following the receipt by USBNA of such cash. However, if the Customer fails to provide adequate information concerning the allocation of contributions (or, if applicable, if there is no participant investment direction), the float period may last until such date as USBNA receives clear, comprehensive directions (in accordance with applicable trading deadlines) as to how such cash should be allocated and invested. For distributions made from the Account, the float period commences on the date the check, wire transfer, or electronic transfer is issued to a proper recipient and ends on the date the check is presented to USBNA for payment and settles or wire or electronic transfer is accepted by the receiving institution. The time period involved varies for each payment issued, though the average time such payments remain outstanding is one (1) to fifteen (15) calendar days from the date of issuance. For funds held for other purposes, the float period commences on the date good funds are deposited in the applicable deposit account and ends on the date the funds are withdrawn or transferred therefrom, such as ending upon actual trade settlement (for funds held pending investment following a trade fail) or on the next business day (for funds received too late to be posted the same day).

The float rate on (i) cash awaiting investment; (ii) un-cashed checks, pending wire transfers, and pending electronic transfers and (iii) funds held for other purposes is generally no more than the Target Federal Funds Rate (the “Target Rate”) of interest applicable during the period involved. The Target Rate is the short-term rate objective announced by the Federal Reserve. The actual rate of interest paid between banks is the Effective Federal Funds Rate (the “Effective Rate”). The Effective Rate changes daily but is generally close to the Target Rate. Changes to the Target Rate are made by the Federal Reserve’s Open Market Committee. The announced Target Rate can be obtained upon request from your account representative or can be found in the Wall Street Journal.

Expenses. Expenses, fees, costs, and other charges incurred by USBNA in providing services under the Account’s Governing USBNA Service Contract(s) are expenses of the Account.

Advance of Funds. If USBNA advances funds in furtherance of settling the redemption of Fund shares or units, then the yield, if any, paid on the shares or units that were treated as redeemed is retained by USBNA as part of its fees for servicing the Account.

CHANGES (PART E)

USBNA may amend this Fee Schedule by delivering to the Customer an amended and restated Fee Schedule (or another written notice of the change). If the Customer does not deliver a written objection to USBNA within sixty (60) calendar days thereafter, the new fee schedule will become effective.

This Fee Schedule need not be amended to reflect the Account’s complete divestment from a Fund.

USBNA will not notify the Customer of (i) the re-investment of Account assets into a Fund not listed above which pays U.S. Bank Revenue Share or (ii) a change to a U.S. Bank Revenue Share rate listed above, except insofar as the Customer thereafter asks USBNA for an amended and restated Fee Schedule and such Fund or revised rate is reflected therein. The Customer’s approval of Fund Fees and U.S. Bank Revenue Share includes approval of the Fund Fees and U.S. Bank Revenue Share that would be described in any such amended and restated Fee Schedule. As such, the Customer should request an amended and restated Fee Schedule periodically and in connection with re-investment of Account assets.

APPROVAL (PART F)

First American Funds or PFMAM Funds. The Customer hereby acknowledges as follows: Fund-level Fees (Part C) hereof describes Fund Fees and U.S. Bank Revenue Share of the identified First American Funds and PFMAM Funds, including any differential among Fund Fees and U.S. Bank Revenue Share of such Funds. Account-level Fees (Part B) hereof describes Account Fees, including the rate of the account-level investment-management fee for Account assets invested in such Funds. The prospectus for such a Fund provides additional information about fees paid by the Fund. Investment in such Funds offers diversified cash management investments and other features that are appropriate for the Account, including that the Funds are valued daily, may be bought or sold on any business day, and prices of the Funds are listed daily in most major newspapers and Internet financial sources. Account assets will not be invested in a share class that charges any sales commissions, loads, or transfer fees for buying or selling such Fund shares. Account assets will not be invested in a share class that charges any redemption fee for selling such Fund shares, unless such redemption fee is paid only to the Fund and is disclosed in the Fund's prospectus at the time of purchase and sale of such shares. Account assets may only be eligible to be invested in certain share classes of some of such Funds, as described in the Funds' prospectuses.

Acknowledgement. The Customer hereby acknowledges that it:

- is independent of U.S. Bank and has authority to enter into, extend, and renew contracts for the services described herein and to approve the fees described herein.
- received, read, understands, and executed the Account's Governing USBNA Service Contract(s).
- obtained, read, and understands the Fund-Issuer's Disclosure for each Fund, including, but not limited to, the sections thereof describing fees, expenses, and compensation, and acknowledges that the purchase or sale of Fund shares or units is subject to the terms of the Fund-Issuer's Disclosure.
- expects to neither cause nor permit the Account to acquire any foreign securities.
- understands and approves the services and fees described herein, including the Account Fees, the Fund Fees for each Fund, U.S. Bank Revenue Share for each Fund, and the Other Compensation.
- agrees to the process described herein for amending this Fee Schedule.
- understands that, subject to the Account's investment guidelines, Account assets may be invested in any Fund.

The Customer hereby executes this Fee Schedule.

Customer: _____
(Printed name of employer)

By: _____
(Signature of Customer's authorized officer)

(Printed name of Customer's authorized officer)

Its: _____
(Title of Customer's authorized officer)

Dated: _____

Shares of registered investment companies, and units of private funds, bank-maintained collective trust funds, and nonbank-maintained group trusts, are not deposits or obligations of, or endorsed or guaranteed in any way by, any bank, including any bank affiliated with U.S. Bancorp. Nor does the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency insure such products. An investment in such products involves investment risks, including the possible loss of principal, due to fluctuations in each product's net asset value. Deposit products are offered by U.S. Bank National Association, member FDIC.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the United States fight the funding of terrorism and money laundering activities, U.S. law requires U.S. Bancorp, like other financial institutions, to obtain, verify, and record information that identifies each customer that opens an account.

What this means for you: When you open an account with us, we will ask for your legal name, address, tax identification number, and other identifying information that will assist us. We may ask for copies of certified articles of incorporation, an unexpired government-issued business license, a partnership agreement, or other documents that indicate the existence and standing of the entity.

**ADOPTION AGREEMENT
for the
POST-EMPLOYMENT SECTION 115 TRUST**

A.1.1. Trust agreement with U.S. Bank National Association (the “Bank”) (the “Trust Agreement”):

Post-Employment Section 115 Trust. Public Agencies Post-Employment Benefits—Trust Agreement, effective November 5, 2014

A.1.2. OPEB Plan: Public Agencies Post-Employment Health Care Plan

The plan document for the OPEB Plan is the Public Agencies Post-Employment Health Care Plan—Master Plan Document, effective as of November 5, 2014 (the “Plan Document”).

A.1.3. Pension Plan: _____

A.1.4. Pension Plan’s effective date: _____

(Check if applicable) Additional Pension Plans (and their respective effective dates) are listed on an exhibit attached hereto.

A.2.1. Employer:

Name: _____

U.S. mail address: _____

Phone number: _____

EIN: _____

Fiscal year end: _____

A.2.2. Plan Administrator:

Position at Employer: _____

Incumbent: _____

U.S. mail address: _____

Phone number: _____

Email address: _____

A.3.1 **Adoption.** The Employer hereby:

A.3.1.1. Adopts the Trust Agreement as part of the (*Check one or both of the following boxes.*):

- OPEB Plan
- Pension Plan

(each such plan separately, the “Plan”) and agrees to be bound by the Trust Agreement’s terms, effective as of the Employer’s signature date below and subject to the investment approach selected below.

A.3.1.2. *The following provisions apply if and only if the **OPEB Plan** box above is checked:* (i) Adopts the Plan Document and agrees to be bound by the Plan Document’s terms, effective as of the Employer’s signature date below and (ii) acknowledges that the determination of Eligible Employees and Eligible Beneficiaries is finally and conclusively made by the Employer according to the Employer’s applicable policies and collective bargaining agreements and without reference to the Trust Agreement.

A.3.1.3. Ratifies, affirms, and approves Employer’s appointment of Phase II Systems as Trust Administrator and represents and warrants that attached hereto is a fully-executed original of Employer’s Agreement for Administrative Services with Phase II Systems, d/b/a Public Agency Retirement Services (PARS).

A.3.1.4. Agrees that capitalized terms used herein but not defined herein shall have the same meaning attributed to them as in the Trust Agreement or Plan Document, as the case may be.

A.4.1. The Employer hereby represents and warrants that:

A.4.1.1. **Authorizing Law.** Employer has reviewed with its legal counsel and has determined that Employer is authorized to establish and maintain the Plan and to establish a financial-institution trust (separate and apart from the state) for the Plan, including the authority to adopt the Trust Agreement.

A.4.1.2. **Authorizing Resolution.** Attached hereto is a certified copy of a resolution of the Employer’s governing body authorizing the adoption of the Trust Agreement as part of the Plan and authorizing the appointment of the Plan Administrator designated by position of employment at the Employer to act on the Employer’s behalf in all matters relating to the trust.

A.4.1.3. **Tax Status.** The Plan is a “governmental plan” as defined in Section 414(d) of the Internal Revenue Code of 1986, as amended; is a “Section 401(a)(24) governmental plan” as defined in Revenue Ruling 2011-1; and is not subject to Federal income taxation. The Plan’s governing document expressly provides that it is irrevocably impossible for any part of the corpus or income of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of the Plan participants and their beneficiaries. The Pension Plan is a qualified plan under Code Section 401(a). (In addition, the Employer hereby acknowledges that the Plan is prohibited from assigning any part of its equity or interest in the trust.)

A.4.2. Investment Approach.

A.4.2.1. *The following provisions apply if and only if the **OPEB Plan** box above is checked:*
OPEB Account. OPEB Account assets are invested in the discretion of (*check one and only one of the following boxes*):

Discretionary investment approach:

- The Bank, subject to **Exhibit A (Investment Strategy Selection and Disclosure Form)** hereto.

Directed investment approach:

- The Plan Administrator.
- The following registered investment adviser, bank (other than the Bank), or insurance company (a "Third-Party Manager"): _____

_____ The Employer hereby represents and warrants that attached hereto is an executed copy of the agreement with the above appointed Third Party Manager.

A.4.2.2. *The following provisions apply if and only if the **Pension Plan** box above is checked:*
Pension Account. Pension Account assets are invested in the discretion of (*check one and only one of the following boxes*):

Discretionary investment approach:

- The Bank, subject to **Exhibit A (Investment Strategy Selection and Disclosure Form)** hereto.

Directed investment approach:

- The Plan Administrator.
- The following registered investment adviser, bank (other than the Bank), or insurance company (a "Third-Party Manager"): _____

_____ The Employer hereby represents and warrants that attached hereto is an executed copy of the agreement with the above appointed Third Party Manager.

A.4.3. It is intended that any references to GASB pronouncements and/or statements in the Public Agencies Post-Employment Health Care Plan and Trust Agreement shall incorporate any applicable successor pronouncements and/or statements.

[signature page follows]

EMPLOYER

By: _____

Its: _____

Date: _____

Accepted by:

**PHASE II SYSTEMS, DBA PUBLIC AGENCY
RETIREMENT SERVICES (PARS)**

By: _____
Daniel Johnson

Its: President _____

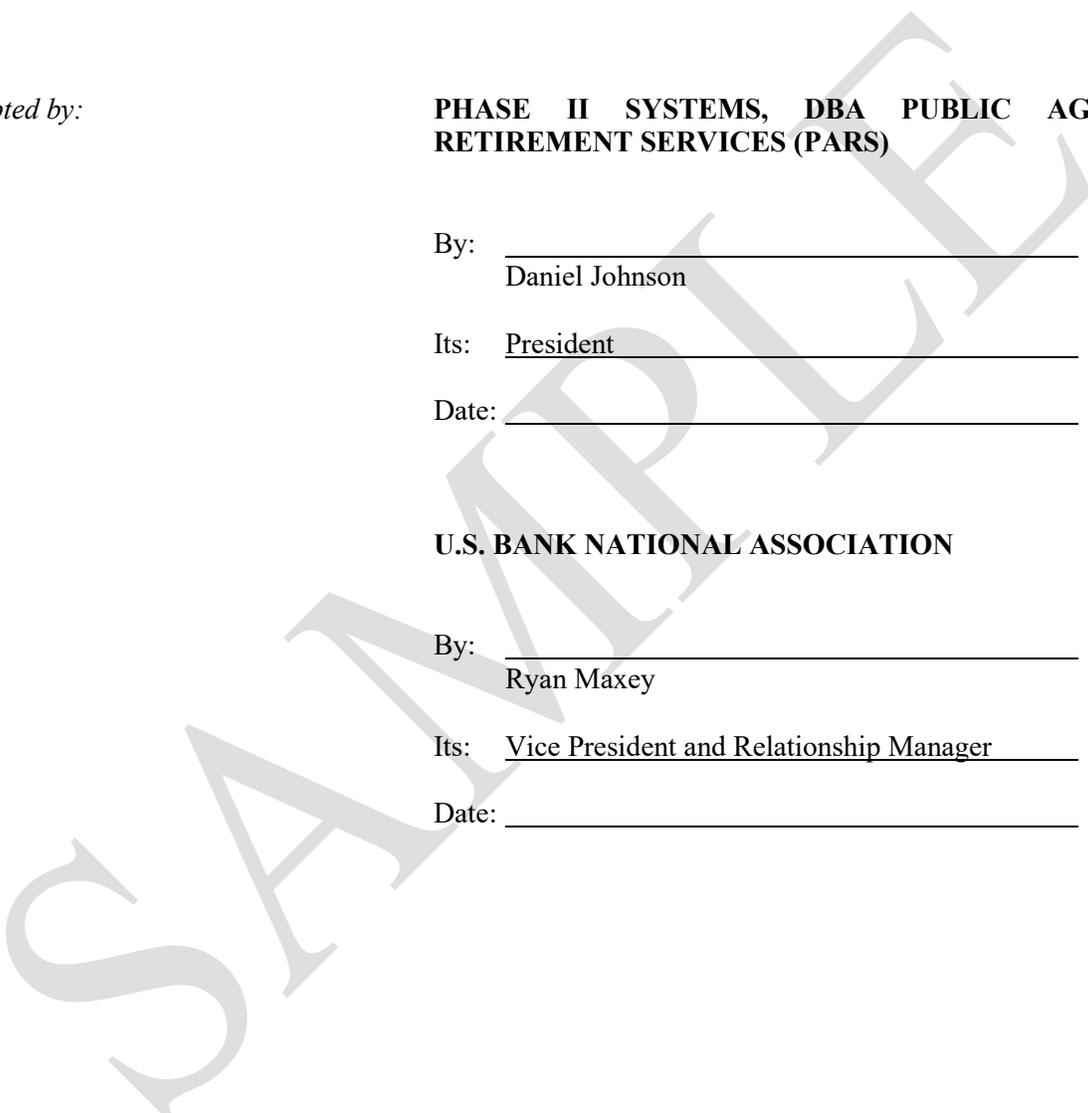
Date: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____
Ryan Maxey

Its: Vice President and Relationship Manager _____

Date: _____



Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Index Number: 115.00-00

Third Party Communication: None
Date of Communication: Not Applicable

U.S. Bank National Association
c/o Susan Hughes, Vice President
3121 Michelson Drive (Suite 300)
Irvine, CA 92612

Person To Contact:
Robin J. Ehrenberg, ID No. 1000219292
Telephone Number:
(202) 317-5800
Refer Reply To:
CC:TEGE:EOEG:EO3
PLR-146796-14
Date: June 5, 2015

Legend

- Trust = Public Agencies Post-Employment Benefits Trust
- Trust Agreement = Public Agencies Post-Employment Benefits Trust Agreement
- Trustee = U.S. Bank National Association

Dear Ms. Hughes:

This letter responds to a letter from your authorized representative dated December 22, 2014, requesting rulings that (1) the Trust’s income is excludable from gross income under section 115 of the Internal Revenue Code (IRC) and (2) the Trust is not required to file annual federal income tax returns under IRC section 6012(a)(4). The Trust represents the facts as follows:

FACTS

The Trust is a multiple employer trust established to enable public-agency employers to fund post-retirement employee benefits. Each participating employer must be a public agency that is a state, political subdivision of a state, or an entity the income of which is excludable from gross income under IRC section 115. The employer’s governing body must authorize in writing the adoption of the Trust and the employer must execute the adoption agreement, which approves the Trust’s administrator and provides that the agency adopts and agrees to be bound by the Trust Agreement. In the adoption agreement, the employer elects to fund obligations to provide benefits under a post-employment health care plan and contribute to a defined-benefit pension plan maintained by the employer that is qualified under IRC section 401(a). The employer may elect to fund either or both obligations.

The Trust Agreement provides that assets are held by the Trust for the exclusive purpose of funding participating employers' benefit obligations and defraying the reasonable expenses of the Trust. The Trust's assets may not be used for any other purpose. Each employer's contributions to the Trust, together with any allocable investment earnings and losses, are held in a separate account for that employer. Assets allocated to satisfy an employer's health and welfare benefit obligation or the employer's pension obligation may only be used for purposes of satisfying that particular obligation. The assets held in an employer's account are not available to pay any obligations incurred by any other employer.

The employers appoint the Trustee and the Trust's administrator and may remove the Trustee or the administrator by a two-thirds vote of all employers. The employers may amend the Trust Agreement with the approval of two-thirds of all employers then participating in the Trust. The employers may terminate the Trust by unanimous agreement of all employers.

Upon termination of the Trust, any assets remaining in an employer's account, after satisfaction of benefit and the Trust's obligations are returned to the employer to the extent permitted by law and consistent with the requirements of IRC section 115.

LAW AND ANALYSIS

Issue 1 - IRC section 115(1)

IRC section 115(1) provides that gross income does not include income derived from any public utility or the exercise of any essential governmental function and accruing to a state or any political subdivision thereof.

Rev. Rul. 77-261, 1977-2 C.B. 45, holds that income generated by an investment fund that is established by a state to hold revenues in excess of the amounts needed to meet current expenses is excludable from gross income under IRC section 115(1), because such investment constitutes an essential governmental function. The ruling explains that the statutory exclusion is intended to extend not to the income of a state or municipality resulting from its own participation in activities, but rather to the income of an entity engaged in the operation of a public utility or the performance of some governmental function that accrues to either a state or political subdivision of a state. The ruling points out that it may be assumed that Congress did not desire in any way to restrict a state's participation in enterprises that might be useful in carrying out projects that are desirable from the standpoint of a state government and that are within the ambit of a sovereign to conduct.

Rev. Rul. 90-74, 1990-2 C.B. 34, holds that the income of an organization formed, funded, and operated by political subdivisions to pool various risks (e.g., casualty, public liability, workers' compensation, and employees' health) is excludable from gross income under IRC section 115(1), because the organization is performing an essential governmental function. The revenue ruling states that the income of such an organization is excludable from gross income so long as private interests do not participate in the organization or benefit more than incidentally from the organization. The benefit to the employees of the insurance coverage obtained by the member political subdivisions was deemed incidental to the public benefit.

Through the Trust, participating public agency employers fund health and welfare and pension obligations for retired employees. Each of the Trust's participating employers is required to be a state, political subdivision of a state or an entity the income of which is excludable from gross income under IRC section 115. Providing health, welfare and pension benefits to current and former employees constitutes the performance of an essential government function within the meaning of IRC section 115(1). See Rev. Rul. 90-74 and Rev. Rul. 77-261.

The Trust's income accrues to its participating employers, all of which are political subdivisions of a state or entities the income of which is excludable from gross income under IRC section 115. No private interests will participate in, or benefit from, the operation of Trust, other than as providers of goods or services. The benefit to employees is incidental to the public benefit. See Rev. Rul. 90-74.

In no event, including dissolution, will the Trust's assets be distributed or revert to any entity that is not a state, a political subdivision of a state, or entity the income of which is excludable from its gross income by application of IRC section 115(1).

Issue 2- IRC section 6012(a)(4)

Section 301.7701-1(b) of the Procedure and Administration Regulations (Regulations) provides that the classification of organizations that are recognized as separate entities is determined under sections 301.7701-2, 301.7701-3, and 301.7701-4, unless a provision of the IRC provides for special treatment of that organization.

Section 301.7701-4(a) of the Regulations provides that, in general, an arrangement will be treated as if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit.

The Trust enables public-agency employers to set aside funds to be used to satisfy each employer's separate pension and health and welfare benefit obligations. The

Trustee is charged with the responsibility of the protection and conservation of the Trust property for the benefit of the beneficiaries of the Trust. The beneficiaries of the Trust cannot share in the discharge of the Trustee's responsibility for the protection and conservation of property and, therefore, are not associates in a joint enterprise for the conduct of business for profit. IRC section 6012(a)(4) provides that every trust having for the taxable year any taxable income or having gross income of \$600 or more, regardless of the amount of taxable income, shall make returns with respect to income taxes under Subtitle A.

Based solely on the facts and representations submitted by the Trust, we conclude that:

1. Because the income of the Trust derives from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof, the Trust's income is excludable from gross income under IRC section 115(1).
2. The Trust is classified as a trust within the meaning of IRC section 7701(a) and section 301.7701-4(a) of the Regulations. Because Trust's income is excludable from gross income under IRC section 115, the Trust is not required by IRC section 6012(a)(4) to file an annual income tax return.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. This ruling concerns only the federal tax treatment of the Trust's income and may not be cited or relied upon by any taxpayer, including the Trust, employers participating in the Trust, and any recipients of benefits paid under the terms of the Trust, as to any matter relating to the taxation of accident or health contributions or benefits.

This ruling is directed only to the taxpayer who requested it. IRC section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Griffin', with a stylized flourish at the end.

Kenneth M. Griffin
Branch Chief, Exempt Organizations Branch 3
(Tax Exempt and Government Entities)

cc: Marcus Wu
Pillsbury Winthrop Shaw Pittman LLP
12255 El Camino Real, Suite 300
San Diego, CA 92130-4088

Paul Marmolejo
Director, Office of Federal, State and Local Governments
SE:T:GE:FSL



SUBJECT: Wine Country Half Marathon Update

PREPARED BY: Candice Libera, Marketing and Events Coordinator

DISCUSSION

This informational report outlines the specific stipulations and mitigation measures required of the Wine Country Half Marathon organizers for all future events. These measures are in direct response to concerns raised by residents, business owners, and City staff following the 2025 event.

BACKGROUND:

The Wine Country Half Marathon is a well-attended annual event that draws more than 2,500 participants and visitors, 30% which are from out of state and from six different countries, contributing meaningful economic benefits to Solvang and the surrounding region. However, the 2025 event raised some operational and community concerns, particularly regarding event setup, insufficient recognition of the host city, disruptions to local businesses, and inadequate post-event cleanup.

To address these issues and minimize negative impacts moving forward, City staff have collaborated with event organizers to develop a comprehensive list of stipulations for the 2026 event.

Stipulations and Mitigation Measures:

1. Event Course Layout and Economic Impact

Concern: The current finish line location on Copenhagen Drive between Second Street and First Street has created access issues for surrounding businesses that some feel have negatively impacted sales.

Mitigation: The course layout will be revised to reduce disruption to downtown commerce, particularly along Copenhagen Drive. Final approval of the course will be determined by the City. The event organizer has committed to submitting a revised finish line layout for review.

2. Event Cleanup and Equipment Removal

Concern: Post-event cleanup was incomplete, with equipment left behind and trash—including debris like zip ties and electrolyte packets scattered along the course and in Solvang Park.

Mitigation: A formal post-event cleanup contract with a City-approved vendor will be required. Additionally staff reached out and are working collaboratively with Santa Barbara County, which is also requiring the same contract for the portion of the route in their jurisdiction. Additional waste and recycling receptacles must be placed throughout the event route. Organizers are responsible for full cleanup of all race-related materials along the entire course and venue area.

3. Park and Turf Protection

Concern: Equipment with metal bases, such as umbrella stands, caused burn marks in Solvang Park, damaging the turf.

Mitigation: No equipment with metal bases may be placed directly on grass unless protective measures are used. Turf pads with aeration holes or risers are required beneath all such equipment. Any park or landscaping damage, including burned grass, will be repaired at the organizer's expense.

4. Branding and Host City Recognition

Concern: The event title, "Santa Barbara Wine Country Half Marathon," lacks clear acknowledgment of Solvang as the host city.

Mitigation: All marketing materials, digital platforms, and event swag will prominently feature "Solvang, CA".

5. Compliance Deposit

A refundable compliance deposit of \$5,000 is required no later than 21 days before the event. This deposit will be used to cover actual City costs related to the event (e.g., staff time, cleanup, infrastructure support). Any unused portion of the deposit will be returned following the event, pending final inspection. The compliance deposit is in addition to any and all other required special event fees and deposits.

RECOMMENDED MOTION:

None. Informational item only.

ALTERNATIVES: N/A

FISCAL IMPACT: There is no direct fiscal impact from this report. However, City costs related to public safety, traffic control, and Public Works support will be recovered through the Special Event Permit process and compliance deposit as applicable.

ATTACHMENTS: None



SUBJECT: Discussion and Update on Julefest 2025

PREPARED BY: Candice Libera, Marketing and Events Coordinator

DISCUSSION

This informational report provides an update on the planning and logistics for Julefest 2025 and proposes a partial street closure on Copenhagen Drive to enhance pedestrian safety and improve event and traffic flow through the month of December

Julefest is Solvang's signature holiday celebration, attracting hundreds of thousands of visitors throughout the month of December. Approximately 807,000 out of market visitors come through Solvang in December. The event includes a variety of family-friendly programming such as the Tree Lighting ceremony, Julefest Parade, Santa's Village, nightly light and music shows, outdoor Maker's Market, a New Years event, and Tree Burn. With increasing foot traffic during weekends and peak event days, the City continues to explore strategies to balance public safety, traffic circulation, parking availability, and budget-conscious staffing models.

Parking and Access Management

Parking demand increases significantly during Julefest, creating challenges in managing the City's limited parking supply and maintaining efficient traffic circulation. To address these concerns, the City is evaluating several strategies, including collaboration with private property owners to expand parking availability, and the implementation of improved wayfinding signage. These efforts aim to reduce congestion, enhance the visitor experience, and ensure continued access for residents, employees, and local businesses.

Pedestrian Safety, Circulation, and Traffic Flow Management

Another ongoing challenge during Julefest is ensuring safe and manageable pedestrian and vehicle circulation, particularly at the intersection of Alisal Road and Copenhagen Drive, where heavy foot traffic intersects with regular vehicle movement. To address this issue last year, the City implemented multiple crossing guards to manage pedestrian crossings.

To enhance pedestrian safety, streamline event operations, and improve overall traffic flow management, staff proposes a partial closure of Copenhagen Drive between First Street and Alisal Road during Julefest. This section experiences significant pedestrian volume. Closing this segment to vehicles would reduce congestion, eliminate right and left hand turns onto Copenhagen Drive, minimize vehicle-pedestrian conflict points, and simplify traffic control in the area. Additionally, this closure would reduce the need for a crossing guards at Alisal Road, allowing funds for that one crossing guard to be reallocated toward additional crossing guards at other intersections and broader security coverage throughout downtown on weekends, further enhancing public safety during the busy event season. For high-attendance events such as the Tree Lighting Ceremony and Copenhagen Countdown, staff also propose temporarily closing First Street between Mission Drive and Copenhagen Drive. This closure will ensure a safe and efficient pedestrian exit and help prevent potential conflicts between vehicles and large crowds.

Anticipated Benefits and Considerations

- **Improved Pedestrian Experience:** Creates a safe, car-free environment allowing families and children to move freely.

- **Operational Efficiency:** Eliminates the need for at least one staffed pedestrian crossing location, reducing the number of required crossing guards and associated expenses that can be budgeted elsewhere.
- **Enhanced Public Safety:** By reducing traffic flow through key pedestrian areas, the City can proactively prevent accidents and enhance emergency response access during crowded conditions.
- **Parking Consideration:** The proposed closure would result in the temporary loss of approximately 30 parking spaces. This impact should be considered in the context of the potential improvements to pedestrian safety and overall event operations.

RECOMMENDED MOTION:

None. This information is being provided to Council so that they and our residents will be aware of the proposed changes for this year's Julefest festivities.

ALTERNATIVES:

If Council wishes to modify the changes proposed, please provide alternative direction.

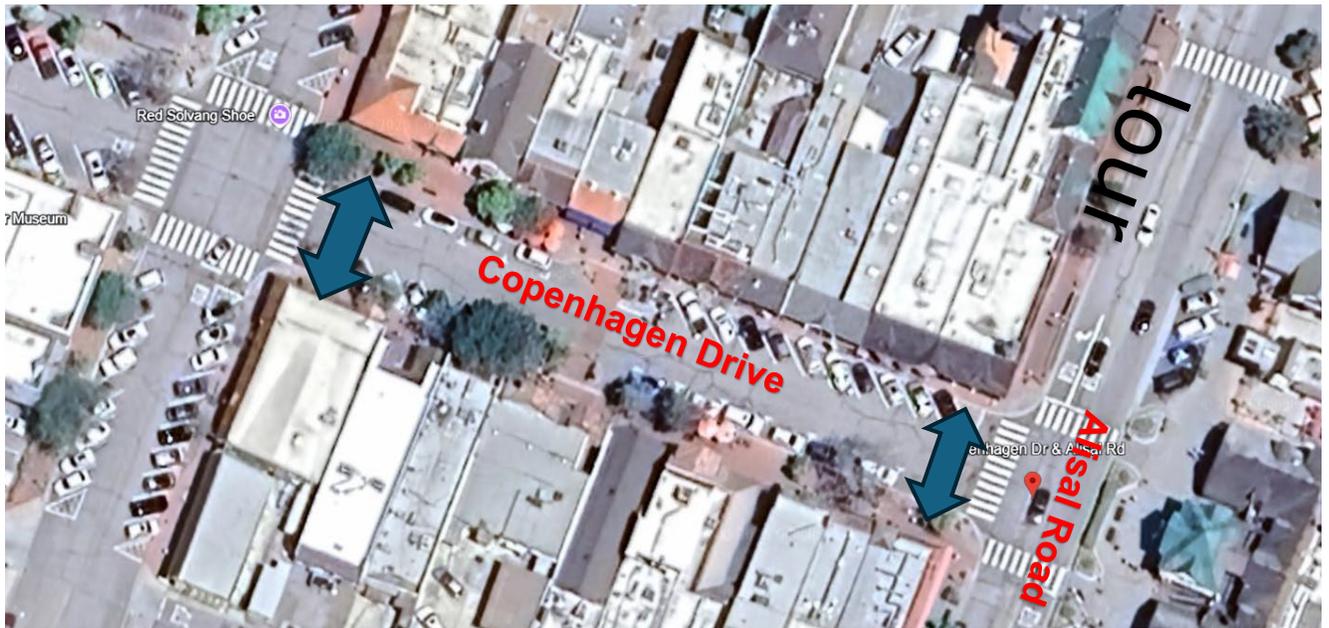
FISCAL IMPACT:

Additional crossing guards, signage and barricades will be included in the overall traffic control plan and absorbed within the approved Julefest event budget.

ATTACHMENTS:

A – Julefest Street Closure Map

Copenhagen Drive Closure



First Street Closure





SUBJECT: Vacation Rental/Short Term Rental Ordinance Amendment

PREPARED BY: A. Rafael Castillo, AICP, Community Development Director

DISCUSSION:

Background

At its March 2025 meeting, the City Council directed city staff to begin revisions to the City's Vacation rental ordinance which would include a framework of an ordinance for further input from the City Council and residents.

Short Term Rental Ordinance Framework

To complete the framework of the ordinance, staff requests input from the City Council on a few components of the draft ordinance.

Should the City of Solvang allow vacation rentals outside the Village Mixed Use zone (VMU, formerly TRC)?

There are pros and cons to expanding the area where short-term rentals are allowed and only allowing them in the village. The Council may elect to continue with its current approach of only allowing short-term rentals in the village. Property owners who are currently advertising short-term rentals outside of the village will have no path forward to legalizing these units and will enter into code enforcement for compliance with the existing and future ordinance. If the Council chooses to direct staff to allow short-term rental units within other residential areas, owners currently operating unpermitted short-term rentals would have a path forward to come into compliance under a new ordinance. This action would likely reduce the number of units either utilized for permanent long term rental housing or for sale units and may create neighborhood friction between existing residents in the neighborhood and the unit being rented out to visitors.

The potential components of an ordinance and additional considerations for Council under either approach are discussed below.

If the Council directs staff to continue to only allow short term rentals in the village, then City staff recommends bringing back a draft ordinance that would:

- Allow vacation rentals in the Village Mixed-Use Zone only, removing the existing carve out for R-3 zoned properties. Permits would be non-transferable and must be renewed annually.
- Allow existing vacation rental owners in R-3 zones properties to apply as a "non-conforming" vacation rental within a certain time frame from adoption of the ordinance.
 - For the "non-conforming" short-term vacation rentals, staff requests City Council provide direction on whether to:
 - i. Allow only the existing property owner to apply for a "non-conforming" short term rental permit that is non-transferable at time of sale and must be renewed annually. If this option is selected, the maximum number of "non-conforming" short term rental permits would be set and would naturally decline over time.
 - ii. Allow the right for a short-term rental permits to be transferred to a new property owner.
- Staff also requests Council direction on whether to place a cap on the number of short-term rental permits to ensure new residential units are preserved for permanent housing. The cap could be on the total number of permits allowed in the City at a given time, or it could limit the number of permits that may be issued per property or structure.

If Council directs staff to allow vacation rentals outside of the VMU, staff requests the Council also consider and provide direction on whether to:

- Issue permits on a first come, first served basis.
- Establish a cap on the number of vacation rental permits issued. The Housing Element estimated approximately 2,380 existing housing units in the City. Of those, 898 units were considered “renter occupied”. The Council could consider a percentage of renter occupied units as a cap for either the entire program (including the village), or no cap within the village, and cap outside the village. For example, a cap of 45 units would be 5% of the “renter occupied units”.
- Require a minimum distance between permitted vacation rentals. City staff has the ability to create measured distances from each permit. Utilizing property boundaries, a minimum distance criteria could be utilized, such as 500 feet or 1,000 feet from each permit.
- Allow only “owner occupied” vacation rentals, or “home stay rentals” outside of the VMU. This would allow for homeowners to only rent out rooms and to be present on site for stays.
- Require enforcement of minimum parking requirements for all units. This would require on-site parking spaces be provided in an amount proportional to the number of bedrooms proposed to be rented. On-street parking could not be utilized to meet parking requirements. Parking would need to be dedicated either on the driveway or in a garage.
- Require “Quiet times” from the hours of 10 p.m. to 7 a.m.
- Require a cap on the maximum number of occupants proportional to the number of bedrooms rented.
- Require a cap on the number of “daytime visitors” to the rented unit or bedroom.
- Establish a 24/7 hotline for neighbors to report illegal activities at permitted short term rentals. This hotline would be funded through the annual permit fees.
- Require notification to neighbors that are within 150-200 feet of an issued short term rental permit.
- Other requirements necessary to alleviate potential neighborhood issues.

RECOMMENDED MOTION

None. Provide direction to staff as discussed below.

ALTERNATIVES:

None. City Council may provide direction to city staff on the above options to continue crafting the revisions to the short-term vacation rental ordinance.

FISCAL IMPACT:

City staff time to craft the proposed ordinance amendments.

ATTACHMENTS:

A – Framework of proposed Vacation Rental Ordinance

Draft Vacation Rental/Short Term Rental Ordinance Outline

- A. Purpose.
 - 1. This Section provides standards to regulate short-term rentals
 - 2. This Section is not intended to provide any owner with the right or privilege to violate any private conditions, covenants and restrictions.

- B. Applicability.
 - 1. The provisions of this Section shall apply to all short-term rental units
 - 2. Short-term rental units shall only be allowed within legally constructed units
 - 3. Short-term rentals shall be prohibited in any residence or development subject to an affordable housing covenant (i.e. deed restricted housing) deed restriction imposed or required by the city or qualified density bonus project, Accessory Dwelling Units, and Junior Accessory Dwelling Units.
 - 4. Short-term rentals shall be prohibited in recreational vehicles, motorhomes etc.

- C. Permit Required.
 - 1. Requirement to obtain permits.
 - 2. A short-term rental permit must be renewed on an annual basis.
 - 3. Any proposed change to the permit conditions or material facts relating to the information contained in the permit application shall require the owner to submit a new short-term rental permit application.
 - 4. A short-term rental permit is only valid for the address and owner on the short-term rental permit.
 - 5. A short-term rental permit shall be valid only for the number of bedrooms in existence at the time the short-term rental permit is issued.

- D. Application Requirements. The owner shall submit a short-term rental permit application, application submittal requirements, and fee approved in the City's Adopted Fee Schedule.

- E. Application Approval. The Review Authority shall approve the short-term rental permit if the owner demonstrates compliance with this Section plus site inspection.

- F. Permit Approval Notification. The City shall notify all property owners and occupants in writing within a ___ foot radius upon issuance of a short-term rental permit.

- G. Maximum Number of Permits. Section if the Council were to initiate a cap on the number of short term rental permits.

- H. Permit Location. Section where short-term rental permits are allowed.

- I. Permit and Operating Requirements.
 - 1. Maximum Occupancy requirements based on bedroom size.
 - 2. Parking. Parking requirements.
 - 3. Local Contact Person. Requirement for a local contact person and definition
 - 4. Property Maintenance. Minimum property maintenance standards.
 - 5. Life Safety Measures. Fire and life safety standards.
 - 6. Posting Permit. Requirement to post permits
 - 7. Noise and Conduct.
 - 8. Signage. No on-site signage
 - 9. Advertising Requirements. Minimum requirements for listing on-line.
 - 10. Payment of Transient Occupancy Tax.
 - 11. Business Certificate Requirement
 - 12. Compliance with laws including private governing documents, including, without limitation, conditions, covenants and restrictions ("CC&Rs") that are valid and enforceable pursuant to the Davis-Stirling Common Interest Development Act, as set

forth in California Civil Code Section 4000 et seq., pertaining to the use and occupancy of the short-term rental.

13. Additional conditions or requirements

- J. Rental Agreements. Requirements for agreements to rent to occupants or 3rd party platforms.
- K. Owner Responsibilities. Requirement that owner or authorized agent takes responsibility for compliance and liability.
- L. Violations.
 - 1. Notice of Violation.
 - 2. Hotline. Section provided if Council elects to allow within residential neighborhoods.
 - 3. Administrative Citation. The City may issue an administrative citation to the owner, local contact person, renters,
 - 4. Misdemeanor. Outlines citations that may be elevated to misdemeanors.
 - 5. Additional Conditions.
 - 6. Permit Modification, Suspension and Revocation.
 - 7. Public Nuisance. It shall be a public nuisance for any person to commit, cause or maintain a violation of this Section.
- M. Permit Revocations. Section on revoking short-term rental permits.
- N. Permit Revocation Process.
 - 1. The Community Development Director shall notify the property owner
 - 2. A property that has a short-term rental permit revoked cannot reapply for a certain period
 - 3. Notification shall be sent to all owners and occupants within ____ feet of the subject short-term rental of any revocation.
 - 4. A decision by the Community Development Director to revoke a short-term rental permit is appealable to the Planning Commission.
- O. Denial of Permit. Section for denial of short-term rental permits.
- P. Administrative Rules. Should the Council elect to open up rentals in residential neighborhoods, administrative rules document should be crafted in conjunction with any new ordinance.
- Q. Definitions.



CITY COUNCIL STAFF REPORT

AGENDA ITEM 8.e

Meeting Date: August 11, 2025

SUBJECT: Approve Video Surveillance Policy

PREPARED BY: Randy Murphy, City Manager and Olivia Uribe Mutal, Assistant to the City Manager

DISCUSSION:

Following the Council's February 2025 direction to explore surveillance expansion and the July 14th, 2025 approval of the XIT Solutions contract for seven Verkada AI-enabled cameras (\$147,407.01), staff presents a comprehensive Video Surveillance Policy to guide the implementation and operation of the City's enhanced surveillance system.

This policy incorporates California Joint Powers Insurance Authority (CJPIA) best practices, San Francisco Municipal Transportation Agency models, and California legal requirements including Government Code §34090.6 (365-day retention) and focuses specifically on video surveillance (excluding body cameras).

The policy establishes: Authorized Uses, Prohibited Uses, Technical Standards, Privacy Protection and Transparency, Data Management and Accountability, and Implementation Benefits.

Staff recommends approval of the Video Surveillance Policy to ensure legal compliance, protect civil liberties, provide operational clarity, maintain public transparency, and protect the City's surveillance system investment. The policy serves as a living document that will be reviewed annually and updated as needed, with significant changes returning to Council for approval.

RECOMMENDED MOTION

I move to approve the City Video Camera Surveillance Policy as presented.

ALTERNATIVES:

Direct staff to modify portions of the Policy.

FISCAL IMPACT:

None.

ATTACHMENTS:

- A. Draft Video Surveillance Policy
- B. CJPIA Brochure – Security Cameras: Legal Risks and Best Practices

 <p style="text-align: center;">City Video Camera Surveillance Policy</p>	Section: City Council
	Adopted: August 11, 2025 CA Reviewed _____ Last Amended: N/A

PURPOSE

This policy establishes comprehensive guidelines for the ethical, transparent, and limited deployment, use, and management of the City of Solvang’s AI-enabled Surveillance Camera System and all City cameras. The City is committed to enhancing public safety and security while explicitly recognizing and protecting the established civil rights, civil liberties, and privacy interests of all individuals, including employees, residents, and visitors. This policy applies to all City personnel, including employees, contractors, and volunteers, who are authorized to access or operate the system. Appropriate safeguards shall be implemented to ensure accountability, data protection, and adherence to all applicable privacy standards.

DEFINITIONS

- **AI-enabled Surveillance Camera System:** A system that uses cameras and computer technology to capture, store, and process audio, electronic, visual, location, thermal, olfactory, or similar information specifically associated with, or capable of being associated with, any individual or group. This system incorporates artificial intelligence capabilities such as object detection, similarity search, motion detection, and event triggering.
- **Personally Identifiable Information (PII):** Any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, Social Security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

AUTHORIZED USE

City Surveillance Camera Systems shall only be used for the following authorized purposes, aligning with the City's public safety objectives:

1. Monitoring of public areas to enhance safety and security and to deter criminal activity, vandalism, and property damage.
2. Recording and reviewing footage following security incidents or public safety concerns.
3. Providing video footage to law enforcement or authorized persons following an incident in accordance with applicable laws.
4. Supporting emergency management capabilities, particularly given the limited access routes in and out of the city, and for emergency evacuation planning.
5. Using AI-enabled analytics for object similarity search, motion detection, and event triggering.
6. Using AI-enabled features traffic flow optimization to enhance infrastructure management and safety.
7. Safeguarding the City's unique Danish-inspired architecture and cultural preservation.
8. Documenting Code of Conduct violations and ensuring workplace safety for staff protection.
9. Responding to Public Records Act (PRA) requests, as the footage constitutes a public record and is subject to disclosure unless an applicable exemption applies under state or local law.

PROHIBITED USE

Prohibited use cases include any uses not stated in the Authorized Use section. Additionally, City Surveillance Camera Systems shall not be used for:

1. Targeting individuals based on race, ethnicity, national origin, religion, disability, gender, or sexual orientation.
2. Monitoring private property without appropriate legal authorization, recognizing that recording is limited to areas exposed to public view (e.g., vehicles on public roads or streets, or on private property with visible license plates from public access areas).
3. Recording in areas where there is a reasonable expectation of privacy.
4. Processing data to identify racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, gender, gender identity, disability status, or sex life or sexual orientation.
5. Any personal purpose.

CAMERA PLACEMENT AND PRIVACY IMPACT ASSESSMENT

Strategic Placement Criteria

Surveillance cameras shall be installed only in public areas with legitimate security needs, including:

- Strategic downtown intersections
- Building entry/exit points
- Public spaces and tourist areas
- Parking facilities
- Critical infrastructure locations

No cameras shall be placed in locations with a reasonable expectation of privacy.

Privacy Impact Assessment

Privacy Review Process - Before installing new surveillance cameras, the City will implement an internal agency privacy assessment to evaluate potential effects on privacy. This internal review process shall consider:

- The specific purpose and security needs for each proposed camera location.
- Potential privacy impacts on employees, residents, and visitors.
- Camera field of view optimization to minimize unnecessary capture of private areas.
- Periodic reviews of existing camera locations to ensure ongoing alignment with privacy guidelines.

MONITORING APPROACHES AND PUBLIC EXPECTATIONS

The City shall clearly communicate the type of monitoring that will be employed for each surveillance camera location:

- **Active Monitoring**—Designated personnel monitor surveillance cameras in real time. This type of monitoring may be used in high-risk areas or during special events where immediate response capabilities are required.
- **Passive Monitoring** - Cameras continuously record footage, footage, which is only reviewed retrospectively, typically after an incident has been reported. This is common for areas where immediate response is not critical.

- **Hybrid Monitoring** - A combination of active and passive monitoring. Certain cameras or areas may be actively monitored at specific times or during certain events, while the same cameras may operate in a passive mode at other times.

BUSINESS JUSTIFICATION

AI-enabled surveillance cameras support City operations through:

- **Public Safety:** Protecting staff, residents, visitors, and facilities while maintaining our welcoming Danish American village atmosphere.
- **Evidence Collection:** Providing footage for investigations and legal proceedings when formally requested.
- **Cultural Preservation:** Safeguarding our unique Danish-inspired architecture.
- **Emergency Response:** Enhancing capabilities in a city with limited access points
- **Resource Efficiency:** 24/7 monitoring without full-time staffing, supplementing patrol personnel.
- **Staff Protection:** Documenting Code of Conduct violations and ensuring workplace safety.
- **Infrastructure Management:** Monitoring key intersections for improved traffic flow and safety.

TECHNICAL SPECIFICATIONS & AI CAPABILITIES

City surveillance cameras shall incorporate the following technical features and AI capabilities. Policy will be revised if technology requirements are expanded:

Hardware Requirements:

- High-resolution imaging (5MP+, 30fps, HDR-capable) for clear footage in all conditions.
- Fixed-position cameras with defined fields of view (no mechanical pan/tilt/zoom capabilities):
 - Verkada CH52-E Outdoor Multisensor Camera: Fixed multisensor unit deployed at most locations
 - Verkada CD53-E Outdoor Dome Camera: Fixed dome unit deployed at Solvang Park and optional locations
- Durable construction (IK10/IK11 rating) with full weatherization for outdoor deployment.
- Minimum 30-day onboard storage with secure network connectivity options.

AI-Enabled Analytics:

- Object detection and similarity search across multiple camera feeds.
- Smart edge processing to optimize bandwidth and storage requirements.
- Motion detection and automated incident alerting with customizable parameters.
- Privacy-compliant detection features for authorized purposes.
- Surveillance capabilities are limited by resolution, field-of-view constraints, and environmental factors affecting footage clarity.

DATA MANAGEMENT

Collection, Security, Retention, and Sharing

Types of Data Collected:

- Video and images.
- Date, time, and location metadata.
- AI-generated analytics data.

Security Requirements:

- Access is limited to authorized personnel with appropriate training.
- Encryption and cybersecurity safeguards for all stored data.

- HTTPS, strong password enforcement, and lockout mechanisms.
- Comprehensive access logging and audit trails.
- Compliance with Department of Homeland Security guidelines.
- Prohibition of equipment from banned manufacturers (e.g. – Dahua, Hikvision)
- All data will be closely safeguarded and protected by both procedural and technological means.

Retention Policy:

- The City Manager or designee is responsible for ensuring systems and processes are in place for the proper collection and retention of data. The City's AI-enabled camera vendor, Verkada, is responsible for data hosting, ensuring proper maintenance and security of data stored in their data centers. Verkada will purge this data after 30 days. However, the City of Solvang will retain any relevant data obtained from the system beyond this 30-day period in accordance with its established retention schedule. All video surveillance footage obtained from the Verkada system, or recordings of routine video monitoring, as defined in Government Code Section 34090.6, shall be retained for no less than 365 calendar days from the date of recording. This period is deemed appropriate to further the stated purposes of this policy. Footage obtained from the Verkada system or recordings of routine video monitoring, as defined in Government Code Section 34090.6, may not be deleted, altered, or overwritten before 365 days unless legally ordered and approved by the City Attorney.
- Incident-related footage may be retained longer when necessary for ongoing criminal or civil actions, discovery requests, or other lawful reasons.
- All video surveillance footage shall be automatically deleted after the retention period unless preserved for specific purposes. Secure deletion methods, including wiping, reformatting, or degaussing, will be used to ensure footage is unrecoverable. Storage will be maintained in an authorized, secure cloud service.

Data Sharing Protocol:

- Authorized recipients include internal departments, law enforcement, City Attorney, and other government agencies, or the public as required by law.
- Sharing procedure requires:
 - Verification that the purpose aligns with the City's mission.
 - Consideration of alternatives to data sharing.
 - Appropriate redaction of personally identifiable information (PII) to protect individual privacy, unless prohibited by law or court order.
 - Review of safeguards against civil rights impacts.
 - Evaluation of public records request requirements.
 - Export in clean, machine-readable format.
- Requests for recorded video images from other government agencies or by the submission of a court order or subpoena shall be promptly submitted to the City Manager, who will research the request and submit the results of such search through the City Attorney's office for further handling.
- Any agency accessing shared information should be a signatory to a data sharing Memorandum of Understanding (MOU) that mandates compliance with the City's data policies and safeguards.

Data Disposal:

- Automatic overwriting of files at the end of the retention period.
- Secure deletion methods, including wiping, reformatting, or degaussing as appropriate, will be used to ensure footage is unrecoverable.
- Any accidental or unauthorized deletions must be reported immediately to the City Manager's Office.

SIGNAGE AND NOTIFICATIONS

All surveillance camera locations must display clear signage stating:

- "VIDEO SURVEILLANCE IN OPERATION: This area is monitored for safety purposes. City of Solvang (805) 688-5575" The City will maintain a dedicated webpage on its website providing comprehensive information about the surveillance system, including technology specifications, approved use cases, and contact information for public inquiries. This webpage will serve as a publicly accessible Surveillance Impact Report.

ACCESS CONTROLS

Prior to accessing or using data from the City's Security Camera System, authorized individuals shall receive training in system access and operation, and instruction regarding authorized and prohibited uses.

Access to live views and recorded footage is restricted to specific trained personnel. Recorded footage is accessed only in response to an incident.

Authorized access is limited to:

- City management and designated department heads
- Sheriff personnel upon written request to the City Manager whose approval shall not be unreasonably withheld, for ensuring public safety and investigating incidences
- IT staff responsible for system maintenance per explicit authorization of the City Manager

INCIDENT RESPONSE PROTOCOL

The City shall establish clear procedures for managing footage related to incidents such as illegal activities, accidents, or other significant events:

Footage Preservation

- Footage related to an incident must be immediately preserved to prevent deletion under routine processes.
- The preservation process must be initiated within 24 hours of incident notification.
- A separate secure copy of incident footage shall be maintained with restricted access.

Incident Reporting

- Staff shall document all incidents requiring footage review using the City's incident reporting form.
- Documentation shall include the date, time, and nature of the incident, the camera(s) involved, and the reason for footage review.
- Staff must be trained in proper incident handling procedures.

Chain of Custody

- All access to incident footage shall be logged with user identification, date, time, and purpose.
- If footage is provided to law enforcement or used in legal proceedings, a chain of custody documentation must be maintained.
- Transfers of incident footage must be securely conducted with appropriate safeguards.

SYSTEM MANAGEMENT AND FUTURE CONSIDERATIONS

To ensure optimal performance, the surveillance system will receive regular maintenance, including software updates, security patches, and physical inspections. Based on ongoing security assessments,

the City may strategically expand the system to integrate with access control systems, incorporate advanced AI capabilities as technology evolves, and extend coverage to additional locations. Any future expansion beyond this policy's scope will require appropriate review and approval through the established governance process.

SYSTEM MAINTENANCE AND SUPPORT

The City shall ensure proper maintenance and support of the surveillance system, including:

a) Regular System Updates:

- Software updates and patches.
- Firmware upgrades.
- Security vulnerability remediation.

b) Preventive Maintenance:

- Physical inspection of cameras.
- Lens cleaning and adjustment.
- Mount and connection verification.
- Environmental Protection assessment.

c) Technical Support:

- Remote system monitoring.
- Emergency response procedures.
- Issue tracking and resolution.

d) Performance Optimization:

- Regular system performance reviews.
- Storage capacity management.
- Network bandwidth optimization.
- AI analytics tuning.

e) Regular Audits

- The video system shall be subject to regular audits. Any unauthorized use of the video system shall be reported to the City Manager or his/her designee.

COMPLAINT HANDLING PROCESS

The City shall establish a formal mechanism for handling complaints or concerns regarding surveillance practices:

Submission Process

- Clear instructions on how to submit concerns or complaints about the surveillance system.
- Multiple submission methods to ensure accessibility.
- Prompt acknowledgment of receipt.

Response Protocol

- Designation of a responsible point of contact for receiving and investigating complaints.
- Timely review of concerns.
- Documentation of all complaints and responses.

Resolution Process

- Assessment of whether policy revisions or further investigations are needed.
- Implementation of appropriate corrective actions when necessary.
- Notification to complainant of resolution, to the extent permissible by law.

PRIVACY COMPLIANCE REQUIREMENTS:

- The City will protect individuals' constitutional right to privacy while balancing legitimate security needs

- California Public Records Act (Government Code Section 6252) requests for footage will be evaluated to balance transparency with privacy protection. Video recordings are generally released in response to a public records request unless an exemption, such as a pending law enforcement investigation, applies under state or local law.
- Prior to implementation affecting employees, the City will fulfill applicable meet-and-confer obligations with recognized employee organizations.

COMPLIANCE AND ENFORCEMENT

The City Manager shall oversee and enforce compliance with this Policy. Violations of this policy by City staff may result in disciplinary action consistent with City personnel policies, applicable labor agreements, and state and federal laws, including, but not limited to, criminal prosecution, civil liability, and/or administrative sanctions, up to and including termination.

POLICY REVIEW AND UPDATES

This policy shall be reviewed annually by the City Manager's Office. Updates or modifications require approval from:

- City Manager.
- City Attorney's Office.
- City Council (for substantial changes).

LEGAL AUTHORITY

This policy is established pursuant to California Government Code sections 37100 (General Legislative Authority), and Article I, Section 1 of the California Constitution (Right to Privacy).

AUTHORIZATION

This Surveillance Technology Policy is authorized by the City Council of Solvang, which has determined that the benefits of the surveillance technology outweigh its costs, that it will safeguard civil liberties and civil rights, and that its use will not be based upon discriminatory or viewpoint-based factors or have a disparate impact on any community or Protected Class.

Security Cameras: Legal Risks and Best Practices



Purpose

The use of security cameras is an important measure that enhances safety and security. This document outlines general best practices and an overview of legal risks associated with the use of security cameras.

IMPORTANT

This reference material is compiled for use by Authority members in the preparation, development, and implementation of risk management policies, programs, and procedures. Since this document is designed to meet the needs of the general pool membership, please be aware that the present form is best considered a template for use by your agency in drafting specific documents. This template should not be construed as legal advice. Accordingly, any policy, program, or procedure resulting from this template should always be reviewed and approved as is customary by your agency, including the purview of any necessary legal, governing body authorities, and/or bargaining units to ensure the policy being developed meets the unique needs of your jurisdiction. Policies should be implemented after proper training has been provided.

This reference material is to be considered proprietary and confidential and may not be disclosed to any person without the express, prior permission of the California JPIA. This reference material is for Authority member use only and does not apply in any criminal or civil proceeding. This reference material should not be construed as a creation of a higher legal standard of safety or care in an evidentiary sense with respect to third-party claims.

Security Cameras: Legal Risks and Best Practices

Background

The use of security cameras is an important measure that enhances safety and security. However, this practice introduces legal and ethical concerns, particularly around privacy, data protection, and access to footage. This document outlines general best practices, and an overview of legal risks associated with the use of security cameras.

I. Legal Risks and Considerations

A. Privacy Violations

While the United States Constitution does not expressly mention a right to privacy, the United States Supreme Court has interpreted a number of federal constitutional provisions, primarily contained in the Bill of Rights, as the basis for a federal right to privacy. For example, the Fourth Amendment protects against unreasonable searches and seizures. Under the California Constitution's Article I, Section 1, individuals are guaranteed a right to privacy. As such, Agencies considering the use of security cameras should work with legal counsel to determine how best to safeguard individuals' legally protected privacy interests, reasonable expectations of privacy, and avoid invasions of privacy interests. Such determination is made on a case-by-case basis.

B. Data Privacy Laws

The California Consumer Privacy Act (CCPA) imposes strict regulations on the collection, storage, and sharing of personal data, including security footage. The CCPA generally does not apply to nonprofit organizations or government agencies. Agencies should work with legal counsel to ensure exclusion from the CCPA and/or any mandated legal compliance.

The Family Educational Rights and Privacy Act (FERPA) establishes requirements for educational agencies that receive federal funds. Agencies should work with legal counsel to determine coverage under the FERPA and/or any mandated legal compliance. This includes identifying when footage qualifies as an education record under FERPA, ensuring staff understand FERPA rights related to access, disclosure, and amendment requests, and providing guidance on handling footage that involves students.

C. Union and Employee Rights

Prior to implementing any form of surveillance or related policy, including whether surveillance will be used for non-investigatory work-related purposes, as well as for investigating work-related misconduct, Agencies should work with legal counsel to

ensure compliance with state and federal laws to avoid violating employees' privacy and other legal rights. For example, the California Labor Code restricts workplace surveillance in locations where employees would not reasonably expect to be the subject of surveillance. Unless authorized by court order, employers are prohibited from causing audio or video recordings to be made of an employee in a restroom, locker room, or room designated by an employer for changing clothes.

California's public sector labor relations statutes generally require employers and recognized employee organizations to meet and negotiate (or "meet and confer") in good faith with one another on matters that are within the "scope of representation" and prohibits employers from imposing changes to such matters absent compliance with this requirement. A party violates its duty to bargain if the party fails to negotiate in good faith on a topic within the scope of representation. Prior to implementing any form of surveillance or related policy, Agencies should consider and comply with applicable meet and confer obligations. Compliance with employment and labor laws helps prevent grievances and potential legal challenges from employees and unions.

D. Public Access to Records

Under the California Public Records Act ("CPRA"), Agencies may be required to disclose footage captured using surveillance systems. As a result, Agencies should have clear policies governing access to surveillance footage. Requests for footage may come from the public, employees, or law enforcement. The Agency should define policies regarding when and how such footage can be released while balancing privacy rights and public interest.

E. Managing Public Expectations

The public and employees should understand the capabilities and limitations of the Agency's surveillance systems. Agencies should clearly communicate how cameras operate, including for example, whether cameras are actively monitored in real-time, passively recorded, or monitored using a hybrid approach. Additionally, technical limitations (e.g., resolution, field of view) should be clarified to prevent public and employee misconceptions about the system's ability to capture specific details, such as license plate numbers or facial features under certain conditions. Misunderstanding the surveillance system's capabilities and limitations could lead to legal disputes or dissatisfaction, particularly when footage does not meet expectations in cases such as parking lot incidents or public disturbances.

F. Misuse of Surveillance Data

Strict protocols must be in place to prevent unauthorized access to or use of surveillance footage, especially for purposes other than those explicitly stated within the Agency's adopted policy. Misuse of footage can lead to legal actions and to privacy violations.

II. Camera Placement and Usage

A. Strategic Placement of Cameras

Security camera placement should be restricted to public areas where security concerns are prevalent and where they serve a clear security purpose, such as building entrances, exits, hallways, parking lots, and public spaces like lobbies. Cameras should not be placed in areas where there is a reasonable expectation of privacy, such as restrooms, locker rooms, or private offices. When determining a camera placement location, it is important to clearly identify the purpose, the potential use of evidence, and any possible risks or concerns. The following is a recommended guide to determine camera placement:

Location	Purpose	Potential Use as Evidence
Main entrances/exits	Monitor entry and exit; deter unauthorized access	Recordkeeping; security
Hallways	Monitor foot traffic; reduce security incidents	Recordkeeping; monitor incidents
Public meeting rooms	Monitor public activities; deter unlawful behavior	Recordkeeping; security
Parking lots	Monitor vehicle activity; prevent theft	Evidence in accidents/criminal cases
Administrative office public areas	Track visitor activities	Recordkeeping; security
Playgrounds/athletic fields	Monitor public gatherings; deter vandalism	Record accidents; security
Public lobbies	Monitor public interactions	Recordkeeping; security

For each location, see Section I above to review the legal risks and considerations. When selecting a location, Agencies should conduct Privacy Impact Assessments (PIAs) to ensure that camera placements and monitoring practices comply with privacy laws and minimize risks of privacy violations. These assessments should help ensure that cameras are placed appropriately and that privacy concerns are mitigated, particularly in areas where individuals have a reasonable expectation of privacy. The assessment should also consider the Legal Risks and Considerations discussed in Section I above. An analysis of legal risk must be conducted on a case-by-case basis.

B. Unacceptable Locations

Cameras should not be installed in restrooms, locker rooms, or rooms designated for changing clothes. It is recommended to consult with legal counsel to identify specific locations in your Agency where a reasonable expectation of privacy may exist and to fully evaluate the legal risk.

C. Signage and Notifications

Signs should be clearly posted at all Agency building entrances notifying the public, employees, and visitors that surveillance cameras are in use. Sample signage could state:

“VIDEO SURVEILLANCE ON PREMISES: This building is equipped with electronic surveillance for the safety of employees, visitors, and the public. ‘Cameras are actively monitored during business hours’ or ‘Surveillance is conducted for retrospective review only.’ Your actions may be recorded and preserved.

Notifications should also be included in employee handbooks, public-facing websites, and other communication materials to set realistic expectations. When developing signage and notifications, and prior to implementation, Agencies should also consider the Legal Risks and Considerations discussed in Section I above.

III. Data Management and Access

A. Access Control and Cybersecurity

Agencies must enforce strict access controls to limit access to surveillance footage to authorized personnel only, such as IT staff, security officers, and designated administrators. Additionally, the Agency should implement encryption and other robust cybersecurity measures to prevent unauthorized access to footage. Detailed audit trails should be maintained to log every instance of access, ensuring that footage is protected and that the Agency complies with privacy laws.

B. Handling and Retention of Footage

Retention policies must be clear and compliant with legal standards, such as those specified in the California Government Code. In general, data should be retained for at least one year unless specific incidents, or the law, require longer storage. For incidents involving potential legal action, data should be preserved until a disclosure determination is made, and a backup copy should be maintained.

C. Incident Response Protocol

In the event of an incident (e.g., accidents, unlawful activity), footage must be promptly preserved to avoid deletion under routine processes. Staff involved in the surveillance process should be trained in how to properly handle such incidents.

D. Incident Handling and Reporting

To minimize legal risks and ensure compliance with privacy and data protection laws, Agencies must implement clear protocols for incident handling. When an incident

occurs, such as an illegal activity, accident, or significant event, all related footage must be promptly preserved and secured from deletion. Appropriate personnel should be designated to handle and report such incidents, following established procedures for securing footage, notifying authorities, and maintaining an audit trail. Agencies should ensure that incident-related footage is retained for a longer period, consistent with legal and operational needs.

IV. Best Practices for Managing Legal Risks

- **Policy Development.** Implement a clear, detailed surveillance policy that outlines the purposes, camera placement, monitoring practices, operational procedures, access controls, data retention protocols for footage, and privacy considerations. Develop and update the policy annually with legal counsel and when feasible, community feedback.
- **Transparency and Public Engagement.** Ensure transparency with both employees and the public. Post notifications prominently, hold public hearings if necessary, and ensure that individuals know how to request footage or lodge complaints.
- **Training.** Train employees on the Agency's policy, the legal aspects of surveillance, proper data handling, and incident response. Ensure employees understand the potential legal consequences of mishandling footage.
- **Legal Review.** Regularly review surveillance policies with legal experts to ensure they comply with evolving state and federal laws. This review should address camera placement, handling of footage, and compliance with privacy, employment, and labor laws.
- **Technology Management.** As technology advances, such as the introduction of facial recognition or artificial intelligence (AI) analytics, ensure that policies are reviewed by legal counsel before policies are updated to address these new capabilities and their implications.

V. Policy Development Guidance

A comprehensive surveillance policy is the cornerstone of a legally sound and operationally effective security camera system. The policy should be designed to balance the need for security with the legal and ethical requirements surrounding privacy, transparency, and data protection. The policy must be carefully structured to cover all aspects of surveillance, including its purpose, operational procedures, access controls, data retention, and privacy considerations. The following are key components that the policy should cover:

A. Purpose of Surveillance

The policy should clearly state the primary purposes for which security cameras are used. Common objectives may include:

- Enhancing the safety and security of staff, visitors, and the public.
- Safeguarding public assets and preventing vandalism or theft.
- Monitoring public spaces to deter criminal activity and ensure public order.
- Supporting law enforcement investigations by providing access to recorded evidence, if required.
- Providing visual evidence for resolving disputes or incidents that occur on Agency property.

The policy should also clearly state whether surveillance will be used for non-investigatory work-related purposes or for investigating work-related misconduct. Agency employers should remember that employees can claim that they have a reasonable expectation of privacy in their place of work. In order to reduce the effectiveness of an employee's claim, employers should develop carefully drafted policies that are specifically tailored to their particular workplace.

By clearly defining the purpose, the policy should ensure that the surveillance system is aligned with its intended goals and helps avoid mission creep (e.g., using footage for purposes not included within an Agency's adopted policy).

B. Legal Framework and Compliance

The policy should outline how the Agency complies with state and federal laws, including but not limited to those discussed in Section I above. For example:

- **California Public Records Act (CPRA).** The policy should address how the Agency will manage requests for footage under CPRA, including identifying which footage qualifies as public records and how privacy exceptions will be handled.
- **Right of Privacy.** The policy should address privacy expectations, ensuring that cameras do not intrude into areas where there is a reasonable expectation of privacy (e.g., restrooms, private offices).
- **Employment and Labor Laws.** The policy should acknowledge the rights of employees under employment and labor laws. It should also ensure that cameras are not used for unauthorized monitoring or outside the permitted purposes of the Agency's adopted policy, and otherwise comply with both employment and labor laws.

C. Camera Placement and Monitoring Practices

The policy must detail the approved locations for installing security cameras and the specific monitoring practices employed. It should:

- Define public areas where cameras will be deployed (e.g., entrances, lobbies, hallways, parking lots).

- Explicitly prohibit cameras in locations where individuals have a reasonable expectation of privacy (e.g., restrooms, locker rooms, private offices).
- If cameras are used in work areas, such as open administrative offices, clearly state the purpose of their use (e.g., to ensure security).
- Include a provision for regular privacy impact assessments before the deployment of new cameras or expansion of existing surveillance systems.

D. Data Collection and Retention Protocols

The policy should provide clear guidelines on how footage is collected, stored, and retained. It should:

- Specify the duration for which footage will be retained, typically aligning with California Government Code requirements (e.g., one year, unless a longer retention period is justified by legal or operational needs).
- Establish procedures for preserving footage that is linked to a specific incident, such as an accident or security breach. This ensures that important data is not deleted during routine purging cycles.
- Detail how footage related to ongoing investigations or legal disputes will be handled, including instructions for securing and safeguarding it from unauthorized access.
- Define criteria for automatically deleting footage after the retention period ends while protecting sensitive or incident-related footage.

E. Access Controls and Data Security

To protect against misuse or unauthorized access to footage, the policy must establish strict access controls. It should:

- Outline the specific roles within the Agency (e.g., IT personnel, security officers, senior administrators) who are authorized to access surveillance footage.
- Implement password protections, encryption, and other cybersecurity measures to safeguard stored footage from breaches.
- Detail a process for maintaining audit trails, documenting who accessed footage, when, and for what purpose to ensure accountability and prevent unauthorized viewing or tampering with surveillance data.

F. Data Sharing and Disclosure

The policy should clearly define the circumstances under which surveillance footage may be shared with third parties, such as law enforcement, insurance companies, or legal entities. It should:

- Specify if and when footage may be shared internally (e.g., between departments, Human Resources) and under what conditions it may be viewed.
- Detail the process for sharing footage with law enforcement or other external entities during criminal investigations, including the need for appropriate warrants or subpoenas.
- Address how public records requests under the CPRA will be handled, including how the Agency will balance transparency with privacy protections for individuals depicted in the footage.
- If the Agency is covered by FERPA, clarify compliance with the FERPA.

G. Incident Handling and Reporting Procedures

The policy should establish clear procedures for managing footage related to incidents such as illegal activities, accidents, or other significant events. Specifically, the policy should include:

- Steps to immediately preserve footage related to the incident to ensure it is not deleted under routine processes and it should be secured in a manner consistent with privacy and security protocols.
- Steps to immediately notify the appropriate authorities (e.g., law enforcement, risk management, Human Resources, internal investigation teams) as required by the nature of the incident and permitted by law.
- The responsible staff assigned (e.g., security officers or legal advisors) to manage the handling and reporting of incidents.
- Steps to maintaining an audit trail for all access to the footage related to the incident.
- The proper chain-of-custody procedures when providing footage to law enforcement or legal entities, documenting who accessed the footage, the time of access, and the reason for sharing.
- A notification process for individuals involved in or affected by the incident, informing them when footage has been captured and, if applicable, provided to external authorities.
- The proper retention period for incident-related footage, as required by the nature of the incident and legal requirements, until final resolution of the claim or matter.

H. Transparency and Stakeholder Engagement

The policy should outline measures for notifying the public and Agency employees about surveillance. It should:

- Establish the posting of signage in all areas where cameras are in use, informing visitors, employees, and the public about ongoing surveillance.

- Include surveillance information that will be provided in employee handbooks and public communications to ensure that all stakeholders are informed about the Agency's surveillance practices and policies.
- Establish a process for regular consultations with stakeholders, including union representatives, to address concerns or negotiate changes to surveillance practices and policies that may impact employees and as may be required by law.

In addition to ensuring transparency, the policy should outline a formal mechanism for handling complaints or concerns regarding surveillance practices. This complaint-handling process should be documented and made easily accessible through the Agency's website, employee handbook, or public communications, depending on the specific individual who is governed by the policy. For example, only employees are covered by an employee handbook, not members of the public. Similarly, an employee complaint procedure may vary from a procedure for a member of the public. In general, the process should:

- Provide clear instructions on how employees, members of the public, or other stakeholders can submit concerns or complaints about the surveillance system.
- Assign a designated point of contact within the Agency, such as a privacy officer to receive such complaints from members of the public, and Human Resources or supervisors to receive such complaints from employees. Consult with legal counsel to assist your Agency with responding to complaints.
- Develop a response protocol to ensure that concerns are reviewed in a timely manner, discussed with legal counsel when needed, and that appropriate actions, such as policy revisions or further investigations, are taken where necessary.
- Ensure the process is accessible to all individuals, including those with disabilities. Consider informing complainants of the disposition, to the extent permissible by law.

I. Clarifying Expectations of Surveillance Capabilities

An individual's understanding of the Agency's surveillance system can often be skewed by assumptions that cameras are always monitored or can capture high-detail images in every scenario. The policy should clearly explain the differences between active, passive, and hybrid monitoring approaches, based on the Agency's specific practices. This distinction helps manage expectations and informs stakeholders about the level of surveillance in place at any given time.

- **Active Monitoring.** Surveillance cameras are monitored in real time by designated staff. This type of monitoring may be used in high-risk areas or at specific times, such as after hours or during special events, where immediate response capabilities are necessary. For example, "Cameras are actively monitored during public events and in high-traffic areas between 10:00 p.m. and 6:00 a.m."
- **Passive Monitoring.** Cameras continuously record footage, but the footage is only reviewed retrospectively, typically after an incident report. This is common for areas

where immediate response is not critical or where staffing for constant monitoring is not feasible. For example, "Routine footage is recorded and reviewed only when a security issue is reported."

- **Hybrid Monitoring.** This is a combination of active and passive monitoring. In this approach, certain cameras or areas may be actively monitored at specific times or during certain events, while at other times, the same cameras may operate in a passive mode. This allows the Agency to optimize resources by focusing real-time monitoring where and when it is most needed while maintaining continuous recording elsewhere. For example, "Cameras in public parks are monitored in real-time during weekend events but operate in passive mode during weekdays. Footage can be reviewed if incidents are reported."

In addition to differentiating monitoring types, it is important to set realistic expectations about the capabilities of the surveillance system. Often, due to portrayals in the media, individuals may have unrealistic assumptions about what the cameras can capture. To prevent confusion or complaints, the policy should clarify:

- **Resolution limitations.** The camera system may not be capable of capturing fine details, such as facial features or license plate numbers, especially in low-light conditions or from a distance.
- **Field of view and coverage.** Cameras are positioned to monitor specific public areas and may not cover every angle or blind spot. Not all areas are under surveillance.
- **Environmental factors.** Poor lighting, weather conditions, or physical obstructions may impact the clarity and usefulness of footage.
- **Retention and availability.** Older footage may be automatically deleted after the retention period, so it may not be available if incidents are not reported promptly.

Providing clear examples of these limitations will help manage public and employee expectations of what the system can realistically achieve.

J. Annual Policy Review and Updates

The policy should be reviewed regularly and at least annually to help ensure it remains up to date.

- **Legal Review.** Conduct a formal review of the surveillance policy with legal counsel to ensure ongoing compliance with any new privacy laws, court rulings, or legal developments. This includes privacy, employment, and labor laws affecting the Agency's operations.
- **Community and Employee Feedback.** Actively seek feedback from both the public and Agency employees through appropriate means, which may include surveys, public meetings, or community forums. Consider incorporating this feedback, to the

extent it is feasible and lawful as a method to adjust or refine surveillance practices to better meet the needs of all stakeholders.

- **Technology Review.** Assess advances in surveillance technology (e.g., facial recognition, AI-based analytics) with legal counsel to determine if updates to the policy are recommended or required. Before new technology is introduced, ensure that it aligns with privacy protections and legal requirements.