Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AMENDED AGENDA

Item E.1 - Added

AGENDA

OXNARD CITY COUNCIL

OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY

OXNARD FINANCING AUTHORITY

OXNARD HOUSING AUTHORITY

Meeting Location: Council Chambers, 305 West Third Street

June 30, 2022

Appointment Items - 5:30 PM

Regular Meeting - 6:00 PM

Zoom details to call-in for public comment during a meeting:

1. **Dial Phone Number: (888) 475-4499**
2. **Enter Meeting ID: 829 3036 0667**
3. **Passcode: 980823**

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom calling in steps listed above. Once the Mayor calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

   a. Submit a request to speak by no later than 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
   b. Submit an email to **cityclerk@oxnard.org** no later than 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the City Council prior to the start of the meeting and made part of the legislative record.
   c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

   a. To provide public comment during the meeting dial (888) 475-4499 and enter the Meeting ID and Passcode listed above as the Zoom details for this meeting. When the Mayor announces the particular item on the agenda you want to speak on, press *9 to raise your hand while in the zoom waiting room. Once called on, press *6 to unmute your phone.
   b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Presentation / Council Discussion / Public Comment)

Detailed participation instructions can be found at www.oxnard.org/city-meetings.

* The City has filed pre-election and post-election lawsuits regarding the validity of Measure M.

A. ROLL CALL, POSTING OF AGENDA
THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: City Council

B. APPOINTMENT ITEMS (5:30 PM)

1. City Manager Department
SUBJECT: Presentation by the County of Ventura on Vector Control.
RECOMMENDATION: That the City Council receive the verbal report regarding the Ventura County Resource Management Agency, Environmental Health Division Vector Control Program and provide comments.
Legislative Body: City Council
Contact: Alexander Nguyen, (805) 385-7430

C. OPENING CEREMONIES (6:00 PM)
Pledge of allegiance to the flag of the United States.

D. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA
A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

E. REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY
The City Manager/Executive Director/Secretary shall report on items of interest to the legislative body occurring since the last meeting. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion.

1. Public Works Department
SUBJECT: Reconsideration of local emergency and ratification of a director order regarding the water shortage emergency and mandatory water conservation measures.
RECOMMENDATION: That the City Council adopt a resolution:

1. Ratifying an order of the Director of Emergency Services modifying mandatory water conservation measures; and
2. Confirming the need to continue the local emergency declared on May 17, 2022 due to water shortage emergency conditions.
Legislative Body: City Council
Contact: Michael Wolfe, (805) 385-8055

F. CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY/FINANCING AUTHORITY BUSINESS/COMMITTEE REPORTS

At this time, a member of the legislative body may make a brief announcement, or make a brief report on his or her activities. Further, members of the legislative body may request to schedule consideration of whether to place an item on a future agenda. The legislative body cannot enter into detailed discussion or take action on any item presented during this report. The member's report shall not exceed three minutes, unless additional time is granted by the presiding officer.

G. REVIEW OF INFORMATION/CONSENT AGENDA

The members of the legislative body will consider whether to remove Information/Consent Agenda items for discussion later during the meeting.

H. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA

At this time, a person may address the legislative body only on matters appearing on the information/consent agenda. The presiding officer shall limit public comments to three minutes.

I. INFORMATION/CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the City Council approve the minutes of the May 17, 2022 regular meeting as presented.
Legislative Body: City Council
Contact: Rose Chaparro, (805) 385-7805

2. City Clerk Department
SUBJECT: Adoption of Resolutions Ordering General Municipal Election, November 8, 2022.
RECOMMENDATION: That the City Council:

1. Adopt a resolution calling and giving notice of a municipal general election to be held on Tuesday, November 8, 2022, for the election of certain officers; and consenting to and requesting election consolidation with the County of Ventura; requesting the County Clerk to render services and supplies; and authorizing the Board of Supervisors to canvass the returns; and

2. Adopt a resolution establishing regulations for Candidate Statements to be printed in the Voter Information Guide at an election to be held on Tuesday, November 8, 2022.
Legislative Body: City Council
Contact: Rose Chaparro, (805) 385-7805

3. City Manager Department
SUBJECT: List of City Manager Approved Contracts - Informational Only.
RECOMMENDATION: That the City Council receive and file the list of City Manager approved contracts for the period January 1, 2022 through June 9, 2022.
Legislative Body: City Council
Contact: Alexander Nguyen, (805) 385-7430

4. Community Development Department
SUBJECT: Memorandum of Understanding for the City to Participate in the Clean Power Alliance

(CPA) Power Ready Program (Solar and Battery Backup).
RECOMMENDATION: That the City Council authorize the City Manager to enter into a Memorandum of Understanding (MOU) (A -8479) with the Clean Power Alliance (CPA) to participate in the CPA Power Ready Program for the City-owned building located at 214 South C Street (Service Center).

(Community Services, Public Safety, Housing and Development Committee authorized related actions 3-0 on June 8, 2021)
Legislative Body: City Council
Contact: Vyto Adomaitis, (805) 385-7882

5. City Treasurer
SUBJECT: Resolution Adopting the FY 2022-23 Investment Policy.
RECOMMENDATION: That the City Council adopt a resolution adopting the FY 2022-23 investment policy for the City of Oxnard.
Legislative Body: City Council
Contact: Phillip Molina, (805) 385-7808

6. Housing Department
SUBJECT: Agreement with Mercy House for FY 2022-23 Shelter Operation (No. A-8474).
RECOMMENDATION: That the City Council:

1. Approve and authorize the Mayor to execute an agreement with Mercy House (A-8474) for the provision of shelter and navigation center operations in Fiscal Year 2022-2023, in the amount not-to-exceed $2,796,891.00; and

2. Authorize the City Manager or designee to approve a budget appropriation(s) for the use of Permanent Local Housing Allocation (PLHA) grant funds from the 2022 - 2023 program year.

(This items already budgeted for so it did not originate in Committee.)
Legislative Body: City Council
Contact: Emilio Ramirez, (805) 385-8094

7. Information Technology Department
SUBJECT: Ratify the Microsoft Corporation Enterprise Agreement #808445 with SoftwareOne, Inc. for a Not to Exceed (NTE) amount of $365,062.08 for information technology software licensing.
RECOMMENDATION: That City Council ratify the City's Microsoft Corporation Volume Licensing Enterprise Agreement #808445 and authorize the Mayor to execute Purchase Order #8617 with SoftwareOne, Inc. for a not-to-exceed amount of $365,062.08 for the continued use and purchase of Microsoft products for the June 1, 2020, to May 31, 2023, agreement term.

(The Finance and Governance Committee approved 3-0.)
Legislative Body: City Council
Contact: Helen Miller, (805)385-7446

8. Housing Department
SUBJECT: License Agreement A-8457 to Oxnard Housing Authority for use of property located

at 1500 Camino Del Sol.
RECOMMENDATION: That the City Council approve and authorize the Mayor to execute License Agreement A-8457 with the Oxnard Housing Authority for the use of property located at 1500 Camino Del Sol in the amount of $564,000 over a term of five years.

(Community Services, Public Safety, Housing & Development Committee approved 3-0 on June 14, 2022.)
Legislative Body: City Council
Contact: Emilio Ramirez, (805) 385-8094

9. Public Works Department
SUBJECT: Agreement A-8471 with Taft Electric Company for On-Call Traffic Signals Repairs and Maintenance Services, Specification No. PW 22-103.
RECOMMENDATION: That the City Council approve and authorize the Mayor to execute Agreement A-8471 with Taft Electric Company in the amount of $300,000 for a three year term for On-Call Traffic Signals Repairs and Maintenance Services, Specification No. PW 22-103.

(Public Works and Transportation Committee approved 3-0)
Legislative Body: City Council
Contact: Michael Wolfe, (805) 385-8055

J. REPORTS

1. Finance Department
SUBJECT: Resolution of City Council and Oxnard Financing Authority Approving the Issuance of Up to $17,400,000 in Principal of 2022 Local Obligation Revenue Refunding Bonds to Refund the Series 2012 Bonds. (10/5/5)
RECOMMENDATION: That the City Council and City of Oxnard Financing Authority Board approve and authorize the following:

1. Resolution of the City Council of the City of Oxnard approving a first amendment to local agency financing documents and the execution of certain certificates relating to the issuance by the City of Oxnard Financing Authority of refunding revenue bonds for the purpose of refunding its outstanding Series 2012 Bonds.

2. Resolution of the Board of Directors of the City of Oxnard Financing Authority authorizing the sale, issuance, and delivery of not more than $17,400,000 in principal amount of Local Obligation Revenue Refunding Bonds (Special District Bond) and approving certain documents and authorizing certain actions in connection therewith.

(Finance and Governance Committee approved 3-0.)

Presentation live upon Consultant's request.
Legislative Body: City Council
Contact: Betsy George, (805) 200-5400

2. Finance Department
SUBJECT: 2021 Single Audit Report and Update on the Corrective Action Plan (CAP). (10/5/5)

RECOMMENDATION: That the City Council receive the 2021 Single Audit Report from the audit firm Eadie + Payne, and an update on the Corrective Action Plan (CAP) from staff.

(Finance and Governance Committee approved 3-0.)

Eadie + Payne presentation on the Single Audit Report will be live per consultant's request. Please click the following link to view the required Measure M pre-recorded staff's presentation video for the update on the Corrective Action Plan (CAP): https://youtu.be/rT89ZG6_CAY

Legislative Body: City Council

Contact: Betsy George, (805) 200-5400

K. ADJOURNMENT

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY
AGENDA ITEM NO. E.1

DATE: June 30, 2022

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Reconsideration of local emergency and ratification of a director order regarding the water shortage emergency and mandatory water conservation measures.

RECOMMENDATION

That the City Council adopt a resolution:

1. Ratifying an order of the Director of Emergency Services modifying mandatory water conservation measures; and
2. Confirming the need to continue the local emergency declared on May 17, 2022 due to water shortage emergency conditions.

BACKGROUND

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Michael Wolfe, Public Works Director

ATTACHMENTS

1. Resolution Ratifying Director Order 22-03

CITY COUNCIL OF THE CITY OF OXNARD
RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD RATIFYING AN ORDER ISSUED BY THE DIRECTOR OF EMERGENCY SERVICES AND CONFIRMING THE NEED TO CONTINUE THE LOCAL EMERGENCY PURSUANT TO GOVERNMENT CODE SECTION 8630(C)

WHEREAS, Government Code section 8630 and Chapter 6 of the Oxnard City Code ("OCC") empower the City Manager of the City of Oxnard ("City"), acting in the capacity of the Director of Emergency Services, to request the City Council to proclaim the existence of a local emergency when drought conditions threaten the safety of persons or property within the City; and

WHEREAS, on May 17, 2022, the City Council proclaimed the existence of a local emergency due to drought conditions and lack of adequate water supply; and

WHEREAS, also on May 17, 2022, the City Council adopted Resolution 15,569 establishing new mandatory water conservation measures; and

WHEREAS, pursuant to Government Code section 8630(c), the City Council must review the need for continuing the local emergency at least once every 60 days until the governing body terminates the local emergency; and

WHEREAS, the City Council has determined that that there is a need to continue the local emergency because the conditions that brought on the May 17, 2022 local emergency persist; and

WHEREAS, pursuant to Government Code section 8634, and Chapter 6 of the City Code, the Director may promulgate orders and regulations necessary to provide for the protection of life and property and shall request the City Council to ratify such orders and regulations; and

WHEREAS, the Director has issued Order No. 22-03 in response to the Local Emergency.

NOW, THEREFORE, the City Council of the City of Oxnard resolves that:

1. The local emergency declared on May 17, 2022 due to drought conditions and lack of adequate water supply shall remain in effect.

2. Order 22-03 issued by the Director and attached as **Exhibit A** hereto is necessary to provide for the protection of life and property in response to the Local Emergency and is hereby ratified.

PASSED AND ADOPTED THIS ____ day of ___________ 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____

John C. Zaragoza, Mayor

ATTEST:

____

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

____

Stephen M. Fischer, City Attorney

EXHIBIT A
[Director of Emergency Services Order 22-03]

CITY OF OXNARD

DIRECTOR ORDER NO. 22-03

ORDER OF THE DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF OXNARD MODIFYING MANDATORY WATER CONSERVATION MEASURES

WHEREAS, Government Code section 8630 and Chapter 6 of the Oxnard City Code ("OCC") empower the City Manager of the City of Oxnard ("City"), acting in the capacity of the Director of Emergency Services, to request the City Council to proclaim the existence of a local emergency when drought conditions threaten the safety of persons or property within the City; and

WHEREAS, on May 17, 2022, the City Council proclaimed the existence of a local emergency due to drought conditions and lack of adequate water supply; and

WHEREAS, also on May 17, 2022, the City Council adopted Resolution 15,569 establishing new mandatory water conservation measures; and

WHEREAS, OCC Sec. 22-136(B)(3) establishes limits on watering duration as follows: "Watering or irrigating of lawns, landscape or other vegetated area with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to **no more than 15 minutes** per day per station;" and

WHEREAS, the Metropolitan Water District of Southern California's ("MWD") Emergency Water Conservation Program Handbook, at Section 3.1.1., establishes eligible outdoor water restriction criteria as follows: "Metropolitan does not specify the day of the week or any method of even/odd house numbering for the watering restrictions. Metropolitan does, however, require that Member Agencies limit watering times to prevent substitution of water use from restricted days to permitted days. For this purpose, watering duration will be limited to **no more than 10 minutes**, effective July 1;" and

WHEREAS, the City's watering duration limitations must be consistent with MWD's limitations; and

WHEREAS, State Water Project suppliers have indicated their intent to penalize non-compliant purveyors with volumetric penalties of up to $2,000 per acre-foot that exceeds defined allocations established or do not comply with mandatory restriction criteria; and

WHEREAS, on May 24, 2022, the State Water Resources Control Board voted unanimously to implement a statewide ban on the use of potable water for irrigating non-functional turf at commercial, industrial and institutional properties, including Home Owners Associations ("HOAs"); and

WHEREAS, the State Water Resources Control Board has defined non-functional turf, which in general is considered to be turf that is solely ornamental and not regularly used for human recreational purposes or for civic or community events.

NOW, THEREFORE, THE DIRECTOR OF EMERGENCY SERVICES OF THE CITY OF OXNARD DOES HEREBY ORDER AS FOLLOWS:

SECTION 1. The recitals, facts, findings, and conclusions set forth above in the preamble of this Order are true and correct, and are incorporated herein by this reference.

SECTION 2. Resolution 15,569 is attached hereto and incorporated herein by this reference, as Exhibit A.

SECTION 3. Section 4.a. of Resolution 15,569 is hereby amended to read as follows:

"Watering of lawns, **functional turf**, trees, shrubs, vegetation, landscape and other outside irrigation is prohibited except between 4 p.m. and 9 a.m. or 6 p.m. and 9 a.m. during daylight savings time, no more than once per week."

SECTION 4. Section 4.c. of Resolution 15,569 is hereby amended to read as follows:

"Exceptions to allow for irrigation outside of the designated periods include (1) the hand watering of trees, **food plants**, or other perennials with use of a container (e.g. bucket or watering can) or a hose fitted with a shut-off nozzle and (2) the use of drip irrigation or other high-efficiency irrigation systems to apply water at a weekly volume consistent with the one-day watering restriction imposed on less efficient irrigation systems."

SECTION 5. Section 4.k. of Resolution 15,569 is hereby amended to read as follows:

"Irrigation of **non-functional turf** on medians with potable water is prohibited."

SECTION 6. Non-functional turf is a ground cover surface of mowed grass that is ornamental and not otherwise used for human recreation purposes. Non-functional turf does not include school fields, sports fields, and areas regularly used for civic or community events.

SECTION 7. Section 4.l. is hereby added to Resolution 15,569 to read as follows:

"Potable water for irrigation of non-functional turf at commercial, industrial and institutional properties, including HOAs, is prohibited."

SECTION 8. Notwithstanding the watering duration limitations established in OCC Sec. 22-136(B)(3), Section 4.m. is hereby added to Resolution 15,569 to read as follows:

"Watering or irrigating of functional turf, landscape or other vegetated area with potable water using a landscape irrigation system or a watering device is limited to **no more than 10 minutes** per day per station."

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SECTION 9. The Oxnard Water Division shall take the following actions when water waste is reported or observed:

First Violation	Courtesy Notice/Educational Letter 7 Day Post Letter Follow Up Phone Call	For a first violation, the City may give written notice of the fact of such violation to the customer by personal service, by delivery through regular United States mail addressed to the customer's residence, or any other means reasonably designed to notify the customer of the violation. The notice contains a description of violation, lists all prohibited water waste, and provides resources such as rebate information. Follow up to see if the customer has received the educational letter. Discuss if the issue has been addressed and offer additional information/resources
Second Violation	Letter - Warning of Penalty	Letter may contain a description of the facts of the violation, a statement of the possible penalties for violation and a statement informing the customer of his/her right to request an adjustment or an appeal.
Third Violation	Penalty	A surcharge may be imposed on the customer in an amount equal to 25 percent of the most recent utility bill (exclusive of the sewer and refuse portion of the bill), or $25, whichever is greater, payable as part of the utility bill for the location at which the violation occurred.
Fourth Violation	Penalty	A surcharge may be imposed on the customer in an amount equal to 50 percent of the most recent utility bill (exclusive of the sewer and refuse portion of the bill), or, $50, whichever is greater, payable as part of the utility bill for the location at which the violation occurred.
Additional Violations	Fine/Admin Cites	Impose such other penalty or fine as deemed appropriate by the City Manager, until such time that the City Manager determines that further violations are not likely to occur.

SECTION 10. This Director Order shall become effective on June 22, 2022.

SECTION 11. This Director Order shall be given publicity and notice as required by Government Code section 8634.

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SECTION 12. The City Clerk shall certify to the adoption of this Order and shall cause a certified Director Order to be filed in the Office of the City Clerk.

Dated: 6/22/2022

By: ______________________
Alexander Nguyen
City Manager/Director of Emergency Services
City of Oxnard

ATTEST:

R. Chaparro

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

____

Stephen M. Fischer, City Attorney

EXHIBIT A

RESOLUTION NO. 15,569

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD RESCINDING RESOLUTION 14,741 AND ADOPTING NEW MANDATORY WATER CONSERVATION MEASURES

WHEREAS, severe drought conditions are constraining available water supplies throughout California; and

WHEREAS, on October 19, 2021, Governor Gavin Newsom declared a state of emergency to exist in all California counties due to worsening drought conditions; and

WHEREAS, at that time, Governor Newsom called on Californians to re-double their efforts to reduce water use by 15 percent and for local and regional water agencies to implement their Water Shortage Contingency Plans ("WSCPs") "at a level appropriate to local conditions that takes into account the possibility of a third consecutive dry year;" and

WHEREAS, on March 28, 2022, Governor Newsom issued Executive Order N-7-22 which directs a number of actions in response to the historic drought conditions the State, and by extension the City, is currently facing; and

WHEREAS, among these actions are steps to increase water conservation, emergency regulations requiring all water providers to implement a minimum Stage 2 of their WSCPs, and groundwater recharge programs; and

WHEREAS, approximately 40% of the City's water supply is imported from northern California via the State Water Project ("SWP"); and

WHEREAS, this supply is distributed to the City via Calleguas Municipal Water District ("CMWD"), which receives SWP water from the Metropolitan Water District of Southern California ("MWD"); and

WHEREAS, the California Department of Water Resources ("DWR") had initially set the 2022 SWP allocation at 15%, however after a historically dry start to the year with no significant storms in the forecast a cutback was required; and

WHEREAS, on March 18, 2022 DWR announced that SWP allocations would be slashed from 15% to 5%; and

WHEREAS, following the 5% SWP allocation update, MWD indicated that SWP dependent regions of its service area, including CMWD, have insufficient supplies to meet current water demands; and

WHEREAS, in response, CMWD declared a Stage 3 Water Shortage on April 6, 2022 and called on all water users within its service area to immediately reduce water use by up to 30%; and

WHEREAS, on April 12, 2022, MWD presented an informational item to their Water Planning and Stewardship Committee with a proposed Water Shortage Emergency Condition and Emergency Water Conservation Program (the "Program") to preserve supplies in the SWP Dependent Area; and

WHEREAS, the first phase of the Program includes: limiting landscape watering to one day per week in the SWP Dependent Area; requiring those member agencies whose service areas encompass all or a portion of the SWP Dependent Area to adopt and implement effective enforcement mechanisms to ensure compliance with this limit; and imposing volumetric penalties of up to $2,000 per acre-foot (AF) for non-compliance; and

WHEREAS, on April 26, 2022, MWD adopted a resolution and updated their original Emergency Water Conservation Plan, and declaring that a water shortage emergency condition exists in the SWP Dependent Area; and

WHEREAS, on April 27, 2022, CWMD adopted a resolution declaring a water shortage emergency conditions exists in the CMWD Service Area; and

WHEREAS, on May 17, 2022, the City Council proclaimed the existence of a local emergency due to water shortage emergency conditions.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD DOES HEREBY FIND, DETERMINE, RESOLVE, AND ORDER AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. Resolution 14,741 is hereby rescinded.

Section 3. Stage 2 water shortage conditions exist within the city.

Section 4. a. Watering of lawns, ornamental turf, trees, shrubs, vegetation, landscape and other outside irrigation is prohibited except between 4 p.m. and 9 a.m. or 6 p.m. and 9 a.m. during daylight savings time, no more than once per week.

b. The following watering schedule is established:

i. Odd numbered addresses (Ending in 1, 3, 5, 7, 9): Sundays ONLY

ii. Even numbered addresses (Ending in 0, 2, 4, 6, 8): Saturdays ONLY

iii. No watering between 9 a.m. and 4 p.m. (non-daylight savings time)

iv. No watering between 9 a.m. and 6 p.m. (daylight savings time).

c. Exceptions to allow for irrigation outside of the designated periods shall include (1) the hand watering of trees or other perennials with use of a container (e.g. bucket or watering can) or a hose fitted with a shut-off nozzle and (2) the use of drip irrigation or other high-efficiency irrigation systems to apply water at a weekly volume consistent with the one-day watering restriction imposed on less efficient irrigation systems.

d. Irrigation of park and school ground areas with potable water are only permitted during the once weekly designated irrigation periods noted in this Section.

e. Sport activity fields may irrigate more frequently, but only as necessary, to maintain playing surface quality.

f. All vegetation within Wildland-Urban Interface and Defensible Space will be maintained as required under Public Resources Code 4291.

g. The application of potable water to landscapes during and within 48 hours after measurable rainfall is prohibited.

h. The irrigation of newly constructed homes and building exteriors with potable water is prohibited unless drip or microspray systems are used.

i. The use of potable water in a fountain or other decorative water feature is prohibited, except where the water is part of a recirculating system.

j. The City must provide prompt notice to customers when information indicates a leak may exist within the end-user's control.

k. Irrigation of ornamental turf on medians with potable water is prohibited.

Section 5. Pursuant to Oxnard City Code ("OCC") section 22-151(C), the mandatory water conservation requirements established in Section 4 of this Resolution ("water conservation requirements") shall remain in effect unless otherwise amended or rescinded by further action of the City Council. Notwithstanding the requirements of OCC section 22-151(C), the Director of Emergency Services is authorized to modify the water conservation requirements, pursuant to OCC section 6-3(C)(1) during a proclaimed local emergency.

Section 6. This Resolution shall take effect immediately upon its adoption.

Resolution No. 15,569
Page 4

PASSED, APPROVED and ADOPTED this 17th day of May, 20 22, by the following vote:

AYES: Councilmembers Basua, Lopez, MacDonald, Madrigal, Perello and Teran

NOES: None.

ABSTAIN: None.

ABSENT: Mayor Zaragoza

B. MacDonald For

John C. Zaragoza, Mayor

ATTEST:

R. Chaparro 5/17/22

Rose Chaparro, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.1

DATE: June 30, 2022

TO: City Council

FROM: Rose Chaparro, City Clerk, (805) 385-7805, rose.chaparro@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the City Council approve the minutes of the May 17, 2022 regular meeting as presented.

BACKGROUND

Approval of Minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Rose Chaparro, City Clerk

ATTACHMENTS
1. MINUTES 05 17 2022 CC Regular Meeting

MINUTES
OXNARD CITY COUNCIL
Regular Meeting
May 17, 2022

A. ROLL CALL, POSTING OF AGENDA

At 5:02 p.m., Mayor Pro Tem Bryan A. MacDonald called to order the regular meeting of the Oxnard City Council (concurrently with the Oxnard Housing Authority), in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Councilmembers Gabriela Basua, Vianey Lopez, Oscar Madrigal, Bert E. Perello, Gabriel (Gabe) Teran, and Mayor Pro Tem Bryan A. MacDonald. Mayor John C. Zaragoza was absent.

Housing Authority Commissioner Jose Andrade and Commissioner Francisco Vega joined the meeting at 6:00 p.m.

Staff members present in person were Ashley Golden, Assistant City Manager; Shiri Klima, Deputy City Manager; Stephen M. Fischer, City Attorney; Kenneth Rozell, Chief Assistant City Attorney; Alexander Hamilton, Fire Chief; Denise Shadinger, Assistant Chief of Police; Michael Wolfe, Public Works Director; Brian Yanez, Assistant Public Works Director; Steve Howlett, Assistant Public Works Director; Tatiana B. Arnaout, P.E., City Engineer; Abraham Maldonado, Water Resources Manager; Megan Schneider, Public Works Water Conservation/Outreach Supervisor; Emilio Ramirez, Housing Director; Albert Ramirez, Assistant Housing Director; Vyto Adomaitis, Community Development Director; Mike More, Human Resources Risk Manager and Rose Chaparro, City Clerk.

Staff members Alexander Nguyen, City Manager; Betsy George, Chief Financial Officer; Eric L. Storrie, Special Districts Manager; and Jan Hauser, Wastewater Division Manager participated via videoconference.

Linda Wilson, Timothy Huynh, and Larry Haynes with Mercy House; Christy Madden with the County of Ventura; Brittany Seniff and Kyle Paine with Community Development Partners; Linda Braunschweiger with Housing Trust Fund Ventura County; Mark S. Manion, Legal Counsel with Price, Postel, & Parma LLP; Luis Hernandez and Derrick Wada with Many Mansions; Amanda Welker, Financial Analyst with NBS Local Government Consultants; and Marc Beyeler, Executive Director at Beacon.

THE FOLLOWING LEGISLATIVE BODIES ARE MEETING: City Council and Housing Authority

B. APPOINTMENT ITEMS (5:00 PM)

1. SUBJECT: Virtual Presentation by BEACON's Executive Director, Mr. Marc Beyeler on BEACON's Structure, Projects and Recent Activities and Accomplishments.

Mr. Marc Beyeler, BEACON Executive Director, gave a presentation to Council about the Beacon's structure, mission, goals, programs, projects, activities and accomplishments.

2. SUBJECT: Presentation by the Channel Islands Neighborhood Council on Water Quality.

Mr. Chuck Carter and Mr. David Copper, Members of the Channel Islands Neighborhood Council Clean Water Team, presented and answered questions. Public comments were received from Debbie Mitchell, Rene Aiu, and Carol Taylor. Written comments were also received in support of this item.

C. OPENING CEREMONIES (6:00 PM)

The flag salute was followed by a moment of silence.

D. CEREMONIAL ITEMS

1. SUBJECT: Presentation of a Proclamation Designating the Month of May, 2022 as "Mental Health Awareness Month."

Mayor Pro Tem MacDonald read the proclamation and presented it to the City of Port Hueneme Councilmember Misty Perez and Maya Zumaya, Director at Large with NAMI Ventura County and mental health advocates. They followed with remarks.

2. SUBJECT: Presentation of a Proclamation Designating the Week of May 24 - 31, 2022 as "Beach Safety Week."

Mayor Pro Tem MacDonald read the proclamation and presented it to Fire Chief Alexander Hamilton who made some remarks.

3. SUBJECT: Presentation of a Proclamation Designating June 18, 2022 as the "31st Annual Juneteenth Celebration."

Mayor Pro Tem MacDonald read the proclamation and presented it to Juneteenth – Oxnard Executive Board, Ms. Julia Dixon and Mrs. Angela Mitchell Landers, JCVC Committee Chairs which made some remarks. They invited everyone to attend the Juneteenth Freedom Day Celebration at Plaza Park on June 18, 2022.

4. SUBJECT: Recommitment to **Resolution No. 15,430** Condemning Racism, Xenophobia, Violence, and Hate Crimes Against Asian Americans and Pacific Islanders.

Mayor Pro Tem MacDonald read the proclamation and recommitted to those beliefs. Councilmembers followed with remarks.

E. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Alexis (electrification construction/new construction), Chelsy Maganon (electrification construction/new construction), Lang Martinez (homeless advocate, halaco encampment), Ariana Rivera (homeless, social services).

F. REPORT OF CITY MANAGER/EXECUTIVE DIRECTOR/SECRETARY

G. CITY COUNCIL REPORTS

Councilmember Basua reported that she attended the 57th SCAG Regional Conference and General Assembly to represent the City of Oxnard, with local leaders from throughout Southern California. The conference was held at the JW Marriott in Desert Springs. She attended the Oxnard Police Department Fallen Officers Memorial event.

Councilmember Lopez attended the Rio School District luncheon "Student of Inspiration" to recognize the students from every school within the District. She commended the Rio School District for celebrating and supporting the students. Parents attended to congratulate students for their hard work and celebrate their accomplishments. She congratulated all students graduating this year. Due to recent news and the possible overturning of Roe v. Wade, Councilmember Lopez made a request to Council for a Council Resolution. A resolution that supports women rights and reproductive freedom, including abortion.

Councilmember Teran echoed Councilmember Lopez's request in support of a Council resolution to support women rights. Mayor Pro Tem MacDonald stated that since there is a first request by Councilmember Lopez and a second request by Councilmember Teran this request will be forwarded to Ashley Golden, Assistant City Manager, for staff's consideration.

Councilmember Teran was invited to make a presentation to a group of grad students from Cal Poly. There was a student from Oxnard in the group and she was excited to hear about the many things that the City of Oxnard is working on and the change happening at the City. He attended the "Public Works Appreciation Day" and thanked the Public Works Director and staff for inviting him to attend. They ate ice cream to celebrate. He will attend the Carriage Square Neighborhood Council and the Freemont North Neighborhood Council meetings. He made a request for a future appointment item that the Inter-Neighborhood Council Organization Executive Board (INCO) present at a future Council meeting. Mayor Pro Tem MacDonald also supported the request to have INCO present to Council about what they do and their culture.

Councilmember Madrigal attended the Rose Park Neighborhood Council meeting. The first in person meeting in over two years. He thanked Ventura County Supervisor Ramirez for assisting him with a problem situation in his neighborhood. He presented at Oxnard College discussed the City of Oxnard, and local and state government. He congratulated his sister for receiving her Master's Degree in Public Policy and Administration from Cal Lutheran University.

Councilmember Perello thanked Ventura County Supervisor Ramirez for her support in the clean-up of Teal Club Road between Patterson and Ventura Road. Also, thanked the staff at the County of Ventura for the cleaning-up work they have been doing. He also thanked the County of Ventura for their efforts in keeping the Etting Road dumping site clean. He attended the Ventura Regional Sanitation District Board meeting. He also attended the Ventura Council of Governments (VCOG) water conservation presentation which included Calleguas Municipal Water District, Casitas Municipal Water District, and United Water Conservation District and really enjoyed the presentation. He said this presentation about the water restrictions should be shared with everyone. Councilmember Perello also supports Councilmember Lopez's request for a Council resolution to support women rights. He also thanked the Public Works Director and staff for taking a different route to and from work and when they identify a problem in the City that needs attention and needs to be fixed, they utilize the 311 application to report these issues so that they can be addressed. He also attended the Oxnard Police Department Fallen Officers Memorial.

Mayor Pro Tem MacDonald participated in the Diversity Collective Ventura County – AIDS Walk Ventura in Ventura with Council members from the City of Ventura and Simi Valley. He attended the Ventura County Transportation Commission and the Gold Coast Transit District meetings. He also attended the Oxnard Police Department Fallen Officers Memorial event. He thanked the Police Department for organizing this event.

1. City Manager Department
   SUBJECT: Appointment of Members to Serve on the City's Mobilehome Park Rent Review Board. (0/5/5)
   RECOMMENDATION: That the Mayor, with the concurrence of the City Council, make the following appointments to Mobilehome Park Rent Review Board: Felipe Flores, Cynthia Daniels,

and Martin Lee Remmen.

It was moved by Councilmember Teran, seconded by Councilmember Basua, to approve the recommended action. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

H. REVIEW OF INFORMATION/CONSENT AGENDA
Items J-1 through J-8 were discussed among the Council and staff.

I. PUBLIC COMMENTS ON INFORMATION/CONSENT AGENDA (None received.)

J. INFORMATION/CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the City Council approve the minutes of the March 29, 2022 and April 5, 2022 regular meetings as presented.

2. Cultural & Community Services Department
SUBJECT: Ventura County Area Agency on Aging Senior Nutrition Program.
RECOMMENDATION: That City Council adopt **Resolution #15,567** authorizing:

    1. The Cultural and Community Services Director or designee to submit an application for the next Ventura County Area Agency on Aging (VCAAA) Older Senior Nutrition Program grant cycle (July 2022 to June 2023); and
    2. If funding is received, authorize the City Manager or designee to execute grant agreements; the Chief Financial Officer or designee to submit financial reports and grant claims and approve or amend budget appropriations for the use of the grant funds; and the City Manager or designee to submit non-financial reports. (This item did not originate in Committee.)

3. Police Department
SUBJECT: First Amendment to the Agreement between the City and the Oxnard Union High School District for Police School Resource Officer Services and Cost Sharing.
RECOMMENDATION: That the City Council execute a First Amendment to the Agreement for Police School Resource Officer ("SRO") Services between the City of Oxnard ("City"), and the Oxnard Union High School District ("OUHSD" or "District"), to extend the term of the agreement for one year from June 30, 2022 to June 30, 2023.

4. Finance Department
SUBJECT: Adoption: Revisions to Procurement **Ordinance #3016** - Reflecting Preparation of the new Tyler Munis Enterprise Resource Planning (ERP) Financial System.
RECOMMENDATION: That the City Council adopt **Ordinance #3016** amending and replacing portions of Chapter 4 of the Oxnard City Code regarding purchasing and contracting authority titled:

ORDINANCE OF THE CITY OF OXNARD, CALIFORNIA, AMENDING AND REPLACING PORTIONS OF CHAPTER 4 OF THE OXNARD CITY CODE, RELATING TO PURCHASING AND CONTRACTING

5. Public Works Department
   SUBJECT: Agreement A-8459 with HORNE LLP for California Low Income Household Water Assistance Program.
   RECOMMENDATION: That the City Council:
   1. Receive and file a report about the California Low Income Household Water Assistance Program (LIHWAP); and
   2. Authorize the Public Works Director to execute Agreement A-8459 with HORNE LLP to enroll in this financial assistance program, in substantial conformance with the attached template, subject to the final approval of the City Attorney for any final modifications.
   (Public Works and Transportation Committee approved 3-0.)

6. Public Works Department
   SUBJECT: Amend Purchase Order #8552 with SiteOne Landscape Supply, LLC for Citywide Irrigation Parts and Supplies.
   RECOMMENDATION: That the City Council approve and authorize the Purchasing Agent to amend Purchase Order #8552 with SiteOne Landscape Supply to increase the not to exceed amount from $100,000 to $1,000,000 and extend the term from June 30, 2022 to February 27, 2025, for the purchase of irrigation parts and supplies.
   (Public Works and Transportation Committee approved 3-0.)

7. Public Works Department
   SUBJECT: Approve Seventh Amendment to Agreement 7167-15-CM with Ventura Regional Sanitation District.
   RECOMMENDATION: That the City Council approve and authorize the Mayor to execute a Seventh Amendment to Agreement 7167-15-CM with Ventura Regional Sanitation District (VRSD) in the amount of $431,441.09 for a total not-to-exceed amount of $1,150,000 and to extend the term from June 30, 2022 to June 30, 2023, with the option to exercise two (2) one-year extensions through June 30, 2025, for monitoring and reporting of the closed Santa Clara Landfill.

   (Public Works and Transportation Committee approved 3-0.)

8. Housing Department
   SUBJECT: The Oxnard Housing Authority Education Scholarship Program.
   RECOMMENDATION: That the Board of Commissioners approve the Oxnard Housing Authority's new privately funded education scholarship program benefitting Section 8 participants and Public Housing tenants.

Consent Items No. 1-7:
It was moved by Councilmember Lopez, seconded by Councilmember Perello, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

Consent Item No. 8:
It was moved by Councilmember Lopez, seconded by Councilmember Perello, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, Teran, and Housing Authority Commissioners Andrade and Vega voted in favor; motion passed 8-0. Mayor Zaragoza was absent.

K. PUBLIC HEARINGS

1. Housing Department
SUBJECT: Adoption of the Annual Action Plan for Fiscal Year 2022 - 2023 and amending the Annual Action Plans for Fiscal Years 2021 – 22 and 2020 - 2021. (0/10/15)
RECOMMENDATION: That the City Council:

1. Conduct a public hearing regarding 2020 and 2021 Annual Action Plan Amendments, and the Plan Year 2022 Annual Action Plan draft document with funding recommendations for the third year of the 2020 - 2024 Ventura County Regional Consolidated;

2. Approve the 2022 Annual Action Plan with the recommended use of funds for selected activities that conform with City of Oxnard consolidated plan goals as defined in the Ventura County Regional Consolidated Plan for the three entitlement grants, Community Development Block Grant, Home Investments Partnership grant and the Emergency Solutions Grant to be submitted to the United States Department of Housing and Urban Development, as prescribed;

3. Approve the updated changes in activities pertinent to the 2021 Annual Action Plan Amendment and Plan Year 2020 Annual Action Plan Amendment related to HEARTH Emergency Solutions Grant;

4. Authorize the City Manager and his designees, to incorporate the actual HUD grant allocation in the 2022 Annual Action Plan including increasing or decreasing approved activities by 10% of approved recommendation based on the actual HUD grant allocation;

5. Authorize the City Manager and his designees, to incorporate any recommended changes resulting from the public input to the 2022 Annual Action Plan, 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment, as directed by the City Council, including amending any budget appropriations approved by the City Council;

6. Authorize the City Manager and his designees, to execute the required applications, certifications, and other pertinent documents for the submission of the 2022 Annual Action Plan, 2021 Annual Action Plan Amendment and 2020 Annual Action Plan Amendment to the United States Department of Housing and Urban Development, Office of Community Planning and Development;

7. Authorize the City Manager, and his designees, to execute HUD agreements and sign all agreements for the implementation of the Annual Action Plan including subrecipients, interdepartmental, and intradepartmental agreements.

The City Clerk announced the affidavit of publication and stated that no written communications were received.

Emilio Ramirez, Housing Director, presented and answered questions.

Mayor Pro Tem MacDonald opened the public testimony portion of the public hearing. Public comments were received from Jason Meek.

Without objection, the Council approved closing the public testimony portion of the public hearing. Discussion ensued among the Council and staff.

Council made a motion to approve staff's recommendations with one amendment, to do adjustments up to 5% cuts across the board, if needed.

It was moved by Councilmember Teran, seconded by Councilmember Lopez, to approve the recommended action as amended. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

L. REPORTS

1. Human Resources Department
   SUBJECT: Agreement for Third Party Administration of Workers' Compensation Claims. (0/5/5)
   RECOMMENDATION: That the City Council approve and authorize the Mayor to execute Agreement No. A-8455 with CorVel Enterprise Comp., Inc. in an amount not to exceed $1,515,000 for a 5-year term for workers' compensation claims administration and adjustment services.

Mike More, Human Resources Risk Manager, was available to answer questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Councilmember Lopez, seconded by Councilmember Madrigal, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

2. Public Works Department
   SUBJECT: Public Works Department Update. (0/10/10)
   RECOMMENDATION: That the City Council receive and file an update report from the Public Works Department with respect to an overview of department operations, programs, activities, challenges, opportunities and staffing.

Michael Wolfe, Public Works Director, presented and answered questions. No public comments were received. Discussion ensued among the Council and staff. The report was received and filed, no formal action was required.

3. Public Works Department
   SUBJECT: Declaration of a Local Emergency Due to Drought Conditions and a Lack of Adequate Water Supply, Authorizing the City Manager to Take Appropriate Actions, and Adoption of a Resolution Amending Water Conservation Restrictions. (0/10/5)
   RECOMMENDATION: That the City Council:

1. Adopt **Resolution #15,568** proclaiming the existence of a local emergency due to water shortage emergency conditions; and
2. Adopt **Resolution #15,569** rescinding Resolution No. 14,741 and adopting new mandatory water conservation measures.

   Additional information will be provided live by Calleguas Municipal Water District.

Michael Wolfe, Public Works Director introduced Dan Drugan, Manager at Calleguas Municipal Water District, who presented and answered questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Councilmember Lopez, seconded by Councilmember Perello, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

4. <u>Housing Department</u>

   <u>SUBJECT</u>: Central Terrace Apartments located at 217 – 235 East Sixth Street in Downtown Oxnard. (0/5/5)

   <u>RECOMMENDATION</u>: That the City Council:

   1. Adopt **Resolution #15,570** of the City Council of the City of Oxnard approving and authorizing the City Manager or designee to execute and take all needed actions in consultation with City Attorney relative to entering into an Assignment of City loan documents; loan rider and subordination agreement in connection with that certain loan provided by City to Many Mansions for the development of Central Terrace Apartments affordable housing project;

   2. Authorize the City Manager or designee to execute an Assignment, Assumption and Modification Agreement and Loan Rider by and between the City of Oxnard, Many Mansions, a California nonprofit public benefit corporation, and Central Terrace LP, a California limited partnership;

   3. Authorize the City Manager or designee to execute a Subordination Agreement by and among Banner Bank, a Washington corporation, the City of Oxnard, and Central Terrace LP, California limited partnership; and

   4. Authorize the City Manager or designee to execute the First Amendment to the Affordable Housing and Sustainable Communities (AHSC) Implementation Agreement by and between the City of Oxnard and Many Mansions, a California nonprofit public benefit corporation.

Emilio Ramirez, Housing Director was available to answer questions. No public comments were received.

It was moved by Councilmember Basua,, seconded by Councilmember Madrigal, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0.

5. <u>Housing Department</u>

   <u>SUBJECT</u>: Homeless Solutions Center, 241 West Second Street. (0/5/5)

RECOMMENDATION: That the City Council:

1. Adopt **Resolution #15,571** of the City Council of the City of Oxnard approving and authorizing the Mayor to execute a Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura and further authorizing the City Manager or Designee to execute and take all needed actions relative to entering into a Permanent Local Housing Allocation loan agreement and a Measure O loan agreement with Mercy House Living Centers for the construction of the tenant improvements for the navigation center located within the proposed Homeless Solutions Center project;

2. Authorize the Mayor to execute a Financial Cost Sharing Agreement by and between the City of Oxnard and the County of Ventura for the financial sharing arrangement for the development and operation of the permanent year-round navigation center to be located on the ground floor of the Homeless Solutions Center;

3. Approve and authorize the City Manager or designee to execute the First Amendment to the Disposition and Development Agreement by and between the City of Oxnard and Housing Trust Fund Ventura County and CDP Developers, LLC;

4. Adopt **Resolution #15,572** of the City Council of the City of Oxnard declaring 241 W. Second Street to be exempt surplus land pursuant to Government Code Section 54221(f)(1)(a) and Authorizing the City staff to take related actions;

5. Accept, recognize, and deposit a lump sum contribution of $2,935,265 from the County of Ventura to pay for the County's share of the cost to construct tenant improvements for development of the City's new permanent year-round navigation center on the ground floor of the Homeless Solutions Center; and

6. Approve a budget appropriation of $160,000 from the Low-and-Moderate Income Housing Fund of the former redevelopment agency.

Emilio Ramirez, Housing Director and Mark S. Manion, Legal Counsel with Price, Postel, & Parma LLP, presented and answered questions. Public comments were received from Commissioner Yukio Okano and Ventura County Supervisor Carmen Ramirez. Christy Madden, CEO with the Ventura County Executive Office, Community Development and Linda Braunschweiger, CEO of the Housing Trust Fund Ventura County were also available. Discussion ensued among the Council and staff.

It was moved by Councilmember Basua, seconded by CouncilmemberTeran, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

6. Public Works Department

SUBJECT: Fiscal Year 2022-23 Landscape Maintenance Districts Initiation of Proceedings, Declaration of Intention to Levy and Collect Assessments, and Scheduling of Public Hearing. (0/5/5)

RECOMMENDATION: That the City Council acting as the legislative body of the City of Oxnard Landscape Maintenance Districts (LMDs):

1. Adopt **Resolution #15,573** initiating proceedings for the annual levy and collection of assessments for Fiscal Year 2022-23 within the City's LMDs; and

2. Adopt **Resolution #15,574** declaring intention to levy and collect assessments for Fiscal Year 2022-23 within the City's LMDs pursuant to the Landscaping and Lighting Act of 1972.

Eric L. Storrie, Special Districts Manager and Amanda Welker, Financial Analyst with NBS Local Government Consultants, were available to answer questions. No public comments were received. Discussion ensued among the Council and staff.

It was moved by Mayor Pro Tem MacDonald, seconded by Councilmember Madrigal, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

7. City Attorney Department
SUBJECT: Setting November Election for Term Limits Measure; and Selecting Members of City Council to Sign the Argument Against the Measure. (0/10/10)
RECOMMENDATION: That the City Council:

1. Adopt **Resolution #15,575** titled as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ORDERING AN ELECTION TO BE HELD ON NOVEMBER 8, 2022 TO CONSIDER THE ADOPTION OF A MEASURE TITLED "TERM LIMITS FOR THE MAYOR AND COUNCILMEMBERS, EXTENSION OF MAYOR'S TERM FROM TWO YEARS TO FOUR YEARS STARING IN 2022", REQUESTING THE COUNTY CLERK CONDUCT THE ELECTION, AND AUTHORIZING THE BOARD OF SUPERVISORS TO CANVASS THE RETURNS

2. Authorize one or more members of the City Council to sign the argument against the initiative measure.

Kenneth Rozell, Chief Assistant City Attorney, presented and answered questions. Public comments were received by Alicia Percell. Discussion ensued among the Council and staff.

It was moved by Councilmember Teran, seconded by Councilmember Basua, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

A second motion was made by Council to authorize one or more City Councilmembers to sign the argument against the initiative measure. Councilmember Teran and Councilmember Perello were appointed. Additionally, Mayor Pro Tem MacDonald, Councilmember Basua, and Councilmember Lopez were added to the list and authorized to sign the argument against the initiative measure.

It was moved by Councilmember Perello, seconded by Councilmember Lopez, to approve the recommended action as presented. VOTE: Basua, Lopez, MacDonald, Madrigal, Perello, and Teran voted in favor; motion passed 6-0. Mayor Zaragoza was absent.

M. ADJOURNMENT

There being no further business on the agenda, and without objection, Mayor Zaragoza adjourned the meeting at 9:33 p.m.

ROSE CHAPARRO

City Clerk

BRYAN A. MACDONALD

Mayor Pro Tem

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.2

DATE: June 30, 2022

TO: City Council

FROM: Rose Chaparro, City Clerk, (805) 385-7805, rose.chaparro@oxnard.org

SUBJECT: Adoption of Resolutions Ordering General Municipal Election, November 8, 2022.

RECOMMENDATION

That the City Council:

1. Adopt a resolution calling and giving notice of a municipal general election to be held on Tuesday, November 8, 2022, for the election of certain officers; and consenting to and requesting election consolidation with the County of Ventura; requesting the County Clerk to render services and supplies; and authorizing the Board of Supervisors to canvass the returns; and

2. Adopt a resolution establishing regulations for Candidate Statements to be printed in the Voter Information Guide at an election to be held on Tuesday, November 8, 2022.

BACKGROUND

The City Council is required by state law to adopt a resolution calling and giving notice of the City's municipal general election in the November of even-numbered years. The November 8, 2022 election is being held for the purpose of electing three Councilmembers (representing districts 1, 2, and 5).

Both of the proposed resolutions are required to coordinate the municipal general election with the Ventura County Registrar of Voters.

The resolution presented as Attachment 1 will consolidate the municipal general election with the statewide general election. This resolution accomplishes the following: 1) requests that the Ventura County Board of Supervisors consolidate the municipal general election with the statewide general election, 2) requests and authorizes the County Election department to conduct the election, and 3) authorizes the county Election department to perform the election canvass.

In a consolidated election, the majority of the activities are managed by the County Registrar of Voters. These include consolidating precincts, establishing voting centers or polling places, recruiting and training precinct officers, furnishing precinct supplies, printing and mailing voter pamphlets (sample ballots), printing official ballots, conducting the Election tally and staffing the tally center, canvassing the election returns and certifying the official election results.

The City's Election official (the City Clerk) will retain the following responsibilities: Conducting the nomination process, publishing and posting legally required notices, and furnishing copies of ballot materials to the Ventura County Registrar of Voters.

Note that effective January 2022, California State law mandates that all voters receive a Vote-by-Mail ballot, mandates mail ballot tracking systems, and other provisions (AB 37).

Candidates Statements

The resolution presented as Attachment 3 establishes the regulations for candidate statements that will appear in the voter pamphlet.

The California Elections Code allows candidate statements to include the name, age, and occupation of the candidate and a brief description of the candidate's education and qualifications. The statement may not include the candidate's party affiliation, the candidate's membership or activity in partisan political organizations, or reference to other candidates for the same office. All statements are printed in type of uniform size and darkness, with uniform spacing.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

The City's budget provided $100,000 for the election.

The Ventura County Registrar of Voters has provided an estimated election cost of the elections for the three City Council Districts as follows:

The estimated election cost for the City of Oxnard General Municipal Election consolidated with the November 8, 2022 Statewide General Election for District 1, the cost is $11,000. For District 2, the cost is $9,000. For District 5, the cost is $7,500, plus legal publication costs.

In addition to the estimated costs of over $27,000 from the County, there are additional costs relating to preparing the election, consulting fees, conducting the nomination period, preparing the candidate handbook and installation of the newly elected officers.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Rose Chaparro, City Clerk

ATTACHMENTS

1. Resolution Calling Election_ November 2022
2. Request for Specified Election Services - Cities Candidates
3. Resolution Regarding Rules for Candidate Statements_ November 2022
4. City of Oxnard Election (3 Council) Cost Estimate NOV 8 2022

RESOLUTION NO. _________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD CALLING AND GIVING NOTICE OF A MUNICIPAL GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022 FOR THE ELECTION OF CERTAIN OFFICERS; CONSENTING TO AND REQUESTING ELECTION CONSOLIDATION WITH THE COUNTY OF VENTURA, INCLUDING CONSOLIDATION WITH ANY OTHER ENTITIES THAT CONSOLIDATE WITH THE COUNTY; REQUESTING THE COUNTY CLERK TO RENDER SPECIFIED SERVICES AND SUPPLIES RELATING TO THE CONDUCT OF A MUNICIPAL GENERAL ELECTION; AND AUTHORIZING THE BOARD OF SUPERVISORS TO CANVASS THE RETURNS

WHEREAS, under the provisions of the Election Code relating to General Law cities in the State of California, the City of Oxnard (City) is required to call and give notice of a municipal general election to be held on November 8, 2022, for the election of certain municipal officers; and

WHEREAS, a statewide general election will be held within the County of Ventura (County) on the same date, and the City Council desires to consolidate the City's election with the County's election; and

WHEREAS, in the course of conduct of the election it is necessary for the City to request certain election-related services from the County; and

WHEREAS, Elections Code section 10403 requires jurisdictions to file a resolution requesting consolidation with a statewide election, with the County Board of Supervisors and a copy with the County Registrar of Voters.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD HEREBY RESOLVES AS FOLLOWS:

SECTION 1. A municipal general election is hereby called and ordered to be held in the City of Oxnard, California, on November 8, 2022, for the purpose of electing three members of the City Council (Districts 1, 2, and 5) to four-year terms. The exact form of the candidates to be voted upon at the election and to appear on the ballot are as follows:

ONE MEMBER OF THE CITY COUNCIL (DISTRICT 1) – Vote for one
ONE MEMBER OF THE CITY COUNCIL (DISTRICT 2) – Vote for one
ONE MEMBER OF THE CITY COUNCIL (DISTRICT 5) – Vote for one

SECTION 2. The City consents to consolidate its election with the County election on November 8, 2022, and therefore requests that the County Board of Supervisors order that this regular municipal election be consolidated with the statewide general election to be held on November 8, 2022.

SECTION 3. The City acknowledges that the consolidated election will be held and conducted in the manner prescribed by Elections Code section 10418.

SECTION 4. The ballots to be used at the election shall be in form and content as required by law.

SECTION 5. The County Board of Supervisors is authorized to canvass the returns of the municipal general election to be held in the City on November 8, 2022.

SECTION 6. Pursuant to Elections Code section 10002, the County Board of Supervisors is requested to permit the County Clerk to render the services and supplies as shown on Exhibit A, attached hereto and made a part hereof, and any and all other services and supplies necessary to complete the municipal general election on November 8, 2022.

SECTION 7. The City agrees to reimburse the County in full for the services performed and supplies provided by the County Clerk upon presentation to the City of a bill.

SECTION 8. Notice of the time and place of holding the election is given and the County Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 9. The vote centers for the election shall be open as required during the identified voting period pursuant to California Elections Code sections 4007 and 14401.

SECTION 10. In all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 11. The County Clerk is authorized, instructed and directed to procure and furnish any and all official ballots, notices, printed material and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 12. The City Clerk is directed to forward without delay to the County Board of Supervisors and to the County Clerk each a certified copy of this resolution.

SECTION 13. The City of Oxnard authorizes the County election official, pursuant to Section 15651 of the Elections Code, in the event of a tie vote, to determine the tie by random drawing.

PASSED, APPROVED, and ADOPTED, this 30th day of June, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
John C. Zaragoza, Mayor

ATTEST:

____
Rose Chaparro, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Fischer, City Attorney

EXHIBIT A

[ON THE PAGE TO FOLLOW]

MARK A. LUNN
Clerk-Recorder, Registrar of Voters
Elections Division

VENTURA COUNTY
REQUEST FOR SPECIFIED ELECTION SERVICES
CANDIDATE

TO: **MARK A. LUNN**, Clerk-Recorder, Registrar of Voters

FROM: City of Oxnard ____________________
City Name — Signature of Authorization

ELECTION: Nov. 2022 General Election DATE: ____________________

SERVICES REQUESTED: Place a check mark next to the desired services.

ITEM #1 PUBLICATIONS

☑ A. County elections official is requested to publish: Notice of Election for Offices, Nominees, Election Officers and Polling Places.

☐ B. City will publish.

ITEM #2 CANDIDATE CERTIFICATES AND OATHS OF OFFICE

☑ A. County elections official is requested to furnish Certificates and Oaths of Office.
1. ☐ Blank forms only - number requested ___.
2. ☑ Forms filled in appropriately - number requested 1 set.

☐ B. City will furnish Certificates and Oaths of Office.

ITEM #3 ELECTION NIGHT RESULTS

☑ On-line results

☐ E-mail ____________________

ELECTIONS DIVISION SERVICES PROVIDED:

CANDIDATE FORMS – Ventura County Elections Division to provide one master set for copying.

CANDIDATE FILINGS – Ventura County Elections Division will check nomination petition signatures.

CANDIDATE STATEMENT – Maximum number of words permitted for the Candidate's Statement will be 200 words. The City will be billed the cost of handling and printing the Candidate Statements. Pursuant to Elections Code Section 10002, the City agrees to reimburse the Ventura County Elections Division in full for the services performed upon presentation of a bill.

ELECTION DAY VOTER INFORMATION – A CD of registered voters and a list of polling places will be provided.

SPANISH TRANSLATIONS – Ventura County Elections Division will arrange for all translations pursuant to Elections Code Section 13307.

PRINTING OF COUNTY VOTER INFORMATION GUIDES – Ventura County Elections Division will arrange for printing Candidates' Statements in the County Voter Information Guide for each election.

VOTE BY MAIL BALLOTS – Ventura County Elections Division will process all Vote By Mail ballots, including the checking of applications and ballot mailing. Applications and envelopes will be provided to City Clerks.

POLLING PLACES/PRECINCTS ASSIGNMENTS – Ventura County Elections Division will determine the number of polling places.

The undersigned requests the above election services to be performed by the Ventura County Elections Official and pursuant to Elections Code Section 10002, agrees to reimburse the County in full for services requested upon presentation of a bill.

Name of City: City of Oxnard

Signature & Title: Rose Chaparro, City Clerk

Date: June 30, 2022

Rev. 10/04/17

RESOLUTION NO. _________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ADOPTING REGULATIONS PERTAINING TO CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS FOR THE MUNICIPAL GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022

WHEREAS, Section 13307 of the Elections Code of the State of California provides that the governing body of any local agency shall adopt regulations pertaining to materials prepared by any candidate for a municipal election, including costs of the candidate statement.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD HEREBY RESOLVES AS FOLLOWS:

SECTION 1. GENERAL PROVISIONS. Pursuant to Section 13307 of the Elections Code of the State of California, each candidate for elective office to be voted for at an election to be held in the City of Oxnard on November 8, 2022 may prepare a candidate statement on the appropriate form provided by the City Clerk.

A. The statement may include the name, age, and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications; written in the first person and conforming to the word count and formatting guidelines provided with the form. The statement must be typewritten in 12-point type of any standard font, using block paragraphs and single space format, and is limited to 30 lines.

B. The statement shall not include the party affiliation of the candidate, nor the candidate's membership or activity in partisan political organizations, nor comments nor reference to any opponent or their qualifications, character, or activities (Elections Code §13308). The Elections Official will remove improper language from any statement and not allow it to be printed. The candidate will be notified of the improper language and its removal from the Statement.

C. If text exceeds the word limit, the author will be asked to delete or change a sufficient number of words, or a sentence, to ensure compliance with the required word limit. The candidate should check the statement for proper spelling and punctuation, as the elections official is not permitted to edit any material contained therein once the Candidate Statement has been filed.

D. The statement shall be filed in the office of the City Clerk at the time the candidate's nomination papers are filed. A signed hardcopy of the statement must be submitted in addition to an electronic version in the form of a Microsoft Word document, via email, CD, or USB drive. The signed hard copy of the statement is the official filed document. The statement may be withdrawn, but not changed, during the period for filing nomination papers and until 6:00 p.m. of the next working day after the close of the nomination period.

E. Per Elections Code Section 18351, any candidate who knowingly makes a false statement of material fact in a candidate statement, with the intent to mislead the voters, is subject to punishment by a fine not to exceed $1,000.

F. All candidate statements shall remain confidential until the nomination period closes.

G. Filing a candidate statement is optional. If a candidate statement is not filed, the candidate shall submit a signed blank candidate statement form with his/her completed nomination papers.

SECTION 2. PAYMENT. The Elections Official shall estimate the total cost of printing, handling, translating, and mailing the candidate statement files pursuant to this section.

A. Each candidate filing a statement shall be required to pay a deposit in advance for the estimated pro rata share of printing costs per candidate. The deposit amount for City Council candidates is $750.00. The candidate shall deposit this estimated cost, payable to the City of Oxnard, at the time of submission of the candidate statement.

B. The candidate authorizes printing of a candidate statement with the clear understanding that the final printing cost will depend on the actual number of candidates filing statements. Therefore the deposit paid may ultimately be significantly more or less than the actual final cost, and the candidates shall pay the balance of the cost incurred. In the case of overpayment, the clerk shall refund the excess amount to the candidate.

SECTION 3. ADDITIONAL MATERIALS. No candidate will be permitted to include additional materials in the Voter Information Guide.

SECTION 4. The City Clerk shall provide each candidate a copy of this resolution at the time nominating petitions are issued.

SECTION 5. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, and ADOPTED, this 30th day of June, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
John C. Zaragoza, Mayor

ATTEST: APPROVED AS TO FORM:

__________________________ __________________________
Rose Chaparro, City Clerk Stephen M. Fischer, City Attorney

County of Ventura
COUNTY CLERK-RECORDER, REGISTRAR OF VOTERS

MARK A. LUNN
County Clerk-Recorder,
Registrar of Voters

MICHELLE ASCENCION
Assistant County Clerk and Recorder

MIRANDA L. NOBRIGA
Assistant Registrar of Voters

MARTIN E. COBOS
Operations Manager

April 27, 2022

Rose Chaparro, City Clerk
City of Oxnard
300 West Third Street, 4th Floor
Oxnard, CA 93030

Re: City of Oxnard – Election Cost Estimate

Dear Ms. Chaparro:

The estimated election cost for the City of Oxnard General Municipal Election consolidated with the November 8, 2022 Statewide General Election for District 1, the cost is $11,000. For District 2, the cost is $9,000. For District 5, the cost is $7,500, plus legal publication costs. The estimated cost for the Term Limit Measure is $35,000 and the estimated cost for an additional measure is $18,000.

This estimate should be used for information purposes only and not an actual cost. The total amount is subject to change and could increase or decrease the costs, once the election has been completed.

Please call me at (805) 654-2700 if you have any questions.

Sincerely,

MIRANDA L. NOBRIGA
Assistant Registrar of Voters

Preserving History • Protecting Democracy

Elections Division • 800 South Victoria Avenue Ventura, CA 93009-1200 • (805) 654-2664 • Fax: (805) 648-9200 • www.VenturaVote.org

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.3

DATE: June 30, 2022

TO: City Council

FROM: Alexander Nguyen, City Manager, (805) 385-7430, alexander.nguyen@oxnard.org

SUBJECT: List of City Manager Approved Contracts - Informational Only.

RECOMMENDATION

That the City Council receive and file the list of City Manager approved contracts for the period January 1, 2022 through June 9, 2022.

BACKGROUND

On June 12, 2018, the City Council approved Ordinance No. 2943 changing the City's Purchasing Procedures. Ordinance No. 2943 increased the threshold for City agreements/contracts, change orders/amendments and purchase orders allowing the City Manager to award and execute any procurement contract or purchase order up to $200,000 annually. Additionally, the City Manager may execute any amendment that, collectively with the original purchase order or contract and all amendments thereto, does not exceed $200,000 annually. The attached list of contracts, purchase orders and amendments meet the criteria of amounts of being between $101,000 to $200,000 annually (including all prior amendments) for the period between January 1, 2022 through June 9, 2022.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact.

COMMITTEE OUTCOME

This item did not originate in Committee.

Prepared by: Luly Lopez, Executive Assistant I

ATTACHMENTS
1. City Manager Contract List 2022

City Manager Contract List - January 1, 2022, through June 9, 2022

Contracts from $101,000 to $200,000 Annually

	Date	Vendor	Purpose	Value of Item Signed	Total Value
1	1/4/2022	Velocity Truck Centers	Purchase order for parts and services for Environmental Resources collection vehicles	$95,474.89	$200,000.00
2	2/3/2022	BSN Construction, Inc. (A-8429)	Purchase order pursuant to public works contract for the demolition of Laundromat Building and Parking Lot Improvement Project PW21-41R	$159,773.00	$159,773.00
3	2/9/2022	Harbour Constructors Co. (A-8206)	Fourth change order to Public Works Pilaster Jacket Repairs at Mandalay Bay Seawall Project PW17-16	$145,000.00	$842,387.69
4	2/9/2022	SWRCB	Purchase order for annual water system fees	$104,795.16	$104,795.16
5	2/15/2022	John Deere Company	Purchase order for John Deere tractor for Parks	$134,586.13	$134,586.13
6	2/16/2022	Leighton Consulting, Inc. (A-8383)	Purchase order and task order for materials and soil testing for PW21-98 Water Cast Iron Pipe Replacement Project and Storm Drainage Improvement Project	$106,125.00	$750,000.00
7	2/24/2022	Iteris, Inc. (9496-21-IT)	Trade services agreement for design and construction support to Ormond Beach Development Area, ARPA Oxnard fiber network builds, and on-call design and construction related to Oxnard fiber network	$150,000.00	$150,000.00
8	2/24/2022	EBIX, Inc. (7778-17-HR)	Seventh Amendment to professional services agreement for Data Management services	$25,000.00	$165,000.00
9	2/28/2022	Charter Communications Operating, LLC (9226-21-IT)	Professional services agreement for internet services	$200,000.00	$200,000.00
10	2/28/2022	Turboscape, Inc. (A-8430)	On-call construction contract for playground resurfacing project PW 22-49	$200,000.00	$200,000.00
11	3/3/2022	Midwestern Fabricators, Inc.	Purchase order for two sodium hypochlorite storage tanks	$161,231.15	$161,231.15
12	3/3/2022	Ferguson US Holdings, Inc.	Purchase order for water infrastructure parts and supplies	$30,000.00	$171,166.19
13	3/3/2022	SiteOne Landscape Supply, LLC	Purchase order for irrigation parts and supplies	$20,000.00	$200,000.00
14	3/3/2022	Gartner, Inc.	Purchase order for Gartner software subscription	$107,100.00	$107,100.00
15	3/3/2022	Allstar Fire Equipment Co	Purchase orders for turnouts	$126,933.81	$200,000.00
16	3/8/2022	SWRCB	Purchase order for Oxnard Wastewater plant annual permit	$189,493.00	$189,493.00
17	3/10/2022	Blois Construction, Inc.	Change order for the stand-by time at Jack & Bore Pits due to unknown obstruction	$564,938.39	$14,557,877.81
18	3/16/2022	First Capital Consulting, Inc. dba Trusaic (8363-18-HR)	Third Amendment to agreement for professional services for Affordable Care Act Compliance	$30,000.00	$149,000.00
19	3/22/2022	Chrisp Company (A-8380)	Purchase order pursuant to agreement for on-call street striping and marking services	$118,062.74	$435,000.00

20	3/22/2022	Great Western Installations (9588-22-PW)	Construction contract and executing purchase order for East Park and Vineyard Park resurfacing	$138,955.22	$138,955.22
21	3/30/2022	Bartel & Associates, LLC (A-8060)	Third Amendment to professional services agreement to provide actuarial consulting services	$29,000.00	$150,000.00
22	3/30/2022	The Counseling Team International (TCTI) (9507-21-PO)	Professional services agreement to provide Comprehensive Psychological Services for the Police Department	$200,000.00	$200,000.00
23	3/30/2022	AARC Consultants, LLC (9539-22-PW)	Second professional services agreement for emergency response plan for the Oxnard Wastewater Treatment Plan and Collection System	$83,593.49	$134,580.00
24	4/8/2022	Nan Mckay & Associates, Inc. (A-8434)	Professional services agreement for case management services for voucher programs	$200,000.00	$200,000.00
25	4/11/2022	United Way of Ventura County (9512-21-HO)	Purchase order transferring funds to subrecipient pursuant to Emergency Solutions Grant Agreement	$200,000.00	$200,000.00
26	4/12/2022	Leighton Consulting, Inc. (A-8079)	Task order for soils and compaction testing regarding La Colonia Water Cast Iron Pipe Replacement	$38,276.00	$185,703.50
27	4/14/2022	GHD, Inc. (A-8393)	Task order for ITS and Traffic Signals	$149,915.00	$1,500,000.00
28	4/14/2022	GHD, Inc. (A-8393)	Task order for ITS and Traffic Signals	$161,200.00	$1,500,000.00
29	4/14/2022	Western Baler & Conveyor, Inc. (9294-21-PW)	Second Amendment to Trade services agreement for repairs of Environmental Resources baler	$70,000.00	$190,000.00
30	4/18/2022	Fleet Services, Inc. (A-8149)	Purchase order for heavy duty truck parts	$50,000.00	$150,000.00
31	4/22/2022	Great Western Recreation	Purchase order for anti-tamper trash recepticles	$127,000.00	$127,000.00
32	4/28/2022	Placeworks, Inc. (8861-19-CD)	Third Amendment to agreement for professional services for additional tasks related to the preparation of the 2021-2029 Housing Element	$20,839.00	$124,686.00
33	5/3/2022	Central Square Technologies, LLC (7915-17-PO)	Second Amendment for consulting services agreement for false alarm processing	$25,000.00	$200,000.00
34	5/3/2022	MNS Engineers (A-8159)	3 Task Orders for Improvements to Lift Stations 1, 2 & 30	$144,700.00	$750,000.00
35	5/3/2022	M6 Consulting, Inc. (A-8418)	Task Order for plan check and inspection services	$250,000.00	$500,000.00
36	5/9/2022	Kennedy/Jenks Consultants (A-8411)	Purchase order pursuant to, and task order for, construction management services for Hueneme Rd Recycled Water Pipeline Phase II	$114,530.00	$750,000.00
37	5/10/2022	Guidepost Solutions LLC (9200-21-PW)	Second Amendment to Agreement for professional services to extend time and for additional consulting and design services related to the Water Division Security Project PW 21-29	$25,995.00	$179,670.00
38	5/12/2022	Vista Ford Lincoln Oxnard	Purchase order to increase funds for parts and services	$24,000.00	$124,000.00
39	5/12/2022	Diamond A Equipment	Purchase order for Kubota Tractor Loader Backhoe	$58,520.37	$141,685.26
40	5/23/2022	Shawn Steinberg, dba: Summit Air Conditioning & Heating (9651-22-PW)	Construction contract for the OWTP on-call HVAC Maintenance and Repair Services Program	$175,000.00	$175,000.00

41	5/23/2022	Toro Enterprises, Inc. (9614-22-PW)	Construction contract for an on-call for Mechanical Facility Repair, Maintenance, Replacement and Construction Services	$175,000.00	$175,000.00
42	5/23/2022	All Phase Electric	Purchase order for electrical supplies	$10,000.00	$200,000.00
43	5/25/2022	J and A Welding Services Inc. (9599-22-PW)	Trade services agreement and related purchase order for welding services for Fleet Services and Environmental Resources	$200,000.00	$200,000.00
44	5/25/2022	Fox Canyon Groundwater Management Agency	Purchase order for groundwater extraction charges	$167,249.96	$167,249.96
45	5/25/2022	Meridian Rapid Defense Group LLC	Purchase order for meridian street barriers	$186,368.13	$186,368.13
46	6/3/2022	PB Loader Corporation	Purchase order for trailer message boards	$103,213.28	$103,213.28
47	6/3/2022	Apptega, Inc.	Purchase order for software and a 3 year service license	$124,093.00	$124,093.00
48	6/7/2022	John Deere Company	Purchase order for 4-of John Deere Gators	$28,280.14	$162,866.27
49	6/7/2022	Thinkpod Inc dba Pump-pod USA	Purchase order for mobile Direct Recruiting Apparatus Firefighting Training and Sustainability unit	$103,322.75	$103,322.75
50	6/9/2022	Michael Baker International (9660-22-HO)	Professional services agreement for labor compliance and environmental review services	$120,000.00	$120,000.00
51	6/9/2022	Huntington Court Reporters and Transcription, Inc. (8232-18-PO)	Second Amendment to professional services to extend the agreement for an additional 3 years and add funding	$75,000.00	$155,000.00

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.4

DATE: June 30, 2022

TO: City Council

FROM: Vyto Adomaitis, Community Development Director, (805) 385-7882, vyto.adomaitis@oxnard.org

SUBJECT: Memorandum of Understanding for the City to Participate in the Clean Power Alliance (CPA) Power Ready Program (Solar and Battery Backup).

RECOMMENDATION

That the City Council authorize the City Manager to enter into a Memorandum of Understanding (MOU) (A -8479) with the Clean Power Alliance (CPA) to participate in the CPA Power Ready Program for the City-owned building located at 214 South C Street (Service Center).

(Community Services, Public Safety, Housing and Development Committee authorized related actions 3-0 on June 8, 2021)

BACKGROUND

On June 8, 2021, the Community Services, Public Safety, Housing and Development Committee voted 3-0 to support the staff recommendation for the City to evaluate the participation in the Clean Power Alliance Power Ready Program for the installation of solar rooftop photovoltaic and battery storage at the Service Center (see Attachment A). The Service Center was selected and evaluated for the Power Ready Program, primarily because it hosts critical City functions (Building and Safety, Billing and Licensing and the City's Emergency Operations Center).

The Power Ready Program offers CPA member agencies the opportunity to host a solar and battery storage system at a critical facility in their jurisdiction. Installation, maintenance, and operation of the system is at no cost to the City. The goal is for the CPA to install one project at each feasible member agency location. CPA is further making participation easy for the City by contracting with a developer/financier for a 20 year term to fund, build, own, and operate all of the CPA Power Ready Program sites as one aggregated portfolio of sites.

In exchange for hosting this energy storage system, the agency will re-generate solar savings, which CPA will use to pay for the Power Purchase Agreement (PPA) that CPA will enter into with the third party project developer. The City will simply continue to pay their monthly bill, but instead of paying for energy and demand costs, they will pay CPA for Solar and Storage Systems. With the program, bills will not be any higher than they would have been without the system, and could potentially even bring some savings to the City.

The benefits of the program are:

- Back-up power system provides power during outages (including Public Safety Power shutoffs, natural disasters, rolling black outs);
- No up-front cost to the City and no increase to annual energy bills for participating;
- Reduced harmful emissions associated with back-up diesel generators;
- The developer is responsible for all operations and maintenance;
- Enhanced grid resilience that helps to prevent grid emergencies;

- Provides a clean, renewable, and reliable energy source as recommended in the City's Draft Climate Action and Adaptation Plan (CAAP);
- CPA may use the solar and battery combination to reduce peak energy demand and help prevent outages during grid emergencies;
- Locally generated energy and battery storage can help keep rates stable and low for all of CPA's customers;
- Member agency staff learn about hosting battery storage; and
- CPA will promote the City's participation in this innovative program.

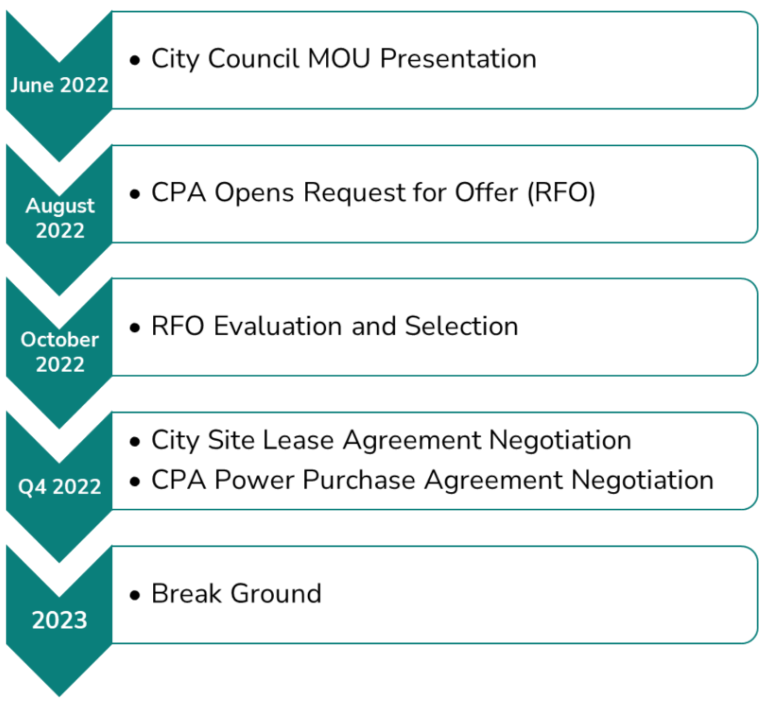
DISCUSSION

Execution of the MOU is the first step towards advancing the project. The MOU signifies the member agencies' intent to participate in the Power Ready program, which enables CPA to solicit bids through a Request for Offering (RFO) process for all sites together, making it possible for CPA to get the most cost effective bids from a developer.

After a developer is selected from the RFO process, the City will negotiate a site lease agreement ("Lease Agreement") directly with the developer and CPA will negotiate a Power Purchase Agreement with the developer. Refined details on the solar and battery energy storage system will be developed through contractor bids from the RFO process. If the City is not able to reasonably negotiate a Lease Agreement, then the MOU can be terminated without liability to the City. By entering into the MOU, the City only agrees to negotiate reasonably with the contractor; details of the construction are part of the negotiation.

If acceptable lease terms are reached, Council will be asked to authorize a Lease Agreement, which would replace the subject MOU. The Power Purchase Agreement is between CPA and the developer and will not be brought before the City Council for consideration.

See tentative timeline below.



<u>Support for Climate Action and Adaptation Plan (CAAP) and Grid Resilience</u>

Of note, the City has not yet pursued or implemented any municipal solar projects on City facilities or carports. There are currently no such projects in the Capital Improvement Program at any City facility, including the subject site. This proposed Power Ready program would be the first City solar and battery storage on City property and could serve as a demonstration site for future municipal and community solar and battery storage projects.

The City's Draft Climate Action and Adaptation Plan (CAAP) includes recommended programs and policy directives to promote 100% renewable energy in the City, including development of solar projects on municipal buildings and facilities. This document will be considered by the City Council in September 2022.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

This agenda item supports Public Safety strategy. The purpose of the Public Safety strategy is to restore and modernize the delivery of public safety services to provide for the safety of our neighborhoods and health of our community.

FINANCIAL IMPACT

The overarching value of this project is that the City will receive a solar and battery storage system at no cost for use in an emergency situation. By entering into this MOU, the City is essentially committing to "reasonable" lease terms with a future Developer that would provide power resilience for the Service Center in exchange for a zero lease cost to the Developer who builds and operates a solar and storage system for 20-years. In addition, any CPUC Self Generation Incentive Program ("SGIP") funds awarded to the City, based on the Developer's application, on behalf of the City to the CPUC, will need to be transferred to the Developer to support the financing of the system. The SGIP fund and the Power Purchase Agreement between the CPA and the Developer are the financing mechanism for this project. These financing mechanisms allow this project to be a no-cost power resilience to the City. By entering into this MOU, the City will pay CPA as billed for electric service at the site under the CPA's future Power Ready Rate Structure. The Power Ready Rate charge is set up so that the City will pay equal or less than the amount charged to the City annually under the rate structure that would otherwise have been in place if the City did not participate in this program.

COMMITTEE OUTCOME

On June 8, 2021, the Community Services, Public Safety, Housing and Development Committee voted 3-0 to support the staff recommendation for the City to work with the CPA to determine the feasibility of installing solar rooftop photovoltaic and battery storage at the Service Center. Staff worked with the CPA's consultant who conducted the site inspection and determined that the site was a good choice and the most feasible location for resilient installation.

Prepared by: Kathleen Mallory, Planning & Sustainability Manager

ATTACHMENTS
1. Attachment A : June 6, 2021 Committee Staff Report
2. Attachment B: CPA PowerReady MOU_ Exhibit A CPA Site Assessment Overview and Exhibit B CPA PowerReady factsheet

Attachment A

CITY OF OXNARD CALIFORNIA

COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: June 8, 2021

TO: Community Services, Public Safety, Housing & Development Committee

FROM: Vyto Adomaitis, Community Development Director, (805) 385-7868, vyto.adomaitis@oxnard.org

SUBJECT: City of Oxnard Participation in Clean Power Alliance Power Ready Program (Solar and Battery Backup) for the Building Located at 214 South C Street (Service Center). (0/10/5)

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee support the City's continued evaluation of participation in the Clean Power Alliance Power Ready Program for the installation of solar roof top photovoltaic and battery storage to support building operations at 214 South C Street (aka "the Service Center").

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/sVglbmYxygs

BACKGROUND

The City joined the Clean Power Alliance (CPA) in 2018. Consistent with the CPA enrollment protocol, customers were enrolled in a phased manner beginning on February 1, 2019 for residential customers and May 1, 2019 for commercial customers and municipal accounts. The CPA is a community choice energy (CCE) program through community choice aggregation (CCA), established as a Joint Powers Authority (JPA) of counties and cities. As a CCE program, the CPA purchases clean power and sells it to customers, while Southern California Edison (SCE) remains responsible for delivery, billing, and resolving any electricity service issues. A CCA program provides for government-led procurement of electricity for customers within their jurisdictional boundaries who elect to remain a program participant.

The goals of a CCA program include increasing the amount of renewable energy provided to residents, creating local clean energy jobs, reducing greenhouse gas emissions, and providing greater public accountability in energy decisions, generally at a cost savings compared to the incumbent electricity provider. CPA procures its renewable energy from a mix of eligible resources; these primarily come from solar and wind power, but also include small amounts of geothermal, biomass, and small hydroelectric power. Since 2018, CPA has entered into long-term power purchase agreements for over 1,300 megawatts of new renewable energy and over 700 megawatts of new battery energy storage. CPA continues to seek economically viable local renewable energy and battery storage projects and will be pursuing local community solar projects in disadvantaged areas in Ventura County; locally, these are census tracts which are primarily located in Oxnard and Ventura; this program will be released in the near future and is known as the Power Share Program.

DISCUSSION

The Power Ready Program was developed by the CPA to install solar and storage system(s) at critical load facilities for backup or emergency power. Installation, maintenance, and operations are at no cost to the City. The Power Ready Program offers CPA member agencies the opportunity to host a solar + battery storage system at a critical facility in their jurisdiction. The goal is for the CPA to install one project at each feasible member agency location.

In exchange for hosting this energy storage system, the agency will re generate solar savings, which CPA will use to pay for the power purchase agreement (PPA) that CPA will enter into with the third party project developer. The City will simply continue to pay their monthly bill, but instead of paying for energy and demand costs, they will pay CPA for solar+storage. The program will keep the City's monthly bills cost neutral, meaning bills will not be any higher than they would have been without the systems, and could potentially even bring some savings to the City. CPA will contract with a developer/financier to fund all of the CPA Power Ready Program sites as one aggregated portfolio of sites, and CPA will pay the PPA cost on behalf of the member cities.

The CPA approached the City requesting submission of five potential city facilities for consideration for enrollment in the Power Ready Program. The city selected Power Ready sites must be currently served by CPA, considered a critical facility, require substantial energy for operations, have good solar orientation and sufficient land area, and roof integrity to support the rooftop solar installation. The five potential city facilities submitted to CPA included: Service Center (214 South C Street), Oxnard City Hall (300 West Third Street), the Oxnard Main Library (251 South A Street), the Performing Arts Center/PAC (800 Hobson Way), and the Police building (251 South C Street).

The CPA determined that the Service Center was the most appropriate location for the solar and battery installation because it can support the largest sized solar photovoltaic (PV) system (195 kW versus 188kW for the next largest at the Oxnard Main Library) to help the CPA pay for the cost of the battery and PV equipment. This location also meets the criteria of hosting critical city functions. The second choice which was the Oxnard Main Library. which can host 188kW) presents as a very good second choice, but rooftop installation and roof integrity is anticipated to be problematic. Carport PV installation was considered but installation costs do not make financial sense when considering the viability of an adjacent viable rooftop PV option (Service Center).

Additionally, within the context of all of the city's site submissions, the CPA consultant eliminated Oxnard City Hall, and the Oxnard Police Station in its analysis because those sites cannot support PV arrays as large as the Service Center or the Main Library. The PAC was eliminated because the current energy usage was not high enough on the existing facility.

<u>Solar and Battery Storage Specifications for 214 South C Street</u>

The Service Center was identified as a critical facility due to the divisions hosted in the building (Building and Safety, Planning, Traffic Engineering, Code Enforcement, and Billing & Licensing). The Fire Department operations, including the Emergency Operations Center, is located within the Fire Department Headquarters on the northeast corner of Service Center at Second Street and C Street (see Attachment A for full view of Power Ready Project Site). This portion of the Service Center building is supported with an emergency generator; this generator provides robust backup power for the EOC and Fire Department building. The Service Center does have access to the emergency generator, but only for lighting, not power to serve computers, or retrieve records or secure map data. In the event of an emergency, the City's Service Center building would be limited in its ability to operate or support the EOC through records, utility data, permit information, etc.

Based upon roof capacity, the CPA/CPA consulting team has developed conceptual sizing for the Power Ready program installation for a 195.2 kilowatt (kW) solar PV system and a 400 kWh (kilowatt-hour) battery system at the Service Center. A PV system of this size is expected to generate 327,448 kW annually. The Oxnard Service Center currently uses 535,940 kWh annually.

The conceptual sizing of the battery installation is to provide approximately 20% of the energy capacity for emergency backup in the event of a power outage. The battery project will provide at least four hours of backup for critical loads only that are defined by Oxnard. The city would likely have the ability to extend the backup timeframe through active load management of critical loads. As long as the sun is shining however, this solar plus battery storage system can run indefinitely; during a prolonged outage it will be able to recharge using solar. The on-site backup generator can contribute to this mix but will be limited to fuel on hand. The presence of a generator will not and has not impacted how the CPA consultant has modeled solar PV plus energy storage at the Oxnard Service Center. A future site visit will determine the precise location of the battery storage system, which is typically the size of a few parking spots.

Next Steps

Staff and the CPA are aware of pending legislation, Assembly Bill (AB) 1139 – Net Energy Metering, which may impact solar installation in the future. The City and CPA will continue to evaluate this potential legislation. The City's participation in the Power Ready project is free of charge to the City. Therefore, if (AB) 1139 passes, the fiscal impact will be borne by the CPA.

Should the Committee and Council support continued evaluation and enrollment of the site in the Power Ready program, a site visit with CPA would occur in mid Summer. If the site is determined viable through an on-site inspection, the City would be required to sign a memorandum of understanding (MOU) for participation in the Power Ready program. This MOU would be in effect for the term of the Power Purchase Agreement (PPA) that CPA will enter into for the development of the systems. CPA will provide the MOU once, and if, the site is determined feasible. The MOU will then be reviewed by the City Attorney's office, and provided to Council for review and approval. Cities will have the ability to terminate the Power Ready MOU without cost up until a specific timeframe. The provisions of the MOU (terms, buy out clauses, termination, etc) will be communicated if and when the MOU is presented to the City Council. The City and the CPA would initiate a lease agreement through a MOU for use of the property in Fall 2021. The PPA that CPA will enter into for the development of the systems will be approved by the CPA Board of Directors. It is currently anticipated that the earliest construction could commence for this program is Q3 2022.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

This agenda item supports Public Safety strategy. The purpose of the Public Safety strategy is to restore and modernize the delivery of public safety services to provide for the safety of our neighborhoods and health of our community.

FINANCIAL IMPACT

This agenda item is to continue evaluating the feasibility of the CPA selected location and therefore, there is no fiscal impact as a result of this evaluation. If the City proceeds with the program, the fiscal implications to the City associated with the MOU contract agreement will be evaluated when contract documents are provided.

Prepared by: Kathleen Mallory, Planning & Sustainability Manager

ATTACHMENTS

1. Attachment A - Solar Panel Installation 214 South C Street
2. Clean Power Alliance Power Ready Program Presentation 06.08.21

ATTACHMENT B

MEMORANDUM OF UNDERSTANDING (MOU)

This Memorandum of Understanding ("MOU"), made as of the last date signed below (the "Effective Date"), by and between The City of Oxnard ("Member Agency"), the owner or long-term lessee as described in Section 4.a. of the real property described in Exhibit A and referred to herein as the "Site," and Clean Power Alliance of Southern California, a Joint Powers Authority and Community Choice Aggregation program ("CPA"), referred to individually or collectively as "Party" or "Parties," is to enroll the Site in the CPA Power Ready Program, described in more detail below.

RECITALS

WHEREAS, CPA desires to support community energy reliability efforts in its service territory through its Power Ready Program (described in the Power Ready Fact Sheet, attached hereto as Exhibit B), which seeks to provide Member Agency with a no-cost energy resiliency project that provides significant community benefit and demand response to CPA, and

WHEREAS, the Member Agency has worked diligently with CPA to determine a suitable site for energy resilience as part of the Power Ready Program, and

WHEREAS, the Member Agency is the owner of the Site identified in Exhibit A, which Member Agency and CPA have identified as a suitable site for the Power Ready Program because the Site serves a public-facing service center that hosts offices for city staff and the Fire Administration Building, and

WHEREAS, to implement the Power Ready Program, CPA must enter into an agreement with a third-party developer ("Developer"), who will develop behind-the-meter battery energy storage and solar photovoltaic generation energy systems at the sites selected for the Power Ready Program, including the Member Agency Site, and

WHEREAS, CPA intends to issue and administer a competitive Request for Offers ("RFO") to select the Developer, and

WHEREAS, CPA intends to include in the RFO a portfolio of development sites, including the Member Agency Site and sites belonging to other CPA member agencies, which portfolio will be relied upon by developers to submit bids to develop solar and storage on the Power Ready Program sites, and

WHEREAS, developers' bids will include pricing that will be incumbent on the inclusion of the Member Agency Site in the portfolio, and

WHEREAS, the Member Agency will benefit from the installation of the battery energy storage system, which will provide the Site with power during planned and unplanned electrical outages to power certain critical electrical loads, NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, it is mutually understood and agreed by and between the Parties as follows:

1. **Term.** This MOU is in full force and effect upon signature by all parties and is effective for five (5) years following the signature date, at which point, CPA and Member Agency may agree, by mutual written agreement, to extend the term of this MOU.

2. **Termination**.
    a. Convenience. Any time prior to CPA's issuance of the RFO, either Party may terminate this MOU for convenience and without liability to the other Party upon giving the other Party written notice.
    b. Default.
        i. After CPA issues the RFO, the Parties acknowledge and agree that either Party's failure to perform any of its material obligations under this MOU shall constitute an event of default and entitle the other Party to terminate the MOU immediately upon written notice of termination.
        ii. Member Agency Default. Member Agency recognizes that its default under this MOU could undermine CPA's implementation of the Power Ready Program for other participating member agencies, invalidate Developer bids to develop Solar+Storage Systems under the Power Ready Program, increase costs of construction and reduce benefits to CPA and other member agencies, or a combination thereof. Member Agency acknowledges and agrees to reimburse CPA for all reasonable costs related to, resulting from, or arising from Member Agency's default including but not limited to any qualified adjustment in the rate price, reasonable fees, or other direct charges that may be assessed by the Developer pursuant to the Power Purchase Agreement, and to be subject to any other remedies that may be available to CPA.
        iii. CPA Default. If CPA defaults, CPA acknowledges and agrees to reimburse Member Agency for Member Agency's reasonably expended costs to prepare the Site for the Solar+Storage System in reliance on the MOU. CPA shall not be liable for any other expenses incurred in reliance on the MOU, any Member Agency personnel time spent in reliance on the MOU, costs to pursue other renewable energy options, or any special or incidental damages.
        iv. Force Majeur. Neither Party shall be liable for any default caused by reason of acts of God including volcanic eruption, landslide, lightning, earthquake, fire, or flood (but excepting reasonably anticipated weather conditions at the Site); explosion, sabotage, or similar occurrence; acts of a public enemy, extortion, terrorism, war, blockage, or insurrection; riot or civil disturbance; strikes, lockouts, or labor troubles; change in law or regulation; or other cause without fault and beyond the reasonable control of either Party (financial inability excepted).

3. **The Solar+Storage System and Its Operation.**
    a. Construction.
        i. CPA will select a Developer to construct, install, operate, and maintain at the Site a behind-the-meter battery energy storage and solar photovoltaic generation energy system at Developer's sole cost and expense, with the anticipated general specifications set forth in Exhibit A hereto (the "Solar+Storage System" or "System").
        ii. In the RFO, CPA will make clear that Developer is required to comply with all provisions of California law applicable to public contracting, including but not limited to bond requirements and prevailing wage requirements.
        iii. CPA will require the Developer to submit a siting and construction plan for the Solar+Storage System for Member Agency's approval, which shall include a commitment to obtain all necessary permits, a waste management plan, and a statement that Developer will adhere to the applicable building code and all local, state, and federal laws.
        iv. The Parties recognize that the Developer must secure interconnection approval for the Solar+Storage System from Southern California Edison.
    b. Financing. The Parties anticipate that construction, operation, and maintenance of the Solar+Storage System will be financed by a Power Purchase Agreement ("PPA") between CPA and the Developer.
    c. Ownership. The Parties acknowledge that the Developer will own the Solar+Storage System. However, the RFO will include a provision requiring the Developer to provide Member Agency with the opportunity to purchase the Solar+Storage System at the end of the Site Lease term.
    d. Maintenance. The Parties acknowledge that the Developer will be responsible for the maintenance of the Solar+Storage System, and Member Agency will provide reasonable access to Developer.
    e. Control. The Solar+Storage System will be managed, and operated pursuant to the terms of the PPA, as set forth in more detail below.
    f. Normal Operations. Except when in Power Outage Operations pursuant to Section 3.g, below, the Solar+Storage System will be managed to meet CPA's needs for demand-side management at its discretion, and such Solar+Storage System management will not impact Member Agency operations.
    g. Power Outage Operations.
        i. The Solar+Storage System will have the ability to generate solar energy and charge the Solar+Storage System during power outages that occur during daylight hours.
        ii. The Solar+Storage System will be managed to provide power, to the extent reasonably practicable, for certain critical loads at the Site during power outages. The Solar+Storage System will be managed to provide sufficient power to the Site for at least four (4) hours during Power Outage

Operations based on the Site's power needs identified at the time the Solar+Storage System is designed.

h. Operations Insight.
   i. CPA will provide Member Agency continuous access to the Solar+Storage System electricity generation dashboard on the worldwide web or otherwise provide Member Agency with the ability to review the amount of electricity generated at any given time.

4. **Member Agency Obligations.**
   a. Ownership. Member Agency warrants that it is the long-term lessee (with a lease term that does not end earlier than, or that Member Agency has the sole discretion to continue until at least, 2045) or owner of the Site and that it has the power to grant permission for use of the Site as part of the Power Ready Program.
   b. Project Development.
      i. Member Agency agrees to allow CPA's selected Developer to construct the Solar+Storage System at the Site, subject to Developer entering a Site Lease Agreement with Member Agency and subject to Developer receiving all necessary permits and approvals.
      ii. Member Agency recognizes that its Site will be included in a portfolio in support of an RFO to potential developers and that withdrawal of its Site from the Power Ready Program could invalidate developers' bids for the entire program.
   c. Site Function. Member Agency agrees that the Site will continue to serve a critical community function, as described in the Recitals above, for the Term of the MOU. If Site no longer serves a critical community function, or Member Agency wishes to change the Site to a different critical community function than the one described herein, and that different critical community function significantly alters electricity usage at the Site, this may constitute a material change to this obligation. Member Agency must immediately notify CPA of the change and make best efforts to cooperate with CPA in remedying impacts related to the change in use.
   d. Site Lease. Member Agency agrees to enter into a Solar+Storage Site Lease Agreement with the Developer, provided all material terms are agreed upon, or if the Member Agency does not own the Site, then Member Agency will use best efforts to secure a Solar+Storage Site Lease Agreement or any other agreements necessary to secure use of the Site between the Site owner and the Developer with Member Agency being a third-party beneficiary with a term length up to twenty (20) years. Member Agency shall act at all times in good faith to come to reasonable terms with the Developer and shall not unreasonably condition, delay, or refuse to enter into the Solar+Storage Site Lease Agreement. Reasonable terms shall include, at a minimum, (a) a reasonable provision providing for indemnification of the Member Agency by the Developer, (b) a requirement the Developer carry reasonable insurance, and (c) a reasonable requirement that the

Developer return the Site to its condition prior to the installation of the Solar+Storage System if, at the end of the Site Lease term, Member Agency requests that the Solar+Storage System be removed. Member Agency recognizes that it may not require Developer to pay to lease the Site; the consideration for lease of the Site is installation of and Member Agency's benefit from the Solar+Storage System.

e. Cooperation. Member Agency agrees to cooperate with Developer to secure necessary approvals for Developer to develop the Solar+Storage System at the Site; however, nothing in this MOU constitutes approval of development of the Solar+Storage System. Member Agency is solely responsible for issuance of any permits, including but not limited to providing necessary information for the selected Developer to acquire permits or to comply with the California Environmental Quality Act, if applicable.
f. Billing. Member Agency will pay CPA as billed for electric service at the Site under CPA's future Power Ready Rate Structure, which will be developed prior to Member Agency execution of the Site Lease. The future Power Ready Rate Structure is further described in Section 5.d. of this MOU. The Power Ready Rate charged to Member Agency annually will be equal to or less than the amount charged to Member Agency annually under the rate structure that would have otherwise been in place if the Member Agency did not participate in the Power Ready Program.
g. SGIP Funds. Developer will apply for the CPUC Self Generation Incentive Program ("SGIP") administered by Southern California Edison ("SCE") on behalf of the Member Agency. Member Agency agrees to transfer any awarded SGIP funds to Developer to support financing of the battery energy storage.

5. **CPA Obligations.**
   a. CPA will prepare, issue, and administer the RFO to select the Developer to develop the Solar+Storage System at the Member Agency's and other member agencies' sites. CPA will provide Member Agency a reasonable amount of time to review and provide comment on the RFO prior to issuing the RFO.
   b. CPA will make a commercially reasonable effort to ensure construction of the Solar+Storage System begins no later than June 30, 2023, and will coordinate with Member Agency to determine a mutually agreeable construction schedule. However, CPA does not guarantee either (a) that the Solar+Storage System will actually be constructed, or (b) that construction will be free from delays beyond CPA's control.
   c. CPA will provide a construction liaison during construction of the Solar+Storage System that will make periodic on-site visits.
   d. CPA will bill the Member Agency for generation service on a monthly basis under its Power Ready Rate Structure. The on-bill monthly charge will be calculated to approximate projected monthly bill savings generated by the Solar+Storage System. CPA will conduct a true-up of the Member Agency annual electricity

costs annually during the April bill cycle and will credit or charge the Member Agency. Member Agency's annual charges will be equal to or less than the amount that would have otherwise been charged to the Member Agency if the Member Agency did not participate in the Power Ready Program.
e. CPA will provide Member Agency with educational/outreach materials and regular reporting on Solar+Storage System performance.

6. **Indemnification.** Each Party shall indemnify and hold harmless to the fullest extent permitted by law the other Party and its elected officials, officers, employees, members, volunteers, agents, and representatives from and against any and all damages, liabilities, costs, expenses, claims, and/or judgments, including, without limitation, reasonable attorneys' fees and disbursements that may directly or indirectly arise and/or result from the indemnifying Party's gross negligence or willful misconduct. This indemnification shall be only in proportion to and to the extent that such claims, judgments, causes of action, damages, penalties, costs, liabilities, and expenses, including attorneys' fees and costs incurred in the defense of any such claim or any action or proceeding brought thereon arise from the negligent or intentional acts or omissions of indemnifying Party, and its officers, employees, invitees, or agents.

7. **Insurance.**
   a. The Parties agree to provide and maintain throughout the term of this MOU, at their own expense, a program of insurance, or self-insurance, covering the activities and operations of their respective officers, agents and employees and contractors for the term of this MOU. This insurance shall include general liability insurance with coverage limits of $2,000,000 per occurrence and $2,000,000 aggregate (unless the aggregate is on a per-policy basis, in which case the aggregate shall be a minimum of $4,000,000). This insurance shall be endorsed to include the following: (i) CPA, its Board, Officers, Officials, Employees, Agents, Servants, and Volunteers are covered as additional insureds on Member Agency's commercial general liability policy, and Member Agency's Board, Officers, Officials, Employees, Agents, Servants, and Volunteers are covered as additional insureds on CPA's commercial general liability policy; and (ii) a written notice to be mailed to the other Party 30 days prior to the effective date of a cancellation or non-renewal of such insurance.
   b. The Parties agree to maintain throughout the term of this MOU, at their own expense, an automobile liability policy covering any auto (including owned, hired, and non-owned autos) with limits no less than $1,000,000 per occurrence for bodily injury and property damage.
   c. The Parties agree to maintain throughout the term of this MOU, at their own expense, a workers' compensation policy as required by the State of California, with Statutory Limits and Employer's Liability Insurance of no less than $1,000,000 per occurrence for bodily injury or disease.
   d. Upon request, either Party shall provide the other evidence of such coverage

naming the other Party as an additional insured including an additional insured endorsement issued by the insurance company or program of self-insurance.

e. CPA may waive or change any of the requirements in this Section 7 at its discretion, upon mutual agreement with the Member Agency.

f. Nothing herein waives or reduces a Party's indemnification obligations pursuant to Section 6.

8. **Publicity.** Any publicity generated by either Party related to the performance of this MOU should reference both Parties' contributions. Each Party shall make best efforts to display the words "Clean Power Alliance" and "The City of Oxnard" in all pieces of publicity, including flyers, press releases, posters, brochures, public service announcements, interviews, and newspaper articles (to the extent possible). Any piece of publicity, including those mentioned above, must be reviewed and approved by both Parties before issuing a press release. Each Party agrees to provide the other Party with reasonable time for review before such issuance.

   Where CPA and Member Agency logos are used on any signage or documentation arising from this partnership, the logos of each Party will be of equal size and quality. No signs may be posted, exhibited, or displayed on or about Member Agency property, except signage required by law or contemplated under this MOU, without prior written approval from Member Agency.

9. **General Provisions.**

   a. Entire Agreement. This MOU represents the full and complete understanding between the Parties as to the subject matter of this MOU, and supersedes any other agreement(s) and understanding(s), either oral or written, between the Parties related to the subject matter of the MOU.

   b. Amendment. Any amendment to or modification of this MOU will be effective only if in writing and signed by each Party's authorized representative. No verbal agreement or implied covenant will be valid to amend or abridge this MOU.

   c. Governing Law and Venue. This MOU is governed by the laws of the State of California. Any lawsuits files related to this MOU must be filed with the Superior Court for the County of Ventura, State of California.

   d. Third Party Beneficiaries. There are no intended third-party beneficiaries of this MOU.

   e. Independent Parties. Each Party shall perform its responsibilities and activities described herein separately and not as an officer, agent, employee, or volunteer of the other Party hereto. Each Party shall be solely responsible for the acts and omissions of its officers, agents, and employees. Nothing herein shall be considered as creating a partnership or joint venture between the parties.

   f. Headings. The headings in this MOU are for convenience only, are not a part of the MOU, and in no way affect, limit, or amplify the terms or provisions of this MOU.

g. Severability / Partial Invalidity. If any term or provision of this MOU, or its application to a particular situation, is found by the court to be void, invalid, illegal, or unenforceable, such term or provision shall remain in force and effect to the extent allowed by such ruling. All other terms and provisions of this MOU or their application to specific situations shall remain in full force and effect. The Parties agree to work in good faith to amend this MOU to carry out its intent.

h. Survival. All provisions which by their nature must continue after the MOU expires or is terminated shall survive the MOU and remain in full force and effect, including but not limited to the indemnification requirement in Section 6 and the insurance requirements in Section 7.

i. Notices. All notices, requests, and approvals must be sent in writing to the persons below, which will be considered effective on the date of personal delivery; or the date confirmed by the reputable overnight delivery service; or on the fifth calendar day after deposit in the United States Mail, postage prepaid; or the next business day following submission by electronic mail:

To CPA:
Theodore Bardacke, Chief Executive Officer
801 S. Grand Ave., Suite 400, Los Angeles, CA 90017
tbardacke@cleanpoweralliance.org

With a copy, which shall not serve as notice as required or specified herein, to:
Nancy Whang, General Counsel
801 S. Grand Ave., Suite 400, Los Angeles, CA 90017
nwhang@cleanpoweralliance.org

To City of Oxnard:
Alex Nguyen
City Manager
300 West Third Street
Oxnard, CA 93030
Alexander.Nguyen@oxnard.org

j. Electronic Signatures: This MOU may be executed by electronic signature(s) and transmitted either by facsimile or in a portable document format ("pdf") version by email and such electronic signature(s) shall be deemed as original for purposes of this MOU and shall have the same force and effect as a manually executed original.

k. Execution in Counterparts: This MOU may be executed in two or more counterpart copies, each of which shall be deemed as an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this MOU on the latest date of execution set forth below.

Theodore Bardacke	Alex Nguyen
Clean Power Alliance of Southern California	City of Oxnard
Title: Chief Executive Officer	Title: City Manager
Date:	Date:

EXHIBIT A

Clean Power Alliance Power Ready Program

Last edited on April 12, 2022

Oxnard Site Assessment Overview: Service Center

Address: 214 S C St. Oxnard, CA 93030
Meter Number: 259000-060240

Solar Size	**195 kW**
BESS Size	**100W / 400kWh**
Facility Age	**2005**
Facility Size	**≈35,000 ft^2**
Critical Loads	**TBD. Lighting and Plug loads not on generator backup**

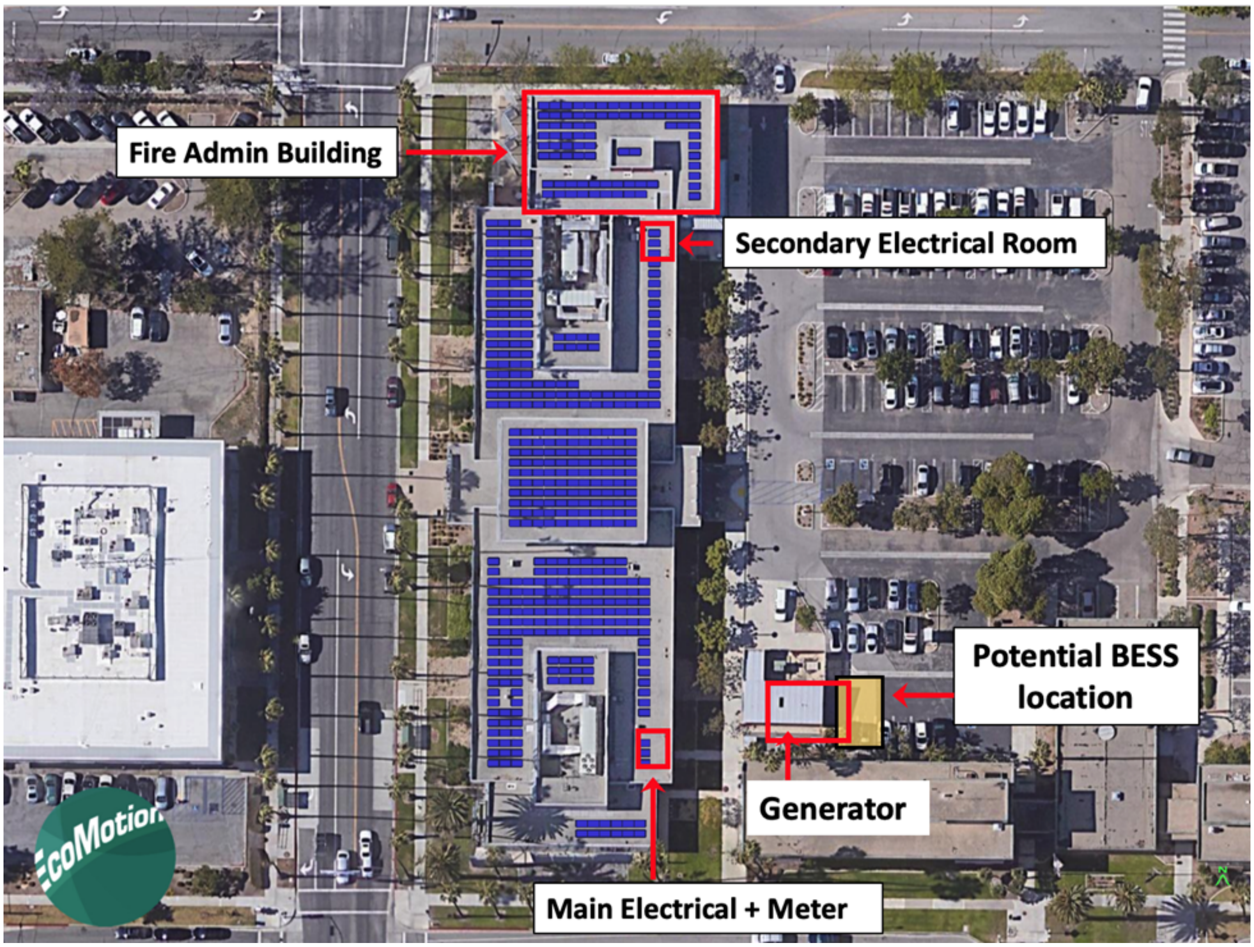
The Oxnard Service Center includes a public-facing service center, offices for city staff, and the Fire Administration building. The building was constructed in 2005 and has a 250 kW backup diesel generator. The generator backs up servers and critical IT infrastructure, as well the circuits for lighting and plug loads in about half of the building. The city hopes the Power Ready program will back up those lighting and plug loads not served by the generator.

Intended Resilience

In the event of a grid outage, the Power Ready goal is to enable the facility to remain open and operational for city staff and fire administration personnel. Those lighting and plug loads not already supported by the generator are top priorities. There is no expectation that the power ready program will eliminate the need of the generator. Rather, the city hopes the solar and storage system will work in tandem with the generator in the event of an outage.

Solar System Size and Location

The Helioscope design calls for approximately 195 kW of solar PV on the roof of the service center. A 195 kW solar array is projected to generate approximately 325,000 kWh / year, which accounts for approximately 60% of the facility's annual use of 535,940 kWh (2019 interval data). All sections of the roof date from 2013, approximately 8 years old, and are in good condition. There is no significant shading on the roof. None of the roof sections present structural or logistical difficulties for solar installation.



BESS Size and Location

Our initial optimization suggests an ideal battery size of approximately 100kW / 400 kWh. The facility has an annual peak kW demand of 150 kW; through SGIP, a battery with 4-hour discharge may be sized up to 150 kW / 600 kWh. The facility is located in a community that is Income Qualified for The Equity Tier of the SGIP incentive ($850/kWh, currently oversubscribed in SCE territory).

The Power Ready program design stipulates that approximately 25% of BESS capacity be maintained as a "Reserve Capacity" that is always ready for an unplanned outage. The remaining

75% of BESS capacity may be used for daily energy management services, notably energy arbitrage and peak demand clipping.

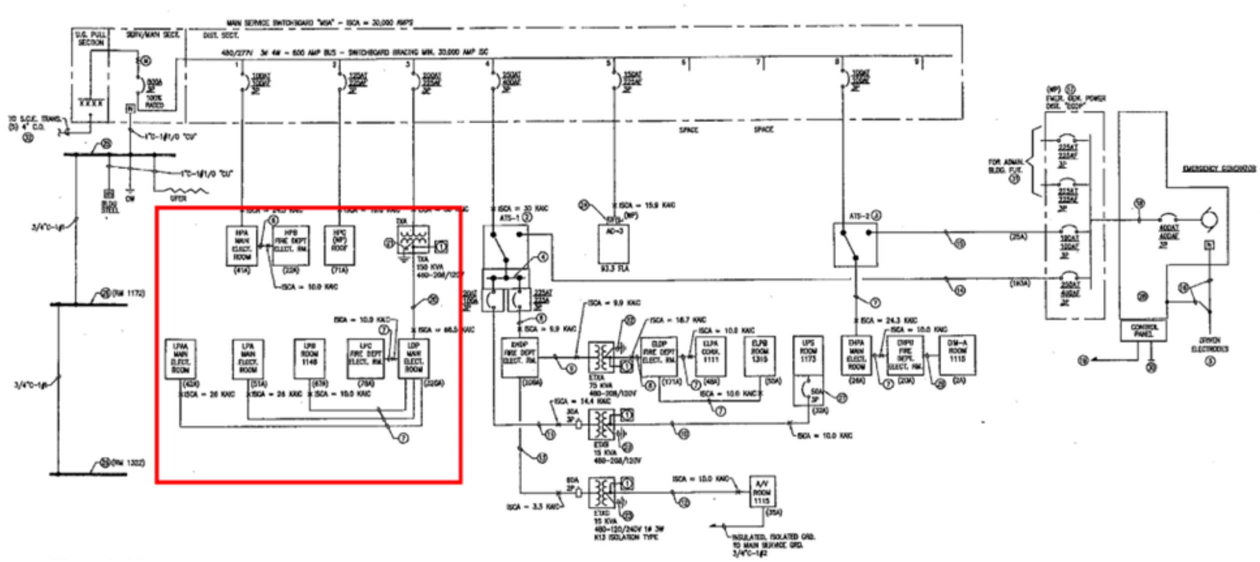
The ideal BESS location is directly adjacent to the generator in the parking lot.

Electrical Infrastructure

All the Panels that begin with letter E are backed up by the generator. Panels that do no begin with the letter E are not backed up, and are candidates for backup with the Power Ready program. These are marked in red on the single line diagram.

All the Panels that end with the letter A are located in the main electrical room (Room 424) with the main switchboard.

All the Panels that end with the letter B are located in the secondary electrical room (Room 310, also called the Fire Department Electrical Room on the single line).



Hard-Wiring for Resiliency

Solar and Battery sources will connect to the Main Switchboard (in the electrical room accessible from the northern parking lot) via an automatic transfer switch (ATS), and will provide energy in the event of a grid outage.
Additional information regarding critical loads and electrical and building plans are available in the Fulcrum App and Shared Drive.

EXHIBIT B

CLEAN POWER ALLIANCE

CPA's Power Ready Program

A CPA member agency benefit program that provides critical back-up power to a facility

What is Power Ready?

The need for backup power systems is growing as power outages become more common than ever with increased wildfires, frequent Public Safety Power Shutoffs, and increased summer grid emergencies due to high heat.

Clean Power Alliance's Power Ready program is a community benefit offered to its member agencies to make a public building that serves a critical community purpose energy-resilient by installing a solar and storage system so that there is a back-up source of energy when there is an outage. CPA is providing this benefit at no cost to member agencies and making participation easy by contracting with a developer/financier to build, own, and operate the systems for 20 years.

Power Ready Benefits

- Back-up power system that provides power from its own source during outages (including Public Safety Power Shutoffs, natural disasters, rolling black outs)
- No up-front cost and no increase to annual energy bills for participating
- Reduced harmful emissions and noise pollution associated with back-up diesel generators
- The developer handles all operations and maintenance
- Enhanced grid resilience that helps to prevent grid emergencies
- Member agency staff learn about hosting battery storage

For more information contact:
PowerReady@cleanpoweralliance.org

CLEAN POWER ALLIANCE

Clean Power Alliance Power Ready Program

Frequently Asked Questions for Member Agencies

1. What is the Power Ready program?
An opportunity to make a public building that serves a critical community purpose energy-resilient by installing a solar and storage system so that critical loads are backed up in an outage. CPA can provide this opportunity at no cost to our member agencies by aggregating a portfolio of member agency sites, CPA is making this opportunity easy for member agencies by contracting with a developer/ financier to build, own, and operate the systems for 20 years.

2. Why is CPA offering the Power Ready program?
Power Ready is one of the many community benefits offered to Clean Power Alliance Member Agencies. Member agencies identified a need for resiliency. CPA's Board of Directors developed Power Ready to meet this need for resilience by using the collective purchase power of CPA.

3. What are my benefits as a participant?
- Back-up power system that provides islanded power during outages (including Public Safety Power Shutoffs, natural disasters, rolling black outs).
- No up-front cost and no increase to annual energy bills for participating
- Reduced harmful emissions associated with back-up diesel generators
- The developer handles all operations and maintenance
- Enhanced grid resilience that helps to prevent grid emergencies
- Member agency staff learn about hosting battery storage
- CPA will promote your agency's participation in this innovative program

4. OK, who pays who?
The amount that member agencies will pay annually will be equal to or less than what they would have paid if they were not participating in the program. CPA uses the solar and storage systems to create optimal bill savings that are used to pay the system cost to the developer, making it possible for us to provide this system to member agencies at no cost.

5. How much energy resilience will CPA provide?
During hours of sunshine, the Power Ready facilities will be as the program name implies.... "Power Ready!" The Power Ready sites will be highly functional during grid outages during "blue sky" periods.

Power Ready has conducted deep dives into each selected facility to determine which loads are critical during the night – "dark sky periods." CPA offers member agencies a minimum of 4-hour "dark sky" duration of critical loads. In most cases, these loads can be managed to extend the "dark sky" duration until the sun rises the next day.

6. How were Power Ready sites chosen?
After a program briefing on suitable sites, member agencies were offered the opportunity to nominate up to five sites for the program and their preferred site. CPA's consultants – EcoMotion - then worked with these sites and staff to determine the best program fit. Note that the site checks included solar and storage spatial analysis, roofing, and switchgear condition.

7. How does the program make buildings more energy resilient?
Solar, storage, and sophisticated controls. The facilities can island in the event of a grid outage and maintain critical operations. The cost of creating an islanded system that can provide this type of critical support is much higher than the cost of installing a normal solar system or even solar and storage system. CPA is able to offer this at no cost by aggregating a portfolio of member agency sites.

8. What if the building we choose has a generator?
Many of the facilities in the Power Ready program already have generators. Power Ready brings carbon-free generation and storage to the facility, in some cases making the generators obsolete and improving the air quality of the community.

In other cases, the generators can operate in tandem with the Power Ready system to enhance resilience, cut emissions, and protect against fuel shortage.

9. What kinds of municipal facilities are suited for the program?
City halls, libraries, community centers, public works yards, senior centers... any municipal facility that has sufficient power load that can be profitably offset with solar, and that has a logical use case for the community during emergencies.

10. Will this program lower my electricity bills?
Participation in the Power Ready program is not intended to lower your electricity bills, but it will not raise them either. CPA will ensure that the amount you pay will be equal to or less than what you would have paid if you were not participating in the program. The value of this project is that member agencies get an islanded solar and storage system at no cost for use in an emergency situation. The cost of creating an islanded system that can provide this type of critical support is much higher than the cost of installing a normal solar system or even a solar and storage system.

Cost to Participate

11. What will it cost to participate in Power Ready?
There is no cost for participating.

12. Will I save money?
Power Ready is not intended to save you money on your electricity bills. The value you get is energy resilience at no additional cost. Participating members will pay no more for electricity than they would without Power Ready.

13. How will my bill be computed?
CPA will annually audit your energy bills so that the annual amount paid is equal to or less what your facility would pay had you not participated in the Power Ready program.

14. Will participating in the Power Ready program raise my bills?
No, participants electricity bills will be equal to or less than what they would have been, if they were not participating in the program. Assuming the same general usage, your bills will be the same, increasing only over the years as SCE and CPA rates increase. At no time will the presence of solar or batteries make your bill higher.

More on the Battery

15. How does CPA plan to use the battery?
CPA uses the battery to manage electricity demand in such a way that lowers procurement costs. Strategies such as Net Energy Metering, Peak Demand Reduction, Load Shifting from high Time of Use (TOU) periods to low TOU periods will be handled by CPA. These cost saving strategies make it possible for us to provide you the islanded solar and storage system at no cost.

16. Will the batteries onsite provide grid services?
The primary purpose of the Power Ready program is to provide energy resilience to member agencies' public facilities. A carve-out has been established for every battery storage system such that the program commitment for resilience can be met.

17. Under what circumstances does the facility utilize power from the battery?
If the SCE grid goes down, the member agency will be using both the battery and the solar for emergency power.

18. Is there a portion of the battery that is always on standby for emergencies?
Yes, only 75% of the battery will be flexed by CPA for demand reduction or load shifting. A minimum of 25% percent of the battery is always maintained to meet an unexpected outage. The batteries will be programmed to charge up prior to scheduled outages to give member agencies maximum resilience.

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.5

DATE: June 30, 2022

TO: Finance & Governance Committee

FROM: Phillip Molina, City Treasurer, (805) 385-7808, phillip.molina@oxnard.org

SUBJECT: Resolution Adopting the FY 2022-23 Investment Policy.

RECOMMENDATION

That the City Council adopt a resolution adopting the FY 2022-23 investment policy for the City of Oxnard.

BACKGROUND

Government Code section 53646 provides that the City Treasurer may annually render to the City Council a statement of investment policy, which the Council shall consider at a public meeting. The Treasurer last submitted an investment policy to the City Council on June 29, 2021. The policy is attached hereto, and the attached resolution adopts this policy. The policy is, except for the date of expected adoption, unchanged.

The City of Oxnard's investment portfolio is conservative and planned with safety of principal as the first objective, followed by provision for funds when needed. Yield is important after these two objectives have been met. The portfolio is diversified as to type of investment, financial institution and maturity. Securities with maturities of more than thirty days are delivered to the City's third-party safekeeping account. City funds are consolidated in the pooled money investment fund to provide maximum investment opportunity. Analysis of cash-flow provides data for anticipated income, clearance of outstanding checks, and dates for extraordinary expenditures to manage liquidity requirements, like the $20 million-plus annual prepayment to CalPERS every July for the City's unfunded accrued liability that fiscal year, which saves the General Fund hundreds of thousands of dollars.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Phillip Molina, City Treasurer

ATTACHMENTS

1. FY 22-23 Treasurer's Authority Investment Policy-FINAL
2. Treasurer's Investment Policy Adoption Resolution FY 22-23-FINAL

City of Oxnard, California
2022-23 Investment Policy
Adopted June 30, 2022

This statement is intended to provide guidelines for the prudent investment of surplus funds of the City of Oxnard and to outline the policies for maximizing the efficiency of the City's cash management system. It is the policy of the City to invest public funds in a manner that will provide high investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State and local statutes governing the investment of public funds. The references to the City Treasurer shall include his or her designee. This policy does not include retirement, retiree health care savings/trust/plan(s) or deferred compensation plans.

This investment policy applies to the City's pooled investment fund, which includes the General Fund, special revenue funds, capital project funds, enterprise funds, trust and agency funds, and internal service funds. This policy is generally applicable to bond proceeds with consideration given to specific provisions of each issuance. Reports of the investment of bond proceeds are issued monthly by the trustee and may be included in the City Treasurer's monthly report of the pooled investment fund.

3.0 PRUDENCE-*Reference Ca. Govt. Code 53600.3* Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for the investment, considering the probable safety of their capital as well as the probable income to be derived.

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

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

Safety – The safety or risk associated with an investment refers to the potential loss of principal, accrued interest or a combination of these. The City seeks to mitigate credit risk by prequalifying and continuously monitoring financial institutions with which it will do business and by careful scrutiny of the credit worthiness of the investment instruments as well as the institutions. Such resources as FDIC bank ratings, Sheshunoff, Fitch, Moody's and Standard and Poor's rating services may be utilized for this review. The City seeks to mitigate interest rate risk through diversification of instruments as well as maturities.

Liquidity – The City investment portfolio will be structured with sufficient liquidity to allow the City to meet its anticipated cash requirements. This will be accomplished through diversity of instruments to include those with active secondary markets, those which match maturities to expected cash needs and the State Local Agency Investment Fund (LAIF) with immediate withdrawal provisions.

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

5.0 DELEGATION OF AUTHORITY California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate that authority to the treasurer of the local agency. Effective January 1, 1997, such delegation is to be reviewed annually and may be renewed by the City Council (Appendix 3, Section 53607).

City Council – Under City of Oxnard Resolution No. 10455, the City Council has authorized the City Treasurer to invest City funds in accordance with California Government Code Section 53600, et. seq. The City Treasurer will include review of the delegation of authority in the annual presentation of the investment policy to the City Council.

City Treasurer – The execution of investment transactions on a daily basis will be conducted by the City Treasurer. The Assistant City Treasurer will execute transactions only as directed by the City Treasurer in the absence of the City Treasurer. The City Treasurer has established a system of controls and a segregation of responsibilities of investment functions to assure maintenance of internal control over the investment function. The City Treasurer may propose amendments to the City's investment policy, guidelines and procedures at any time in order to carry out the duties as chief investment officer for the City. Such amendments shall be reviewed by the City's Investment Review Committee and considered by the City Council at a public meeting.

6.0 ETHICS AND AVOIDANCE OF CONFLICTS OF INTEREST Investment officials shall refrain from personal business activity that could conflict with proper execution and management of the policy and the investment program, or which could impair their ability to make impartial decisions. Investment officials must provide a public disclosure document by February 1 of each year or when material interest in financial institutions or personal investment position(s) require it. Furthermore, investment officials must refrain from undertaking personal investment transactions with the same individual(s) employed by the financial institution with whom business is conducted on behalf of the City. The City Treasurer is governed by the Political Reform Act of 1974 regarding disclosure of material financial interests.

7.0 *CA Govt. Code 53601.5* The City Treasurer shall transact business only with the banks, savings and loan and properly registered securities dealers.

Authorization – The City may conduct business with major registered securities broker-dealers and with dealers designated "Primary" by the Federal Reserve provided all the following criteria are met. The Treasurer or his or her designee will maintain a list of approved financial institutions authorized to provide investment services to the public agency in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). Broker-dealers must:

a. Have offices located within the State of California;
b. Be adequately capitalized;
c. Make markets in securities appropriate to the City's needs;
d. Agree to abide by the conditions set forth in the City's investment policy;

The City Treasurer shall investigate all institutions which wish to do business with the City and shall require that each financial institution complete and return the appropriate questionnaire and required documentation. An annual review of the financial condition and registration of qualified bidders will be conducted by the City Treasurer.

No public deposit shall be made except in a qualified public depository as established by the established State laws. All financial institutions and broker/dealers who desire to conduct investment transactions with the public agency must supply the Treasurer (or Chief Financial Officer) with the following: audited financial statements, proof of NASD certification, trading resolution, proof of State of California registration, completed broker/dealer questionnaire, certification of having read the Public Agency's investment policy and depository contracts.

Ratings – With the exception of the Local Agency Investment Fund (LAIF) and U.S. Treasury and Government Agency issues, investments shall be placed only in the those instruments and institutions rated favorably as determined by the City Treasurer with the assistance of bank rating services and nationally recognized rating services (FDIC, Fitch's, Moody's, Standard & Poor's, Sheshunoff performance rating, etc.).

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

California Government Code Section 53601 (Appendix 3) defines eligible securities for the investment of surplus funds by local agencies. Surplus funds of the City of Oxnard are invested in compliance with this statute and as further limited in this Investment Policy.

U.S. Government - United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. Maturities are limited to a maximum of five years.

U.S. Agencies - The purchase of instruments of, or issued by, a federal agency or a United States government-sponsored enterprise will be limited to a maximum maturity of five years. Such agencies include, but are not limited to, the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Tennessee Valley Authority, and the Federal National Mortgage Corporation.

Municipal Bonds, Notes or Evidences of lndebtedness - Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency. Registered State warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this State include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. A maximum of 15 percent of the portfolio may be so invested.

Bankers' Acceptances - Bills of exchange or time drafts drawn on and accepted by commercial banks which are eligible for purchase by the Federal Reserve System are known as bankers' acceptances. Purchases of these instruments may not exceed 180 days to maturity or 40 percent of an agency's surplus funds. A maximum of 30 percent may be invested in the bankers' acceptances of any one commercial bank.

Commercial Paper - This short-term unsecured promissory note is issued to finance short term credit needs. Eligible paper is that which is ranked "Pl" by Moody's Investor Services or "Al" by Standard & Poor's or Fitch's, issued by a domestic corporation having assets in excess of $500,000,000, and having an "A" or better rating on issuer's debt. Purchases of commercial paper may not exceed 270 days or represent more than 10 percent of the outstanding paper of an issuing corporation. Commercial paper purchases will be limited to 15 percent of the City's portfolio.

Negotiable Certificates of Deposit (NCDs) - Allowable NCDs are issued by a nationally or State-chartered bank or a State or federal association or by a State-licensed branch of a foreign bank. The City Treasurer may invest up to 30 percent of surplus funds in NCDs limited to institutions rated "Aa" or better by Moody's or "AA-" or better by Standard & Poor's CD Rating Services. A rating equivalent to FDIC rating of "One" or "Two" or a Sheshunoff performance rating of A or better is required for those institutions not rated by Moody's, Fitch's or Standard & Poor's. NCDs are considered liquid, trading actively in the secondary market.

Certificates of Deposit (CDs) - Certificates of deposit or "time deposits" of up to $250,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110 percent if government securities, or collateral of at least 150 percent if mortgage-backed securities. Statute does not limit CDs, however, this Investment Policy shall limit such investments to a maximum of 30 percent of the portfolio (GC 53601(i)). In addition, time deposits shall be placed in institutions meeting all capital requirements and which maintain a rating equivalent to FDIC rating of “One” or “Two” or a Sheshunoff performance rating of A or better.

Repurchase Agreements - The City may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the City has entered into a master repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored by the City Treasurer's office and will not be allowed to fall below 102 percent of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code, which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, bankers' acceptances, commercial paper, or securities that are direct obligations of or that are fully guaranteed by the United States or any agency of the United States. These eligible securities are further defined by California Government Code Section 53651.

Medium Term Notes - A maximum of 30 percent of the City's portfolio may be invested in medium-term notes issued by corporations organized and operating within the United States. Note maturities may not exceed five years. Securities eligible for investment must be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service (i.e., Moody's or Standard & Poor's).

Mutual Funds - Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, et. seq., and complying with Section 53601, are permitted investments. Section 53601(l) further defines requirements. A maximum of 20 percent of the portfolio may be so invested.

Local, State, or County Agency Investment Fund - The Local Agency Investment Fund (LAIF) has been established by the State Treasurer for the benefit of local agencies. The City may invest up to the maximum permitted by LAIF and the Ventura County Investment Pool operated under the control of the County Treasurer, and CALTRUST consistent with California Government Code Section 53635.

Ineligible Investments - Investments not described herein, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund.

City Inter-fund Loans - Funds may be invested in loans to provide specific funding to City programs, provided no loan shall violate any limitations prescribed by California law. Legal requirements shall include but not be limited to those listed in Government Code section 66006(b)(1)(G) for development impact fees and in Government Code section 66013(d)(5) for water connection, sewer connection and capacity charge fees.

9.0 COLLATERAL

The issue of collateral requirements is addressed in California Government Code Section 53652. All active and inactive deposits must be secured at all times with eligible securities in securities pools pursuant to Sections 53656 and 53657. Eligible securities held as collateral shall have a market value in excess of the total amount of all deposits of a depository as follows:

- government securities, at least 10 percent in excess
- mortgage backed securities, at least 50 percent in excess
- letters of credit, at least 5 percent in excess.

FDIC coverage as the Official Custodian of a public unit is insured up to $250,000 per bank and all active and inactive deposits above the FDIC insured amount must be collateralized to be secured.

10.0 INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

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

11.0 DIVERSIFICATION

The City's portfolio will be suitably diversified by type and institution in an effort to reduce portfolio risk while attaining market average rates.

<u>Security Type and Institution</u> - U.S. Treasury securities and authorized pools, and any portfolio or institutional limits shall comply with California Government Code. Investments are further limited by specific language relating to each investment type as stated in Section 8 of this Policy.

<u>Maximum Maturities</u> - To the extent possible, the City Treasurer will attempt to match investments with anticipated cash flow requirements. The City's portfolio will not be directly invested in securities which mature more than five years from the date of purchase. Reserve funds may be invested in securities exceeding the five years as allowed by California Law (maturity of such investments should coincide as nearly as practicable with expected use of funds).

12.0 INTERNAL CONTROLS

A system of internal controls will be maintained to assure compliance with Federal and State regulations, City Council direction, and prudent cash management procedures.

<u>Investment Review Committee</u> - The City Treasurer shall form the investment committee, whose members may include the City Manager, and Finance Director, or their designated alternates plus members of the public whose interest and knowledge can provide sound advice to the Investment Review Committee tasked with quarterly review of procedures and adherence to this Investment Policy.

<u>Investment Portfolio Guidelines</u> - Guidelines (Appendix No. 2) have been established for procedures within the City Treasurer's Office to assure internal investment controls and a segregation of responsibilities of investment functions.

<u>Annual Audit</u> - The City's portfolio is included in the annual review of the City's financial management

performed by an independent (as defined by FASB and GASB) outside audit firm.

13.0 PERFORMANCE STANDARDS

The investment portfolio will be designed to attain at least a market-average rate of return during budgetary and economic cycles. Whenever possible, and consistent with risk limitations as defined herein and prudent investment principles, the Treasurer shall seek to augment returns above the market average rate of return as shown on the average CMT (Constant Maturity Treasury) whose maturity most closely matches the average maturity of the portfolio. In addition, the City portfolio will be compared with LAIF and the goal is to maintain a higher positive annual yield than LAIF's annual yield.

14.0 REPORTING-*Reference: CA Govt. Code 53646(b)*

The City Treasurer shall provide investment information to City Council.

Periodic Reports - The City Treasurer will provide detailed reports of the investments in the pooled investment fund portfolio on a monthly basis to the City Council, City Manager, Chief Financial Officer, and City Clerk. Within thirty days of the end of each quarter, these reports will be provided with additional information such as market pricing. This report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency’s funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

Annual Report - This Investment Policy will be presented annually following the close of the fiscal year, to the City Council for approval.

Financial Statements per GASB #31 - City Treasurer will provide the portfolio's market value gains/losses to Finance to be incorporated in the fiscal year-end balance sheet.

Financial Statements per GASB #40 - Effective June 30, 2005, additional disclosure is required. City Treasurer will provide detailed maturity and rating information to Finance to be incorporated in the Comprehensive Annual Financial Report (CAFR).

15.0 SAFEKEEPING AND CUSTODY –*Reference: CA Govt. Code 53608*

All security transactions, including collateral for repurchase agreements, entered into by the City Treasurer shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

16.0 INVESTMENT POLICY ADOPTION –*Reference: CA Govt. Code 53646*

The City of Oxnard’s investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto by the City Treasurer must be presented to the City Council.

The City Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. *Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.* No person, or officer may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City of Oxnard.

APPENDIX

No. 1 Glossary
No. 2 Investment Portfolio Guidelines
No. 3 California Government Code Sections related to Investment of Public Funds

City of Oxnard, California
2022-23 Investment Policy
Adopted June 30, 2022

APPENDIX NO. 1: GLOSSARY

AGENCIES: Federal agency securities.

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

BASIS POINT: One one-hundredth of a percent (i.e. 0.01 %)

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

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

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

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

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

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

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

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

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

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

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

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

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

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

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

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

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

LOCAL AGENCY INVESTMENT FUND (LAIF): Funds from local governmental units may be remitted to the California State Treasurer for deposit in this special fund for the purpose of investment.

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

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

RATING AGENCIES: **S&P** Probably the best known of the Big Three rating agencies, Standard and Poor's (S&P) is a company providing financial publishing, information and media to the world's capital markets. It is owned by the McGraw-Hill Companies. S&P also publishes stock market indices, the most well-known of which is the S&P 500.

S&P's ratings from the best quality borrowers to the lowest are: AAA, AA, A, BBB, BB, B, CCC, CC, C, and D. Investment grade is BBB and above. S&P uses plus and minus to add intermediate designations to these ratings.

Moody's Moody's started in 1909 as a publishing company, issuing railroad bond guides called Moody's Manuals. It later expanded its coverage to municipal and commercial bonds, and is now called Moody's Investment Services.

Moody's uses the following ratings: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C. Numbers are added for intermediate designations, such as Baa1, Baa2, etc. Investment grade is considered to be Baa and above; anything below is considered speculative, or junk.

Fitch Owned by a French Holding Company, Fimalac SA, Fitch operates internationally and offers financial research as well as credit rating services. The smallest of the Big Three, Fitch uses the same ratings scale as S&P.

Conflicts of Interest of rating agencies

Credit ratings agencies receive fees from the issuers of the securities they rate. In the time leading up to the 2008 financial crisis, S&P, Moody's and Fitch all gave consistently high ratings to mortgage-backed securities created by the investment banks who were paying them. This overrating of risky debt instruments contributed to the financial bubble and subsequent decline. Congress has proposed new regulation of these agencies to increase competition and ensure independence in this market

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

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

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

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

SPREAD: a) The yield or price difference between the bid and offer on an issue; b) The yield or price difference between different issues.

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

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

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

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

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

APPENDIX NO. 2: OXNARD CITY TREASURER INVESTMENT PORTFOLIO GUIDELINES

A. INTRODUCTION. These guidelines are established to direct and control investment activities in such a manner to assure that the goals established in the Investment Policy are attained.

B. GENERAL FACTORS. Several factors must be considered in preparation for effective portfolio management.

1. Cash Forecast. The cash flow of the City shall be updated daily with an analysis of cash receipts and expenditures. A close working relationship with City Departments having a significant impact on cash flow is maintained to maximize the efficiency of the City's cash management system.

2. Pooled Cash. Whenever practical, the City's cash should be consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated according to specific general ledger cash balances. No City bank account may be opened without the knowledge and consent of the City Treasurer.

3. Authorized Institutions. A list of institutions, which meet the criteria of the Investment Policy and have been authorized by the City Treasurer to do business with the City, will be maintained and regularly updated. Investment transactions will be executed only with approved broker/dealers, banks, and savings and loans.

4. Preservation of Portfolio Value. Yield standards are in place in an effort to maintain earnings consistent with the market average rate of return.

5. Golden Rule of Portfolio Management. Investment instrument characteristics should be known and understood before a purchase of the investment instrument. And recognizing that there are no firm and steadfast rules (strategies) for portfolio management due to the fact that investor expectations change by the day, hour and minute, and because of this market instability, prudent principles of fiscal management must be applied.

C. STRATEGY: Strategy refers to the plan of action for managing financial resources in the most advantageous manner. The City Treasurer uses the following elements in developing strategy.

1. Economic Forecasts. Economic forecast information developed by economists and financial experts, obtained through bankers and brokers, is used to assist the City Treasurer with the formulation of an investment strategy for the City.

2. Investment Implementation. Investment transactions will be executed in conformance with anticipated cash flow requirements, economic conditions, and interest rate trends and must be consistent with the established Investment Policy.

3. Yield Enhancement. Investment techniques will be utilized which increase yield and maintain a fully invested position.

D. INVESTMENT PROCEDURES. The City Treasurer has developed internal investment procedures to provide for effective cash management. Segregation of responsibilities is maintained to assure an adequate system of internal control over the investment function.

1. Diversification. The fund should consist of a mix of various types of securities, issuers, and maturities.

2. Competitive Bids. Purchase and sale of securities shall be made on the basis of competitive bids and offers with a minimum of two quotes being obtained, when practical.

3. Investment Transactions. Investment transactions will be authorized by the City Treasurer. In his/her absence, the Assistant City Treasurer will execute transactions as prescribed by the City Treasurer prior to his/her absence. In the event of unexpected absence and unavailability by the City Treasurer, the Assistant City Treasurer will transact within established guidelines.

4. Electronic Transactions. Whenever possible, the City will use preformatted wire transfers and ACH debits to restrict the transfer of funds to preauthorized accounts only. All electronic transactions require an initiator plus an approval by an authorized employee. Authenticity is verified on next business day for each electronic transaction.

5. Safekeeping. Securities purchased from broker/dealers (on which maturity is greater than 30 days) shall be held in third party safekeeping with the Trust Department of Union Bank of California acting as third party trustee. All such purchases will be on a delivery versus-payment basis. Evidence of account for certificates of deposit will be issued in the City's name and held in City Treasurer's vault.

E. INVESTMENT CRITERIA. All investments will be made in compliance with Federal, State, and Local laws governing the investment of City funds, and in accordance with the City Treasurer's Investment Policy.

1. Maturity of Investment. Investments longer than one year may be made if consistent with the City's cash flow needs, related intent to hold until maturity, unless market conditions demand otherwise. Securities may be sold prior to maturity for cash flow purposes or to otherwise enhance the portfolio. If the rating of any depository declines to an unacceptable level prior to the maturity of an investment of City funds, the investment will be matured at the earliest possible opportunity. If the rating drops below the allowable level of any one of the rating services, the investment will be sold if no significant loss of principal is involved.

Such sales will be determined by the City Treasurer.

2. Certificate of Deposit Evaluation.

(a) Time Certificates of Deposit shall be evaluated in terms of FDIC coverage. For deposits in excess of the insured maximum of $250,000, approved collateral shall be required at the percentage above market value as specified by California Government Code Section 53652 and/or 53651.
(b) Negotiable Certificates of Deposit shall be evaluated in terms of the credit worthiness of the issuer as these deposits are uninsured and uncollateralized promissory notes.

F. PRIMARY GOALS. As set forth in the Investment Policy, the primary goals for the City of Oxnard are safety, liquidity, and yield, in that priority order.

1. Safety. The safety/risk associated with an investment refers to the potential loss of principal, accrued interest, or a combination of these. The City of Oxnard employs investment instruments considered to be safe. The primary duty of the City Treasurer is to protect the cash and investments placed in her trust on behalf of the citizens of the community.
2. Liquidity. Liquidity refers to the ability to convert investment holdings to cash immediately with no loss of principal or accrued interest. This quality of investment is important should an unexpected need for funds occur.

3. Yield. Yield is the dollar earnings the investment provides. Yield becomes important only after the fundamental requirements of safety and liquidity have been met.

G. INTERNAL CONTROL OF INVESTMENTS. Investment transactions are controlled through distribution of responsibilities within the Treasurer's Office by the following procedures:

1. The Treasurer initiates each investment transaction.

2. Details of the investment are recorded on a trade slip and given to the account clerk responsible for encoding the trade details into the electronic investment system. The same account clerk produces a verification letter mailed to the institution receiving the investment. A copy of the letter is forwarded to the transferring bank.

3. The transaction record is then delivered to a designee who enters the transaction on the cash balance spread sheet.

4. At month end the balances on the spreadsheet, maintained by a designee, must balance with the portfolio balance maintained independently by the electronic system clerk.

5. Each business day, the Treasurer's Office receives an electronic report from the City's bank. This report contains checking account balances, a listing of debits and credits, overnight investments and a record of wired funds. This information is incorporated into the monthly checking account statement which provides a cross reference.

6. The Treasurer's Office forwards copies of all investment and transfer letters to General Accounting daily. General Accounting also receives copies of all bank statements, daily print-outs, bank reconciliations, credit/debit memorandums, journal vouchers, and tapes coordinating Treasurer's Receipts with deposits.

7. The Treasurer's report of balances and summary of investments and earnings is compiled monthly and distributed to the City Council, City Manager, City Clerk and Chief Financial Officer. A report, including market values, will be provided on a quarterly basis within 30 days of the close of the last month of each quarter. A report of portfolio gains/losses will be provided to the Chief Financial Officer at fiscal year-end for inclusion in year-end balance sheet reporting.

These Guidelines are provided to all staff members of the City Treasurer's Office having involvement with the investment procedures in any way. It is intended that these guidelines define the details of current practice set forth by the Investment Policy.

APPENDIX NO. 3: STATE OF CALIFORNIA GOVERNMENT CODE INVESTMENT PROVISIONS

53600.

As used in this article, "local agency" means county, City, City and county, including a chartered City or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

(Amended by Stats. 1987, Ch. 887, Sec. 2.)

53600.3.

Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

(Amended by Stats. 1996, Ch. 749, Sec. 4. Effective January 1, 1997.)

53600.5.

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

(Amended by Stats. 1996, Ch. 749, Sec. 5. Effective January 1, 1997.)

53600.6.

The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

(Added by Stats. 1995, Ch. 784, Sec. 13. Effective January 1, 1996.)

53601.

This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

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

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars ($500,000,000).
(C) Has debt other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by an NRSRO.
(2) The entity meets the following criteria:
(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
(C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.
Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, that have less than one hundred million dollars ($100,000,000) of investment assets under management, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, that have one hundred million dollars ($100,000,000) or more of investment assets under management may invest no more than 40 percent of their moneys in eligible commercial paper. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.
(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager’s office, budget office, auditor-controller’s office, or treasurer’s office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.
(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:
(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.
(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.
(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.
(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.
(B) For purposes of this chapter, “significant banking relationship” means any of the following activities of a bank:
(i) Involvement in the creation, sale, purchase, or retirement of a local agency’s bonds, warrants, notes, or other evidence of indebtedness.
(ii) Financing of a local agency’s activities.
(iii) Acceptance of a local agency’s securities or funds as deposits.
(5) (A) “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery.
(B) “Securities,” for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.
(C) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.
(D) “Securities lending agreement” means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.
(E) For purposes of this section, the base value of the local agency’s pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.
(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.
(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A” or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.
(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve

Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.
(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).
(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:
(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.
(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars ($500,000,000).
(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:
(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.
(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).
(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).
(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.
(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).
(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.
(r) Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600.
This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Amended by Stats. 2020, Ch. 235, Sec. 2. (SB 998) Effective January 1, 2021. Repealed as of January 1, 2026, by its own provisions. See later operative version added by Sec. 3 of Stats. 2020, Ch. 235.)

53601.1.

The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

(Added by Stats. 1983, Ch. 534, Sec. 3.)

53601.2.

As used in this article, "corporation" includes a limited liability company.

(Added by Stats. 2004, Ch. 118, Sec. 18. Effective January 1, 2005.)

53601.5.

The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

(Amended by Stats. 2001, Ch. 57, Sec. 2. Effective January 1, 2002.)

53601.6.

(a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.
(b) (1) Except as provided in paragraph (2), a local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero-interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (l) of Section 53601.
(2) Notwithstanding the prohibition in paragraph (1), a local agency may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. A local agency may hold these instruments until their maturity dates.
(c) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Amended by Stats. 2020, Ch. 235, Sec. 4. (SB 998) Effective January 1, 2021. Repealed as of January 1, 2026, by its own provisions. See later operative version added by Sec. 5 of Stats. 2020, Ch. 235.)

53601.8.

Notwithstanding any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) The selected depository institution shall request that the local agency inform it of depository institutions at which the local agency has other deposits, and the selected depository institution shall provide that information to the private sector entity.

(d) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring all of the following:

(1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(3) At the time of the local agency's investment with a selected depository institution and no less than monthly thereafter, the private sector entity shall ensure that the local agency is provided with an inventory of all depository institutions in which deposits have been placed on the local agency's behalf, that are within the private sector entity's network.

(4) Within its network, the private sector entity shall ensure that it does not place additional deposits from a particular local agency with any depository institution identified pursuant to subdivision (c) as holding that local agency's deposits if those additional deposits would result in that local agency's total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.

(e) If a selected depository uses two or more private sector entities to assist in the placement of a local agency's deposits, the selected depository shall ensure that it does not place additional deposits from a particular local agency with a depository institution if those additional deposits would result in that local agency's total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.

(f) The selected depository institution shall serve as a custodian for each such deposit.

(g) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b).

(h) Notwithstanding subdivisions (a) to (g), inclusive, a credit union shall not act as a selected depository institution under this section unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union

Administration.
(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.
(i) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.
(j) The deposits placed pursuant to this section shall be subject to Section 53638 and shall not, in total, exceed 50 percent of the agency's funds that may be invested for this purpose.
(k) This section shall remain in effect until January 1, 2026, and as of that date is repealed.

(Amended (as amended by Stats. 2015, Ch. 181, Sec. 1) by Stats. 2019, Ch. 619, Sec. 1. (AB 945) Effective January 1, 2020. Repealed as of January 1, 2026, by its own provisions. See later operative version, as amended by Sec. 3 of Stats. 2019, Ch. 619.)

53602.

The legislative body shall invest only in notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants which are legal investments for savings banks in the State, provided, that the board of supervisors of a county may, by a four-fifths vote thereof, invest in notes, warrants or other evidences of indebtedness of public districts wholly or partly within the county, whether or not such notes, warrants, or other evidences of indebtedness are legal investments for savings banks.

(Amended by Stats. 1954, 1st Ex. Sess., Ch. 10.)

53603.

The legislative body may make the investment by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

(Amended by Stats. 1953, Ch. 537.)

53604.

The legislative body may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased.

(Amended by Stats. 1953, Ch. 537.)

53605.

From time to time, the legislative body shall sell the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the local agency.

(Amended by Stats. 1953, Ch. 537.)

53606.

The bonds purchased, which were issued by the purchaser, may be canceled either in satisfaction or sinking fund obligations or otherwise. When canceled, they are no longer outstanding, unless in its discretion, the legislative body holds then uncanceled. While held uncanceled, the bonds may be resold.

(Added by Stats. 1949, Ch. 81.)

53607.

The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

(Amended by Stats. 1996, Ch. 749, Sec. 6. Effective January 1, 1997.)

53608.

The legislative body of a local agency may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any City designated as a reserve City by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited. The authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency; the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

(Amended by Stats. 1985, Ch. 983, Sec. 17. Effective September 26, 1985.)

53635.

(a) This section shall apply to a local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

This section shall be interpreted in a manner that recognizes the distinct characteristics of investment pools and the distinct administrative burdens on managing and investing funds on a pooled basis pursuant to Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3.

A local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other agencies may invest in commercial paper pursuant to subdivision (h) of Section 53601, except that the local agency shall be subject to the following concentration limits:

(1) No more than 40 percent of the local agency's money may be invested in eligible commercial paper.

(2) No more than 10 percent of the total assets of the investments held by a local agency may be invested in any one issuer's commercial paper.

(b) Notwithstanding Section 53601, the City of Los Angeles shall be subject to the concentration limits of this section for counties and for cities and counties with regard to the investment of money in eligible commercial paper.

(c) A local agency subject to this section may invest in commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600.

(Amended by Stats. 2019, Ch. 442, Sec. 12. (AB 857) Effective January 1, 2020.)

53656.

(a) At the time the treasurer enters into a contract with the depository pursuant to Section 53649, he or she shall authorize the agent of depository designated by the depository, but including the trust department of the depository only when acceptable to both the treasurer and the depository, to hold securities of the depository in accordance with this article to secure the deposit of the local agency.
(b) Only those trust companies and trust departments, or the Federal Home Loan Bank of San Francisco, which have been authorized by the administrator pursuant to Section 53657 shall be authorized by treasurers to act as agents of depository.
(c) The securities are subject to order of the depository in accordance with Section 53654 except when the provisions of subdivision (i) of Section 53661 and Section 53665 are in effect.
(d) An agent of depository shall not release any security held to secure a local agency deposit in a depository unless the administrator issues an order authorizing the release where either of the following occurs:
(1) A state or federal regulatory agency has taken possession of the depository.
(2) A conservator, receiver, or other legal custodian has been appointed for the depository.

(Amended by Stats. 1998, Ch. 1035, Sec. 10. Effective September 30, 1998.)

53657.

(a) No person shall act as an agent of depository unless that person is a trust company located in this state, the trust department of a bank located in this state, or the Federal Home Loan Bank of San Francisco, and is authorized by the administrator to act as an agent of depository.
(b) (1) An application for authorization shall be in such form, shall contain such information, shall be signed in such manner, and shall (if the administrator so requires) be verified in such manner, as the administrator may prescribe.
(2) The fee for filing an application for authorization with the administrator shall be five hundred dollars ($500).
(3) If the administrator finds, with respect to an application for authorization, that the applicant is competent to act as an agent of depository and that it is reasonable to believe the applicant will comply with all applicable provisions of this article and of any regulation or order issued under this article, the administrator shall approve the application. If the administrator finds otherwise, the administrator shall deny the application.
(4) When an application for authorization has been approved, the applicant shall file with the administrator an agreement to comply with all applicable provisions of this article and of any regulation or order issued under this article. The agreement shall be in such form, shall contain such provisions, and shall be signed in such manner as the administrator may prescribe.
(5) When an application for authorization has been approved, the applicant has complied with paragraph (4), and all conditions precedent to authorizing the applicant to act as agent of depository have been fulfilled, the administrator shall authorize the applicant to act as agent of depository.

(Amended by Stats. 1996, Ch. 1063, Sec. 82. Effective January 1, 1997.)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ADOPTING THE FY 2022-23 INVESTMENT POLICY

WHEREAS, Government Code Section 53646 provides that the City Treasurer may annually render to the City Council a statement of investment policy, which the City Council shall consider at a public meeting.

NOW, THEREFORE, the City Council of the City of Oxnard resolves to adopt the FY 2022-23 Investment Policy attached hereto as Exhibit A.

PASSED AND ADOPTED this 30th day of June, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
John C. Zaragoza, Mayor

ATTEST:

____
Rose Chaparro, City Clerk

APPROVED AS TO FORM:

____
Stephen M. Fischer, City Attorney

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.6

DATE: June 30, 2022

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: Agreement with Mercy House for FY 2022-23 Shelter Operation (No. A-8474).

RECOMMENDATION

That the City Council:

1. Approve and authorize the Mayor to execute an agreement with Mercy House (A-8474) for the provision of shelter and navigation center operations in Fiscal Year 2022-2023, in the amount not-to-exceed $2,796,891.00; and

2. Authorize the City Manager or designee to approve a budget appropriation(s) for the use of Permanent Local Housing Allocation (PLHA) grant funds from the 2022 - 2023 program year.

(This items already budgeted for so it did not originate in Committee.)

BACKGROUND

Since January of 2019, the City has operated a 110-bed, 24-hour shelter, which provides a safe place to sleep, shelter from the elements, meals, and sanitation and related services for individuals experiencing homelessness, at the former National Guard Armory on K Street. After being operated directly by Housing Department staff for five months, in June of 2019 the City procured the non-profit Mercy House to manage the shelter and navigation center operations.

On December 16, 2019, Council approved Agreement No. A-8194 with Mercy House covering shelter operations through June 30, 2020. That Agreement has been subsequently amended three times, and the current agreement will expire on June 30, 2022.

The onset of the COVID-19 public health emergency in March of 2020 required the City and Mercy House to make immediate modifications in the operation of the shelter. The First Amendment, executed in March of 2020, provided for the dispersal and relocation of patients, and the commencement of operations at a second location in order to implement public health requirements for social distancing. That second location is the Police Athletics League facility, located approximately one block from the main shelter location in the former National Guard Armory Building on K Street.

The shelter/navigation center's projected annual operating cost for FY 2022-23 is $3,084,891.00, exclusive of the additional COVID-19-related expenses. Mercy House has secured $288,000 of HHAP grant funding for FY 2022-23, which reduces the City's share of the regular operational costs to $2,796,891.

This operating cost for FY 2022-23 will be financed by a combination of Permanent Local Housing Allocation (PLHA) grant funding, together with Measure "O" and General Funds, as set forth in the Financial Impact section of the report.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

The not-to-exceed cost of the Agreement for Fiscal Year 2022-2023 is $2,796,891.

- $1,889,112 will be funded from Measure O, Fund 104-5105, Project MO5101 - Homless Program ($795,565 FY2021-22 available balance plus $1,103,547 FY2022-23 Recommended Budget).
- $400,000 from the General Fund (Account 101-5105-804.82-09), which is in the Fiscal Year 2022-2023 Recommended Budget.
- $497,779 from Permanent Local Housing Allocation (PLHA) grant funds (Fund 190-5192) and appropriated upon execution of the Standard Agreement by the State of California.

COMMITTEE OUTCOME

This item did not originate in Committee. This is a recurring agreement necessary for the continued operation of the homeless navigation center on K Street and funding is included in the FY 22-23 Budget. These agreement terms were considered by the Committee at the initial establishment of the year around shelter operation in 2019.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. Agreement Number A-8474

AGREEMENT FOR PROFESSIONAL SERVICES

COVER PAGE

(1) Agreement Start Date: July 1, 2022

(2) Consultant: Mercy House

(3) Services: Emergency Shelter and Navigation Center Operating Agreement

(4) Schedule of Services: Shelter operation services shall be provided between July 1, 2022, and June 30, 2023, inclusive.

(5) Agreement Ending Date: June 30, 2023

(6) Total Agreement Amount: $2,796,891.00

(7) City's Project Manager: Emilio Ramirez, Housing Director

(8) Consultant's Project Manager: Patti Long, Chief Operating Officer

(9) Insurance Coverage: INS-B

(10) Addresses for Notice:

FOR CONSULTANT:	*FOR CITY:*
P. O. Box 1905 Santa Ana CA 92702 Attn: Patti Long	435 South "D" Street Oxnard CA 93030 Attn: Emilio Ramirez

(11) Contact Emails:

CONSULTANT'S PROJECT MANAGER:	*CITY'S PROJECT MANAGER:*
pattil@mercyhouse.net	Emilio.ramirez@oxnard.org

The Agreement for Professional Services is attached hereto and incorporated herein by this reference. The following exhibits are also attached hereto and incorporated herein by this reference into the Agreement:

☐ Scope of Services Exhibit

☐ Rates and Costs Exhibit

☐ Insurance Exhibit (INS-)

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is entered into in Ventura County, California, on the date that is written as "(1) Agreement Start Date" on the Cover Page, which is attached hereto and incorporated herein by this reference. This Agreement is entered by and between the City of Oxnard ("City") and the person or entity listed as "(2) Consultant" on the Cover Page, subject to the following terms and conditions:

1. Scope of Services. Consultant shall provide to City the services listed as "(3) Services" on the Cover Page (the "Services"). Consultant shall provide the Services during the term of this Agreement, as set forth below, according to the schedule written as "(4) Schedule of Services" on the Cover Page, and as further explained in the Scope of Services Exhibit, which is attached hereto and incorporated herein by this reference. In the event of any conflict between the terms of this Agreement and any incorporated document(s), the terms of this Agreement shall control.

2. Standard of Performance. Consultant shall undertake and complete the Services to conclusion using the standard of care, skill and diligence normally provided by a professional person in the performance of similar consulting services.

3. Correction of Errors. Consultant shall correct, at its expense, all errors which may be disclosed during review of the Services. Should Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by City, and the cost thereof shall be paid by Consultant.

4. Term. This Agreement shall begin on the date that is written as "(1) Agreement Start Date" on the Cover Page and shall end on the date that is written as "(5) Agreement Ending Date" on the Cover Page. Time is of the essence in this Agreement.

5. Compensation. For the Services performed during the term of this Agreement, City shall pay Consultant an amount not to exceed the amount that is listed as "(6) Total Agreement Amount" on the Cover Page, at the rates listed in Rates and Costs Exhibit, attached hereto and incorporated herein by this reference. The rates in Rates and Costs Exhibit shall be in effect through the end of this Agreement. Except as otherwise expressly provided in this Agreement, City shall not be responsible for expenses incurred by Consultant in performing the Services.

6. Invoices. Consultant shall submit a payment request to City by the end of each calendar month listing the Services provided, costs of those Services, and total amount due for the month. Each invoice must also list the current balance on the Agreement, including that invoice, as well as the months remaining on the term of the Agreement. Invoices may be emailed to: invoices@oxnard.org.

7. Acceptance of Payment. Consultant's acceptance of final payment made pursuant to this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to the Services. City's payment shall not constitute nor be deemed a release of the responsibility and liability of Consultant for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect

or error in the Services performed by Consultant and its employees, agents and subcontractors. Consultant shall provide City with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service. If any sales tax is due for the Services performed by Consultant or materials or products provided to City by Consultant, Consultant shall pay the sales tax. City shall not reimburse Consultant for sales taxes paid by Consultant.

8. Non-Appropriation of Funds. Payments to be made to Consultant by City for the Services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of City. In the event City does not appropriate sufficient funds for payment of the Services beyond the current fiscal year, this Agreement shall cover payment for the Services only up to the conclusion of the last fiscal year in which City appropriated sufficient funds and shall automatically terminate at that fiscal year's conclusion.

9. Coordination of Services. The Services shall be coordinated with the person in the position listed in "(7) City's Project Manager" on the Cover Page, subject to the direction of the City Manager and Department Director. Consultant hereby designates the person in the position listed in "(8) Consultant's Project Manager" on the Cover Page as the person responsible for the Services who shall coordinate with City's Project Manager in making binding decisions in line with this Agreement on behalf of Consultant.

10. Personnel. Consultant represents that it has, or shall secure at its own expense, all personnel required to perform the Services. Any person who performs engineering services pursuant to this Agreement shall be licensed as a Civil Engineer by the State of California and in good standing. Consultant shall make reasonable efforts to maintain the continuity of Consultant's staff who are assigned to perform the Services. Consultant may associate with or employ associates or subcontractors in the performance of the Services, but at all times shall Vendor be responsible for its associates and subcontractors' labor, advice or materials provided in furtherance of providing the Services. Should any of Consultant's employees, assigns or subcontractors not conduct him- or herself appropriately, as determined by the City's Project Manager, in the process of providing the Services or any portion thereof, the City's Project Manager may notify the Consultant's Project Manager, who shall immediately handle the problem, as determined appropriate by him or her, such that the problem does not persist.

11. Additional Work. City may request additional specified work under this Agreement. The City's Project Manager must authorize all such work in writing before commencement. Consultant shall perform such work, and City shall pay for such additional work, in accordance with Rates and Costs Exhibit. Should the work not fall under any such listed rate or cost, Consultant shall submit a quote for all additional work, which the City's Project Manager must approve in writing by before any such work may commence. The City shall compensate Consultant for any work that does not fall under a rate or cost listed in the Rates and Costs Exhibit, and for which Consultant did not obtain the City's Project Manager's written approval before work commenced, as determined by the City's Project Manager in his or her sole discretion.

12. Audit. City shall have the option of inspecting, auditing and/or reproducing all records and other written materials used by Consultant in preparing its billings to City as a condition precedent to any payment to Consultant. Consultant will promptly furnish all documents requested by City. Additionally, if this Agreement is in excess of $10,000, the State Auditor may examine and audit

Consultant for a period of 3 years after final payment under the Agreement. Regardless of whether a State audit is permitted, Consultant shall maintain and preserve all such records for a period of at least 3 years after final payment under the Agreement. Consultant shall include a copy of this Section 12 in all contracts with its subcontractors, and Consultant shall be responsible for immediately obtaining those records or other written material from its subcontractors upon a request by the State Auditor and/or City.

13. Termination. City may terminate this Agreement at any time, with or without cause and without penalty, upon 15 days prior written notice. Such termination shall be effective on the date specified in the notice, or if no date is specified, then 10 calendar days from the date of delivery or mailing of such notice. Consultant may terminate this Agreement at any time, with or without cause and without penalty, upon 30 days prior written notice. Such termination shall be effective on the date specified in the notice, or if no date is specified, then 10 calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed before the date of termination. In the event of termination of this Agreement by either party due to no fault or failure of performance by Consultant, City shall pay Consultant compensation for all Services satisfactorily completed in accordance with all of the terms and provisions of this Agreement, as determined by the City, before the effective date of termination; provided, in no event shall the Consultant receive an amount exceeding that which would have been paid to Consultant for the full performance of the Services.

14. Hold Harmless, Defense and Indemnity.

If Consultant provides any architectural, landscape architectural, engineering or land surveying ("design professional") services, to the maximum extent permitted by law, Consultant shall hold harmless, defend, and indemnify City, its legislative and advisory bodies, and the City's officials, directors, officers, employees, and agents (collectively, "Indemnitees") from and against any and all claims, demands, causes of action, damages, injuries, liabilities, losses, penalties, fines, judgments, costs or expenses, including reimbursement of attorneys' fees, court costs and costs of alternative dispute resolution, including but not limited to those relating to death or injury to any person and injury to any property (collectively, "Claims"), to the extent that the Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant or of any of its officers, employees, subcontractors or agents in the performance of the Agreement or in the failure to comply with any of the obligations contained in this Agreement. Consultant's obligation to defend is a separate and distinct obligation from Consultant's duty to indemnify and applies through final judgment, including exhaustion of any appeals. Consultant shall be obligated to defend Indemnitees in all legal, equitable, administrative, or special proceedings, with counsel approved by the City Attorney, to the extent required herein immediately upon tender to Consultant of the Claim in any form or at any stage of an action or proceeding. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that the liability is caused in whole or in part by the negligence or willful misconduct of any of the Indemnitees.

If Consultant provides no design professional services, to the maximum extent permitted by law, Consultant shall hold harmless, defend and indemnify the Indemnitees from and against any and all Claims, which arise out of, pertain to, or relate to the performance of this Agreement, or the failure to comply with any of the obligations contained in this Agreement, by Consultant or of any of its officials, directors, officers, employees, subcontractors, or agents. Consultant's obligation to defend is a separate and distinct obligation from Consultant's duty to indemnify and applies through final judgment, including exhaustion of any appeals. Consultant shall be obligated to defend Indemnitees in all legal, equitable, administrative, or special proceedings, with counsel approved by the City Attorney, immediately upon tender to Consultant of the Claim in any form or at any stage of an action or proceeding. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that the liability is caused in whole or in part by the negligence or willful misconduct of any of the Indemnitees.

a. The review, acceptance or approval of Consultant's work or work product by any of the Indemnitees shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This Section 14 shall survive completion of the Services or termination of this Agreement. The provisions of this Section 14 shall not be restricted by and does not affect the provisions of this Agreement relating to insurance.

15. Insurance. Consultant shall obtain and maintain during the performance of any services under this Agreement the insurance coverages listed within the insurance document stated in "(9) Insurance Coverage" on the Cover Page and in the Insurance Exhibit, which is attached hereto and incorporated herein by this reference, unless the City's Risk Manager waives, in writing, the requirement that Consultant obtain and maintain such insurance coverages. Consultant shall, before performance of any Services, file with the City's Risk Manager evidence of insurance coverage as specified in "(9) Insurance Coverage" on the Cover Page and in the Insurance Exhibit. Maintenance of insurance coverages by Consultant is a material element of this Agreement. Consultant's failure to maintain or renew insurance coverages or to provide renewal evidence, and any lapse in insurance coverage, may be considered a material breach of this Agreement.

16. Documents and Materials.

a. All final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data, photographs, specifications, information, images, video files, media, or other deliverables prepared, created, drawn, calculated, photographed or developed by Consultant pursuant to this Agreement ("Documents and Materials") shall be the City's property without restriction or limitation upon its use, duplication or dissemination. All Documents and Materials shall be considered "works made for hire," and all Documents and Materials and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of the City without restriction or limitation upon their use, duplication or dissemination by the City. Consultant shall not obtain or attempt to obtain copyright protection as to any Documents and Materials. Consultant hereby assigns to the City all ownership and any and all intellectual property rights to the Documents and Materials that are not otherwise vested in the City pursuant to this Section 16.

b. Consultant shall deliver all Documents and Materials to City's Project Manager upon completion of the Services or termination of this Agreement without additional cost or expense to the City. Additionally, anytime at City's request, City shall be entitled to possession of, and Consultant shall furnish to City's Project Manager within 10 calendar days, any or all of the Documents and Materials without additional cost or expense to the City. In both situations, if Consultant prepares Documents and Materials on a computer, Consultant shall provide City with said Documents and Materials both in a printed format and in an electronic format that is acceptable to the City. Consultant may retain copies of these Documents and Materials but must request permission from the City before use, duplication or dissemination of these Documents and Materials for any purpose other than for the Services provided to the City pursuant to this Agreement.

c. Any substantive modification of the Documents and Materials by City staff or any use of the completed Documents and Materials for other City projects, or any use of incomplete Documents and Materials, without the written consent of Consultant, shall be at City's sole risk and without liability or legal exposure to Consultant.

d. Consultant warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Documents and Materials, and that the City has full legal title to and the right to use, duplicate or disseminate the Documents and Materials. Consultant shall defend, indemnify and hold Indemnitees harmless from any loss, claim or liability in any way related to a claim that City's use of any of the Documents and Materials is violating federal, state or local laws, any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the services and Documents and Materials. In the event the use of any of the Documents and Materials by the City is held to constitute an infringement and the use of any of the same is enjoined, Consultant, at its own expense, shall: secure for City the right to continue using the Documents and Materials by suspension of any injunction, or by procuring a license or licenses for City; or modify the Documents and Materials so that they become non-infringing while remaining in compliance with the requirements of this Agreement.

e. This Section 16 shall survive the termination of this Agreement.

17. Confidentiality of Information.

a. For the purposes of this Agreement, "Confidential Information" means all information, in whatever form transmitted, relating to the past, present or future business affairs of the City, including without limitation, (i) technical information, including patent, copyright, trade secret, and other proprietary information, techniques, sketches, drawings, models, inventions, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulas; or (ii) non-technical information, including without limitation finances, financial and accounting data and information, suppliers, customers, customer lists, purchasing data and any other information belonging to the City or to a third party whose information is in the City's possession or control under obligations of confidentiality, and which is disclosed to Consultant or is developed by Consultant in whole or in part at the City's expense.

b. All Documents and Materials shall be considered Confidential Information and shall not be reproduced, transmitted, disclosed or used by the Consultant without the written consent of the City, except as may be necessary for Consultant to fulfill its obligations to the City.

c. Notwithstanding the above, these limitations shall not apply to information that (i) is already known to Consultant at the time of that information's disclosure or becomes publicly known through no wrongful act or omission of Consultant, (ii) is communicated to a third party with the express written consent of City and is not subject to restrictions on further use or disclosure, (iii) is independently developed by Consultant and has no relation to this Agreement, or (iv) is required by law, court order, court-issued subpoena or other legal process to be disclosed; provided, however, that before making such disclosure, Consultant shall immediately provide City with written notice and a reasonable opportunity for City to object to the disclosure or to take action to maintain the confidentiality of the information, unless such prior disclosure is legally impermissible.

d. Consultant shall use reasonable care to protect the Confidential Information. In the event of a breach or threatened breach of this Agreement, City shall be entitled to obtain an injunction prohibiting any such breach, the costs of which shall be paid by Consultant. Any relief granted shall be in addition to and not in lieu of any other legal or equitable relief, including money damages. The parties acknowledge that Confidential Information is valuable and unique and that disclosure of the Confidential Information in breach of this Agreement may result in irreparable injury to the City.

e. Other than an obligation upon the City to deal in good faith, the City makes no warranties and shall bear no liability or responsibility for errors or omissions in any Confidential Information disclosed under this Agreement or for any business decisions made by Consultant in reliance on any Confidential Information disclosed under this Agreement.

f. This Section 17 shall survive the termination of this Agreement.

18. Independent Contractor. Consultant is and shall at all times remain, as to City, a wholly independent contractor. Neither City nor any of its employees or agents shall have control over the conduct of Consultant or any of its employees, except as stated in this Agreement. Consultant has and shall retain the right to exercise full control over the employment, direction, means of performance, location, compensation and discharge of all persons assisting Consultant, and it is free to dispose of all portions of its time which it is not obligated to devote to City in such a manner and to such persons, firms, or corporations as Consultant wishes except as expressly provided in this Agreement. This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant's own account or to any other person or entity as Consultant in its sole discretion shall determine; provided, however, that performing such services shall not materially interfere with the Services Consultant shall perform for the City. Except as City's Project Manager specifies in writing, Consultant and its employees and agents have no authority, express or implied, to act on behalf of City in any capacity, to incur any debt, obligation or liability on behalf of City, bind City in any manner, or otherwise act on behalf of City as an agent. Consultant and its employees are not employees of City. Consultant and its employees are not entitled to receive from City any of the benefits or rights afforded employees of City, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, and health, life, dental, long-term disability and workers' compensation insurance benefits. Consultant shall not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant agrees to pay all required taxes on amounts paid to Consultant under this Agreement,

and to indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of Consultant's subcontractors, material suppliers, directors, officers, employees, agents and representatives, including compliance with social security requirements, federal and State income tax withholding, and all other regulations governing employer-employee relations, as applicable. City shall have the right to offset against the amount of any compensation due to Consultant under this Agreement any amount due to City from Consultant as a result of its failure to promptly pay to City any reimbursement or indemnification arising under this Section 18.

19. Nondiscriminatory Employment. Consultant shall not unlawfully discriminate against any individual based on race, color, religion or religious creed, national origin, ancestry, ethnic group identification, primary language, physical disability, mental disability, medical condition, genetic information, marital status, gender, gender identity, gender expression, sex, sexual orientation, age, immigration status, citizenship or military and veteran status. Consultant understands and agrees that it is bound by and will comply with all legal nondiscrimination mandates. For every subcontractor who will perform Services, Consultant shall be responsible for such subcontractor's compliance with this Section 19.

20. Consultant's Representations. Consultant represents, covenants and guarantees that: a) Consultant is licensed, qualified, and capable of furnishing the labor, materials, and expertise necessary to perform the Services in accordance with the terms and conditions set forth in this Agreement; b) there are no obligations, commitments, or impediments of any kind that will limit or prevent Consultant's full performance under this Agreement; c) to the extent required by the standard of practice, Consultant has investigated and considered the scope of Services performed, has carefully considered how the Services should be performed, and understands the facilities, difficulties and restrictions attending performance of the Services under this Agreement.

21. Compliance with Laws. In performing the Services under this Agreement, Consultant shall comply with all applicable laws, ordinances and regulations. Before providing any Services under this Agreement, Consultant shall, at its own expense, obtain and maintain all required certificates, licenses and permits, including a City business tax certificate.

22. Conflict of Interest. If, in performing the Services set forth in this Agreement, Consultant makes, or participates in, a "governmental decision" as described in Title 2, Section 18704 of the California Code of Regulations, or performs the same or substantially all the same duties for City that would otherwise be performed by a City employee holding a position specified in City's conflict of interest code, Consultant shall be subject to City's conflict of interest code, the requirements of which include the filing of one or more statements of economic interests disclosing the relevant financial interests of Consultant's personnel providing the Services set forth in this Agreement. Furthermore, Consultant shall not to accept any employment or representation during the term of this Agreement or within 12 months after completion of the Services which is or may likely make Consultant "financially interested," as provided in California Government Code Sections 1090 and 87100, in any decisions made by City on any matter in connection with which Consultant has been retained pursuant to this Agreement.

23. Fictitious Name. If Consultant has a fictitious name, Consultant shall submit to City a new Fictitious Business Name Statement approved by any California county before Consultant's prior Fictitious Business Name Statement expires if such expiration may occur during the term of this Agreement, including any term amendment.

24. Non-Assignability. This Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Consultant shall not assign or transfer any interest in this Agreement or any part thereof, whether by assignment or novation, without City's prior written consent, which may be withheld for any reason or for no reason at all. Any purported assignment without written consent shall be null, void, and of no effect, and Consultant shall hold harmless, defend and indemnify Indemnitees from and against all Claims arising from or relating to any unauthorized assignment.

25. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant.

26. Applicable Law; Venue. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to the Agreement shall be in the Ventura County Superior Court.

27. Titles. The titles used in this Agreement are for convenience only and shall in no way define, limit or describe the scope or intent of this Agreement or any part of it.

28. Force Majeure. Neither City nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include but are not be limited to acts of God, riots, acts of war, epidemics, fire, earthquakes, or other disasters.

29. Authority. Any person executing this Agreement on behalf of Consultant warrants and represents that s/he has the authority to execute this Agreement on behalf of Consultant and to bind it to the performance of these obligations.

30. Binding Agreement. The parties do not intend this Agreement to be binding upon them and shall not be held liable to its terms until it is fully executed by all required signers.

31. Integration; Amendment. This Agreement, including any other documents incorporated herein by specific reference, constitutes the entire and integrated agreement of City and Consultant regarding the subject matter described herein. This Agreement supersedes all prior oral or written communications, negotiations, representations, agreements and promises. This Agreement may not be modified or amended, nor any provision or breach waived, except in a writing, signed by both parties, that expressly refers to this Agreement.

32. Construction. In the event of any asserted ambiguity in or dispute regarding the interpretation of any matter herein, the interpretation of this Agreement shall not be resolved by any rules of construction providing for interpretation against the party who causes the uncertainty to exist or who drafted the Agreement in whole or in part.

33. No Waiver. Waiver by either party of any one or more of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement. In no event shall the making by City of any payment to Consultant constitute or be construed as a waiver by City of any breach of covenant, or any default that may then exist on the part of Consultant, and the making of any such payment by City shall in no way impair or prejudice any right or remedy available to City with regard to such breach or default.

34. Attorneys' Fees. The prevailing party shall be entitled to recover reasonable costs, attorneys' fees (including the reasonable value of the services rendered by the City Attorney's Office) and expenses, including investigation fees and expert witness fees, in addition to any other relief to which that party may be entitled, in any legal action or other proceeding, including an action for declaratory relief, for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement.

35. Notice. Except as otherwise required by law, a notice or communication authorized or required by this Agreement shall be in writing and shall be deemed received—on (a) the day of delivery if delivered by hand or overnight courier service during City's regular business hours or (b) the third business day following deposit in the United States mail, postage prepaid—to the addresses listed as "(10) Addresses for Notice" on the Cover Page or at such other address as one party may notify the other in writing.

36. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this Agreement transmitted by email to Project Managers' emails listed in "(11) Contact Emails" on the Cover Page or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

37. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date that is written as "(1) Agreement Start Date" on the Cover Page.

CITY OF OXNARD		CONSULTANT	
John C. Zaragoza, Mayor	Date	Larry Haynes, Chief Executive Officer	Date
		Patti Long, Chief Operating Officer	Date
ATTEST			
Rose Chaparro, City Clerk	Date		
APPROVED AS TO FORM			
Stephen M. Fischer, City Attorney	Date		

SCOPE OF SERVICES EXHIBIT

Consultant will provide homeless shelter services to the City at the current shelter location at 351 South K Street in Oxnard from July 1, 2022 through June 30, 2023. The specific areas in which the Consultant will provide services are (1) Operate and manage homeless shelter 24 hours a day, seven days a week. (2) Provide supervision of shelter managers and staff. (3) Deliver quality homeless shelter services for up to 110 participants per day; (4) Work effectively with City and neighboring jurisdictions to ensure needs and services are coordinated. (5) Work closely with City to improve indoor ADA accessibility and other needed indoor capital improvements at the shelter campus; (6) collaborate with the City and the County of Ventura in the development of a tri-partite agreement governing the operation of the future permanent year-round shelter; and (7) Develop a program and engage in fund-development for the future permanent year-round shelter operation. These areas are detailed with more specificity below:

Shelter Operations: The services provided by Consultant will include the following deliverables:

Consultant will provide three meals (one hot meal) per day, a shower and clean bed for shelter participants (facility currently has 110 beds), with an objective of maintaining a minimum of at least seventy-five percent (75%) occupancy at all times, absent extraordinary circumstances.

Consultant will provide case managers and housing navigators, and will work with and participate in regular coordination meeting with local homeless social service agency staff to assist shelter participants.

Consultant will provide 24 hour security service and work to minimize negative impacts within 500 ft. of shelter facility due to any activity conducted by shelter participants or other homeless persons.

Consultant will employ the necessary staffing to ensure shelter operations provide quality services and hospitality at all times.

Consultant will maintain a clean, healthy and sanitary shelter facility at all times.

Consultant will provide storage of acceptable personal belongings; and storage of acceptable material donations, which will be used for the benefit of shelter participants' health, hygiene and personal well-being.

Consultant will allow personal pets or service animal into the shelter when it can be done in a way that will ensure that the safety of all shelter staff and participants is not threatened.

Consultant will work with City to identify any and all issues that will need to be addressed before Consultant transitions the Oxnard Navigation Center into a permanent shelter operation under Consultant's management.

Consultant will provide laundry service for bedding lines, towels, and client clothing, at an on-site facility which has been established for this purpose.

With respect to case management, Consultant will ensure that each client will be assigned a Housing Navigator who shall work with the client to create a pathway to permanent housing opportunities; in addition, each client will have a completed VI-SPADT assessment and be entered into the Coordinated Entry System (CES). Housing Navigators will assist clients to create a housing plan, including obtaining necessary documentation to move forward in the client's housing connection process. Case management will be provided daily or as necessary, for the purpose of housing navigation as well as linkages to benefits establishment, to community providers for substance abuse, primary and mental health care, and all other services needed to assist clients in reaching stabilization goals.

Consultant will provide a daily summary of Navigation Center operations that includes client enrollment, new intakes, referrals, and available beds.

Consultant will provide a monthly report related to City Council Five-Year Priorities Metrics; said report will indicate the number of clients served, the number of positive exits, and the number of exits into housing.

Consultant will assist shelter guests to travel to and from appointments and other necessary destinations during the duration of this Agreement. Consultant shall be responsible for all travel operating costs including ride-sharing.

Consultant will maintain required records in accordance with the Homeless Management Information System (HMIS), including recording case notes, and provide all required reporting for required funding sources, including City Metrics, HUD, and PLHA.

Capital Improvements and Accessibility Modifications: City and Consultant acknowledge that (1) the future permanent year-round shelter is under development and anticipated to be operated at another site in Oxnard; (2) Consultant agrees to provide input and design recommendations, to both the City and to any professional architectural and engineering firms retained by the City, and to be involved in the pre-development phase to determine the type of design elements that are desirable to be incorporated into the permanent shelter; and (3) the current K Street Site may require certain capital improvements and accessibility modifications in order to increase its suitability for the permanent shelter operation.

Utilities: Consultant shall be responsible for payment of electricity, gas, telephone and internet utilities. City shall be responsible for payment of water, sewer, and refuse utilities. Consultant shall be responsible for ongoing rental cost of such restroom and shower facilities for the duration of this agreement. City shall be responsible for the cost of any additional restroom and shower facilities which are necessary due to the requirements to modify operations during the COVID-19 emergency. Consultant shall comply with any applicable living wage ordinance.

Fund Development: The parties recognize that additional funding resources will be needed in order to ensure sufficient resources and optimum funding for the current and future permanent-year shelter. Consultant has applied for and received an HHAP grant of $288,000.00 for FY 2022-23, which it shall utilize towards the cost of Oxnard shelter operations.

RATES AND COSTS EXHIBIT

Compensation: For the term of this Agreement, City shall compensate Consultant a not-to-exceed total of $2,796.891.00 for shelter operations. In addition to the aforementioned, Consultant is the direct recipient of additional grant funds for shelter operations in Fiscal Year 2022-2023 in the amount of $288,000.00 in Homeless Housing Assistance and Prevention (HHAP) funding.

Terms of Payment: Consultant shall invoice City on a monthly basis for the single-site operating costs for all months from July 2022 through June 2023, inclusive.

INSURANCE EXHIBIT

INS-B

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.7

DATE: June 30, 2022

TO: City Council

FROM: Helen Miller, Chief Information Officer, (805)385-7446, helen.miller@oxnard.org

SUBJECT: Ratify the Microsoft Corporation Enterprise Agreement #808445 with SoftwareOne, Inc. for a Not to Exceed (NTE) amount of $365,062.08 for information technology software licensing.

RECOMMENDATION

That City Council ratify the City's Microsoft Corporation Volume Licensing Enterprise Agreement #808445 and authorize the Mayor to execute Purchase Order #8617 with SoftwareOne, Inc. for a not-to-exceed amount of $365,062.08 for the continued use and purchase of Microsoft products for the June 1, 2020, to May 31, 2023, agreement term.

(The Finance and Governance Committee approved 3-0.)

BACKGROUND

The City of Oxnard uses a Microsoft Enterprise Agreement (EA) for its Microsoft products used by the Police Department. Microsoft software is on every Police Department computer and on most of PD's technology infrastructure servers, providing the business systems used to conduct City business and deliver services to residents. This EA currently provides licensing for 415 computer workstation operating systems, and Microsoft's installed desktop productivity software suites (Word, Excel, PowerPoint, Visio), plus the licensing for database and server infrastructure for business systems; e.g., electronic content management, time-keeping, records management, computer aided dispatch, remote IT support, reporting writing.

The County of Riverside negotiated a contract, PSA-001530, for an Enterprise Agreement with Microsoft based on its user and device counts. As another public agency, the City chose to piggyback on this contract to achieve greater savings than if we were to negotiate with Microsoft on our own. The minimum term that Microsoft allows for Enterprise Agreements is three years. And, the City is required to enroll with and use one of the Riverside agreement's authorized resellers to obtain the reduced Level D pricing offered by Microsoft to organizations with more than 15,000 devices/users.

DISCUSSION

The City recently renewed the last and third year of its EA for the period of June 1, 2022, through May 31, 2023. Maintaining the EA ensures the City can keep departmental systems operational and resident services available via:

- Valid compliant Microsoft licensing
- Weekly Microsoft security maintenance and product bug fixes
- Enhanced functionality service pack updates
- Rights to the latest version of a software product (aka software assurance)
- Microsoft technical support
- Single IT administrative portal consolidating product & licensing information in one place

Description	FY 20-21	FY 21 -22	FY 22-23	Total
Microsoft Enterprise Agreement (EA)	$96,687.36	$96,687.36	$96,687.36	$290,062.08
Growth & Contingency	0	0	$75,000	$75,000
TOTAL, per fiscal year	$96,687.36	$96,687.36	$171,687.36	$365,062.08

As of May 31, 2022, the City has spent a total of $290,026.08 over the three-year EA agreement's term of June 1, 2020, to May 31, 2023. Although this contract is in compliance with the City's purchasing ordinance, which allows staff to administratively approve contracts up to $200,000 annually, this was brought for ratification because of the City Manager directive, instituted a few years ago, to use a more restrictive aggregate limit of $200,000. This three-year Microsoft EA contract value exceeds $200,000; therefore, staff should have come to Council for approval before executing the agreement with Microsoft through reseller SoftwareOne in May 2020. Staff is requesting ratification of the original agreement and a not to exceed (NTE) limit of $365,062.08. Doing so covers the $290,062.08 cost of the original EA and allows staff an additional $75,000 to procure necessary Microsoft products from SoftwareOne at the discounted EA prices.

The growth and contingency amount included in Table 1 is for unforeseen remediation or emergency needs and flexible capacity to support the City's needs through May 31, 2023, when the current software agreement terminates.

Going forward, IT staff will more closely monitor information and technology contracts such that we proactively come to Council before a NTE limit is reached and/or a contract over $200,000 is executed. The new Tyler Munis ERP system's purchase module will enforce business rules and internal controls that identify and mitigate this scenario from reoccurring in the future.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

Funds for this expenditure for FY 20-21 were not budgeted in the IT department's annual budget and the license fee was paid with a combination of funds from various departments. For FY 21-22 and 22-23, there are sufficient appropriations in IT's department budget (Fund 731-7301).

COMMITTEE OUTCOME

The Finance and Governance Committee approved 3-0 on June 14, 2022, to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Helen Miller, Chief Information Officer

ATTACHMENTS

1. County of Riverside Licensing Solution Provider Agreement PSA-0001530
2. County of Riverside 1st Amendment PSA-0001530
3. Microsoft Program Signature Form 2020-05-28-15_59
4. 5-0000005482816 City of Oxnard Microsoft Alt Acceptance 052920

5. Software One Microsoft EA Year 3 renewal quote

Licensing Solution Provider Agreement Number PSA-0001530

This Licensing Solution Provider Agreement is made and entered into this 22nd day of October 2019, by and between Software One, Inc., a Wisconsin corporation ("CONTRACTOR"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("COUNTY").

WHEREAS, COUNTY and Microsoft Corporation ("Microsoft") have entered into that certain Microsoft Enterprise Agreement (Master Agreement No. 8084445; the "Master Agreement"), effective August 23, 2019, under which COUNTY has the ability to enter into one or more enrollments to order certain Microsoft product licenses;

WHEREAS, CONTRACTOR desires to provide support to COUNTY and its Enrolled Affiliates (as defined in the Master Agreement) for said licenses under this Agreement and hereby represents that it has the skills, experience, and knowledge necessary to perform under this Agreement; and

WHEREAS, COUNTY desires to accept CONTRACTOR's services under this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. This Agreement covers all enrollments for all products licensed under the Master Agreement. All terms and conditions of the Master Agreement, attached as Exhibit E of this Agreement and incorporated by reference, shall apply to the purchase of related products and services.

2. This Agreement is available for use by all government entities within the State of California (an "Enrolled Affiliate") for the duration of the Term (defined below in section 4). Enrollment documents will contain the terms and conditions specific to each entity.

3. CONTRACTOR agrees to extend the same pricing, terms, and conditions as stated in this agreement to each and every government entity in the State of California. Terms and conditions are governed by this Agreement, the Master Agreement, and the applicable enrollment documents for each entity. Entities shall make purchases in their own name, make direct payment to CONTRACTOR, and be liable directly to CONTRACTOR for all obligations.

   3.1 COUNTY shall in no way be responsible to CONTRACTOR for Enrolled Affiliates' purchases and obligations. COUNTY shall in no way be responsible to other entities for their purchases or any acts or omissions of CONTRACTOR, including but not limited to product selection or implementation, services or other related matters.

   3.2 CONTRACTOR shall notify Enrolled Affiliate in writing of the terms and conditions stated in Section 11.

4. This Agreement shall be effective from November 1, 2019 through October 31, 2021, unless terminated earlier (the "Term").

5. Hold Harmless/Indemnification:

   5.1 CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability, action, claim or damage whatsoever, based or asserted upon any services, or acts or omissions, of CONTRACTOR, its

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officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature. CONTRACTOR shall defend the Indemnitees at its sole expense including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards) in any claim or action based upon such acts, omissions or services.

5.2 With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR indemnification to Indemnitees as set forth herein.

5.3 CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

6. Contractor Responsibilities: CONTRACTOR will offer the following services to each Enrolled Affiliate at no additional charge. It is the responsibility of the Enrolled Affiliate to determine which products and/or services, if any, meet their needs and communicate that to the CONTRACTOR.

   6.1 Provide reports showing year to date annual spend according to Enrolled Affiliate's specifications. Frequency will be determined by each Enrolled Affiliate (monthly, quarterly, etc.).

   6.2 Provide a short synopsis of why an amendment is needed and the ramification of each amendment to an enrollment at the time of such amendment.

   6.3 Provide an updated price list on an annual basis or when requested by Enrolled Affiliate.

7. CONTRACTOR's Microsoft Enterprise Agreement license subscription price attached hereto as Exhibit A and service rates attached hereto as Exhibit B.

8. CONTRACTOR's Microsoft Enterprise Agreement Participation Form attached hereto as Exhibit C and incorporated herein by reference.

9. Usage Reporting: CONTRACTOR will provide to COUNTY the Licensed Support Provider (LSP) Reporting of Active Enrollments to Master Microsoft Enterprise Agreement No. 8084445, Select Plus Agreement No. 7756479, Microsoft Premier, Unified, and MCS Support services, showing a list of enrollments by February 15th of each year. Forms shall be submitted electronically to MasterMicrosoftAdmin@rivco.org. A copy of the form is attached hereto as Exhibit D and incorporated herein by reference.

10. Administrative fees: CONTRACTOR will be charged .5% of the annual enrollment amount to leverage the Riverside County Master Microsoft Agreement No. 8084445, Select Plus Agreement No. 7756479, Microsoft Premier, Unified, and MCS Support services. This will be an annual fee, per enrollment inclusive of Affiliates Shadow Enrollments. Example: A three-year aggregated agreement with a contract amount of $300K, divisible by three years will result in an LSP Participation Fee of $500 annually (100K*.5%). RCIT will invoice the Awarded LSP annually based on the enrollments verified from the

"Reporting of Active Enrollments" list submitted by December 15th of each year. Payment is due to Riverside County Information Technology thirty (30) days from invoice date.

10.1 Riverside County Information Technology (RCIT) will invoice the CONTRACTOR annually based on the enrollments verified. Payment is due to RCIT within thirty (30) days of invoice date. The COUNTY will not accept credit as a form of payment.

10.2 Failure to meet the administrative fee requirements herein and submit fees on a timely basis may constitute grounds for immediate termination of this Agreement.

11. Contract Management: The contacts for this Agreement for COUNTY shall be both RCIT and Purchasing as listed below.

COUNTY Primary Contact:
Jim Smith
3450 14th Street
Riverside, CA 92501

COUNTY Secondary Contact:
Rick Hai
2980 Washington Street
Riverside, CA 92504

CONTRACTOR contact:
Shelly Bodine
20875 Crossroads Circle, Suite 1
Waukesha, WI 53186

11.1 Should Contract Management contact information change, the CONTRACTOR shall provide written notice with the updated information to the COUNTY no later than 10 business days after the change.

12. Termination:

12.1 COUNTY may terminate this Agreement without cause upon thirty (30) days written notice served upon the CONTRACTOR stating the extent and effective date of termination.

12.2 COUNTY may, upon five (5) days written notice terminate this Agreement for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Agreement or fails to make progress that may endanger performance and does not immediately cure such failure. In the event of such termination, the COUNTY may proceed with the work in any manner deemed proper by COUNTY.

12.3 CONTRACTOR's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Agreement by CONTRACTOR; or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Agreement.

13. Conduct of Contractor:

13.1 The CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Agreement. The CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

13.2 The CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

13.3 The CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

13.4 CONTRACTOR shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Agreement; and shall permit a COUNTY representative or other regulatory official to monitor, assess, or evaluate CONTRACTOR's performance under this Agreement at any time, upon reasonable notice to the CONTRACTOR.

14. Independent Contractor/Employment Eligibility/Non-Discrimination:

14.1 The CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and CONTRACTOR shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that CONTRACTOR in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

14.2 CONTRACTOR warrants that it shall make its best effort to fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees performing work under this Agreement meet the citizenship or alien status requirement set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal or state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered employees, for the period prescribed by the law.

14.3 CONTRACTOR shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964

(P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

15. Entire Agreement: This Agreement, including any attachments or exhibits, constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement.

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: ______________________
Kevin Jeffries, Chairman
Board of Supervisors

Dated: OCT 22 2019

ATTEST:
Kecia Harper
Clerk of the Board

By: Norraine Tuin
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: ______________________
Susanna Oh, Deputy County Counsel

Software One, Inc., a Wisconsin corporation

By: Margarita Apodaca
Margarita Apodaca
Operations Analyst

Dated: 10/16/2019

By: Laura Reyes C.
Laura Reyes
Account Team Manager

Dated: 10/16/2019

OCT 22 2019 3.16

Licensing Solution Provider Agreement Number PSA-0001530

Exhibit A
Microsoft Enterprise license subscription and services

Line	Description	Price Level	Markup %
1	Enterprise Online Services** (including Full USLs, From SA USLs, Add-ons and Step Ups) M365 E3 and E5, Enterprise Mobility + Security E3 and E5, Office 365 Enterprise E1 or E3, Windows 10 Enterprise E3 or E5.	Level D Minus 2%	2.10
2	Enterprise Products Office 365 Pro Plus, Windows 10 Enterprise, Core CAL Suite, Enterprise CAL Suite.	Level D	2.10
3	Additional Products M365 F1, M365 E5 Compliance, M365 E5 Security, Office 365 Enterprise F1, Project Online, Visio Online Plan 1 or Plan 2, Dynamics 365, Azure, SQL Server, Windows Server, etc.	Level D	2.10
4	Server and Tools Product (applies to Server and Cloud Enrollments only) SharePoint Server, SQL Server, BizTalk Server, Visual Studio, Core Infrastructure Suites, etc.	Level D	2.10
5	All products for Select Plus Agreement No.7756479.		3.50
6	Microsoft Premier Support		2.10
7	Microsoft Unified Support Services		2.10
8	Microsoft Consulting Services		20.00

Licensing Solution Provider Agreement Number PSA-0001530

Exhibit B
License Support Provider (LSP) service rates

Line	Description	Certified Competency (Yes/No)	Hourly Rate
	Data and Artificial Intelligent		
1	Build Intelligent Apps	Yes	$175
2	Build Intelligent Agents	Yes	$175
3	Machine Learning	Yes	$175
4	Internet of Things	Yes	$175
5	Globally distributed data	Yes	$175
6	OSS Databases	Yes	$175
7	Cloud Scale Analytics	Yes	$175
8	Data Platform Modernization to Azure	Yes	$175
9	Windows Server on Azure	Yes	$175
10	Security & Management	Yes	$175
11	Datacenter Migration	Yes	$175
12	Modern Business Intelligence	Yes	$175
	Biz Apps		
1	Customer Service	No	$175
2	Field Service	No	$175
3	Marketing	No	$175
4	Talent	No	$175
5	Finance and Operations	No	$175
6	Business Central	No	$175
7	Power Apps	Yes	$175
8	Power BI	Yes	$175
	Apps and Infrastructure		
1	Azure Stack	Yes	$175
2	High Performance Compute	Yes	$175
3	Cloud Native Apps using Serverless	Yes	$175
4	Modernize Apps	Yes	$175
5	SAP on Azure	Yes	$175
6	Linux on Azure	Yes	$175
7	Dev Ops	Yes	$175
8	Business Continuity & Disaster Recovery	Yes	$175
9	Windows Server on Azure	Yes	$175
10	Security & Management	Yes	$175
11	Datacenter Migration	Yes	$175

Exhibit B (cont.)
License Support Provider (LSP) service rates

Line	Description	Certified Competency (Yes/No)	Hourly Rate
	Modern Workplace		
1	User Adoption & Change Management	Yes	$175
2	Security	Yes	$175
3	GDPR & Compliance	Yes	$175
4	Teamwork	Yes	$175
5	Calling & Meetings	Yes	$175
6	Modern Desktop	Yes	$175
7	Office 365 Migration Assistance	Yes	$175
7a	Mail	Yes	$175
7b	Teams	Yes	$175
7c	SharePoint	Yes	$175
7d	OneDrive	Yes	$175

Exhibit C
Microsoft LSP Participation Form

DAVE ROGERS
Assistant Chief Executive Officer
Chief Information Officer

JIM SMITH
Chief Technology Officer

JENNIFER HILBER, ACIO
Enterprise Applications Bureau
GUSTAVO VAZQUEZ, ACIO
Converged Communications Bureau
Public Safety Enterprise Communications
GIL MEJIA, ACIO
Technology Services Bureau

Microsoft LSP Participation Form
(RFQ #RIVCO-2020-RFQ-0000048 Attachment 3)

Complete this form and return to:	Payment should be made to:
Attention: Rick Hai E-mail: RHai@rivco.org	Riverside County Information Technology 3450 14th Street, Fourth Floor Riverside, CA 92501 County of Riverside TIN #: 95-6000930

Company Name: Software One, Inc.

Name: Shelly Bodine Title: SLED General Manager

Address: 20875 Crossroads Cir. STE 1

City: Waukesha, WI Zip Code: 53186 Telephone #: 800-400-9852

Fax #: Email: Shelly.Bodine@SoftwareONE.com

The County of Riverside is the host of the Microsoft Master Agreement No. 8084445. All questions regarding the products and licensing should be directed to Microsoft.

By signing below, I am agreeing to pay the participation fees for each enrollment that is established by leveraging the County of Riverside Master Agreement in accordance to the schedule referenced on RFQ #RIVCO-2020-RFQ-0000048 and any subsequent contracts and / or amendments.

By signing below, I also agree that all enrollments will be submitted to Microsoft direct, to report enrollment activity and comply to the payment schedule per RFQ #RIVCO-2020-RFQ-0000048 to Riverside County Information Technology.

Please reference the remittance information above for where to send the payment. Failure to comply may result in the award being rescinded.

Signature: [signature]

Date: 9/16/2019

Printed Name: Shelly Bodine

Title: SLED General Manager

DAVE ROGERS
Assistant Chief Executive Officer
Chief Information Officer

JIM SMITH
Chief Technology Officer

JENNIFER HILBER, ACIO
Enterprise Applications Bureau

GUSTAVO VAZQUEZ, ACIO
Converged Communications Bureau
Public Safety Enterprise Communications

GIL MEJIA, ACIO
Technology Services Bureau

Microsoft LSP Participation Form

(RFQ #RIVCO-2020-RFQ-0000048 Attachment 3)

Complete this form and return to:	**Payment should be made to:**
Attention: Rick Hai E-mail: RHai@rivco.org	Riverside County Information Technology 3450 14th Street, Fourth Floor Riverside, CA 92501 County of Riverside TIN #: 95-6000930

Company Name: Software One, Inc.

Name: Shelly Bodine Title: SLED General Manager

Address: 20875 Crossroads Cir. STE 1

City: Waukesha, WI Zip Code: 53186 Telephone #: 800-400-9852

Fax #: Email: Shelly.Bodine@SoftwareONE.com

The County of Riverside is the host of the Microsoft Master Agreement No. 8084445. All questions regarding the products and licensing should be directed to Microsoft.

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By signing below, I also agree that all enrollments will be submitted to Microsoft direct, to report enrollment activity and comply to the payment schedule per RFQ #RIVCO-2020-RFQ-0000048 to Riverside County Information Technology.

Please reference the remittance information above for where to send the payment. Failure to comply may result in the award being rescinded.

Margarita Apodaca

Signature

10/16/2019

Date

Margarita Apodaca

Printed Name

Operations Analyst

Title

Exhibit D
Microsoft LSP Reporting of Active Enrollments Form

LSP Name	*Company name*
RIVCO Contract ID	*RIVCO-20800-00x-xx/xx*
Microsoft Agreement Numbers	**01E69633, 01E73134, AND NEW**

Master Enrollment	Enrollment Number:	Enrollment Entity:	Start Date:	End Date:	Annual Spend	Enrollment Contact:	Enrollment Contact Email:	Enrollment Contact Tel:
8084445	*87654321*	*Riverside County Information Technology*	*1/01/12*	*12/31/16*	*$645,000.00*	*John Doe*	John.Doe@riverside.org	*951-555-1212*

Exhibit E
Master Agreement

Attached include the followings:
1) Signature Form
2) Microsoft Enterprise Agreement
3) Microsoft Enterprise Agreement Amendment

Microsoft Document Headersheet

** This is for informational purposes only **

MSE#: (MSLI Tracking Number) **5-0000004275258**

Doc Type: **Signature Form**

Do not modify the formatting or spacing of this Form above this text

Subsidiary:

Country: **United States**

Account Manager Name / Alias:

LAR/LAD/ESA:

Insight Direct USA, Inc.

Program/Version

EA 6 2016

(Scanning Code)

ACCOUNT: County of Riverside

3

Outsourcer Name:

Business Agreement Number:

Master Agreement Number: **8084445**

Agreement Number:

Purchase Order Number:

Comments:

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Microsoft Volume Licensing

Program Signature Form

MBA/MBSA number	
Agreement number	8084445

004-kayleed-S-04

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
Enterprise Agreement	X20-10209
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
<Choose Enrollment/Registration>	Document Number or Code
Amendment to Contract Documents	CTM-CPT-OPT-FWK (new)

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* County of Riverside
Signature* [signature]
Printed First and Last Name* Richard R. Hai
Printed Title Sr. Procurement Contract Specialist
Signature Date* 08/22/2019
Tax ID

* *indicates required field*

FORM APPROVED COUNTY COUNSEL
BY: [signature] 8/22/19
SUSANNA N. OH DATE

Microsoft Affiliate	
Microsoft Corporation	
Signature	
Printed First and Last Name	
Printed Title	
Signature Date (date Microsoft Affiliate countersigns)	
Agreement Effective Date (may be different than Microsoft's signature date)	8/23/2019

Microsoft
Microsoft Corporation
AUG 23 2019
Chance Krail
Duly Authorized on behalf of Microsoft Corporation

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer
Name of Entity (must be legal entity name)*
Signature*
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

Outsourcer
Name of Entity (must be legal entity name)*
Signature*
Printed First and Last Name*
Printed Title
Signature Date*

** indicates required field*

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
Dept. 551, Volume Licensing
6100 Neil Road, Suite 210
Reno, Nevada 89511-1137
USA

Microsoft Document Headersheet

** This is for informational purposes only **

MSE#: (MSLI Tracking Number) **5-0000004275258**

Doc Type: [redacted] **Agreement**

Do not modify the formatting or spacing of this Form above this text

Subsidiary:

Country: **United States**

Account Manager Name / Alias:

LAR/LAD/ESA:

Insight Direct USA, Inc.

Program/Version

EA 6 2016

(Scanning Code)

ACCOUNT: County of Riverside

15

Outsourcer Name:

Business Agreement Number:

Master Agreement Number: **8084445**

Agreement Number:

Purchase Order Number:

Comments:

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Enterprise Agreement State and Local

Not for Use with Microsoft Business Agreement or Microsoft Business and Services Agreement

This Microsoft Enterprise Agreement ("Agreement") is entered into between the entities identified on the signature form.

Effective date. The effective date of this Agreement is the earliest effective date of any Enrollment entered into under this Agreement or the date Microsoft accepts this Agreement, whichever is earlier.

This Agreement consists of (1) these Agreement terms and conditions, including any amendments and the signature form and all attachments identified therein, (2) the Product Terms applicable to Products licensed under this Agreement, (3) the Online Services Terms, (4) any Affiliate Enrollment entered into under this Agreement, and (5) any order submitted under this Agreement.

Please note: Documents referenced in this Agreement but not attached to the signature form may be found at http://www.microsoft.com/licensing/contracts and are incorporated in this Agreement by reference, including the Product Terms and Use Rights. These documents may contain additional terms and conditions for Products licensed under this Agreement and may be changed from time to time. Customer should review such documents carefully, both at the time of signing and periodically thereafter, and fully understand all terms and conditions applicable to Products licensed.

Terms and Conditions

1. Definitions.

"Affiliate" means

a. with regard to Customer,

   (i) any government agency, department, office, instrumentality, division, unit or other entity of the state or local government that is supervised by or is part of Customer, or which supervises Customer or of which Customer is a part, or which is under common supervision with Customer;

   (ii) any county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state jurisdiction and geographic boundaries; and

   (iii) any other entity in Customer's state expressly authorized by the laws of Customer's state to purchase under state contracts; provided that a state and its Affiliates shall not, for purposes of this definition, be considered to be Affiliates of the federal government and its Affiliates; and

b. with regard to Microsoft, any legal entity that Microsoft owns, that owns Microsoft, or that is under common ownership with Microsoft.

"Customer" means the legal entity that has entered into this Agreement with Microsoft.

"Customer Data" means all data, including all text, sound, software, image, or video files that are provided to Microsoft by, or on behalf of, an Enrolled Affiliate and its Affiliates through use of Online Services.

"day" means a calendar day, except for references that specify "business day".

"Enrolled Affiliate" means an entity, either Customer or any one of Customer's Affiliates that has entered into an Enrollment under this Agreement.

"Enrollment" means the document that an Enrolled Affiliate submits under this Agreement to place orders for Products.

"Enterprise" means an Enrolled Affiliate and the Affiliates for which it is responsible and chooses on its Enrollment to include in its enterprise.

"Fixes" means Product fixes, modifications or enhancements, or their derivatives, that Microsoft either releases generally (such as Product service packs) or provides to Customer to address a specific issue.

"License" means the right to download, install, access and use a Product. For certain Products, a License may be available on a fixed term or subscription basis ("Subscription License"). Licenses for Online Services will be considered Subscription Licenses.

"Microsoft" means the Microsoft Affiliate that has entered into this Agreement or an Enrollment and its Affiliates, as appropriate.

"Online Services" means the Microsoft-hosted services identified as Online Services in the Product Terms.

"Online Services Terms" means the additional terms that apply to Customer's use of Online Services published on the Volume Licensing Site and updated from time to time.

"Product" means all products identified in the Product Terms, such as all Software, Online Services and other web-based services, including pre-release or beta versions.

"Product Terms" means the document that provides information about Microsoft Products and Professional Services available through volume licensing. The Product Terms document is published on the Volume Licensing Site and is updated from time to time.

"SLA" means Service Level Agreement, which specifies the minimum service level for Online Services and is published on the Volume Licensing Site.

"Software" means licensed copies of Microsoft software identified on the Product Terms. Software does not include Online Services, but Software may be part of an Online Service.

"Software Assurance" is an offering by Microsoft that provides new version rights and other benefits for Products as further described in the Product Terms.

"Trade Secret" means information that is not generally known or readily ascertainable to the public, has economic value as a result, and has been subject to reasonable steps under the circumstances to maintain its secrecy.

"use" or "run" means to copy, install, use, access, display, run or otherwise interact.

"Use Rights" means the use rights or terms of service for each Product published on the Volume Licensing Site and updated from time to time. The Use Rights supersede the terms of any end user license agreement that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Terms. The Use Rights for Online Services are published in the Online Services Terms.

"Volume Licensing Site" means http://www.microsoft.com/licensing/contracts or a successor site.

2. *How the Enterprise program works.*

a. **General.** The Enterprise program consists of the terms and conditions on which an Enrolled Affiliate may acquire Product Licenses. Under the Enterprise program, Customer and its Affiliates may order Licenses for Products by entering into Enrollments.

b. **Enrollments.** The Enterprise program gives Customer and/or its Affiliates the ability to enter into one or more Enrollments to order Products. Subscription Enrollments may be available for some of these Enrollments. Notwithstanding any other provision of this Agreement, only Enrolled Affiliates identified in an Enrollment will be responsible for complying with the terms of that Enrollment, including the terms of this Agreement incorporated by reference in that Enrollment.

c. **Licenses.** The types of Licenses available are (1) Licenses obtained under Software Assurance (L&SA), and (2) Subscription Licenses. These License types, as well as additional License Types, are further described in the Product List.

3. *Licenses for Products.*

a. **License Grant.** Microsoft grants the Enterprise a non-exclusive, worldwide and limited right to download, install and use software Products, and to access and use the Online Services, each in the quantity ordered under an Enrollment. The rights granted are subject to the terms of this Agreement, the Use Rights and the Product Terms. Microsoft reserves all rights not expressly granted in this Agreement.

b. **Duration of Licenses.** Subscription Licenses and most Software Assurance rights are temporary and expire when the applicable Enrollment is terminated or expires, unless the Enrolled Affiliate exercises a buy-out option, which is available for some Subscription Licenses. Except as otherwise noted in the applicable Enrollment or Use Rights, all other Licenses become perpetual only when all payments for that License have been made and the initial Enrollment term has expired.

c. **Applicable Use Rights.**

(i) **Products (other than Online Services).** The Use Rights in effect on the effective date of the applicable Enrollment term will apply to Enterprise's use of the version of each Product that is current at the time. For future versions and new Products, the Use Rights in effect when those versions and Products are first released will apply. Changes Microsoft makes to the Use Rights for a particular version will not apply unless the Enrolled Affiliate chooses to have those changes apply. The Use Rights applicable to perpetual Licenses that were acquired under a previous agreement or Enrollment are determined by the Agreement or Enrollment under which they were acquired. Renewal of Software Assurance does not change which Use Rights apply to those Licenses.

(ii) **Online Services.** For Online Services, the Use Rights in effect on the subscription start date will apply for the subscription term as defined in the Product Terms.

d. **Downgrade rights.** Enrolled Affiliate may use an earlier version of a Product other than Online Services than the version that is current on the effective date of the Enrollment. For Licenses acquired in the current Enrollment term, the Use Rights for the current version apply to the use of the earlier version. If the earlier Product version includes features that are not in the new version, then the Use Rights applicable to the earlier version apply with respect to those features.

e. **New Version Rights under Software Assurance.** Enrolled Affiliate must order and maintain continuous Software Assurance coverage for each License ordered. With Software Assurance coverage, Enterprise automatically has the right to use a new version of a licensed Product as soon as it is released, even if Enrolled Affiliate chooses not to use the new version immediately.

(i) Except as otherwise permitted under an Enrollment, use of the new version will be subject to the new version's Use Rights.

(ii) If the License for the earlier version of the Product is perpetual at the time the new version is released, the License for the new version will also be perpetual. Perpetual Licenses obtained through Software Assurance replace any perpetual Licenses for the earlier version.

f. **License confirmation.** This Agreement, the applicable Enrollment, Enrolled Affiliate's order confirmation, and any documentation evidencing transfers of perpetual Licenses, together with proof of payment, will be Enrolled Affiliate's evidence of all Licenses obtained under an Enrollment.

g. **Reorganizations, consolidations and privatizations.** If the number of Licenses covered by an Enrollment changes by more than ten percent as a result of (1) a reorganization, consolidation or privatization of an entity or an operating division, (2) a privatization of an Affiliate or an operating division of Enrolled Affiliate or any of its Affiliates, or (3) a consolidation including a merger with a third party that has an existing agreement or Enrollment, Microsoft will work with Enrolled Affiliate in good faith to determine how to accommodate its changed circumstances in the context of this Agreement.

4. *Making copies of Products and re-imaging rights.*

a. **General.** Enrolled Affiliate may make as many copies of Products, as it needs to distribute them within the Enterprise. Copies must be true and complete (including copyright and trademark notices) from master copies obtained from a Microsoft approved fulfillment source. Enrolled Affiliate may use a third party to make these copies, but Enrolled Affiliate agrees it will be responsible for any third party's actions. Enrolled Affiliate agrees to make reasonable efforts to notify its employees, agents, and any other individuals who use the Products that the Products are licensed from Microsoft and subject to the terms of this Agreement.

b. **Copies for training/evaluation and back-up.** For all Products other than Online Services, Enrolled Affiliate may: (1) use up to 20 complimentary copies of any licensed Product in a dedicated training facility on its premises for purposes of training on that particular Product, (2) use up to 10 complimentary copies of any Products for a 60-day evaluation period, and (3) use one complimentary copy of any licensed Product for back-up or archival purposes for each of its distinct geographic locations. Trials for Online Services may be available if specified in the Use Rights.

c. **Right to re-image.** In certain cases, re-imaging is permitted using the Product media. If the Microsoft Product is licensed (1) from an original equipment manufacturer (OEM), (2) as a full packaged Product through a retail source, or (3) under another Microsoft program, then media provided under this Agreement may generally be used to create images for use in place of copies provided through that separate source. This right is conditional upon the following:

   (i) Separate Licenses must be acquired from the separate source for each Product that is re-imaged.

   (ii) The Product, language, version, and components of the copies made must be identical to the Product, language, version, and all components of the copies they replace and the number of copies or instances of the re-imaged Product permitted remains the same.

   (iii) Except for copies of an operating system and copies of Products licensed under another Microsoft program, the Product type (e.g., Upgrade or full License) re-imaged must be identical to the Product type licensed from the separate source.

   (iv) Enrolled Affiliate must adhere to any Product-specific processes or requirements for re-imaging identified in the Product Terms.

   Re-imaged Products remain subject to the terms and use rights of the License acquired from the separate source. This subsection does not create or extend any Microsoft warranty or support obligation.

5. *Transferring and reassigning Licenses.*

a. **License transfers.** License transfers are not permitted, except that Customer or an Enrolled Affiliate may transfer only fully-paid perpetual Licenses to:

   (i) an Affiliate, or

   (ii) a third party solely in connection with the transfer of hardware or employees to whom the Licenses have been assigned as part of (A) a privatization of an Affiliate or agency or of an operating division of Enrolled Affiliate or an Affiliate, (B) a reorganization, or (C) a consolidation.

Upon such transfer, Customer or Enrolled Affiliate must uninstall and discontinue using the licensed Product and render any copies unusable.

b. **Notification of License Transfer.** Enrolled Affiliate must notify Microsoft of a License transfer by completing a license transfer form, which can be obtained from http://www.microsoft.com/licensing/contracts and sending the completed form to Microsoft before the License transfer. No License transfer will be valid unless Enrolled Affiliate provides to the transferee, and the transferee accepts in writing, documents sufficient to enable the transferee to ascertain the scope, purpose and limitations of the rights granted by Microsoft under the licenses being transferred (includingthe applicable Use Rights, use and transfer restrictions, warranties and limitations of liability). Any License transfer not made in compliance with this section will be void.

c. **Internal Assignment of Licenses and Software Assurance.** Licenses and Software Assurance must be assigned to a single user or device within the Enterprise. Licenses and Software Assurance may be reassigned within the Enterprise as described in the Use Rights.

6. *Term and termination.*

a. Term. The term of this Agreement will be 36 full calendar months from the effective date unless terminated by either party as described below. Each Enrollment will have the term provided in that Enrollment.

b. **Termination without cause.** Either party may terminate this Agreement, without cause, upon 60 days' written notice. In the event of termination, new Enrollments will not be accepted, but any existing Enrollment will continue for the term of such Enrollment and will continue to be governed by this Agreement.

c. **Mid-term termination for non-appropriation of Funds.** Enrolled Affiliate may terminate this Agreement or an Enrollment without liability, penalty or further obligation to make payments if funds to make payments under the Agreement or Enrollment are not appropriated or allocated by the Enrolled Affiliate for such purpose.

d. **Termination for cause.** Without limiting any other remedies it may have, either party may terminate an Enrollment if the other party materially breaches its obligations under this Agreement, including any obligation to submit orders or pay invoices. Except where the breach is by its nature not curable within 30 days, the terminating party must give the other party 30 days' notice of its intent to terminate and an opportunity to cure the breach.

If Microsoft gives such notice to an Enrolled Affiliate, Microsoft also will give Customer a copy of that notice and Customer agrees to help resolve the breach. If the breach affects other Enrollments and cannot be resolved between Microsoft and Enrolled Affiliate, together with Customer's help, within a reasonable period of time, Microsoft may terminate this Agreement and all Enrollments under it. If an Enrolled Affiliate ceases to be Customer's Affiliate, it must promptly notify Microsoft, and Microsoft may terminate the former Affiliate's Enrollment. If an Enrolled Affiliate terminates its Enrollment as a result of a breach by Microsoft, or if Microsoft terminates an Enrollment because Enrolled Affiliate ceases to be Customer's Affiliate, then Enrolled Affiliate will have the early termination rights described in the Enrollment.

e. **Early termination.** If (1) an Enrolled Affiliate terminates its Enrollment as a result of a breach by Microsoft, or (2) if Microsoft terminates an Enrollment because the Enrolled Affiliate has ceased to be an Affiliate of Customer, or (3) Enrolled Affiliate terminates an Enrollment for non-appropriation of funds, or (4) Microsoft terminates an Enrollment for non-payment due to non-appropriation of funds, then the Enrolled Affiliate will have the following options:

(i) It may immediately pay the total remaining amount due, including all installments, in which case, the Enrolled Affiliate will have perpetual rights for all Licenses it has ordered; or

(ii) It may pay only amounts due as of the termination date, in which case the Enrolled Affiliate will have perpetual Licenses for:

1) all copies of Products (including the latest version of Products ordered under SA coverage in the current term) for which payment has been made in full, and

2) the number of copies of Products it has ordered (including the latest version of Products ordered under Software Assurance coverage in current term) that is proportional to the total of installment payments paid versus total amounts due (paid and payable) if the early termination had not occurred.

(iii) In the case of early termination under subscription Enrollments, Enrolled Affiliate will have the following options:

1) For eligible Products, Enrolled Affiliate may obtain perpetual Licenses as described in the section of the Enrollment titled "Buy-out option," provided that Microsoft receives the buy-out order for those Licenses within 60 days after Enrolled Affiliate provides notice of termination.

2) In the event of a breach by Microsoft, if Customer chooses not to exercise a buy-out option, Microsoft will issue Enrolled Affilaite a credit for any amount paid in advance for Subscription Licenses that the Enterprise will not be able to use to do the termination of the Enrollment.

Nothing in this section shall affect perpetual License rights acquired either in a separate agreement or in a prior term of the terminated Enrollment.

f. **Effect of termination or expiration.** When an Enrollment expires or is terminated,

(i) Enrolled Affiliate must order Licenses for all copies of Products it has run for which it has not previously submitted an order. Any and all unpaid payments for any order of any kind remain due and payable. Except as provided in the subsection titled "Early termination," all unpaid payments for Licenses immediately become due and payable.

(ii) Enrolled Affiliate's right to Software Assurance benefits under this Agreement ends if it does not renew Software Assurance.

g. **Modification or termination of an Online Service for regulatory reasons.** Microsoft may modify or terminate an Online Service where there is any current or future government requirement or obligation that: (1) subjects Microsoft to any regulation or requirement not generally applicable to businesses operating in the jurisdiction; (2) presents a hardship for Microsoft to continue operating the Online Service without modification; and/or (3) causes Microsoft to believe these terms or the Online Service may conflict with any such requirement or obligation.

h. **Program updates.** Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at the time of an Enrollment renewal.

7. *Use, ownership, rights, and restrictions.*

a. **Products.** Unless otherwise specified in a supplemental agreement, use of any Product is governed by the Use Rights specific to each Product and version and by the terms of the applicable supplemental agreement.

b. **Fixes.** Each Fix is licensed under the same terms as the Product to which it applies. If a Fix is not provided for a specific Product, any use rights Microsoft provides with the Fix will apply.

c. **Non-Microsoft software and technology.** Enrolled Affiliate is solely responsible for any non-Microsoft software or technology that it installs or uses with the Products or Fixes.

d. **Restrictions.** Enrolled Affiliate must not (and is not licensed to) (1) reverse engineer, decompile, or disassemble any Product or Fix; (2) install or use non-Microsoft software or technology in any way that would subject Microsoft's intellectual property or technology to any other license terms; or (3) work around any technical limitations in a Product or Fix or restrictions in Product documentation. Customer must not (and is not licensed to) () separate and run parts of a Product or Fix on more than one device, upgrade or downgrade parts of a Product or Fix at different times, or transfer parts of a Product or Fix separately; or (ii) distribute, sublicense, rent, lease, lend any Products or Fixes, in whole or in part, or use them to offer hosting services to a third party.

e. **Reservation of rights.** Products and Fixes are protected by copyright and other intellectual property rights laws and international treaties. Microsoft reserves all rights not expressly granted in this agreement. No rights will be granted or implied by waiver or estoppel. Rights to access or use Software on a device do not give Customer any right to implement Microsoft patents or other Microsoft intellectual property in the device itself or in any other software or devices.

8. *Confidentiality.*

"Confidential Information" is non-public information that is designated "confidential" or that a reasonable person should understand is confidential, including Customer Data. Confidential Information does not include information that (a) becomes publicly available without a breach of this agreement, (b) the receiving party received lawfully from another source without a confidentiality obligation, (c) is independently developed, or (d) is a comment or suggestion volunteered about the other party's business, products or services.

Each party will take reasonable steps to protect the other's Confidential Information and will use the other party's Confidential Information only for purposes of the parties' business relationship. Neither party will disclose that Confidential Information to third parties, except to its employees, Affiliates, contractors, advisors and consultants ("Representatives") and then only on a need-to-know basis under nondisclosure obligations at least as protective as this agreement. Each party remains responsible for the use of the Confidential Information by its Representatives and, in the event of discovery of any unauthorized use or disclosure, must promptly notify the other party.

A party may disclose the other's Confidential Information if required by law; but only after it notifies the other party (if legally permissible) to enable the other party to seek a protective order.

Neither party is required to restrict work assignments of its Representatives who have had access to Confidential Information. Each party agrees that the use of information retained in Representatives' unaided memories in the development or deployment of the parties' respective products or services does not create liability under this Agreement or trade secret law, and each party agrees to limit what it discloses to the other accordingly.

These obligations apply (i) for Customer Data until it is deleted from the Online Services, and (ii) for all other Confidential Information, for a period of five years after a party receives the Confidential Information.

9. *Privacy and compliance with laws.*

a. Enrolled Affiliate consents to the processing of personal information by Microsoft and its agents to facilitate the subject matter of this Agreement. Enrolled Affiliate will obtain all required consents from third parties under applicable privacy and data protection law before providing personal information to Microsoft.

b. Personal information collected under this agreement (i) may be transferred, stored and processed in the United States or any other country in which Microsoft or its service providers maintain facilities and (ii) will be subject to the privacy terms specified in the Use Rights. Microsoft will abide by the requirements of European Economic Area and Swiss data protection law regarding the collection, use, transfer, retention, and other processing of personal data from the European Economic Area and Switzerland.

c. **U.S. export.** Products and Fixes are subject to U.S. export jurisdiction. Enrolled Affiliate must comply with all applicable international and national laws, including the U.S. Export Administration Regulations and International Traffic in Arms Regulations, and end-user, end use and destination restrictions issued by U.S. and other governments related to Microsoft products, services and technologies.

10. Warranties.

a. **Limited warranties and remedies.**

(i) **Software.** Microsoft warrants that each version of the Software will perform substantially as described in the applicable Product documentation for one year from the date the Enterprise is first licensed for that version. If it does not and the Enterprise notifies Microsoft within the warranty term, then Microsoft will, at its option (1) return the price Enrolled Affiliate paid for the Software license, or (2) repair or replace the Software.

(ii) **Online Services.** Microsoft warrants that each Online Service will perform in accordance with the applicable SLA during the Enterprise's use. The Enterprise's remedies for breach of this warranty are in the SLA.

The remedies above are the Enterprise's sole remedies for breach of the warranties in this section. Customer waives any breach of warranty claims not made during the warranty period.

b. **Exclusions.** The warranties in this agreement do not apply to problems caused by accident, abuse, or use in a manner inconsistent with this Agreement, including failure to meet minimum system requirements. These warranties do not apply to free, trial, pre-release, or beta products, or to components of Products that Enrolled Affiliate is permitted to redistribute.

c. **Disclaimer. Except for the limited warranties above, Microsoft provides no other warranties or conditions and disclaims any other express, implied, or statutory warranties, including warranties of quality, title, non-infringement, merchantability, and fitness for a particular purpose.**

11. Defense of third party claims.

The parties will defend each other against the third-party claims described in this section and will pay the amount of any resulting adverse final judgment or approved settlement, but only if the defending party is promptly notified in writing of the claim and has the right to control the defense and any settlement of it. The party being defended must provide the defending party with all requested assistance, information, and authority. The defending party will reimburse the other party for reasonable out-of-pocket expenses it incurs in providing assistance. This section describes the parties' sole remedies and entire liability for such claims.

a. **By Microsoft.** Microsoft will defend Enrolled Affiliate against any third-party claim to the extent it alleges that a Product or Fix made available by Microsoft for a fee and used within the scope of the license granted (unmodified from the form provided by Microsoft and not combined with anything else) misappropriates a trade secret or directly infringes a patent, copyright, trademark or other proprietary right of a third party. If Microsoft is unable to resolve a claim of infringement under commercially reasonable terms, it may, at its option, either (1) modify or replace the Product or Fix with a functional equivalent; or (2) terminate Enrolled Affiliate's license and refund any prepaid license fees (less depreciation on a five-year, straight-line basis) for perpetual licenses and any amount paid for Online Services for any usage period after the termination date. Microsoft will not be liable for any claims or damages due to Enrolled Affiliate's continued use of a Product or Fix after being notified to stop due to a third-party claim.

b. **By Enrolled Affiliate.** To the extent permitted by applicable law, Enrolled Affiliate will defend Microsoft against any third-party claim to the extent it alleges that: (1) any Customer Data or non-Microsoft software hosted in an Online Service by Microsoft on Enrolled Affiliate's behalf misappropriates a trade secret or directly infringes a patent, copyright, trademark, or other proprietary right of a third party; or (2) Enrolled Affiliate's use of any Product or Fix, alone or in combination with anything else, violates the law or damages a third party.

12. *Limitation of liability.*

For each Product, each party's maximum, aggregate liability to the other under this Agreement is limited to direct damages finally awarded in an amount not to exceed the amounts Enrolled Affiliate was required to pay for the applicable Products during the term of this Agreement, subject to the following:

a. **Online Services.** For Online Services, Microsoft's maximum liability to Enrolled Affiliate for any incident giving rise to a claim will not exceed the amount Enrolled Affiliate paid for the Online Service during the 12 months before the incident.

b. **Free Products and Distributable Code.** For Products provided free of charge and code that Enrolled Affiliate is authorized to redistribute to third parties without separate payment to Microsoft, Microsoft's liability is limited to direct damages finally awarded up to US$5,000.

c. **Exclusions.** In no event will either party be liable for indirect, incidental, special, punitive, or consequential damages, or for loss of use, loss of business information, loss of revenue, or interruption of business, however caused or on any theory of liability.

d. **Exceptions.** No limitation or exclusions will apply to liability arising out of either party's (1) confidentiality obligations (except for all liability related to Customer Data, which will remain subject to the limitations and exclusions above); (2) defense obligations; or (3) violation of the other party's intellectual property rights.

13. *Verifying compliance.*

a. **Right to verify compliance.** Enrolled Affiliate must keep records relating to all use and distribution of Products by Enrolled Affiliate and its Affiliates. Microsoft has the right, at its expense, to the extent permitted by applicable law, to verify compliance with the Product's license terms. Enrolled Affiliate must promptly provide the independent auditor with any information the auditor reasonably requests in furtherance of the verification, including access to systems running the Products and evidence of Licenses for Products Enrolled Affiliate hosts, sublicenses, or distributes to third parties. Enrolled Affiliate agrees to complete Microsoft's self-audit process, which Microsoft may require as an alternative to a third party audit.

b. **Remedies for non-compliance.** If verification or self-audit reveals any unlicensed use or distribution, then within 30 days, (1) Enrolled Affiliate must order sufficient Licenses to cover that use or distribution, and (2) if unlicensed use or distribution is 5% or more, Enrolled Affiliate must reimburse Microsoft for the cost Microsoft has incurred in verification and acquire the necessary additional licenses at 125% of the price based on the then-current price list and Enrolled Affiliate price level. The unlicensed use percentage is based on the total number of licenses purchased compared to actual install base. If there is no unlicensed use, Microsoft will not subject Enrolled Affiliate to another verification for at least one year. By exercising the rights and procedures described above, Microsoft does not waive its rights to enforce this Agreement or to protect its intellectual property by any other means permitted by law.

c. **Verification process.** Microsoft will notify Enrolled Affiliate at least 30 days in advance of its intent to verify Enrolled Affiliate's compliance with the license terms for the Products Enrolled Affiliate and its Affiliates use or distribute. Microsoft will engage an independent auditor, which will be subject to a confidentiality obligation. Any information collected in the self-audit will be used solely for purposes of determining compliance. This verification will take place during normal business hours and in a manner that does not interfere unreasonably with Enrolled Affiliate's operations.

14. *Miscellaneous.*

a. **Use of contractors.** Microsoft may use contractors to perform services, but will be responsible for their performance subject to the terms of this Agreement.

b. **Microsoft as independent contractor.** The parties are independent contractors. Enrolled Affiliate and Microsoft each may develop products independently without using the other's Confidential Information.

c. **Notices.** Notices to Microsoft must be sent to the address on the signature form. Notices must be in writing and will be treated as delivered on the date shown on the return receipt or on the courier or fax confirmation of delivery. Microsoft may provide information to Enrolled Affiliate about upcoming ordering deadlines, services, and subscription information in electronic form, including by email to contacts provided by Enrolled Affiliate. Emails will be treated as delivered on the transmission date.

d. **Agreement not exclusive.** Customer is free to enter into agreements to license, use or promote non-Microsoft products.

e. **Amendments.** Any amendment to this Agreement must be executed by both parties, except that Microsoft may change the Product Terms and the Use Rights from time to time in accordance with the terms of this Agreement. Any conflicting terms and conditions contained in an Enrolled Affiliate's purchase order will not apply. Microsoft may require Customer to sign a new agreement or an amendment before an Enrolled Affiliate enters into an Enrollment under this agreement.

f. **Assignment.** Either party may assign this Agreement to an Affiliate, but must notify the other party in writing of the assignment. Any other proposed assignment must be approved by the non-assigning party in writing. Assignment will not relieve the assigning party of its obligations under the assigned agreement. Any attempted assignment without required approval will be void.

g. **Applicable law; dispute resolution.** The terms of this Agreement will be governed by the laws of Customer's state, without giving effect to its conflict of laws. Disputes relating to this Agreement will be subject to applicable dispute resolution laws of Customer's state.

h. **Severability.** If any provision in this agreement is held to be unenforceable, the balance of the agreement will remain in full force and effect.

i. **Waiver.** Failure to enforce any provision of this agreement will not constitute a waiver. Any waiver must be in writing and signed by the waiving party.

j. **No third-party beneficiaries.** This Agreement does not create any third-party beneficiary rights.

k. **Survival.** All provisions survive termination or expiration of this Agreement except those requiring performance only during the term of the Agreement.

l. **Management and Reporting.** Customer and/or Enrolled Affiliate may manage account details (e.g., contacts, orders, Licenses, software downloads) on Microsoft's Volume Licensing Service Center ("VLSC") web site (or successor site) at: https://www.microsoft.com/licensing/servicecenter. Upon the effective date of this Agreement and any Enrollments, the contact(s) identified for this purpose will be provided access to this site and may authorize additional users and contacts.

m. **Order of precedence.** In the case of a conflict between any documents in this Agreement that is not expressly resolved in those documents, their terms will control in the following order from highest to lowest priority: (1) this Enterprise Agreement, (2) any Enrollment, (3) the Product Terms, (4) the Online Services Terms, (5) orders submitted under this Agreement, and (6) any other documents in this Agreement. Terms in an amendment control over the amended document and any prior amendments concerning the same subject matter.

n. **Free Products.** It is Microsoft's intent that the terms of this Agreement and the Use Rights be in compliance with all applicable federal law and regulations. Any free Product provided to Enrolled Affiliate is for the sole use and benefit of the Enrolled Affiliate, and is not provided for use by or personal benefit of any specific government employee.

o. **Voluntary Product Accessibility Templates.** Microsoft supports the government's obligation to provide accessible technologies to its citizens with disabilities as required by Section 508 of the Rehabilitation Act of 1973, and its state law counterparts. The Voluntary Product Accessibility Templates ("VPATs") for the Microsoft technologies used in providing the Online Services can be found at Microsoft's VPAT page. Further information regarding Microsoft's commitment to accessibility can be found at http://www.microsoft.com/enable.

p. **Natural disaster.** In the event of a "natural disaster," Microsoft may provide additional assistance or rights by posting them on http://www.microsoft.com at such time.

q. **Copyright violation.** Except as set forth in the section above entitled "Transferring and reassigning Licenses", the Enrolled Affiliate agrees to pay for, and comply with the terms of this Agreement and the Use Rights, for the Products it uses. Except to the extent Enrolled Affiliate is licensed under this Agreement, it will be responsible for its breach of this contract and violation of Microsoft's copyright in the Products, including payment of License fees specified in this Agreement for unlicensed use.

Microsoft Volume Licensing

Supplemental Contact Information Form

This form can be used in combination with MBSA, Agreement, and Enrollment/Registration. However, a separate form must be submitted for each enrollment/registration, when more than one is submitted on a signature form. For the purposes of this form, "entity" can mean the signing entity, Customer, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement. Primary and Notices contacts in this form will not apply to enrollments or registrations.

This form applies to:

☐ MBSA

☒ Agreement

☐ Enrollment/Affiliate Registration Form

Insert primary entity name if more than one Enrollment/Registration Form is submitted

Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields; if the entity chooses to designate other contact types, the same required fields must be completed for each section. By providing contact information, entity consents to its use for purposes of administering the Enrollment by Microsoft and other parties that help Microsoft administer this Enrollment. The personal information provided in connection with this agreement will be used and protected according to the privacy statement available at https://licensing.microsoft.com.

1. Additional notices contact.

This contact receives all notices that are sent from Microsoft. No online access is granted to this individual.

Name of entity* County of Riverside
Contact name*: **First** Regina **Last** Funderburk
Contact email address* RFunderburk@rivco.org
Street address* 3450 14th Street, 4th Floor
City* Riverside **State/Province*** California **Postal code*** 92501-3861
Country* USA
Phone* 951-955-2265 **Fax**

☐ This contact is a third party (not the entity). Warning: This contact receives personally identifiable information of the entity.

2. Software Assurance manager.

This contact will receive online permissions to manage the Software Assurance benefits under the Enrollment or Registration.

Name of entity* County of Riverside
Contact name*: **First** Regina **Last** Funderburk
Contact email address* RFunderburk@rivco.org
Street address* 3450 14th Street, 4th Floor
City* Riverside **State/Province*** California **Postal code*** 92501-3861

Country* USA
Phone* 951-955-2265 Fax
☐ This contact is a third party (not the entity). Warning: This contact receives personally identifiable information of the entity.

3. *Subscriptions manager.*

This contact will assign MSDN, Expression, and TechNet Plus subscription licenses to the individual subscribers under this Enrollment or Registration. Assignment of the subscription licenses is necessary for access to any of the online benefits, such as subscription downloads. This contact will also manage any complimentary or additional media purchases related to these subscriptions.

Name of entity* County of Riverside
Contact name*: First Regina **Last** Funderburk
Contact email address* RFunderburk@rivco.org
Street address* 3450 14th Street, 4th Floor
City* Riverside **State/Province*** California **Postal code*** 92501-3861
Country* USA
Phone* 951-955-2265 **Fax**
☐ This contact is a third party (not the entity). Warning: This contact receives personally identifiable information of the entity.

4. *Online services manager.*

This contact will be provided online permissions to manage the online services ordered under the Enrollment or Registration.

Name of entity* County of Riverside
Contact name*: First Luis **Last** Flores
Contact email address* LFFlores@rivco.org
Street address* 3450 14th Street, 4th Floor
City* Riverside **State/Province*** California **Postal code*** 92501-3861
Country* USA
Phone* 951-955-8114 **Fax**
☐ This contact is a third party (not the entity). Warning: This contact receives personally identifiable information of the entity.

5. *Customer Support Manager (CSM).*

This person is designated as the Customer Support Manager (CSM) for support-related activities.

Name of entity* County of Riverside
Contact name*: First Luis **Last** Flores
Contact email address* LFFlores@rivco.org
Street address* 3450 14th Street, 4th Floor
City* Riverside **State/Province*** California **Postal code*** 92501-3861
Country* USA
Phone* 951-955-8114 **Fax**

6. *Primary contact information.*

An individual from inside the organization must serve as the primary contact. This contact receives online administrator permissions and may grant online access to others. This contact also receives all notices unless Microsoft is provided written notice of a change.

Name of entity* County of Riverside

Contact name*: First Jim Last Smith
Contact email address* jimsmith@rivco.org
Street address* 3450 14th Street, 4th Floor
City* Riverside State/Province* CA Postal code* 92501-3861
Country* US
Phone* 951-231-5909 Fax

7. *Notices contact and online administrator information.*

This individual receives online administrator permissions and may grant online access to others. This contact also receives all notices.

☒ *Same as primary contact*
Name of entity*
Contact name*: First Last
Contact email address*
Street address*
City* State/Province* Postal code*
Country*
Phone* Fax
☐ This contact is a third party (not the entity). Warning: This contact receives personally identifiable information of the entity.

Microsoft Document Headersheet

** This is for informational purposes only **

MSE#: (MSLI Tracking Number) **5-0000004275258**

Doc Type: **Amendments**

Do not modify the formatting or spacing of this Form above this text

Subsidiary:

Country: **United States**

Account Manager Name / Alias:

LAR/LAD/ESA:

Insight Direct USA, Inc.

Program/Version

EA 6 2016

(Scanning Code)

ACCOUNT: County of Riverside

3

Outsourcer Name:

Business Agreement Number:

Master Agreement Number: **8084445**

Agreement Number:

Purchase Order Number:

Comments:

8/23/2019 9:42:40 PM

Amendment to Contract Documents

Agreement Number 8084445

004-kayleed-S-04

This amendment ("Amendment") is entered into between the parties identified on the attached program signature form. It amends the Enrollment or Agreement identified above. All terms used but not defined in this Amendment will have the same meanings provided in that Enrollment or Agreement.

Enterprise Agreement
Custom Terms CTM

1. Section 6a, "Term", is hereby amended and restated as follows:
   a. Term. The term of this Agreement will remain in effect unless terminated by either party as described below. Each Enrollment will have the term provided in that Enrollment.

2. The pricing that Microsoft will offer Enrolled Affiliate's Reseller for Enrollments effective between November 1, 2019 through October 31, 2021, and that will apply for the entire initial term of such Enrollments, is as follows:

Product	Price Level	Examples include but are not limited to the following*:
Enterprise Online Services** (including Full USLs, From SA USLs, Add-ons and Step Ups)	Level D minus 2%	M365 E3 and E5, Enterprise Mobility + Security E3 and E5, Office 365 Enterprise E1 or E3, Windows 10 Enterprise E3 or E5
Enterprise Products	Level D	Office 365 Pro Plus, Windows 10 Enterprise, Core CAL Suite, Enterprise CAL Suite
Additional Products	Level D	M365 F1, M365 E5 Compliance, M365 E5 Security, Office 365 Enterprise F1, Project Online, Visio Online Plan 1 or Plan 2, Dynamics 365, Azure, SQL Server, Windows Server, etc.
Server and Tools Product (applies to Server and Cloud Enrollments only)	Level D	SharePoint Server, SQL Server, BizTalk Server, Visual Studio, Core Infrastructure Suites, etc.

* The examples include online services that are available in either the commercial or government cloud offerings.

** Qualifying Enterprise Online Services are identified in the Product Terms with the cell value of "EO" in the tables for "Program Availability". The scope of Enterprise Online Services is subject to change as Enterprise Online Services are added, updated/revised or removed from the Enterprise program offering

Exclusions apply to the additional 2% discount on Enterprise Online Services as follows:

- The price list month that applies to an order is not a factor in determining whether the additional 2% discount on Enterprise Online Services may be applied to an order. The only applicable factor is the effective date of the Enrollment.
- The discount does not apply to any extensions of the initial Term or renewal Enrollments.
- The discount does not apply to any promotional SKUs. Enrolled Affiliate is entitled to the lower of the promotional price or discounted price.

The price level that applies to Enrollments effective on or after November 1, 2021 is Level D for all Products.

The Reseller and the Enrolled Affiliate will determine the Enrolled Affiliate's actual price and payment terms.

Except for changes made by this Amendment, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in this Amendment and any provision in the Enrollment or Agreement identified above, this Amendment shall control.

This Amendment must be attached to a signature form to be valid.

Microsoft Internal Use Only:

Riverside County EA Amend 8.7.docx	CTM	CTM-CPT-OPT-FWK	BD

COUNTY OF RIVERSIDE
AMENDMENT NO. 1 TO THE LICENSING SOLUTION PROVIDER AGREEMENT
WITH
Software One, Inc.

Original Contract Term:	11/01/2019 through 10/31/2021
Original Contract ID:	PSA-0001530
Effective Date of Amendment:	04/01/2020
Original Annual Maximum Contract Amount:	$0
Amended Annual Maximum Contract Amount:	$0

This AMENDMENT NO. 1 TO THE LICENSING SOLUTION PROVIDER AGREEMENT with Software One, Inc. ("First Amendment"), dated as of 01 April 2020, is entered into by and between the County of Riverside ("COUNTY"), a political subdivision of the State of California, and Software One, Inc. ("CONTRACTOR"), a Wisconsin corporation, sometimes collectively referred to as the "Parties".

RECITALS

WHEREAS, COUNTY and Microsoft Corporation ("Microsoft") have entered into that certain Microsoft Enterprise Agreement (Master Agreement No. 8084445; the "Master Agreement"), effective August 23, 2019, under which COUNTY has the ability to enter into one or more enrollments to order certain Microsoft product licenses;

WHEREAS, CONTRACTOR and COUNTY entered into the aforementioned Licensing Solution Provider Agreement Number PSA-0001530 (the "Agreement") to provide support services to COUNTY and its Enrolled Affiliates (as defined in the Master Agreement) for said licenses; and

WHEREAS, COUNTY and CONTRACTOR now desire to amend the Agreement for the first time to extend the period of performance of the Agreement.

NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. The above recitals are true and correct, and are incorporated herein by reference.

2. Section 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

   "This Agreement shall be effective from November 1, 2019 through October 31, 2024, unless terminated earlier (the "Term")."

3. Section 9 of the Agreement is hereby deleted in its entirety and replaced with the following:

   "Usage Reporting: CONTRACTOR will provide to COUNTY the Licensed Support Provider (LSP) Reporting of Active Enrollments to Master Microsoft Enterprise Agreement No. 8084445, Select Plus Agreement No. 7756479, Microsoft Premier, Unified, and MCS Support services, showing a list of enrollments by December 15th of each year. Forms shall be submitted electronically to MasterMicrosoftAdmin@rivco.org. A copy of the form is attached hereto as Exhibit D and incorporated herein by reference."

4. <u>Capitalized Terms/Amendment to Prevail.</u> Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Agreement, as heretofore

amended. The provisions of this First Amendment shall prevail over any inconsistency or conflicting provisions of the Agreement, as heretofore amended, and shall supplement the remaining provisions thereof.

5. Miscellaneous. Except as amended or modified herein, all the terms of the Agreement shall remain in full force and effect and shall apply with the same force and effect. Time is of the essence in this First Amendment and the Agreement and each and all of their respective provisions. Subject to the provisions of the Agreement as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provisions of this First Amendment or the Agreement shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Agreement and all such other provisions shall remain in full force and effect. The language in all parts of the Agreement shall be construed according to its normal and usual meaning and not strictly for or against either COUNTY or CONTRACTOR.

6. Effective Date. This First Amendment shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this First Amendment.

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: ______________________
Richard R. Hai
Senior Procurement Contract Specialist

Dated: 4/28/2020

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: ______________________
Susanna Oh
Deputy County Counsel

Software One, Inc., a Wisconsin corporation

By: ______________________
Margarita Apodaca
Operations Analyst

Dated: 4/21/2020

Microsoft Volume Licensing

Program Signature Form

MBA/MBSA number	
Agreement number	8084445

5-0000005338069

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
Enterprise Enrollment (Indirect)	X20-10635
Enterprise Amendment	M97 (New)
Product Selection Form	0952708.003_PSF

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* City of Oxnard on Behalf of Oxnard Police Department
Signature* DocuSigned by: Daniel Willhite B054F955403A4B8...
Printed First and Last Name* Daniel Willhite
Printed Title Purchasing Manager
Signature Date* 5/28/2020 | 4:14 PM PDT
Tax ID

** indicates required field*

Microsoft Affiliate
Microsoft Corporation
Signature
Printed First and Last Name
Printed Title
Signature Date (date Microsoft Affiliate countersigns)
Agreement Effective Date (may be different than Microsoft's signature date)

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer	
Name of Entity (must be legal entity name)*	
Signature*	DocuSigned by: Daniel Willhite 5934F955...0A4B8...
Printed First and Last Name*	Daniel Willhite
Printed Title	Purchasing Manager
Signature Date*	5/28/2020 | 4:14 PM PDT

** indicates required field*

Outsourcer	
Name of Entity (must be legal entity name)*	
Signature*	
Printed First and Last Name*	
Printed Title	
Signature Date*	

** indicates required field*

If Customer requires additional contacts or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
Dept. 551, Volume Licensing
6880 Sierra Center Parkway
Reno, Nevada 89511
USA

Microsoft Volume Licensing

Alternative Acceptance Form (Microsoft Only)

Due to the extraordinary impact of the coronavirus (COVID-19), Microsoft has implemented steps to protect personnel and the communities in which they live and work, including conducting business from remote locations and/or using different processes. As a result, Microsoft is utilizing this Alternative Acceptance Form in place of signing a Program Signature Form.

Microsoft's authorized representative is accepting the contract documents shown on the Program Signature Form bearing the Proposal ID shown below ("Contract Documents") by typing their name and entering the date of acceptance on this Alternative Acceptance Form. The Agreement Effective Date shown below is the Agreement Effective Date shown on the Program Signature Form.

For the purposes of this Alternative Acceptance Form, "Customer" means the Customer entity identified on the Program Signature Form bearing the same Proposal ID that appears on this form, and "Microsoft" means the Microsoft entity or entities identified below on this form.

MBA/MBSA number:	N/A
Agreement number:	01E65727
Enrollment number:	5627032
Proposal ID:	0952708.003
Opportunity ID (if applicable):	5-0000005338069
Agreement Effective Date:	6/1/2020
Customer Name:	Executive Office of Technology Services and Security

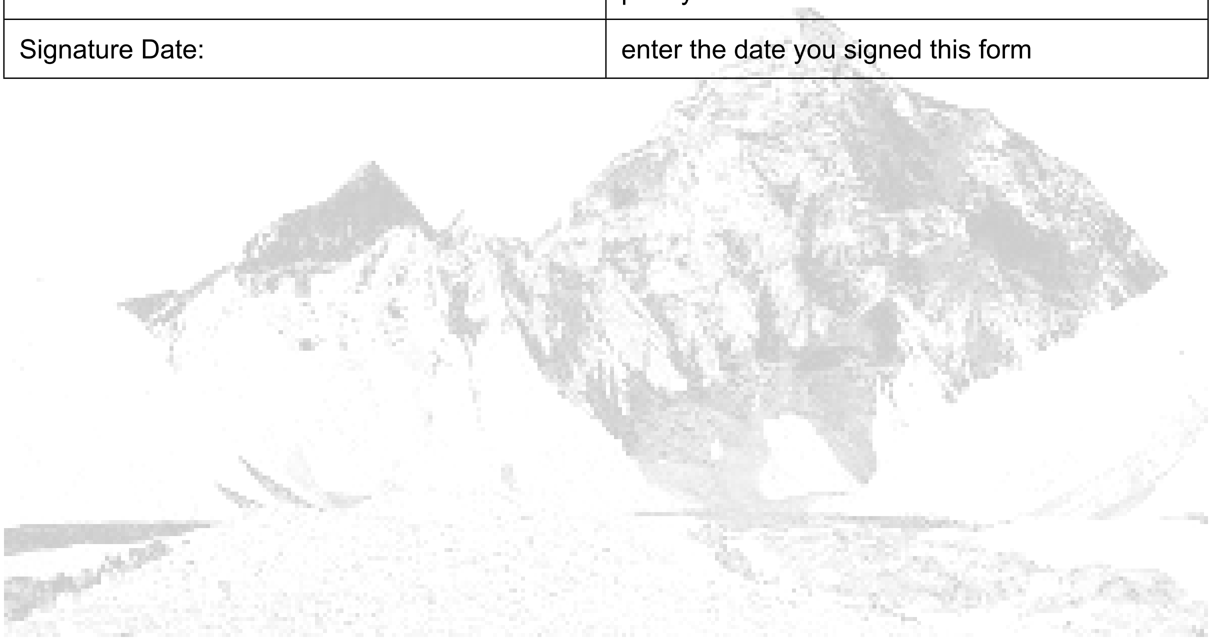
To indicate Microsoft's agreement, Microsoft's duly authorized representative will complete this form by entering their name and the date of Microsoft's acceptance below. Upon completion of this form, Microsoft agrees that it (1) has received, read and understands this Alternative Acceptance Form, the Program Signature Form, and all Contract Documents, including any websites or documents incorporated by reference and any amendments, and (2) agrees to be bound by the terms of all such documents, as of the Agreement Effective Date. This Alternative Acceptance Form, when completed, will be incorporated into the Agreement noted above.

Acceptance by Microsoft	
Enter applicable Microsoft Affiliate: Microsoft Corporation	
Name of Microsoft authorized representative:	John Bjurman
Acceptance date:	5/29/2020
The above person is duly authorized on behalf of Microsoft to accept these Contract Documents. Microsoft will not challenge the enforceability or validity of the agreement formed by this alternative process or any of the Contract Documents based on its acceptance using this Alternative Acceptance Form.	

Optional Confirmation of Acceptance on Customer Request

Once Microsoft returns to its normal business processes, if Customer requests a Microsoft signature, an authorized representative of Microsoft will sign and deliver a copy of this Alternative Acceptance Form below to confirm the effectiveness of the agreement as of the Agreement Effective Date shown above.

Optional Microsoft Confirmation of Acceptance	
Enter applicable Microsoft Affiliate: <choose one>	
By signature of its duly authorized representative below, Microsoft hereby acknowledges, ratifies and confirms that the agreement referenced on this Alternative Acceptance Form was duly accepted, and is effective as of the Agreement Effective Date shown above.	
Signature:	sign your complete name
Printed First and Last Name:	print your complete name
Printed Title:	print your title
Signature Date:	enter the date you signed this form



Quoted by Jason Carmer

Phone 214-480-845-7155 jason.carmer@softwareone.com

Please fax your POs to our Client Assistance Center at 800-366-9994 or email to: statestore@softwareone.com - Call 800-400-9852, option 2, to check order status.

	Quoted to:	**Oxnard Police Dept**		
		Gary Krumian		
Date:	***2/17/2022***	gary.krumian@oxnard.org		
Quote#:	***44609***			
Expires:	***3/19/2022***	**EA# 85882211 - Expires 5/31/2023**		

Important: Please provide the email address of the recipient designated to receive a SoftwareONE order confirmation and/or receive electronic software deliveries.

Quantity	***Part #***	***Description***	***Unit Price***	***Ext. Price***
4	6QK-00001	Azure Monetary Commitment	$ 1,200.00	$ 4,800.00
415	W06-01069	CoreCAL ALNG SA MVL Pltfrm DvcCAL	$ 34.67	$ 14,388.05
415	269-12442	OfficeProPlus ALNG SA MVL Pltfrm	$ 94.78	$ 39,333.70
415	KV3-00353	WINENTperDVC ALNG SA MVL Pltfrm	$ 42.06	$ 17,454.90
8	7NQ-00292	SQLSvrStdCore ALNG SA MVL 2Lic CoreLic	$ 584.79	$ 4,678.32
9	D86-01253	VisioStd ALNG SA MVL	$ 51.51	$ 463.59
20	6VC-01253	WinRmtDsktpSrvcsCAL ALNG SA MVL DvcCAL	$ 17.94	$ 358.80
120	9EA-00278	WinSvrDCCore ALNG SA MVL 2Lic CoreLic	$ 125.57	$ 15,068.40
8	9EM-00270	WinSvrSTDCore ALNG SA MVL 2Lic CoreLic	$ 17.70	$ 141.60
	Sub-Total			$ 96,687.36
	Tax	***ESD - nontaxable. Please type "Electronic Software Delivery" on your PO.***		$ -
	Shipping			No Charge
	Total	**Total Annual Installment**		**$ 96,687.36**

Prices good for 30 days

Pass-Through Warranty and Other Rights. As a reseller, end-user warranties and liabilities (with respect to any third party software products provided by SoftwareONE) shall be provided as a pass-through from the manufacturer of such products. All software products are subject to the license agreement of the applicable software supplier, as provided with the software packaging or in the software at time of shipment.

CITY OF OXNARD CALIFORNIA

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.8

DATE: June 30, 2022

TO: City Council

FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org

SUBJECT: License Agreement A-8457 to Oxnard Housing Authority for use of property located at 1500 Camino Del Sol.

RECOMMENDATION

That the City Council approve and authorize the Mayor to execute License Agreement A-8457 with the Oxnard Housing Authority for the use of property located at 1500 Camino Del Sol in the amount of $564,000 over a term of five years.

(Community Services, Public Safety, Housing & Development Committee approved 3-0 on June 14, 2022.)

BACKGROUND

The City's Multi-Service Center, located at 1500 Camino Del Sol, was originally leased to the Oxnard Housing Authority on July 19, 1994 to assist the Oxnard Housing Authority to obtain a $1 million grant from the United States Department of Housing and Urban Development to implement a Family Investment Center. The proposal was for a five-year program focused on providing self-sufficiency training through supportive services for residents of public housing. When the grant ended, the Oxnard Housing Authority continued the program at a reduced level and a new lease was initiated in July 2001. The Oxnard Housing Authority was also able to operate the building at a reduced cost, compared to what it cost the City to operate the building.

The premises represent a tremendous asset to the La Colonia community and surrounding neighborhoods. For the past two plus decades, the premises have provided an operational base for Resident Services Programs that serve public housing residents. Tenants located at the premises include: Catalyst Family Inc. aka "La Escuelita", Child Development Resources of Ventura County, Inc., New Dawn Counseling and Consulting, Inc., Future Leaders of America, City of Oxnard Colonia mini library, Infinite New Day, Inc., a computer lab, and Colonia Village Tenant Association's office. Staff will be actively marketing the office space available.

Although the premises has rent-paying tenants, those rents have never covered the full operating costs. The 2001 lease provided a $130,000 subsidy from the City General Fund to the Housing Authority for the operation of the site, including landscaping, necessary repairs, administrative costs, and utility services expenses. Over the years, the annual operating subsidy has continued to decrease to the most recent amount of $72,000, which is budgeted in from the General Fund Non-Departmental.

As a result of the pandemic, one of the tenants occupying the largest tenant space closed its offices permanently, a second tenant requested rent relief, and Oxnard Housing Authority has not been able to actively market the vacant space. The unexpected financial losses in FY 2020 - 2021 were covered by exhausting the operating reserves for the premises. Despite receiving $126,732 in rent revenues for the current fiscal year and only completing emergency repairs, there is not sufficient budget in the operating reserves to cover the loss of rent in FY 2021-2022. Therefore, the Oxnard Housing Authority is seeking approval for an increase in subsidy to a total of $184,000 for FY2021-22 (net increase of $112,000). This increased funding will cover the monthly operating expense of $22,000 (grounds keeping, janitorial services, plumbing, electrical, heating, air conditioning, etc.).

Effective July 1, 2022, and in the remaining years of the agreement, the subsidy will be $95,000 annually, which is included in the proposed FY 2022-2023 budget.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

The funding for this item will be from the General Fund Non-Departmental. There is sufficient funding in the FY 2021-22 available budget to fund the net increase of $112,000. Thereafter, the annual net increase of $23,000, to a total of $95,000 annually, will be included in each recommended budget through the end of the contract term.

COMMITTEE OUTCOME

The Community Services, Public Safety, and Housing & Development Committee approved 3-0 on June 14, 2022 to approve the staff recommendation and to forward the item for Council approval. Committee members identified blanks in the agreement that had to be filled in, including in sections 2, 8c., and the agreement number.

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. Multi Service Center License

Agreement A-8457

LICENSE AGREEMENT

THIS LICENSE for use of property located at 1500 Camino del Sol, Oxnard, California (**"License"**) is made and entered into in the County of Ventura, State of California on this 30th day of June, 2022, by and between the Oxnard Housing Authority (**"Licensee"**), and the City of Oxnard, a California municipal corporation (**"Licensor"**), upon the following terms and conditions:

1. Description of Property

Licensor hereby licenses to Licensee, and Licensee hires from Licensor for the term pursuant to the covenants, provisions and conditions set forth herein, the use of an approximate 17,682 square foot building located at 1500 Camino del Sol in Oxnard, California (**"Premises"**). Licensee has previously used the Premises pursuant to a lease dated July 19, 1994, July 1, 2011, and September 1, 2014, and extensions thereof (**"Prior Leases"**). Presently, the Premises are occupied by Licensee and subtenants of Licensee. Most of Licensee's subtenants are public service organizations, providing support for the community and Housing Authority public housing tenants. Licensor and Licensee acknowledge that the subtenants presently occupying the Premises are providing public service to the residents of Oxnard, and that such benefit shall serve as consideration for Licensor's grant of this License.

2. Term

This License shall begin on July 1, 2022, and expire on June 30, 2027, unless sooner terminated pursuant to the provisions of this License, or in accordance with law. This License may be extended by written agreement executed by the City Manager and the Housing Director.

3. Use

The Premises shall be used for the following specified purposes and shall not be used for any other purpose without the prior written consent of the City Manager: Office spaces, library purposes, child care purposes, after school programs, job and training programs, welfare to work programs and other public services programs operated by either Licensee or sublicensees that benefit the residents of Oxnard.

4. Improvements

a. Licensee shall not make, or permit to be made, any alteration to the Premises, or any part thereof, without the prior written consent of the City Manager. The City Manager will not unreasonably withhold consent to any request by Licensee to make reasonable improvements to the Premises. Licensee will not make material changes to the signs identifying the Premises without written consent of the City Manager.

b. Any improvements placed or constructed upon the Premises, or any part thereof, shall be at the sole expense of Licensee. Any addition to or alteration of the Premises, except movable furniture and trade fixtures, shall become a part of the realty and belong to the Licensor.

c. Licensee shall at Licensee's sole expense, provide and maintain any special equipment used by Licensee and make any installation, alteration or improvement required by law or by any governmental authority by reason of Licensee's use of the Premises.

5. Utilities

a. Licensee shall pay for and supply to the Premises the following utilities: Custodial services, water, gas, wastewater, solid waste, electric, and heating and air conditioning for the comfortable use and occupancy of the Premises.

b. Licensee shall provide, at its own expense, telephone service and any other necessary or convenient service for which Licensee may subscribe, including any special utility accessory or connection not regularly provided by Licensor.

6. Indemnity by Licensee

a. To the fullest extent permitted by law, Licensee shall (1) immediately defend; (2) indemnify; and (3) hold harmless the City of Oxnard, its City Council, each member thereof, and its directors, officers, and employees (the **"Indemnified Party"**) from and against all liabilities regardless of nature, type, or cause, arising out of or resulting from or in connection with: (i) Licensee's performance of this License; (ii) Licensee's failure to comply with any of its obligations contained in this License; (iii) the condition of any portion of the Premises subject to use by Licensee and Licensee's employees, staff, consultants, agents, contractors, suppliers, invitees, guests, patrons, licensees, sublicensees, successors and assigns (collectively, **"Licensee's Representatives"**); (iv) Licensee's and Licensee's Representatives' use of any portion of the Premises; or (v) the conduct of Licensee's business operated on or about the Premises or any act or negligence of Licensee, or any of Licensee's Representatives. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. Licensee's obligation to indemnify applies unless it is adjudicated that any of the liabilities covered by this Section are the result of the sole active negligence or sole willful misconduct of the Indemnified Party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of the Indemnified Party, then Licensee's indemnification obligation shall be reduced in proportion to the established comparative liability.

b. The duty to defend is a separate and distinct obligation from Licensee's duty to indemnify. Licensee shall be obligated to defend, in all legal, equitable, administrative, or special proceedings, with counsel approved by the Indemnified Party immediately upon tender to Licensee of the claim in any form or at any stage of an action or proceeding, whether or not liability is established. An allegation or determination of negligence or willful misconduct by the Indemnified Party shall not relieve Licensee from its separate and distinct obligation to defend the Indemnified Party. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes the obligation to provide independent defense counsel if Licensee asserts that liability is caused in whole or in part by the negligence or willful misconduct of the Indemnified Party. If it is finally adjudicated that liability was caused by the comparative active negligence or willful misconduct of the Indemnified Party, Licensee shall submit a claim to the City of Oxnard for reimbursement of reasonable attorneys' fees and defense costs in proportion to the established comparative liability of the Indemnified Party.

c. This Section shall survive the termination of this License. The provisions of this Section shall not be restricted by and do not affect the provisions of this License relating to insurance.

7. Maintenance and Repair

a. Licensee accepts the Premises "as is" and agrees, at Licensee's sole expense, to maintain the Premises and the landscaping immediately surrounding the Premises in neat and clean order and in a condition free from debris and accumulations of waste and fire hazards. Licensee, at its own expense, shall maintain and make all necessary repairs to the Premises, except as otherwise provided below. Licensee may use the "operating subsidy" described below to offset the expenses set forth in this Subsection 7.a.

b. Licensor and Licensee acknowledge that the Premises require new air conditioning, heating, ventilation and roofing systems. Licensee shall maintain existing systems to the extent reasonably possible, however, Licensee shall not be responsible for repair or replacement of major system components which have deteriorated or deteriorate during this License because of age.

c. Licensor shall be responsible for replacement and repair of all exterior utility lines, such as gas, electric, water and sewer lines servicing the Premises. Licensee shall be responsible for maintenance, repair and lighting of the parking facilities adjacent to and servicing the Premises.

d. Licensee shall be liable for the costs of any repairs to the Premises that may be necessary due to Licensee's acts or omissions.

e. Licensee agrees that on the last day of the License term or upon early termination of this License, Licensee will surrender to Licensor, the Premises and appurtenances in the same condition as received, less reasonable use and wear.

f. If Licensee shall fail to perform its duty of maintenance or repair hereunder, Licensor may, following thirty (30) days written notice to Licensee, perform or cause to be performed the maintenance or repair obligations of Licensee hereunder at Licensee's expense.

8. Operating Subsidy

a. Licensor shall pay to Licensee an operating subsidy of $184,000 for Fiscal Year 2021-2022. Thereafter, the operating subsidy shall be adjusted to $95,000 effective July 1, 2022.

b. The operating subsidy together with all revenues received by Licensee from sublicensees and from Licensee's own programs for occupancy of the Premises shall be used only to defray the reasonable and appropriate expenses of operating the Premises, including direct expenses and administrative expenses. Licensee shall provide to Licensor, within 90 days of the end of each year of the term of this License, a summary of expenses paid for the License year and the revenues received. To the extent that revenues exceed expenses, the revenues shall be offset against the operating subsidy for the following year of the License term; provided, however, that Licensee shall be allowed to maintain an operating reserve equal to 8% of the previous year's operating expenses. If at the end of the License term, there is an excess of revenue over expenses and/or there remains any operating reserve, Licensee shall pay such excess, as well as the operating reserve, to Licensor.

c. Licensor shall pay the Fiscal Year 2021-2022 operating subsidy to Licensee by within thirty days. Commencing with July 1, 2022, Licensor shall pay the operating subsidy to Licensee on the first day of the month and, and shall be prorated and paid on a monthly basis, so that 1/12 of the subsidy shall be paid each month.

9. Mechanic's Liens

Licensee shall maintain the Premises free from any liens arising out of any work performed on the Premises for material and labor furnished to the Premises or for any obligation incurred by Licensee.

10. Waste/Quiet Conduct

Licensee shall not permit, or suffer to be committed, any waste upon the Premises, or any nuisance or act which may disturb the quiet enjoyment of any other parties in the vicinity. Licensee shall remove or abate any and all nuisance conditions and cease all actions which may disturb the quiet enjoyment of any other party in the vicinity within twenty-four (24) hours of the date of any written or electronic notification from the Licensor.

11. Insurance

Licensor understands and acknowledges that Licensee is a self-insured public entity. Licensor agrees to accept Licensee's status as satisfactory compliance with Licensor's insurance requirements. In the event Licensee decides to change its insurance status, Licensee agrees to provide Licensor with thirty (30) days advance written notice of the effective date of this change in status. Thereafter, Licensee agrees to provide Licensor with appropriate evidence of insurance coverage(s).

12. Fire Insurance

The maintenance of fire and extended coverage casualty insurance on the Premises and the improvements herein licensed (except fixtures, appliances, equipment and any other items brought into the Premises by Licensee) shall be the responsibility of the Licensor. Following Licensor's notice to Licensee thereof, Licensee shall not permit acts to be done upon the Premises, or uses to be made thereof which will increase the existing rate of fire or extended coverage insurance on the Premises, or any part thereof.

13. Taxes

If any activities carried on by Licensee or Licensee’s sublicensees at the Premises result in the imposition of property or possessory interest taxes, Licensee shall be responsible for the payment of such taxes.

14. Assignment/Sublicensing

Licensee may sublicense all or any part of the Premises to any person or entity, so long as the “Use” provisions of Paragraph 3 hereinabove are not violated. Any sublicensing or assignment which would otherwise violate the “Use” provisions shall require the prior written consent of the City Manager. The City Manager’s consent to any assignment, sublicensing, occupation or use by another person or entity shall not be deemed to be a consent to any subsequent assignment, sublicensing, or grant of permission for use.

15. Licensor’s Regulations

Licensor reserves the right to promulgate and later amend reasonable rules and regulations relating to the occupancy and use of the Premises and appurtenances thereto to promote the maximum and best use of the Premises and the interests of all occupants of portions of the Premises. Licensee shall abide by such regulations and they shall be binding upon Licensee following Licensee’s receipt of a copy of the regulations or later amendments thereto.

16. Condemnation

In case the whole of the Premises or such part thereof as shall be taken by any lawful power or authority by exercise of the right of eminent domain, or sold to prevent such taking, either Licensee or Licensor may terminate this License effective as of the date possession is required to be surrendered to such authority. Licensee shall not because of such taking, assert any claim against Licensor or the taking authority for any compensation because of such taking, and Licensor shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Licensor except as provided below. In the event the amount of the Premises or the type of estate taken shall not substantially interfere with the conduct of Licensee’s business; Licensor shall be entitled to the entire amount of the award without deduction for any estate or interest of Licensee. In such event, Licensor shall promptly proceed to restore the Premises to substantially its condition prior to such partial taking, and a proportionate allowance shall be made to Licensee for the rent corresponding to the time during which, and to the part of the Premises of which, Licensee shall be so deprived on account of such taking and restoration.

17. Parking

Licensee and Licensee’s employees, agents, and invitees shall have the non-exclusive right to use the parking facilities located on the Premises. All parking facilities will be maintained by Licensee.

18. Entry by Licensor

Licensee shall permit Licensor, its agents or employees to enter into and upon the Premises at all reasonable times for the purpose of inspections, or making repairs, alterations or additions to any portion of the Premises which Licensor is required to make without any rebate or liability to

Licensee for any loss of occupation or quiet enjoyment of the Premises occasioned thereby. Licensor agrees that such right of entry shall not be exercised in such a manner as to unreasonably interfere with any business conducted by the Licensee or Licensee's sublicensees on the Premises.

19. Waiver

A waiver by Licensor of any default by Licensee in the performance of any covenant, term or condition of the License shall not constitute or be deemed a waiver of any subsequent or other default. The subsequent acceptance of consideration hereunder by Licensor shall not be deemed to be a waiver of any preceding breach or default by Licensee regardless of Licensor's knowledge of such preceding breach or default at the time of acceptance of such consideration.

20. Notices

Except as otherwise provided, any communications between Licensor and Licensee and notices provided herein are to be given in writing or made by mailing:

To Licensor:

City of Oxnard
300 West Third Street
Oxnard, California 93030
Attention: City Manager

To Licensee:

Oxnard Housing Authority
435 South "D" Street
Oxnard, California 93030
Attention: Housing Director

21. Governing Law

Licensor and Licensee agree that the construction and interpretation of this License and the rights duties of Licensor and Licensee hereunder shall be governed by the Laws of the State of California.

22. Severability

Licensor and Licensee agree that the invalidity in whole or in part of any provision of this License shall not void or affect the validity of any other provision.

23. Successors and Assigns

Licensor and Licensee agree that this License shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Licensor and Licensee.

24. Time of Essence

Licensor and Licensee agree that time is of the essence in regard to performance of any of the terms or conditions of this License.

25. Default

Any breach of any term or condition of this License by Licensee shall constitute a default hereunder.

26. Remedies

In the event of any default by Licensee as defined herein, Licensor may exercise any remedy or right now or hereafter available to Licensor under the laws of the State of California.

27. Amendment

This License may be amended only by a written document signed by both the Licensor and the Licensee.

28. Entire Agreement

Licensor and Licensee agree that this License constitutes the entire agreement of the parties and supersedes all prior communications, agreements and promises either oral or written.

IN WITNESS WHEREOF, Licensor and Licensee each herby represent that each has read this License, understand it, and hereby executes this License.

LICENSOR AND LICENSEE FURTHER ACKNOWLEDGE THAT EACH RECEIVED A COPY OF THIS LICENSE AT THE TIME OF EXECUTING THE SAME.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO LICENSE AGREEMENT

LICENSOR:	**LICENSEE:**
CITY OF OXNARD	OXNARD HOUSING AUTHORITY
APPROVED AS TO FORM:	APPROVED AS TO INSURANCE:
Stephen M. Fischer City Attorney	Rhonda Hodge Housing Finance Officer

CITY COUNCIL AGENDA REPORT

INFORMATION/CONSENT AGENDA
AGENDA ITEM NO. I.9

DATE: June 30, 2022

TO: City Council

FROM: Michael Wolfe, Public Works Director, (805) 385-8055, michael.wolfe@oxnard.org

SUBJECT: Agreement A-8471 with Taft Electric Company for On-Call Traffic Signals Repairs and Maintenance Services, Specification No. PW 22-103.

RECOMMENDATION

That the City Council approve and authorize the Mayor to execute Agreement A-8471 with Taft Electric Company in the amount of $300,000 for a three year term for On-Call Traffic Signals Repairs and Maintenance Services, Specification No. PW 22-103.

(Public Works and Transportation Committee approved 3-0)

BACKGROUND

The On-Call Traffic Signal Services will provide City Traffic Engineering staff with much-needed support during day-to-day operations, and emergency issues. The on-call contractor will supplement staff's capabilities with the ability to perform repairs that City staff does not have the capacity or the equipment to perform. Further, during emergency situations, the on-call contract will respond within 1 hour to an incident to make repairs, assisting City staff at locations where traffic collisions damage signal equipment, or where equipment has failed.

This will be a not-to-exceed agreement amount up to $300,000 and the term will be for three years. All work will be issued through task orders at the direction of the City Traffic Engineer. The work under this agreement will be at prevailing wage rates through task orders issued prior to the start of any work. The work includes furnishing all labor, materials, equipment and other incidentals to provide on-call traffic signals repairs, maintenance, replacement, construction and electrical services as directed by City staff.

Projects to be completed by Contractor are categorized as follows:

Non-Scheduled Urgent Repair Work

Contractor must verbally respond within 30 minutes of telephone notification by the City. Contractor must be on the site within one hour of the notification and begin work immediately. Urgent repairs are those where public interest and necessity demand the immediate response to avoid harm to or to safeguard life, health or property.

Scheduled Repair and Maintenance Work

Contractor must verbally respond within four hours of telephone notification by the City. The scope of work and schedule shall be mutually agreed to between City staff and the Contractor before work begins. Work under this category shall be planned and scheduled Monday through Friday between the hours of 8:00 am and 5:00 pm unless otherwise agreed to by the City.

DISCUSSION

The notice inviting formal bids (NIFB) on the Project was published on April 28, 2022, and all bids were due on May 17, 2022. The City received the following bid which is based on a summary of hourly rates for various services and equipment:

Taft Electric Company: $3,346.04

The lowest (and only) bidder is Taft Electric Company (Taft) and its bid is responsive to the City's NIFB. Following this determination, procurement staff reviewed all documentation received from Taft. Procurement staff verified possession of required currently valid licenses, reviewed the federal Occupational Safety and Health Administration (OSHA) website for safety violations, and verified registration with the California Department of Industrial Relations (DIR). Based upon the available information and research performed to date, staff believes that the contractor is capable of satisfactorily completing the project. Thus, staff recommends that the City Council award the contract for this Project to Taft. Additionally, although there was only a single bidder for this project, City staff recommends moving forward with the award as this was anticipated due to the highly specialized nature of the work and lack of contractors within Ventura County that have the ability to respond to urgent work within the allotted timeframes.

STRATEGIC PRIORITIES

This agenda item supports the Infrastructure and Natural Resources strategy. The purpose of the Infrastructure and Natural Resources strategy is to preserve and improve our roads, utilities, parks, trees, water supply and natural resources through effective planning, prioritization, and an equitable and efficient use of available funding.

FINANCIAL IMPACT

The total cost for this agreement with Taft Electric Company shall not exceed $300,000 over three years commencing in Fiscal Year 2022-23. Staff has projected the annual budget for this work of approximately $100,000 per year. Funds for Fiscal Year 2022-23 have been included in the Proposed Budget in the General Fund Traffic Signal Maintenance Division (Account No. 101-3102-803-8209) for these on-call services.

COMMITTEE OUTCOME

The Public Works and Transportation Committee approved 3-0 on June 14, 2022 to approve the staff recommendation and to forward the item for Council approval.

Prepared by: Tatiana Arnaout, City Engineer

ATTACHMENTS

1. A-8471

CITY OF OXNARD CONTRACT FOR ON-CALL TRAFFIC SIGNALS REPAIRS AND MAINTENANCE SERVICES SPECIFICATION NO. PW 22-103

THIS CONTRACT ("Contract") is made and entered this ______ day of _____________, 2022 ("Effective Date"), by and between the CITY OF OXNARD, a California municipal corporation ("City") and TAFT ELECTRIC COMPANY ("Contractor"). Contractor's license number is 772245.

In consideration of the covenants set forth herein, the parties hereto agree as follows:

1. Incorporation. The Contract consists of all Contract Documents, which shall include the General Provisions, Special Provisions and all documents referenced in either the General or Special Provisions as well as the Contractor's Bid Response. These documents are incorporated herein by reference.

2. Scope of Services. Contractor shall perform all Tasks in a good and workmanlike manner for the project identified as On-Call Traffic Signals Repairs and Maintenance Services Specification No. PW 22-103 ("Project"), as described in this Contract and in the Contract Documents, throughout the Contract Term. The Bid Sheets from the Contractor's Bid Response are attached hereto as "Exhibit A" and incorporated herein by this reference. The Special Provisions from the Contract Documents are attached hereto as "Exhibit B" and incorporated herein by this reference.

3. Compensation. In consideration of the services rendered pursuant to the requirements listed in the Contract Documents, City shall pay Contractor for each Task in accordance with the Contract Unit Prices submitted in the Bid and included in the attached Exhibit A, which in any case shall not exceed three hundred thousand dollars ($300,000) during the Contract Term.

4. Contract Term. The Contract Term shall begin on the Effective Date and end three (3) years thereafter, unless sooner terminated pursuant to the Contract Documents.

5. Antitrust Claims. In entering into this Contract, Contractor assigns to City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Business and Professions Code Section 16700 *et seq*.) arising from purchases of goods, services, or materials pursuant to the Contract Documents. This assignment shall be made and become effective at the time City tenders final payment to Contractor without further acknowledgment by the parties.

6. Prevailing Wages. City and Contractor acknowledge that the Tasks comprising the Project are public works to which prevailing wages apply. Once the Project Manager issues a Task Order, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the corresponding Task will be on file with the Project Coordinator at City Hall and will be made available to any interested party on request. Contractor and all Subcontractors are not qualified to bid on, be listed in a Bid proposal, or engage in the performance of any contract for public work, as defined in Labor Code Sections 1720 through 1861, unless registered and qualified to perform public work pursuant to Labor Code Section 1725.5 at the time of Bid submission.

7. Workers' Compensation. Labor Code Sections 1860 and 3700 provide that every contractor will be required to secure the payment of compensation to its employees. In accordance with the provisions of Labor Code Section 1861, by signing this Contract, the Contractor certifies as

follows: “I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract.”

8. Titles. The titles used in this Contract are for convenience only and shall in no way define, limit or describe the scope or intent of this Contract or any part of it.

9. Authority. Any person executing this Contract on behalf of Contractor warrants and represents that he or she has the authority to execute this Contract on behalf of Contractor and has the authority to bind Contractor to the performance of its obligations hereunder.

10. Entire Agreement. This Contract, including all incorporated documents, constitutes the entire agreement between the parties hereto with respect to the Project and all related Tasks and supersedes all previous agreements, promises, proposals, representations, understandings and negotiations, whether written or oral, between the parties regarding the subject matter.

11. Amendment. No modification, amendment or supplement to this Contract other than Change Orders or Task Orders shall be binding unless made in writing and signed by the duly authorized representatives of both parties.

12. Counterparts. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signed copy of this Contract transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Contract for all purposes. This provision shall likewise apply to all Task Orders and other Contract Documents.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the first written above.

CITY OF OXNARD

☒ John C. Zaragoza, Mayor[1] Date
☐ Alexander Nguyen, City Manager
☐ Jennifer Yates, Purchasing Manager
☐ [name] , Buyer

ATTEST:

Rose Chaparro, City Clerk (only if Mayor signs) Date

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney (always required) Date

TAFT ELECTRIC COMPANY

Jim Marsh, CEO[2] Date

Carol Smith, Secretary Date

[1] The City Council must authorize and the Mayor must sign any agreement over $200,000 annually. The City Manager may authorize and sign any agreement over $100,000 but up to $200,000 annually. The Purchasing Manager may authorize and sign any agreement up to $100,000 annually. A Buyer may authorize and sign any agreement up to $25,000 annually.

[2] The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC (company directors, not lower-level managers); or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

Exhibit INS-D

INSURANCE REQUIREMENTS FOR SMALL/MEDIUM CONSTRUCTION AND SERVICES CONTRACTS (WITHOUT BUILDER'S RISK REQUIREMENT)

1. Contractor shall obtain and maintain during the performance of any services under this Contract the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Contractor, its agents, representatives, employees or subcontractors.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project location or shall be twice the occurrence amount;

b. Business Automobile Liability Insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

c. If architectural, engineering, or electrical work will be performed under the Contract, Professional Liability/Errors and Omissions Insurance appropriate to the work being done in an amount not less than $1,000,000, with neither Contractor nor listed subcontractors having less than $500,000 individually. The Professional Liability/Errors and Omissions Insurance must be project specific with at least a one-year extended reporting period, or longer upon request.

d. Workers' Compensation Insurance in compliance with the laws of the State of California, and Employer's Liability Insurance in an amount not less than $1,000,000 per claimant.

2. Contractor shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-D. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be sent via email (or fax if necessary) to the Risk Manager, addressed as follows (do not send hard copies):

City of Oxnard
Insurance Compliance
Reference No. _A-8471
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

3. Contractor agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Contractor agrees that the Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-D or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages **(this must be endorsed).** Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall

apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Contractor shall also be applicable to Contractor's subcontractors. Contractor agrees to maintain appropriate agreements with subcontractors and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.**

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the attached.

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
CODE SUB-CODE	**COMPANIES AFFORDING INSURANCE COVERAGE**
INSURED	COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE
	COMPANY LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	**GENERAL LIABILITY** [x] COMMERCIAL GENERAL LIABILITY [x] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE $1,000,000 PRODUCTS COMP/OP AGG. $1,000,000 PERSONAL & ADV. INJURY $1,000,000 EACH OCCURRENCE $1,000,000 FIRE DAMAGE (Any one fire) $ MED. EXPENSE (Any one person) $
A	**AUTOMOBILE LIABILITY** [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT $1,000,000 BODILY INJURY (Per person) $ BODILY INJURY (Per accident) $ PROPERTY DAMAGE $
A	**EXCESS LIABILITY** UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE $ AGGREGATE $
A	**WORKERS' COMPENSATION** AND EMPLOYERS' LIABILITY				STATUTORY LIMITS EACH ACCIDENT $1,000,000 DISEASE-POLICY LIMIT $1,000,000 DISEASE-EACH EMPLOYEE $1,000,000
A	**OTHER** Errors and omissions insurance or malpractice insurance available for the insured's profession; if architectural, engineering or electrical work will be performed under the Agreement				Minimum coverage $1,000,000 Each consultant/ & listed sub-consultant $500,000

SAMPLE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER **CITY OF OXNARD** **Attn: Insurance Compliance** **Reference No.** A-8471 **P.O. Box 100085 – OX** **Duluth, GA 30096** **Via Email:** cityofoxnard@ebix.com **Via Fax: 678-259-1007**	**CANCELLATION** SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~ AUTHORIZED REPRESENTATIVE

GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER
Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits
☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ ____________________
with an Aggregate of $__________ applies to ____________________
coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
☐ COMMERCIAL GENERAL LIABILITY ☐ Claims Made
☐ COMPREHENSIVE GENERAL LIABILITY Retroactive Date ____________________
☐ OWNERS & CONTRACTORS PROTECTIVE ☐ Occurrence

OTHER PROVISIONS

COVERAGES

	LIABILITY LIMITS IN THOUSANDS $	
	EACH OCCURRENCE	AGGREGATE
☐ GENERAL ☐ PRODUCTS/COMPLETED OPERATIONS ☐ PERSONAL & ADVERTISING INJURY ☐ FIRE DAMAGE ☐ ____________________ ☐ ____________________		

Underwriter=s representative for claims pursuant to this insurance.

CLAIMS:
Name:_____
Address:
Telephone: ( )

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
   b. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Insurance Compliance
Reference No. A-8471
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

AUTHORIZED REPRESENTATIVE
☐ Broker/Agent ☐ Underwriter ☐ ____

I ____________________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ____________________
(original signature required)

Telephone: ( ) Date Signed ____________________

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

SAMPLE

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits
☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ ____________
with an Aggregate of $____________ applies to ____________
coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

☐ COMMERCIAL AUTO POLICY
☐ BUSINESS AUTO POLICY
☐ OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

$ ____________ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: ____________

Address:__

____

Telephone: ()____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
   b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Insurance Compliance
Reference No A-8471
P.O. Box 100085 – OX
Duluth, GA 30096
Via Email: cityofoxnard@ebix.com
Via Fax: 678-259-1007

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ ____________

I ____________ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ____________
(original signature required)

Telephone: ( ) Date Signed ____________

Bond No. __________

PAYMENT BOND
(LABOR AND MATERIALS)

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Oxnard ("Agency"), State of California, has awarded to _________
____
____("Principal")
(Name and address of Contractor)

a contract (the "Contract") for the Work described as On-Call Traffic Signals Repairs and Maintenance Services, Specification No. PW 22-103 (the "Project").

WHEREAS, under the terms of the Contract, the Principal is required before entering upon the performance of any Work, to file a good and sufficient Bond with the Agency to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code.

NOW, THEREFORE, we, the undersigned Principal, and ________________________________
____
____
(Name and address of Surety)

a corporation organized and existing under the laws of the State of _________________ ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, and our heirs, assignees, successors, executors and administrators are held and firmly bound, jointly and severally, unto the Agency and all Contractors, Subcontractors, laborers, material suppliers, and other persons employed in the performance of the Contract and any Task related to the Contract and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the penal sum of ____ Dollars ($________________), this amount being not less than a hundred percent (100%) of the total not to exceed Contract Price, in lawful money of the United States of America, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this Work or labor that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this Bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Agency in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this Bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this Bond.

The Project shall be considered "accepted" for the purposes of triggering Bond deadlines at the Contractor's final completion of all Tasks, the City's acceptance of all Tasks, and the end of the Contract Term, whichever occurs last. Upon expiration of the time within which the California Labor Commissioner may serve a civil wage and penalty assessment against the principal, any of its Subcontractors, or both the principal and its Subcontractors pursuant to Labor Code Section 1741, and upon expiration of the time within which a joint labor management committee may commence an action against the principal, any of its subcontractors, or both the principal and its subcontractors pursuant to Labor Code Section 1771.2, if the condition of this Bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract, including all incorporated documents, shall in any manner affect its obligations on this Bond. The Surety hereby waives notice of any such change, extension, alteration, or addition. Additionally, the Surety hereby waives California Civil Code Sections 2845 and 2849 as well as any statutes of limitation, statutes of repose and laches as they may apply to an action on this Bond.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: ______________________________

"Principal"	"Surety"
____________________________________	____________________________________
____________________________________	____________________________________
By: ________________________________	By: ________________________________
Its: __________________________	Its: __________________________
By: ________________________________	By: ________________________________
Its: __________________________	Its: __________________________
(Seal)	*(Seal)*

Note: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. The date of the Bond must not be before the Contract's Effective Date. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of California.

Bond No. __________

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Oxnard ("Agency"), has awarded to ______________________________
____
____ ("Principal")
(Name and address of Contractor)

a contract (the "Contract") for the Work described as On-Call Traffic Signals Repairs and Maintenance Services, Specification No. PW 22-103 (the "Project").

WHEREAS, Principal is required under the terms of the Contract to furnish a Bond for the faithful performance of the Contract.

NOW, THEREFORE, we, the undersigned Principal, and ______________________________
____
____,
(Name and address of Surety)

a corporation organized and existing under the laws of the State of __________________ ("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the Agency in the penal sum of ______________________________ ____Dollars ($______________________), this amount being not less than a hundred percent (100%) of the total not to exceed Contract Price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, assigns, successors, executors and administrators, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal, his, her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the Contract and any alteration thereof made as therein provided for all Tasks, on the Principal's part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Agency, its officers, agents and employees, as therein stipulated, within the Contract Term, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Agency in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered. Surety hereby waives any statutes of limitation, statutes of repose and laches as they may apply to an action on this Bond.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract, including all incorporated documents, or of the Work to be performed under any Task Order shall in any way affect the Surety's obligations under this Bond. The Surety hereby waives notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Work in any Task Order. Surety hereby waives

California Civil Code 2845 and 2849. The City is the principal beneficiary of this Bond and has all rights of a party hereto.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety, on the date set forth below, the name of each party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: ______________________________

"Principal"	"Surety"
______________________________	______________________________
______________________________	______________________________
By: ______________________________	By: ______________________________
Its: ______________________________	Its: ______________________________
By: ______________________________	By: ______________________________
Its: ______________________________	Its: ______________________________
(Seal)	*(Seal)*

Note: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. The date of Bond must not be before the Contract's Effective Date. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State of California.

CITY OF OXNARD

BID SHEETS FOR ON-CALL TRAFFIC SIGNALS REPAIRS AND MAINTENANCE SERVICES SPECIFICATION NO. PW 22-103

Bidder's Name: Taft Electric Company

To the Honorable Mayor and Members of the City Council:

In compliance with the Notice Inviting Bids, the undersigned hereby agrees to execute the Contract to furnish all labor, equipment and supplies for the Tasks comprising the Project in accordance with the Contract Documents to the satisfaction and under the direction of the Project Manager at the following prices:

ITEM NO.	DESCRIPTION	UNIT	**Scheduled Work Hourly Rate Monday-Friday 8:00 am - 5:00pm** 4 hour response time**	**Unscheduled Urgent Work Hourly Rate Monday-Friday 8:00 am - 5:00pm** 1 hour response time**	**Unscheduled Urgent Work Hourly Rate Monday-Friday 5:01pm - 7:59 am, weekends and holidays** 1 hour response time**	Total of hourly rates
1.	Crane Boom Truck	HR	$80.68	$80.68	$80.68	$242.04
2.	Backhoe	HR	$69.00	$69.00	$69.00	$207.00
3.	Bucket Truck	HR	$41.45	$41.45	$41.45	$124.35
4.	Utility Truck	HR	$42.46	$42.46	$42.46	$127.38
5.	Wire Trailer	HR	$2.08	$2.08	$2.08	$6.24
6.	Loop Saw	HR	$43.70	$43.70	$43.70	$131.10
7.	Hot Melt Trailer	HR	$14.95	$14.95	$14.95	$44.85
8.	Air Compressor	HR	$20.90	$20.90	$20.90	$62.70
9.	Boring Machine	HR	$299.00	$299.00	$299.00	$897.00

ITEM NO.	DESCRIPTION	UNIT	Scheduled Work Hourly Rate Monday-Friday 8:00 am - 5:00pm 4 hour response time**	Unscheduled Urgent Work Hourly Rate Monday-Friday 8:00 am - 5:00pm 1 hour response time**	Unscheduled Urgent Work Hourly Rate Monday-Friday 5:01pm - 7:59 am, weekends and holidays 1 hour response time**	Total of hourly rates
10.	Electrician	HR	$115.29	$195.68	$243.64	$554.61
11.	Traffic Technician	HR	$108.12	$185.02	$229.42	$522.56
12.	Laborer	HR	$91.30	$153.37	$181.54	$426.21
					Total Bid Price	$3,346.04

Note: No adjustment in the Contract Unit Prices will be allowed. The cost of all labor, export of material and other costs shall be included in the above Contract Unit Prices; no additional compensation will be granted for such expenses.

BID PRICE IN DIGITS: $ 3,346.04

BID PRICE IN WORDS: Three thousand three hundred forty-six dollars 04/100

Bidder acknowledges receipt of all addenda

Addendum:	Date Received:	Addendum:	Date Received:
#01	______	#03	______
#02	______	#04	______

Bidder's Name (Company): Taft Electric Company

Signature: ______ Title: Executive Vice President

Print: James R. Eddy Date: 5/16/2022

Signature: ______ Title: CEO

Print: James Marsh Date: 5/16/2022

SPECIAL PROVISIONS

ON-CALL TRAFFIC SIGNAL REPAIRS AND MAINTENANCE SERVICES
SPECIFICATION NO. PW 22-103

1000 Scope and Location of Services

The Contractor shall furnish all necessary labor, materials, equipment and other incidental and appurtenant Work to repair, maintain, replace, construct, and service traffic signals, detectors, fiber and twisted-pair traffic signal interconnects as requested through Task Order and at locations throughout the City of Oxnard as directed by the Project Manager. Such services may include but are not limited to:

1. Inspect traffic signal equipment and identify required maintenance needs.
2. Repair, maintain, or replace worn, damaged, or potentially faulty components in signal cabinets.
3. Repair, maintain, or replace signal cabinets and/or components that exceed the useful life.
4. Repair, maintain, or replace signal poles, including foundations and standard required underground work.
5. Repair, maintain, or replace broken traffic signal conduits.
6. Repair, maintain, or replace traffic signal wiring.
7. Repair, maintain, or replace traffic signal detector loops.
8. Repair, maintain, or replace video detection equipment.
9. Repair, maintain, or replace fiber and/or twisted pair traffic signal interconnect and conduit. For any fiber activity, Contractor shall be required to provide certification or subcontractor certified to work on fiber optic cables and equipment.
10. Any Work on service pedestals shall include reinstating electrical power to that service pedestal.
11. Provide temporary signaling equipment.
12. Obtain all necessary permits to complete any Task Order.

All Work shall comply with the City of Oxnard Traffic Signal Specifications which may be located at:
https://www.oxnard.org/wp-content/uploads/2022/04/2020-Oxnard-Traffic-Signal-Specifications.pdf

1000-1 Schedule and Response Time

Contractor shall respond to all requests as required, 24 hours per day, 365 days per year, including holidays. All costs for labor for these requests shall be included in the Bid sheets. Response time by the Contractor shall be as stated below:

1. Non-Scheduled Urgent Repair Work:

   Contractor must verbally respond within thirty (30) minutes of telephone notification by the City. Contractor must be on the site within one (1) hour of the notification and begin Work immediately. Urgent repairs are those where public interest and necessity demand the immediate expenditure of public money to avoid harm to or to safeguard life, health or property.

2. Scheduled Repair and Maintenance Work:

Contractor must verbally respond within four (4) hours of telephone notification by the City. The scope of Work and schedule shall be mutually agreed to between City staff and contractor before Work begins. Work under this category shall be planned and scheduled Monday through Friday between the hours of 8:00 am and 5:00 pm unless otherwise agreed to by the City.

1000-2 Contractor Requirements

Contractor's field electricians shall be California Certified Electricians per the Division of Apprenticeship standards. A State certified electrician shall be present during any electrical Work.

1000-3 Payment

All Work will be pre-approved by a Task Order issued by the Project Manager prior to starting Work. Rates for the Work performed under each Task Order shall not exceed the rates specified in the Bid Sheets attached hereto as Exhibit A. The Task Order may include all materials, labor, and taxes; if it does not, the Contractor shall clarify any missing information before commencing Work. A separate invoice is required for each Task Order issued pursuant to the Contract. Contractor's markup on the purchase of materials or rental of equipment used for each Task Order shall not exceed fifteen percent (15%) of the Contractor's costs. If a permit is required to complete any Task Order, then Contractor may invoice for the actual permit cost and Contractor's markup which shall not exceed fifteen percent (15%) for Contractor's cost to obtain the permit. Contractor is required to itemize hours worked, materials used, and number of hours and type of rented equipment used to complete each Task Order. Contractors invoice shall include such itemizations along with backup evidencing the basis for the fifteen percent (15%) markup on purchased materials, equipment rental and permits.

Contractors hourly rate shall only include time spent at the location of service. The City shall not pay for time spent on route or traveling to acquire parts or supplies unless pre-approved by the Project Manager and stated in the Task Order.

CITY OF
OXNARD
CALIFORNIA

CITY COUNCIL AGENDA REPORT

REPORTS
AGENDA ITEM NO. J.1

DATE: June 30, 2022

TO: City Council

FROM: Betsy George, Chief Financial Officer, (805) 200-5400, betsy.george@oxnard.org

SUBJECT: Resolution of City Council and Oxnard Financing Authority Approving the Issuance of Up to $17,400,000 in Principal of 2022 Local Obligation Revenue Refunding Bonds to Refund the Series 2012 Bonds. (10/5/5)

RECOMMENDATION

That the City Council and City of Oxnard Financing Authority Board approve and authorize the following:

1. Resolution of the City Council of the City of Oxnard approving a first amendment to local agency financing documents and the execution of certain certificates relating to the issuance by the City of Oxnard Financing Authority of refunding revenue bonds for the purpose of refunding its outstanding Series 2012 Bonds.

2. Resolution of the Board of Directors of the City of Oxnard Financing Authority authorizing the sale, issuance, and delivery of not more than $17,400,000 in principal amount of Local Obligation Revenue Refunding Bonds (Special District Bond) and approving certain documents and authorizing certain actions in connection therewith.

(Finance and Governance Committee approved 3-0.)

Presentation live upon Consultant's request.

BACKGROUND

In 2012, the City of Oxnard Financing Authority ("Authority" or "City") issued 2012 Local Obligation Revenue Bonds ("LOIBs"), Series A Senior Lien Bonds and Series B Subordinate Lien Bonds (the "2012A Bonds" and "2012B Bonds," respectively). The 2012A Bonds had an original par of $19,505,000 and the 2012B Bonds had an original par of $9,060,000. Combined, they have an outstanding balance of $18,765,000. This balance reflects some early prepayments by taxpayers within the underlying Assessment District and Community Facilities Districts. The 2012A and 2012B Bonds were issued to purchase prior obligations that refunded the 2002 Assessment District No. 2001-1 Bonds, 2002 CFD No. 1 Bonds, and 2003 CFD No. 2000-3 Bonds. The 2012A and 2012B Bonds have a final maturity of September 2, 2033, and a first optional redemption of September 2, 2022. The 2012A Bonds have an S&P rating of "A-". The 2012B Bonds are non-rated.

The City's financing team recently completed a competitive bidding process and received several bids from national banks. City National Bank (the "Bank"), came in with the most advantageous bid, quoting 3.22% for the refinancing with a 60-day rate lock. This locked rate mitigates interest rate risk since the rate will remain at 3.22% through mid-July regardless of how the underlying market indexes perform during that period.

<u>Refunding Analysis and Structure</u>
Based on the locked interest rate provided by the Bank, the City can refund the 2012A and 2012 Bonds with the 2022 Local Obligation Revenue Refunding Bonds ("2022 Bonds") to achieve interest rate savings. The annual cash flow

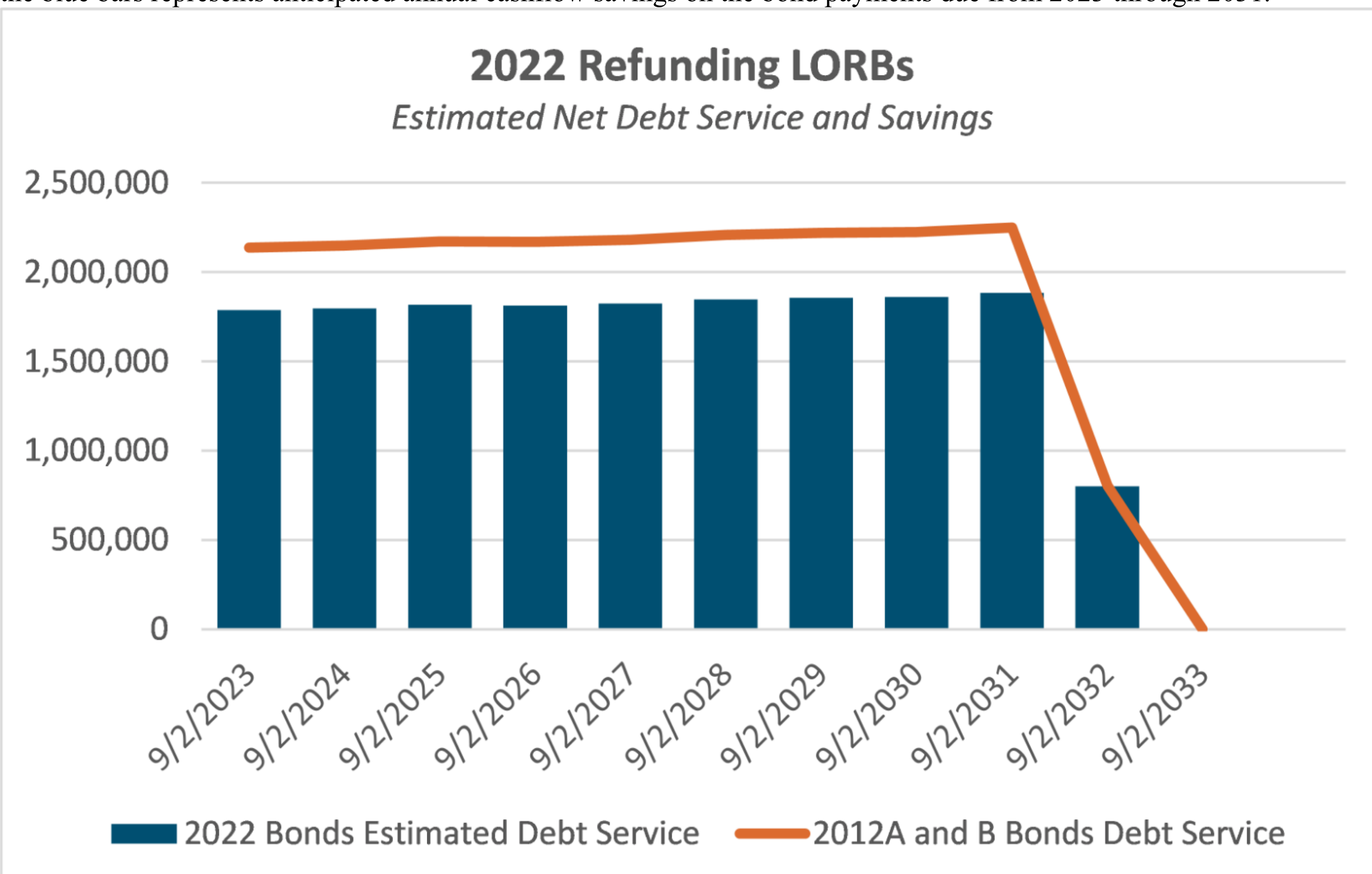
savings are estimated to average $350,000 per year from 2023 through 2031. This equates to $1.3 million in net present value savings (over 6.8% of refunded par).

All savings will be credited against the assessment and special tax levies to the benefit of property owners in Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange), CFD NO. 1 (Westport at Mandalay Bay), and CFD No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange). The $350,000 average annual savings from 2023 through 2031 represents an annual tax levy reduction of almost 16%.

The 2022 Bonds will preserve the current aggregate structure of the 2012A and 2012B Bonds, with the total debt service escalating at an average of 1% per year. The final maturity on the 2022 Bonds will remain 9/2/2033 (same final maturity as the 2012A/B Bonds).

Relative to the structure of the 2012A and 2012B Bonds, the 2022 Bonds will be sold as one series that refunds both of those prior series. Accordingly, the senior/subordinate structure is no longer needed given the development that has occurred within the Assessment District and Community Facilities Districts since the 2012A and 2012B Bonds were sold.

In the graph below, the blue bars represent the anticipated debt service on the 2022 Bonds, while the orange line represents the combined debt service on the 2012A and 2012B Bonds. The amount by which the orange line is higher than the blue bars represents anticipated annual cashflow savings on the bond payments due from 2023 through 2031.



<u>Summary of Legal Documents</u>

The issuance of the 2022 Bonds will require the Board of the City of Oxnard Financing Authority to approve resolutions and authorize an Indenture of Trust, a Placement Agent Agreement, and Irrevocable Refunding Instructions. The 2022 Bonds also require the City Council to approve the First Amendments to the Local Agency Financing Documents. Those legal documents are briefly summarized below:

> **Authorizing Resolutions** - the Authorizing Resolutions authorize the legal documents and also authorize City staff to execute those legal documents for the 2022 Bonds. It also authorizes City staff to finalize the 2022 Bonds provided the issuance is within not-to-exceed parameters of $17,400,000 principal, 3.25% true interest cost, and a

maximum term of 9/2/2033. These not-to-exceed parameters are based on the term sheet provided by the Bank. A refunding with these parameters would result in 6.8% net present value savings, well above the minimum 3% net present value savings minimum identified under the City's adopted debt management policy.

Indenture of Trust - the Indenture of Trust formalizes the relationship between the City of Oxnard Financing Authority (issuing the 2022 Bonds) and Computershare Trust Company, N.A. as trustee for the 2022 Bonds. The Indenture describes the terms of the 2022 Bonds, including the payment terms and schedule, prepayment options, other covenants related to the 2022 Bonds, and other administrative items.

Placement Agent Agreement – the Placement Agent Agreement between the City and Piper Sandler & Co. ("Piper Sandler"), which is acting as placement agent for the 2022 Bonds. This agreement defines Piper Sandler's role in placing the 2022 Bonds with the bank and identifies the amount to be paid to Piper Sandler for services provided in that role. This fee is contingent upon a successful closing of the 2022 Bonds.

Irrevocable Refunding Instructions - the Irrevocable Refunding Instructions provide detailed instructions to Computershare Trust Company regarding the process of refunding the 2012A and 2012B Bonds. As such, it details the establishment of required funds, the application of monies toward refunding the 2012A and 2012B Bonds, and logistical items related to required noticing and escrow management for the 2012A and B Bonds.

First Amendment to Local Agency Financing Documents – the First Amendment to Local Agency Financing Documents amends the original 2012 documents to instead refer to the 2022 Bonds and documents. The Authority and underlying special districts and assessment district pledge repayment of the 2022 Bonds just as repayment of the 2012A and 2012B Bonds was originally pledged under the original Local Agency Financing Documents.

Anticipated Timing

If Council and the Financing Authority approve this item, the anticipated schedule for the 2022 Bonds is outlined below:

Timeline	Task
Mid-July 2022	Close 2022 Refunding Bonds, funds transferred into escrow
September 2, 2022	Refund 2012A and 2012B Bonds

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

The 2022 Bonds are expected to result in approximately $350,000 average annual savings from September 2023 to September 2031. In present value terms, this equals approximately $1.3 million in savings net of all costs of issuing the bonds, including a City fee to compensate the City's general fund for staff time associated with working on the refunding on behalf of taxpayers.

The savings mentioned here will be enjoyed by taxpayers within Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange), CFD NO. 1 (Westport at Mandalay Bay), and CFD No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange). The taxpayers will see these savings starting with fiscal year 2023-24 tax levies.

COMMITTEE OUTCOME

The Finance and Governance Committee approved 3-0 on May 10, 2022, to approve the staff recommendation and to forward the item for Council approval.

Prepared by: NHA Advisors

ATTACHMENTS

1. Oxnard 2022 LORBs - Resolution of the City-c1 (1).v2
2. Oxnard 2022 LORBs - Resolution of the Authority-c1 (1).v2
3. Oxnard 2022 LORBs - Irrevocable Refunding Instructions-c1-c1
4. Oxnard 2022 LORBs - Indenture of Trust-c1-c1.v2
5. Oxnard 2022 LORBs - First Amendment to Local Agency Financing Documents-c1-c1
6. (Updated) 2022 LORBs Presentation - 6.30.22 City Council 220603

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _________

RESOLUTION OF THE CITY COUNCIL OF CITY OF OXNARD APPROVING A FIRST AMENDMENT TO LOCAL AGENCY FINANCING DOCUMENTS AND THE EXECUTION OF CERTAIN CERTIFICATES RELATING TO THE ISSUANCE BY THE CITY OF OXNARD FINANCING AUTHORITY OF REFUNDING REVENUE BONDS FOR THE PURPOSE OF REFUNDING ITS OUTSTANDING SERIES 2012 BONDS

WHEREAS, the City of Oxnard Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), has the authority, among other things, pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California) (the "Act"), to incur indebtedness for the purpose of financing and refinancing capital projects of the City; and

WHEREAS, the Authority issued its $19,505,000 City of Oxnard Public Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series 2012A Bonds"), and its $9,060,000 City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series 2012B Bonds", and together with the Series 2012A Bonds, the "Series 2012 Bonds," for the purpose of acquiring (i) the $11,835,000 City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 (the "AD Bonds"), (ii) the $8,750,000 Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds (the "CFD No. 1 Bonds"), and (iii) the $7,980,000 City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012 (the "CFD No. 2000-3 Bonds" and, together with the AD Bonds and the CFD No. 1 Bonds, the "Acquired Obligations") issued by the City, CFD No. 1, and CFD No. 2000-3, respectively, to refund certain Assessment District, CFD No. 1, and CFD No. 2000-3 bond issues, the Authority has determined to issue its 2022 Local Obligation Revenue Refunding Bonds (Special District Bond) (the "2022 Authority Bonds"); and

WHEREAS, as part of the issuance of the Series 2012 Bonds, and to secure the repayment thereof, the Authority purchased and acquired, among other special tax bonds, the Acquired Obligations, pursuant to the provisions of the Bond Law, the Mello-Roos Act and separate Fiscal Agent Agreements, each dated as of August 1, 2012, by and between the City or respective CFD and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, N.A. (the "Bank"), as fiscal agent (the "Fiscal Agent Agreements") (collectively, the "Local Agency Financing Documents"); and

WHEREAS, pursuant to the Indenture of Trust for the 2022 Authority Bonds, the 2022 Authority Bonds will be secured by the same pledge of funds derived from the Acquired Obligations and Local Agency Financing Documents, defined below, which Acquired Obligations will remain outstanding and in the ownership and possession of the Authority, held through the Bank, as trustee, and will not be re-issued or refunded; and

WHEREAS, the Authority proposes to enter into an Indenture of Trust (the "Indenture") by and between the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee"), to provide for the issuance of the 2022 Authority Bonds; and

WHEREAS, the Local Agency Financing Documents contain certain references to the Series 2012 Bonds and the 2012 Indenture, and the Local Agency Financing Documents shall be amended upon the issuance of the 2022 Authority Bonds to reference the 2022 Authority Bonds and Indenture; and

WHEREAS, in order to accommodate the pledge and assignment of the Acquired Obligation to the payment of the 2022 Authority Bonds, as set forth in the Indenture, there has been presented to the Board a form of First Amendment to Local Agency Financing Documents to be entered into among the Authority, the City, Certain Community Facilities Districts of the City of Oxnard, and Computershare Trust Company, N.A., as Fiscal Agent (the "Fiscal Agent") which agreement amends provisions of the documents relating to the Series 2012 Bonds in the Local Agency Financing Documents; and

NOW, THEREFORE, the City Council of the City of Oxnard resolves as follows:

Section 1. Findings. This Council finds that the preceding recitals are true and correct.

Section 2. Approval of First Amendment to Local Agency Financing Documents; Execution of Certificates. The form of the First Amendment to Local Agency Financing Documents as presented to this City Council, together with any changes therein or additions thereto which are deemed advisable by the Mayor, the Mayor Pro Tem, the City Manager, or Chief Finance Officer, upon consultation with Best Best & Krieger LLP, Bond Counsel, are hereby authorized and directed for and in the name and on behalf of the City to execute the final form of the First Amendment to Local Agency Financing Documents, together with any certificates in connection with the delivery of the 2022 Authority Bonds.

Section 3. Official Actions. The Officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, provide certificates of representations which they, or any of them, may deem necessary or advisable in the issuance, sale and delivery of the 2022 Authority Bonds.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 30th day of June, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

____
John C. Zaragoza, Mayor

ATTEST:

____
Rose Chaparro, City Clerk

APPROVED AS TO FORM:

____
Stephen Fischer, City Attorney

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.
CITY OF OXNARD)

I, Rose Chaparro, City Clerk of the City of Oxnard, do hereby certify the above and foregoing to be a true and correct copy of City of Oxnard City Council Resolution No. ______, adopted by the Oxnard City Council at the meeting held on June 30, 2022. The original is on file in the City Clerk's office.

DATED: _______________, 2022.

____
Rose Chaparro
City Clerk

BOARD OF DIRECTORS OF
THE CITY OF OXNARD FINANCING AUTHORITY

RESOLUTION NO. ______

RESOLUTION OF THE BOARD OF DIRECTORS OF CITY OF OXNARD FINANCING AUTHORITY AUTHORIZING THE SALE, ISSUANCE, AND DELIVERY OF NOT MORE THAN $17,400,000 IN PRINCIPAL AMOUNT OF ITS 2022 LOCAL OBLIGATION REVENUE REFUNDING BONDS (SPECIAL DISTRICT BOND) AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Oxnard Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), has the authority, among other things, pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California) (the "Act"), to incur indebtedness for the purpose of financing and refinancing capital projects of the City; and

WHEREAS, the Authority issued its $19,505,000 City of Oxnard Public Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series 2012A Bonds"), and its $9,060,000 City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series 2012B Bonds", and together with the Series 2012A Bonds, the "Series 2012 Bonds," for the purpose of acquiring (i) the $11,835,000 City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 (the "AD Bonds"), (ii) the $8,750,000 Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds (the "CFD No. 1 Bonds"), and (iii) the $7,980,000 City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012 (the "CFD No. 2000-3 Bonds" and, together with the AD Bonds and the CFD No. 1 Bonds, the "Acquired Obligations") issued by the City, CFD No. 1, and CFD No. 2000-3, respectively, to refund certain Assessment District, CFD No. 1, and CFD No. 2000-3 bond issues, the Authority has determined to issue its 2022 Local Obligation Revenue Refunding Bonds (Special District Bond) (the "Bonds"); and

WHEREAS, the Board of Directors of the Authority (this "Board") has determined that the issuance of the Bonds pursuant to the Act does not require approval of the qualified electors of the City; and

WHEREAS, the Authority proposes to enter into an Indenture of Trust (the "Indenture") by and between the Authority and Computershare Trust Company, N.A., as trustee (the "Trustee"), to provide for the issuance of the Bonds; and

WHEREAS, each series of Acquired Obligations was issued pursuant to a separate Fiscal Agent Agreement, each dated as of August 1, 2012 by and between the City and respective CFD and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, N.A.

(the "Bank"), as fiscal agent (the "Fiscal Agent Agreements") (collectively, the "Local Agency Financing Documents"); and

WHEREAS, the Local Agency Financing Documents contain certain references to the Series 2012 Bonds and the 2012 Indenture, and the Local Agency Financing Documents shall be amended upon the issuance of the Bonds to reference the Bonds and Indenture; and

WHEREAS, in order to accommodate the pledge and assignment of the Acquired Obligation to the payment of the Bonds, as set forth in the Indenture, there has been presented to the Board a form of First Amendment to Local Agency Financing Documents to be entered into among the Authority, the City, Certain Community Facilities Districts of the City of Oxnard, and Computershare Trust Company, N.A., as Fiscal Agent (the "Fiscal Agent") which agreement amends provisions of the documents relating to the Series 2012 Bonds in the Local Agency Financing Documents; and

WHEREAS, the Authority determined that the Bonds should be offered for private placement, have requested Piper Sandler & Co. to serve as placement agent (the "Placement Agent") and have received a term sheet from CN Financing, Inc. (the "Purchaser"); and

WHEREAS, there has been presented a Private Placement Agreement (the "Private Placement Agreement") which sets forth the terms and conditions for the delivery of the financing; and

WHEREAS, the Authority has appointed NHA Advisors LLP, as municipal advisor (the "Municipal Advisor") to, among other things, advise the City and the Authority with respect to Bond interest rates, professional fees, and other financing matters relating to the issuance of the Bonds; and

WHEREAS, the Authority has appointed Best Best & Krieger LLP as bond counsel ("Bond Counsel") to prepare proceedings for the issuance, sale, and delivery of the Bonds in connection with the issuance of the Bonds; and

WHEREAS, the forms of the following documents are on file with the Secretary of this Board (the "Secretary") and have been submitted to this Board, and the Chief Financial Officer of the City, acting as the Controller of the Authority (the "Controller"), in consultation with the Placement Agent, the Municipal Advisor, and Bond Counsel, has examined and approved each document and has recommended that this Board direct the completion, where appropriate, and the execution and delivery of such documents and the consummation of such financing:

(a) the Indenture;
(b) the Private Placement Agreement;
(c) First Amendment to Local Agency Financing Documents ; and
(d) Irrevocable Refunding Instructions for the Series 2012 Bonds.

WHEREAS, moneys will be set aside by the Authority to prepay the Series 2012 Bonds will be deposited under Irrevocable Refunding Instructions to be given by the Authority to Computershare Trust Company, N.A., as Trustee for the Series 2012 Bonds (the "2012 Trustee"); and

WHEREAS, as the result of the passage of SB 450 that became effective on January 1, 2018, Section 5852.1 of the Government Code of the State of California (“Section 5852.1”) provides that the Authority obtain from an underwriter, municipal advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the Bonds, good faith estimates of: (a) the true interest cost of the Bonds, (b) the finance charge of the Bonds, meaning the sum of all fees and charges paid to third parties, (c) the amount of proceeds of the Bonds received less the finance charge described above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all payments on the Bonds calculated to the final date of maturity plus the fees and charges paid to third parties not paid with the proceeds of the Bonds; and

WHEREAS, in accordance with Section 5852.1, the Authority has obtained such good faith estimates from the Municipal Advisor, and such estimates are disclosed in Exhibit A to this Resolution (the “SB 450 Summary”); and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY the Board of Directors of the City of Oxnard Financing Authority as follows:

Section 1. The foregoing recitals are, and each of them is, true and correct.

Section 2. The Authority's issuance of the Bonds pursuant to the Act to refund the Series 2012 Bonds will provide "significant public benefits" (as such term is defined in Government Code Section 6586) to the citizens of the City because it is expected that such use will provide demonstrable savings in effective interest rate costs, or more efficient delivery of local agency services to residential and commercial development.

Section 3. The Indenture is approved in substantially the form presented to this meeting. The Chair, Vice-Chair, the Executive Director, Chief Financial Officer and Secretary of the Board of Directors (each an “Authorized Representative”) are each individually authorized and directed, for and in the name of the Authority, to execute and deliver the Indenture with such changes, insertions, and omissions as such Authorized Representative shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The document named “Irrevocable Refunding Instructions” to be given by the Authority to the 2012 Trustee is hereby approved and any of the Authorized Representatives are each individually authorized to execute, acknowledge and deliver said instruction on behalf of the Authority in substantially the form hereby approved with such changes therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The financing terms presented to the Authority are approved as follows: maximum principal amount of financing is $17,400,000; maximum interest rate with respect to the financing is 3.25%, except in the event of default, or if interest payable on the Bonds is determined to be taxable, such rate may increase as agreed upon in the Indenture, and maximum final maturity for the financing is September 2, 2033.

Section 6. The Authority hereby approves the Private Placement Agreement in substantially the form on file with the Secretary, together with such additions thereto and changes therein as Bond Counsel shall deem necessary, desirable or appropriate, the execution of which by the Authorized Representatives shall be conclusive evidence of the approval of any such additions and changes.

Section 7. The Board approves the form of the First Amendment to Local Agency Financing Documents as presented to the Board at the meeting at which this resolution is adopted, together with any changes therein or additions thereto which are deemed advisable by any Authorized Representative, upon consultation with Bond Counsel, and any Authorized Representative are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the First Amendment to Local Agency Financing Documents.

Section 8. The Bonds, in an aggregate principal amount not to exceed $17,400,000, designated "City of Oxnard Financing Authority 2022 Local Obligation Revenue Refunding Bonds (Special District Bonds)," are authorized to be issued, sold, and delivered by the Authority in accordance with the terms and provisions of the Indenture and the Private Placement Agreement. The proceeds from the sale of the Bonds shall be deposited as provided in the Indenture. The Authorized Representatives are each individually authorized and directed, for and in the name of the Authority, to execute (manually or by facsimile) and deliver the Bonds with such changes, insertions, and omissions as the officer executing the same shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. Computershare Trust Company, N.A., is appointed as Trustee under and pursuant to the Indenture, with the respective powers and duties of said office as set forth therein. The Trustee is requested and directed to execute and deliver the Bonds to the Purchaser in accordance with written instructions to be executed on behalf of the Authority by an Authorized Representative.

Section 10. The Authorized Representatives and any other proper officer of the Authority are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents necessary or proper for carrying out the transactions contemplated by the Indenture, the Private Placement Agreement, First Amendment to Local Agency Financing Documents, the Irrevocable Refunding Instructions, and this Resolution and to execute and deliver any and all certificates and representations, including signature certificates, no-litigation certificates, tax certificates, and certificates necessary and desirable to accomplish the transactions described in such documents or as set forth above.

Section 11. All actions previously taken by this Board and by the officers and staff of the Authority with respect to the matters addressed by this Resolution are approved, ratified, and confirmed.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Section 12. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 30th day of June, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
John C. Zaragoza, Chairman

ATTEST:

____
Rose Chaparro, Secretary

APPROVED AS TO FORM:

____
Stephen Fischer, Authority Counsel

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.
CITY OF OXNARD)

I, Rose Chaparro, Secretary of the City of Oxnard Financing Authority, do hereby certify the attached to be a true and correct copy of City of Oxnard Financing Authority Resolution No. _______, adopted at the Oxnard City Council Meeting held on June 30, 2022. The original resolution is on file in the City Clerk's Office at 300 W. Third Street, Oxnard, California 93030.

DATED this ___ day of __________, 2022.

____
Rose Chaparro
Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by the Municipal Advisor.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is $17,114,000, (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.22%.

Finance Charge of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is $225,000.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $16,696,546.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is $19,965,145, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of June 1, 2022, and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Authority's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of the Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic, national, international and other factors beyond the control of the Authority, or the Municipal Advisor.

IRREVOCABLE REFUNDING INSTRUCTIONS

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "Instructions"), dated as of _____________, 2022, are given by the CITY OF OXNARD FINANCING AUTHORITY, a joint exercise of powers authority existing under the laws of the State of California (the "Authority"), to COMPUTERSHARE TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as successor in interest to WELLS FARGO BANK, NATIONAL ASSOCIATION, acting as trustee (the "Trustee") for the hereinafter defined Series 2012 Bonds;

W I T N E S S E T H :

WHEREAS, the Authority issued its $19,505,000 City of Oxnard Public Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series 2012A Bonds"), and its $9,060,000 City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series 2012B Bonds," and together with the Series 2012A Bonds, the "Series 2012 Bonds"), pursuant to an Indenture of Trust, dated as of August 1, 2012, (the "Prior Indenture") by and between the Authority and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association, acting as trustee thereunder (the "Prior Trustee"); and

WHEREAS, the Authority has determined that it is in the best financial interests of the Authority to refund, at this time, the outstanding Series 2012 Bonds; and

WHEREAS, in order to provide funds for such purpose, the Authority is issuing its City of Oxnard Financing Authority 2022 Local Obligation Revenue Refunding Bonds (Special District Bonds) (the "Series 2022 Bonds") and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem a portion of the outstanding Series 2012 Bonds, as designated herein (the "Defeased Bonds"); and

WHEREAS, the Series 2022 Bonds are being issued pursuant to an Indenture of Trust, dated as of July 1, 2022, (the "2022 Indenture") between the Authority and Computershare Trust Company, N.A., as trustee; and

WHEREAS, the Authority wishes to give these Instructions to the Prior Trustee for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of a portion of the outstanding Series 2012 Bonds.

NOW, THEREFORE, the Authority hereby irrevocably instructs the Prior Trustee as follows:

Section 1. Establishment of the Series 2012 Bonds Refunding Fund. The Trustee shall establish and hold within the Principal Account established pursuant to Section 5.05 of the Prior Indenture, separate and apart from all other funds and accounts held by it, a special fund known as the "Series 2012 Bonds Refunding Fund" (the "Refunding Fund") established in the Indenture. All amounts on deposit in the Refunding Fund are hereby irrevocably pledged as a special trust fund for the payment of regularly scheduled principal and interest thereon and the redemption of the outstanding Series 2012 Bonds, as identified in Schedule 1 attached hereto, on ______________, 2022. Neither the Trustee nor any other person shall have a lien upon or right of set off against the amounts at any time on deposit in the Refunding Fund, and such amounts shall be applied only as provided herein.

Section 2. Deposit into the Series 2012 Bonds Refunding Fund; Investment of Amounts. Concurrently with delivery of the Series 2022B Bonds, the Authority shall cause to be deposited in the Refunding Fund the amount of $_____________ in immediately available funds which represents $_______________ on hand in the funds and accounts relating to the Series 2012 Bonds, plus the amount of $________________ of Series 2022 Bonds proceeds. The Authority hereby directs the Trustee to invest the proceeds in the investments set forth in Schedule 2 attached hereto and herein incorporated.

The Authority signifies that by making the deposit described herein, it is discharging the Series 2012 Bonds pursuant to Sections 10.03 of the Indenture.

Section 3. Proceedings for Redemption of Series 2012 Bonds. The Authority hereby irrevocably elects, and directs the Trustee, to redeem, on _________, 2022, from amounts on deposit in the Refunding Fund, the Series 2012 Bonds pursuant to the provisions of the Indenture. The Trustee shall provide notice of such redemption in accordance with the Indenture in order to allow for the redemption of the Series 2012 Bonds on ______________, 2022, as shown in Schedule 3 hereto.

Section 4. Application of Funds to Redeem Series 2012 Bonds. The Trustee shall apply the amounts on deposit in the Refunding Fund to pay the regularly scheduled payments of principal and interest on the Series 2012 Bonds and to redeem the outstanding Series 2022 Bonds, as identified in Schedule 1 attached hereto, on _____________, 2022 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, all in accordance with the Indenture.

Section 5. Transfer of Remaining Funds. Any amounts on deposit in the Refunding Fund shall be used for the purpose of paying interest on and the principal of any outstanding bonds pursuant to the Indenture, as amended or supplemented. Any amounts on deposit in the Refunding Fund or any other funds and accounts related to the Series 2012 Bonds following redemption or defeasance of the Series 2012 Bonds shall be transferred to the Interest Account established under the 2022 Indenture to be used solely for the purpose of paying interest on the Series 2022B Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Authority. These Instructions may be amended or supplemented by the Authority, but only if the Authority shall file with the Trustee (a) an opinion of nationally recognized bond counsel engaged by the Authority stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the Series 2012 Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Authority stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Application of Certain Terms of the Indenture. All of the terms of the Indenture relating to the payment of principal of and interest and repayment premium, if any, on the Series 2012 Bonds and the redemption thereof, and the protections, immunities and limitations from liability afforded the Trustee, are incorporated in these Instructions as if set forth in full herein.

Section 8. Counterparts. These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument.

[Signature page follows]

Section 9. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

CITY OF OXNARD FINANCING AUTHORITY

By: ______________________________

Chief Financial Officer

ACCEPTED:

COMPUTERSHARE TRUST COMPANY, N.A.
as Trustee

By: ______________________________
Authorized Officer

-Signature Page-
Irrevocable Refunding Instructions

SCHEDULE 1

BONDS TO BE REDEEMED

Maturity Date (September 2)	Principal Amount	CUSIP (Base CUSIP)

SCHEDULE 2

ESCROW INVESTMENTS

Purchase Date	Type of Security	Type of SLGS	Maturity Date	First Interest Payment Date	Par Amount	Rate	Max Rate	Total Cost

ESCROW CASH FLOW

Date	Principal	Interest	Net Escrow Receipts

SCHEDULE 3

NOTICE OF OPTIONAL REDEMPTION

$19,505,000
ORIGINAL PRINCIPAL AMOUNT CITY OF OXNARD PUBLIC FINANCING AUTHORITY LOCAL OBLIGATION REVENUE BONDS (2012 SPECIAL DISTRICT BOND REFINANCINGS), SERIES A SENIOR LIEN BONDS

AND

$9,060,000
ORIGINAL PRINCIPAL AMOUNT CITY OF OXNARD FINANCING AUTHORITY LOCAL OBLIGATION REVENUE BONDS (2012 SPECIAL DISTRICT BOND REFINANCINGS), SERIES B SUBORDINATE LIEN BONDS

_____________, 2022

NOTICE IS HEREBY GIVEN pursuant to Section 4.01(d) of the Indenture of Trust, dated as of August 1, 2012 between the City of Oxnard Financing Authority (the "Authority") and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association (the "Trustee") that the below indicated Bonds (the "Bonds") are, subject to the following paragraph, to be redeemed in full on _____________, 2022 (the "Redemption Date") at a price equal to 100% of the principal amount represented thereby together with interest accrued to the Redemption Date.

CUSIP	Maturity Date	Principal Redeemed	Redemption Price

All outstanding Bonds called for redemption are subject to full redemption on the Redemption Date and no holder of any Bond shall have the right to elect to retain such Bond. Interest represented by the Bonds will cease to accrue on and after the Redemption Date.

All Bonds must be surrendered to the Trustee for purchase not later than 3:30 p.m. Eastern Time on the Redemption Date. Payment of the Redemption Price on the Bonds redeemed will become due and payable on the Redemption Date upon presentation and surrender thereof in the following manner:

Delivery Instructions

Please call Bondholder Services at _____________ with any questions.

Holders of the Bonds presenting their certificates in person for same day payment must surrender their certificate(s) by 1:00 P.M. CST on or after the Redemption Date and a check will be available for pick up after 2:00 P.M. CST. Checks not picked up by 4:30 P.M. will be mailed out to the Bond holder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

REQUIREMENT INFORMATION

For a list of redemption requirements please visit our website at ________________________ and click on the **"Bondholder Information"** link.

IMPORTANT NOTICE

Under the Job and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), 24% will be withheld if tax identification number is not properly certified.

Subject to the redemption of the Bonds on the Redemption Date, all interest on the Bonds will cease to accrue from and after the Redemption Date, and from and after the Redemption Date such Bonds shall no longer be entitled to any lien, benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such redeemed Bonds except to receive payment of the Redemption Price.

The method of presentation and delivery of a Bond is at the option and risk of the holder of each Bond. If mail is used, insured registered mail, return receipt requested is suggested.

COMPUTERSHARE TRUST COMPANY, N.A.,
as Trustee

Date: ____________, 2022

INDENTURE OF TRUST

by and between

COMPUTERSHARE TRUST COMPANY, N.A.,
as Trustee

and

CITY OF OXNARD FINANCING AUTHORITY

Dated as of July 1, 2022

Relating to:

$________
City of Oxnard Financing Authority
2022 Local Obligation Revenue Refunding Bonds
(Special District Bonds)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of July 1, 2022 (this "Indenture"), is by and between the City of Oxnard Financing Authority, a joint exercise of powers authority organized and existing under and by virtue of the laws of the State of California (the "Authority"), and Computershare Trust Company, N.A., a national banking association organized and existing under and by virtue of the laws of the United States and having a corporate trust office in Los Angeles, California, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated October 9, 1991, by and among the City of Oxnard, California (the "City"), the Redevelopment Agency of the City of Oxnard, and the Housing Authority of the City of Oxnard, and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and the Authority is authorized pursuant to Article 4 of the Act (the "Bond Law") to incur indebtedness for the purpose of financing and refinancing capital projects of the City;

WHEREAS, the Authority issued its $19,505,000 City of Oxnard Public Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series 2012A Bonds"), and its $9,060,000 City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series 2012B Bonds", and together with the Series 2012A Bonds, the "Series 2012 Bonds", for the purpose of acquiring the (i) the $11,835,000 City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 (the "AD Bonds"), (ii) the $8,750,000 Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds (the "CFD No. 1 Bonds"), and (iii) the $7,980,000 City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012 (the "CFD No. 2000-3 Bonds" and, together with the AD Bonds and the CFD No. 1 Bonds, the "Acquired Obligations") issued to refund certain Assessment District, CFD No. 1, and CFD No. 2000-3 bond issues;

WHEREAS, the Authority has determined to issue its refunding bonds for the purposes of causing the early redemption of the Series 2012 Bonds and achieving debt service savings which will be secured the Acquired Obligations and designated as 2022 Local Obligation Revenue Refunding Bonds (Special District Bonds), in the aggregate principal amount of $______ (the "Bonds") all pursuant to and secured by this Indenture in the manner provided herein;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee, and duly issued, the valid, binding, and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby grant and agree as follows:

GRANTING CLAUSES

The Authority, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the registered owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Authority of all of the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, mortgage, assign, and pledge the following to Computershare Trust Company, N.A., as Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Authority hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title, and interest of the Authority in and to the Revenues and the Acquired Obligations, including all extensions and renewals of its terms, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive, and receipt for any income, revenues, issues, profits, insurance proceeds, and other sums of money payable to or receivable by the Authority under the Acquired Obligations or any other document delivered pursuant to the terms of the Acquired Obligations, whether payable pursuant to the Acquired Obligations or otherwise, to bring actions and proceedings under the Acquired Obligations or for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do under the Acquired Obligations, including all proceeds of the foregoing and any investment income thereon;

GRANTING CLAUSE SECOND

All moneys, securities, investments, and funds from time to time held by the Trustee under this Indenture, including all Revenues, moneys, and securities held by the Trustee in all funds and accounts under this Indenture (except the Rebate Fund and the Expense Fund), and all other rights and property of every name and nature from time to time hereafter by delivery or by writing of any kind, tangible or intangible, assigned, pledged, or transferred as and for additional security hereunder to the Trustee by the Authority or the City, or by anyone in either's behalf, or with its written consent, and to hold and apply the same, subject to the terms hereof, including all proceeds of the foregoing and all investment income thereon;

TO HAVE AND TO HOLD all and singular the trust estate above granted (the "Trust Estate"), whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security, and protection of all present and future registered owners of the Bonds executed and delivered under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Authority, or its respective successors or assigns, shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, on the dates and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made as required under Article V hereof, and shall pay, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed, and observed by them, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payment under this Indenture, the rights hereby granted shall cease, determine, and be void; otherwise this Indenture to be and remain in full force and effect;

NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of any Supplemental Indenture and of any certificate, opinion, or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

"Acquired Obligations" means, collectively, the AD Bonds, the CFD No. 1 Bonds, and the CFD No. 2000-3 Bonds.

"Act" means Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

"AD Bonds" means the City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012, dated as of the date of their delivery to the Authority as the initial purchaser thereof and issued in the aggregate principal amount of $11,835,000 by the City under and pursuant to the Refunding Act.

"AD Bonds Fiscal Agent Agreement" means that certain Fiscal Agent Agreement, dated as of August 1, 2012, by and between the City and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association, as fiscal agent, establishing the terms and conditions pertaining to the issuance and administration of the AD Bonds.

"Administrative Costs" means the annual costs of administering the Bonds, including, without limitation, the annual fees and expenses pertaining to the servicing of the Bonds and the provision of continuing disclosure pertaining to the Bonds or the Authority as required by Rule 15c2-12 of the Securities and Exchange Commission and any applicable continuing disclosure agreement pertaining to the Bonds. Such fees and expenses shall include, but not be limited to, any or all of the following: the fees and expenses of the Trustee (including any fees and expenses of its counsel) and the expenses of the Authority in carrying out its duties hereunder, which expenses include, but are not limited to, calculating the rebate obligation, if any, for the Bonds, undertaking any annual audits of the Bonds, and undertaking any annual or event continuing disclosure requirement. In addition to the costs of consultants and attorneys incurred in undertaking such duties, the expenses of the Authority shall also include an allocable share of the salaries of staff of the Authority or the City directly related thereto and a proportionate amount of general administrative overhead related thereto, any rebate obligation due and owing the United States government, and all other costs and expenses of the Authority or the Trustee incurred in connection with the discharge of their respective duties hereunder and, in the case of the Authority, in any way related to the administration of the Authority. Administrative Costs also includes any Unfunded Special District Administrative Expenses.

"AD Prepayment Account" means the Prepayment Account of the Redemption Fund established by the Fiscal Agent pursuant to the provisions of the AD Bonds Fiscal Agent Agreement.

"Agreement" means that certain Joint Exercise of Powers Agreement, dated as of October 9, 1991, by and among the City, the Redevelopment Agency of the City of Oxnard, and the Housing Authority of the City of Oxnard, as duly amended and supplemented from time to time.

"Assessment District" means City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange).

"Authority" means the City of Oxnard Financing Authority, a joint powers authority organized and existing under the Agreement and under and by virtue of the laws of the State of California.

"Authorized Denomination" means the amount of $5,000 or any integral multiple thereof.

"Authorized Representative" means: (a) with respect to the Authority, its Chairman, Vice Chairman, Controller, Assistant Controller, Executive Director, or Secretary, or any other Person designated as an Authorized Representative of the Authority by a Written Certificate of the Authority signed by its Chairman, Executive Director, or Controller and filed with the City and the Trustee; (b) with respect to the City, CFD No. 1, and CFD No. 2000-3, the City Manager, the Assistant City Manager, the Chief Financial Officer, the Financial Services Manager, or any other Person designated as an Authorized Representative of the City, CFD No. 1, or CFD No. 2000-3 by a Written Certificate signed on behalf of the City, CFD No. 1, or CFD No. 2000-3 by the City Manager, the Assistant City Manager, the Chief Financial Officer, or the Financial Services Manager and filed with the Authority and the Trustee; (c) with respect to the Trustee, the Senior Vice President, any Vice President, any Assistant Vice President, or any Trust Officer of the Trustee, and when used with reference to any act or document also means any other Person authorized to perform such act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

"Available Amount" means an amount calculated by adding, as of the date of such calculation, (i) the amount on deposit in the Reserve Fund, and (ii) the amount on deposit in the Residual Account, less (a) the CFD No. 1 Residual Amount, (b) the CFD No. 2000-3 Residual Amount, and (c) any amounts determined by the Authority, in consultation with the City, to be needed to pay for debt service on the Bonds on September 2, 2032, or to be used for the payment of rebate or other expenses).

"Average Annual Debt Service" means the average annual debt service on the Bonds, based upon a Bond Year during the term of such Bonds.

"Bond Counsel" means Best Best & Krieger LLP or any law firm that is a firm of nationally recognized attorneys experienced in the issuance of obligations the interest on which is excluded from gross income for purposes of Section 103 of the Code, which firm is selected by the Authority in connection with the issuance of the Bonds.

"Bond Law" means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act (commencing with Section 6584), as amended from time to time.

"Bond Year" means, with respect to the Bonds or the Acquired Obligations, the period beginning on the Closing Date and ending on September 2, 2022, and each successive 12-month period thereafter until there are no longer any Bonds Outstanding.

"Bonds" means, the $______________ original principal amount of City of Oxnard Financing Authority 2022 Local Obligation Revenue Refunding Bonds (Special District Bonds).

"Business Day" means a day that is not a Saturday, Sunday, or legal holiday on which banking institutions in the State of California, or in any state in which the Office of the Trustee is located, are closed, or a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed.

"Cash Flow Certificate" means a certificate prepared by an Independent Special District Administrator which, as to a redemption of Bonds pursuant to Section 4.01 hereof, (i) directs the redemption of Bonds among maturities of the Bonds or of Bonds among maturities of the Bonds, as applicable, as necessary, after giving effect to such redemption, so as to maintain as close as practicable the level of Revenue coverage that existed for the Bonds as of the Date of Delivery, and (ii) certifies that after such redemption the Revenues scheduled to be received from the Acquired Obligations will be sufficient in time and amount (together with funds then held under this Indenture representing payments made pursuant to the Acquired Obligations and available to pay debt service on the Bonds, but excluding amounts, if any, on deposit in the Reserve Fund) to make all remaining scheduled payments of principal of and interest on the Outstanding Bonds.

"CFD No. 1" means Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard.

"CFD No. 1 Bonds" means the Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds, dated as of the date of their delivery to the Authority as the initial purchaser thereof and issued in the aggregate principal amount of $8,750,000 by CFD No. 1 under and pursuant to the Mello-Roos Act.

"CFD No. 1 Bonds Fiscal Agent Agreement" means that certain Fiscal Agent Agreement dated as of August 1, 2012, by and between CFD No. 1 and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association, as fiscal agent, establishing the terms and conditions pertaining to the issuance and administration of the CFD No. 1 Bonds.

"CFD No. 1 Prepayment Account" means the Prepayment Account of the Bond Service Fund established by the Fiscal Agent pursuant to the provisions of the CFD No. 1 Bonds Fiscal Agent Agreement.

"CFD No. 1 Residual Amount" means the amount of [$714,798.57], which is the approximate aggregate amount on deposit in the Reserve Fund allocable to the CFD No. 1 Bonds.

"CFD No. 2000-3" means City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange).

"CFD No. 2000-3 Bonds" means the City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012, dated as of the date of their delivery to the Authority as the initial purchaser thereof and issued in the aggregate principal amount of $7,980,000 by CFD No. 2000-3 under and pursuant to the Mello-Roos Act.

"CFD No. 2000-3 Bonds Fiscal Agent Agreement" means that certain Fiscal Agent Agreement dated as of August 1, 2012, by and between CFD No. 2000-3 and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association, as fiscal agent, establishing the terms and conditions pertaining to the issuance and administration of the CFD No. 2000-3 Bonds.

"CFD No. 2000-3 Prepayment Account" means the Prepayment Account of the Bond Service Fund established by the Fiscal Agent pursuant to the provisions of the CFD No. 2000-3 Bonds Fiscal Agent Agreement.

"CFD No. 2000-3 Residual Amount" means the amount of [$651,891.15], which is the approximate aggregate amount on deposit in the Reserve Fund allocable to the CFD No. 2000-3 Bonds.

"City" means the City of Oxnard, California.

"Closing Date" means the date on which the Bonds are delivered to the Original Purchaser, being the Date of Delivery or, as to the Acquired Obligations, the date such Acquired Obligations are delivered to the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale, and delivery of the Bonds, the acquisition of the Acquired Obligations, and the refunding of the improvement bonds and special tax bonds refunded through the sale and delivery of the Acquired Obligations, including, but not limited to, compensation, fees, and expenses of the City, CFD No. 1, CFD No. 2000-3, the Authority, the Trustee, and their respective counsel, compensation to any financial consultants, certified public accountants, market economists, or the Original Purchaser, other legal fees and expenses, filing and recording fees and costs, costs of preparation and reproduction of documents, and costs of printing.

"Date of Delivery" means the date the Bonds are delivered to the Original Purchaser thereof.

"Depository" or "Securities Depositories" means The Depository Trust Company, 55 Water Street, 22nd Floor, New York, New York 10041-0099, Attn. Call Notification Department, Facsimile transmission: (212) 855-7232, or, in accordance with the then current guidelines of the Securities and Exchange Commission, such other depositories, or no such depositories, as the Authority may indicate in a certificate of the Authority to the Trustee.

"Event of Bankruptcy" means, with respect to any Person, the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against such Person as debtor, other than any involuntary proceeding which has been finally dismissed without entry of an order for relief or similar order as to which all appeal periods have expired.

"Event of Default" means any of the events specified in Section 7.01 herein.

"Expense Fund" means the fund by that name established with the Trustee pursuant to Section 3.04.

"Extraordinary Redemption Proceeds" means the proceeds of the extraordinary redemption, in whole or in part, of (a) the principal of, premium (if any) on, and interest on the AD Bonds with funds attributable to the prepayment of any reassessment lien securing such AD Bonds, (b) the principal of, premium (if any) on, and interest on the CFD No. 1 Bonds with funds attributable to the prepayment of any special tax lien securing such CFD No. 1 Bonds, or (c) the principal of, premium (if any) on, and interest on the CFD No. 2000-3 Bonds with funds attributable to the prepayment of any special tax lien securing such CFD No. 2000-3 Bonds.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(a) direct general obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the payment of principal of and interest on which are directly or indirectly unconditionally guaranteed by, the United States of America; and

(b) direct obligations of any department, agency, or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other 12-month period hereafter selected and designated as the official fiscal year period of the Authority and certified to the Trustee in writing by an Authorized Representative of the Authority.

"Indenture" means this Indenture of Trust, dated as of July 1, 2022, by and between the Authority and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

"Independent Certified Public Accountant" means a nationally recognized certified public accountant or nationally recognized firm of certified public accountants appointed by the Authority, and who, or each of whom: (a) is judged by the Authority to have extensive experience with respect to the preparation of financial statements; (b) is in fact independent and not under the domination of the Authority, the City, CFD No. 1, or CFD No. 2000-3; (c) does not have any substantial interest, direct or indirect, with the Authority, the City, CFD No. 1, or CFD No. 2000-3; and (d) is not connected with the Authority, the City, CFD No. 1, or CFD No. 2000¬3 as an officer or employee thereof, but who may be regularly retained by either the Authority, the City, CFD No. 1, or CFD No. 2000-3 to make reports to such client.

"Independent Special District Administrator" means a consultant or firm of consultants appointed by the Authority, and who, or each of whom: (a) is judged by the Authority to have experience (i) advising public agencies as a financial consultant or assessment engineer with respect to the issuance of bonds for assessment districts and community facilities districts or (ii) administering bonds issued for assessment districts and community facilities districts on behalf of the issuers of such bonds; (b) is in fact independent and not under the domination of the Authority; (c) does not have any substantial interest, direct or indirect, with the Authority, other than as Original Purchaser; and (d) is not connected with the Authority as an officer or employee of the Authority, but who may be regularly retained to make reports to the Authority. A consultant or firm engaged by the City to administer the AD Bonds, by CFD No. 1 to administer the CFD No. 1 Bonds, or by CFD No. 2000-3 to administer the CFD No. 2000-3 Bonds may be an Independent Special District Administrator.

"Information Services" means the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

"Interest Account" means the account of the Revenue Fund by that name established with the Trustee pursuant to Section 5.01(c).

"Interest Payment Date" means March 2 and September 2 in each year, commencing September 2, 2022, so long as any Bonds remain Outstanding.

"Letter of Representation" means a letter substantially in the form attached hereto as Exhibit C delivered by the Original Purchaser and each subsequent Qualified Purchaser of the Bond to the District to the effect, among other things, that such purchaser (a) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the Bond, (b) is acquiring the Bond for its own account for deposit in its loan portfolio, and (c) has no present intention of selling, negotiating, transferring, or otherwise disposing of the Bond so purchased.

"Maximum Annual Debt Service" means, as of the date of any calculation, the largest Annual Debt Service for the Bonds, as the case may be, during the current or any future Bond Year.

"Mello-Roos Act" means the Mello-Roos Community Facilities Act of 1982, as amended, set forth in Chapter 2.5 of Division 2 of Title 5 of the Government Code of the State of California (commencing with Section 53311).

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns. "Nominee" has the meaning given to such term in Section 2.09.

"Office" means the designated corporate trust office or agency of the Trustee in Los Angeles, California, or such other offices as may be specified to the Authority by the Trustee in writing, and the designated corporate trust office of any successor trustee.

"Original Purchaser" means City National Bank.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore or thereupon being authenticated and delivered by the Trustee under this Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds referred to under Section 11.10; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

"Owner" or "Bond Owner," whenever used herein with respect to a Bond, means the Person in whose name the ownership of such Bond is registered on the Registration Books.

"Participant" has the meaning given to such term in Section 2.09.

"Permitted Investments" means any of the investments listed in Exhibit B attached hereto and incorporated herein by this reference, provided at the time of investment the investment is a legal investment under the laws of the State of California for the moneys proposed to be invested therein.

"Person" means an individual, corporation, firm, association, partnership, limited liability company, limited liability partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof

"Prime Rate" has the meaning given to such term in Section 3.03(a)(4).

"Principal Account" means the account of the Revenue Fund by that name established with the Trustee pursuant to Section 5.01(c).

"Prior Indenture" means the Indenture of Trust, dated as of August 1, 2012 (the "Prior Indenture"), by and between the Authority and the Prior Trustee.

"Prior Trustee" means Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association, acting as trustee thereunder.

"Program Fund" means the fund by that name established with the Trustee pursuant to Section 3.05.

"Qualified Purchaser" means either (a) a "qualified institutional buyer," within the meaning of Rule 144A of the Securities Act of 1933 (the "Securities Act"); or (b) an "accredited investor" within the meaning of Rule 501 of Regulation D of the rules governing the limited offer and sale of securities without registration under the Securities Act.

"Rebatable Arbitrage" has the meaning given to such term in Section 6.08(b)(i). "Rebate Fund" means the account by that name established pursuant to Section 6.08(a).

"Rebate Regulations" means the Proposed and Temporary Treasury Regulations issued under Section 148 of the Code.

"Record Date" means the fifteenth (15th) day (whether or not such day is a Business Day) of the calendar month preceding each Interest Payment Date.

"Redemption Account" means the account of the Revenue Fund by that name established with the Trustee pursuant to Section 5.01(c).

"Refunding Act" means the Refunding Act of 1984 for 1915 Improvement Act Bonds, being Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of the State of California.

"Registration Books" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05.

"Related Documents" means, collectively, this Indenture, the AD Bonds Fiscal Agent Agreement, the CFD No. 1 Bonds Fiscal Agent Agreement, the CFD No. 2000-3 Bonds Fiscal Agent Agreement, the AD Bonds, the CFD No. 1 Bonds, and the CFD No. 2000-3 Bonds.

"Reserve Fund" means the fund by that name established with the Trustee pursuant to Section 3.03(a).

"Reserve Requirement" means, as of any date of calculation, an amount equal to the least of (i) Maximum Annual Debt Service for the Bonds, (ii) one hundred twenty-five percent (125%) of Average Annual Debt Service for the Bonds, or (iii) ten percent (10%) of the original principal amount of the Bonds; provided, however, that the Reserve Requirement as of any such date of calculation shall not exceed the Reserve Requirement calculated as of the Closing Date. As of the Closing Date, the Reserve Requirement is $____________.

"Residual Account" means the account of the Revenue Fund by that name established with the Trustee pursuant to Section 5.01(c).

"Revenue Fund" means the fund by that name established pursuant to Section 5.01.

"Revenues" means (a) all amounts derived from or with respect to the Acquired Obligations, including, without limitation, the reassessments collected within the Assessment District, the special taxes collected within CFD No. 1, and the special taxes collected within CFD No. 2000-3, and (b) investment income with respect to any moneys held by the Trustee in the funds and accounts established hereunder, excepting therefrom the Rebate Fund.

"S&P" means S&P Global, and its successors and assigns.

"Special Record Date" means the date established by the Trustee pursuant to Section 2.02(b) as a record date for the payment of defaulted interest on the Bonds, if any.

"State" means the State of California.

"Supplemental Indenture" means any indenture then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Certificate" means that certain certificate of the Authority by that name delivered on the Closing Date.

“Trustee” means Computershare Trust Company, N.A., a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

“Unfunded Special District Administrative Expenses” means those annual costs of the administration of the AD Bonds, the CFD No. 1 Bonds, the CFD No. 2000-3 Bonds, the AD Bonds Fiscal Agent Agreement, the CFD No. 1 Bonds Fiscal Agent Agreement, and the CFD No. 2000-3 Bonds Fiscal Agent Agreement in excess of the proceeds of the annual assessments or special taxes for administrative costs and surcharges for collection costs and registration costs which may be collected for the Assessment District, CFD No. 1, or CFD No. 2000-3 on the tax roll by the City, CFD No. 1, or CFD No. 2000-3, as applicable.

“Verification Report” has the meaning given to such term in Section 10.05(a).

“Written Certificate,” “Written Order.” or “Written Request” of the Authority, the City, CFD No. 1, or CFD No. 2000-3 means, respectively, a written certificate, written order, or written request signed in the name of the Authority by any Authorized Representative thereof, in the name of the City by any Authorized Representative thereof, in the name of CFD No. 1 by any Authorized Representative thereof, or in the name of CFD No. 2000-3 by any Authorized Representative thereof. Any such certificate, order or request may, but need not, be combined in a single instrument with any other instrument, opinion, or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such certificate, order or request shall include the statements provided for in Section 1.02.

“Yield” shall have the meaning given to such term as set forth in the Tax Certificate for the Bonds.

SECTION 1.02 Content of Certificates and Opinions. Every certificate or opinion provided for in this Indenture, except any certification of destruction pursuant to Section 11.05 hereof, with respect to compliance with any provision hereof shall include (a) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (c) a statement that, in the opinion of such Person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (d) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (e) a statement as to whether, in the opinion of such Person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the Authority, the City, CFD No. 1, or CFD No. 2000-3 may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion, or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority, the City, CFD No. 1, or CFD No. 2000-3, as the case may be) upon a certificate or opinion of or representation by an officer of the Authority, the City, CFD No. 1, or CFD No. 2000-3, unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority, the City, CFD No. 1, or CFD No. 2000-3, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel or accountants may certify to different matters, respectively.

SECTION 1.03 Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine, or feminine gender, as appropriate.

(b) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof, and shall not affect the meaning, construction, or effect hereof.

(c) All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder," and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, or subdivision hereof.

SECTION 1.04 Indenture Constitutes Contract. In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, and the Owners of the Bonds. The pledge made in this Indenture and the provisions, covenants, and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection, and security of all present and future Owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the Bonds over any other Bonds.

ARTICLE II

THE BONDS

SECTION 2.01 Authorization of Bonds. The Authority hereby authorizes the issuance of two (2) series of Bonds hereunder and under the Bond Law, which shall constitute special obligations of the Authority, for the purpose of providing moneys to finance the acquisition by the Authority of the Acquired Obligations. Such Bonds are hereby designated the 2022 City of Oxnard Financing Authority Local Obligation Revenue Refunding Bonds (Special District Bonds). The maximum aggregate principal amount of Bonds authorized to be issued and Outstanding under this Indenture shall equal $__________. This Indenture constitutes a continuing agreement with the Owners from time to time of the Bonds to secure the full payment of the principal of and interest on all such Bonds, subject to the covenants, provisions, and conditions herein contained.

SECTION 2.02 Terms of the Bonds.

(a) The Bonds shall be issued in fully registered form without coupons in any Authorized Denomination. The Bonds shall be dated as of the Date of Delivery, shall mature (subject to prior redemption, as herein provided) in the principal amounts maturing or payable and bear interest as follows:

Maturity Date (September 2)	**Principal Amount**	**Interest Rate**
2023		
2024		
2025		
2026		
2030		
2033 (maturity)		

(b) Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Bond is authenticated 'on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Date of Delivery, or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each interest Payment Date. Interest with respect to the Bonds shall be calculated on the basis of 360 days per year, comprised of twelve 30-day months. Interest shall be paid on each Interest Payment Date to the Persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date shall be payable to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to such Owner not less than ten (10) calendar days prior to such Special Record Date. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; or by wire transfer made on such Interest Payment Date to any Owner of $1,000,000 or more in aggregate principal amount of Bonds who shall have requested such transfer pursuant to written notice filed with the Trustee on or before the preceding Record Date.

(c) The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the Office of the Trustee. Payment of principal on any Bond shall be made only upon presentation and surrender of such Bond at the Office of the Trustee.

So long as the Bond is owned by the Original Purchaser (or any subsequent Owner), (i) the Trustee shall pay principal of and interest on the Bond when due by wire transfer in immediately available funds to the Original Purchaser (or any subsequent Owner) in accordance with such wire transfer instructions as shall be filed by the Original Purchaser (or any subsequent Owner) with the Trustee from time to time, provided that following a request from the Trustee and receipt by Owner of the principal which is payable at maturity, the Owner shall then surrender the Bond at the Principal Office of the Trustee, (ii) payments of principal on the Bond, pursuant to Sections 2.02(c) and 4.01 shall be made by wire transfer without the requirement for presentation and surrender of the Bond by the Original Purchaser (or any subsequent Owner), and (iii) the Trustee shall not be required to give notice to the Original Purchaser (or any subsequent Owner) of the mandatory sinking fund redemption of the Bond under Section 4.01(c).

(d) The Bonds shall be subject to redemption as provided in Article IV.

SECTION 2.03 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred to a Qualified Purchaser, in whole upon the books required to be kept pursuant to the provisions of Section 2.05 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer and accompanied with a Letter of Representations, in the form set forth in Exhibit C hereto, and such Letter of Representations shall be conclusive evidence that such Letter of Representations has been duly executed and the Trustee may rely upon the representations set forth therein. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer shall be paid by the Authority. The Trustee shall collect from the Owner or any subsequent assignee requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer. Prior to any transfer of the Bond the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information.

SECTION 2.04 Exchange of Bonds. The Bonds may be exchanged at the Office of the Trustee for a Bond in a like aggregate principal amount of Bonds of Authorized Denominations and of the same maturity. The Authority may charge a reasonable sum for each new Bond issued upon any exchange (except in the case of any exchange of temporary Bonds for definitive Bonds and except in the case of the first exchange of any definitive Bond in the form in which it is originally issued) and the Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be obligated to make any exchange of Bonds during the period selected by the Trustee for the selection of Bonds for redemption, or with respect to any Bonds selected for redemption.

SECTION 2.05 Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the

Bonds (the "Registration Books"), which Registration Books shall be open to inspection during regular business hours and upon reasonable prior notice by the Authority, the City, CFD No. 1, and CFD No. 2000-3 and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such Registration Books, the ownership of the Bonds as hereinbefore provided.

SECTION 2.06 Form and Execution of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A hereto. The Bonds shall be executed in the name and on behalf of the Authority with the facsimile signature of its Chair (or any duly authorized deputy to the Chair) attested by the manual or facsimile signature of its Secretary. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also any Bonds may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such Person shall not have been such officer of the Authority.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the forms set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.07 Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed, or typewritten, shall be of such Authorized Denominations as may be determined by the Authority, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds in Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.08 Bonds Mutilated, Lost, Destroyed, or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed, or stolen, evidence of such loss, destruction, or theft may be submitted to the Authority and the Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in replacement for the Bond so lost, destroyed, or stolen (or if any such Bond shall have matured, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed, or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

SECTION 2.09 Book-Entry. The Bonds shall be initially issued in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial issuance, the ownership of such Bonds shall be registered in the name of the Nominee identified below as nominee of the Depository. Except as hereinafter provided, all of the Outstanding Bonds shall be registered in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section (the "Nominee"). The initial Nominee shall be Cede & Co., as Nominee of the Depository.

With respect to the Bonds registered in the name of the Nominee, neither the Authority nor the Trustee shall have any responsibility or obligation to any broker-dealers, banks, and other financial institutions from time to time for which the Depository holds Bonds as securities depository (the "Participant") or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Authority nor the Trustee shall have any responsibility or obligation (unless the Authority is at such time the Depository) with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Authority redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Registration Books, of any amount with respect to principal of or interest on the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the holder and absolute Owner of such Bond for the purpose of payment of principal and interest with respect to such Bond for the purpose of giving notices of redemption if applicable, and other matters with respect to such Bond for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Authority shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owner of a Bond, as shown in the Registration Books, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the Authority to make payments of principal and interest pursuant to this Indenture. Upon delivery by the Depository to the Owners of the

Bond, and the Authority of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such nominee of the Depository.

In the event (i) the Depository determines not to continue to act as securities depository for the Bonds or (ii) the Depository shall no longer so act and gives notice to the Authority of such determination, then the Authority will discontinue the book-entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new, single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the register in the name of the Nominee, but shall be registered in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Sections 2.03 and 2.04 and the Authority shall prepare and deliver Bonds to the Owners thereof for such purpose.

In the event of a reduction in aggregate principal amount of Bonds Outstanding or an advance refunding of part of the Bonds outstanding, the Depository, in its discretion, (a) may request the Authority to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in principal, but in such event the Authority records maintained by the Trustee shall be conclusive as to what amounts are Outstanding on the Bond, except in the case of final maturity, in which case the Bond must be presented to the Trustee prior to payment.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal and interest with respect to such Bond and all notice with respect to such Bonds shall be made and given respectively, as instructed by the Depository and acceptable to the Authority.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS AND TRANSFERS FROM THE FISCAL AGENT; ACQUISITION OF ACQUIRED OBLIGATIONS

SECTION 3.01 Issuance of the Bonds. At any time after the execution of this Indenture, the Authority may execute, and upon the Written Request of the Authority, the Trustee shall authenticate and deliver, Bonds in the aggregate principal amount of $_________.

SECTION 3.02 Application of Proceeds of the Bonds and Transfers from the Fiscal Agent.

The proceeds in the amount of $_____________ received on the Date of Delivery from the sale of the Bonds shall be delivered in trust with the Trustee, and the Trustee shall immediately deposit the proceeds as follows:

(1) $________________ shall be transferred to the Prior Trustee for the early redemption of the Series 2012 Bonds;

(2) $_________________, representing the Reserve Requirement, shall be deposited in the Reserve Fund;

(3) $____________ shall be deposited in the Residual Account of the Revenue Fund; and

(4) $____________ shall be deposited in the Expense Fund.

In addition, the Trustee shall deposit $_________ (representing a portion of the accrued interest on the CFD No. 1 Bonds) transferred to the Trustee pursuant to the CFD No. 1 Bonds Fiscal Agent Agreement and $______ (representing a portion of the accrued interest on the CFD No. 2000-3 Bonds) transferred to the Trustee pursuant to the CFD No. 2000-3 Bonds Fiscal Agent Agreement in the Interest Account of the Revenue Fund.

SECTION 3.03 Reserve Fund. (a) Establishment of Reserve Fund.

(1) The Trustee shall establish and maintain a separate reserve fund to be applied solely to the payment of debt service on the Bonds, designated as the "Reserve Fund." The Trustee shall deposit the amount specified in Section 3.02(a) in the Reserve Fund. The Trustee shall administer the funds in the Reserve Fund as provided in this Section 3.03.

(2) If on any Interest Payment Date the amount in the Interest Account shall be less than the amount required for the interest payable with respect to the Bonds on such date, the Trustee shall withdraw from the Reserve Fund and deposit into the Interest Account the amount of such deficiency.

(3) If on any Interest Payment Date the amount in the Principal Account shall be less than the amount required for the principal payable with respect to the Bonds on such date, the Trustee shall withdraw from the Reserve Fund and deposit into the Principal Account the amount of such deficiency.

(4) If on September 3rd of any year the amount of cash on deposit in the Senior Reserve Fund exceeds the Reserve Requirement, the Trustee shall on such date transfer such excess from the cash then on deposit in the Reserve Fund to the Residual Account.

(5) Not later than three (3) days following the date that the Bonds are no longer Outstanding and all Administrative Costs have been paid in full, then the Trustee shall transfer all monies in the Reserve Fund to the Residual Account.

(b) Calculation of Available Amount. At or around June 1, 2031, the Trustee shall calculate the Available Amount and transmit such calculation to the City, it being understood that the City will reduce the Fiscal Year 2031-2032 assessment levy in the Assessment District in an amount equal to the Available Amount. Amounts equal in the aggregate to the Available Amount shall be withdrawn proportionately from the Reserve Fund to pay, on September 2, 2032, a portion of the debt service on the Bonds.

SECTION 3.04 Expense Fund. The Trustee shall establish and maintain a separate fund to be known as the "Expense Fund." The moneys deposited into the Expense Fund shall be utilized to pay the Costs of Issuance and Administrative Costs, as set forth in a Written Request of the Authority, the City, CFD No. 1, or CFD No. 2000-3 containing the respective amounts to be paid to the designated payees. The Trustee shall pay all such Costs of Issuance and Administrative Costs upon receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set forth with respect to such payee in such requisition. On September 3 of each year, the Trustee shall transfer any funds then held in the Expense Fund to the Residual Account.

SECTION 3.05 Program Fund.

The Trustee shall establish and maintain a separate fund to be known as the "Program Fund." The Trustee shall receive the Acquired Obligations from the Prior Trustee and hold all of the Acquired Obligations therein for the benefit of the Authority and the Owners..

SECTION 3.06 Closing Documents. Prior to or concurrent with the acquisition of either of the Acquired Obligations with amounts on deposit in the Program Fund, there shall have been filed with the Authority and the Trustee as to such Acquired Obligation all of the following documents, in each case in form and substance satisfactory to the Authority.

(a) Original fully executed copies of all agreements and other instruments pursuant to which such Acquired Obligation is authorized, sold, and issued or incurred, including, without limitation, the applicable fiscal agent agreement;

(b) The fully executed Acquired Obligation or other instrument evidencing such Acquired Obligation registered in the name of the Authority pursuant to this Indenture;

(c) A separate Written Certificate of the City, CFD No. 1, and CFD No. 2000-3, as applicable, stating that all of the documents referred to in (a) and (b) above have been duly executed by the City, CFD No. 1, and CFD No. 2000-3, as applicable, and that the Persons executing such documents on their behalf have been duly authorized to do so;

(d) Certified copies of all resolutions of the governing body of the City (on behalf of itself and as the legislative body of CFD No. 1 or CFD No. 2000-3, as applicable) approving and authorizing the issuance of the Acquired Obligation and the documents referred to in (a) and (b) above;

(e) An opinion of Bond Counsel which: (a) states that the Acquired Obligation is a valid and binding obligation of the City, CFD No. 1, or CFD No. 2000-3, as applicable, enforceable in accordance with its terms, subject to customary bankruptcy, equitable remedy and other exceptions, and (b) contains such other opinions and addresses such other matters as are commonly provided by Bond Counsel for tax-exempt bonds similar to the type of the Acquired Obligation and as may reasonably be required by the Authority or the Original Purchaser; and

(f) Such other opinions, documents, and other information as may be reasonably required by the Authority, Bond Counsel, or counsel to the Original Purchaser.

SECTION 3.07 Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the acquisition of the Acquired Obligations. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01 Redemption.

(a) Optional Redemption. The Bonds are not subject to optional redemption prior to their respective stated maturities.

(b) Extraordinary Redemption. The Bonds or any portion of a Bond in any Authorized Denomination shall be subject to extraordinary redemption prior to maturity, in whole on any date, or in part on any Interest Payment Date, pro rata among maturities as directed by the Authority in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate, from funds transferred to the Trustee by the Fiscal Agent from the AD Prepayment Account, the CFD No. 1 Prepayment Account, or the CFD No. 2000-3 Prepayment Account, as applicable, at the redemption price set forth below (expressed as a percentage of the principal amount of the Bonds to be redeemed), plus accrued interest to the date of redemption:

Redemption Dates	Redemption Price
March 2, 2023, through March 2, 2024	103%
September 2, 2024, and March 2, 2025	102
September 2, 2025, and March 2, 2026	101
September 2, 2026 thereafter	100

(c) Mandatory Sinking Fund Redemption. The Bonds maturing on September 2, __________, are subject to mandatory redemption in part on September 2 in the following years in the following amounts at a redemption price equal to the principal amount thereof together with accrued interest to the date fixed for redemption, without premium:

Mandatory Redemption Date (September 2)	Principal Amount

In the event of any optional or extraordinary redemption of Bonds pursuant to Subsection (b) above, the schedule of mandatory sinking fund installments in Subsection (c) above shall be reduced in equal percentages, as nearly as practicable, provided that the reductions shall be made in multiples of $5,000. The Authority shall provide the Trustee with the amended sinking fund payments schedule calculated as set forth above in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate.

(d) Purchase in Lieu of Redemption. In lieu of depositing cash with the Trustee as and for payment of the redemption price of any Bonds pursuant to this Section 4.01, and after complying with the Cash Flow Certificate requirements set forth in Section 4.02 below, amounts on deposit in the Principal Account, the Interest Account, and the Redemption Account may be used and withdrawn by the Trustee at any time prior to the selection of Bonds for such redemption having taken place with respect to such amounts, upon a Written Order of the Authority for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Authority may, in its discretion, determine, but not in excess of the redemption price thereof plus accrued interest to the purchase date. All Bonds so purchased shall be delivered to the Trustee for cancellation.

SECTION 4.02 Selection of Bonds for Redemption. Subject to Section 4.01, whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the amounts and maturities of Bonds for redemption in accordance with the Written Order of the Authority to be provided to the Trustee not less than 45 days prior to the redemption date.

Each Written Order of the Authority provided in accordance with this Section 4.02 shall be accompanied by a Cash Flow Certificate.

Whenever less than all the outstanding Bonds of any one maturity are to be redeemed on any one date, the Trustee will select the particular Bonds to be redeemed randomly by lot and in selecting the Bonds for redemption the Trustee will treat each Bond of a denomination of more than five thousand dollars ($5,000) as representing that number of Bonds of five thousand dollars ($5,000) denomination which is obtained by dividing the principal amount of such Bond by five thousand dollars ($5,000), and the portion of any Bond of a denomination of more than five thousand dollars ($5,000) to be redeemed shall be redeemed in an Authorized Denomination. The Trustee shall promptly notify the Authority in writing of the numbers of the Bonds so selected for redemption in whole or in part on such date.

SECTION 4.03 Notice of Redemption.

(a) Contents of Notice. Notice of redemption shall be mailed by the Trustee promptly upon receipt of moneys to be applied to the redemption of Bonds, by first class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, such notice to be mailed not more than sixty (60) nor less than thirty (30) calendar days prior to the redemption date. Each notice of redemption shall state the redemption date, the place or places of redemption, and the CUSIP numbers and the Bond numbers of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective Authorized Denominations of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the principal amount relating thereto or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, plus premium and accrued interest, if any, and through which date such interest will accrue, and that from and after such date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the Office of the Trustee. Neither the failure of any Bond Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds or the cessation of accrual of interest thereon. A certificate of the Trustee that notice of redemption has been given as provided for in this Section 4.03(a) shall be conclusive as against all parties, and it shall not be open to any Owner to show that he or she failed to receive notice of such redemption.

(b) Notice to Others. In addition to the notice given pursuant to Subsection (a) of this Section, the notice of redemption described in Subsection (a) shall be given on the same day by either first class mail, postage prepaid, or facsimile transmission to the Securities Depositories and to at least one of the Information Services. Neither the failure to give the notice described in this Subsection nor any defect therein shall in any manner affect the redemption of the Bonds; provided further, that failure to provide such notice to the Securities Depositories or the Information Services shall not affect the validity of proceedings for the redemption of any Bonds.

(c) Given on Behalf of Authority. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

SECTION 4.04 Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of an Authorized Denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

SECTION 4.05 Effect of Notice of Redemption. Notice having been given as aforesaid, and moneys for the redemption (including the interest to the applicable date of redemption), having been set aside in the Redemption Account or any of the accounts therein, the Bonds shall become due and payable on said date of redemption, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the redemption price thereof, together with interest accrued and unpaid to said date of redemption and premium, if any.

If, on said date of redemption, moneys for the redemption of all the Bonds to be redeemed, together with interest to said date of redemption and premium, if any, shall be held by the Trustee so as to be available therefor on such date of redemption, and, if notice of redemption thereof shall have been given as aforesaid, then, from and after said date of redemption, interest represented by said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

When any Bonds (or portions thereof) have been duly called for redemption prior to maturity pursuant to the provisions of this Article IV or with respect to which irrevocable instructions to call such Bonds for redemption prior to maturity at the earliest redemption date have been given to the Trustee pursuant to the provisions of this Article IV and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds (or portions thereof) as provided for in this Indenture, then such Bonds (or portions thereof) shall no longer be deemed Outstanding and shall be surrendered to the Trustee.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Article IV shall be canceled upon surrender thereof and delivered to the Trustee.

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS OF PRINCIPAL AND INTEREST

SECTION 5.01 Pledge and Assignment; Revenue Fund.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Acquired Obligations and all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Indenture (except the Rebate Fund and the Expense Fund) are hereby pledged by the Authority, to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge shall constitute a first lien on and security interest in such assets, and shall attach, be perfected and be valid and binding from and after delivery of the Bonds by the Trustee, upon the physical delivery thereof.

(b) The Authority hereby transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title, and interest of the Authority in the Acquired Obligations, when and as issued or incurred. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority and shall forthwith be paid by the Authority to the Trustee for deposit to the Revenue Fund. The Trustee also shall be entitled to and may take all steps, actions, and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City under and with respect to its Acquired Obligations.

(c) Upon receipt, all Revenues shall be promptly deposited by the Trustee thereof in a special fund designated as the “Revenue Fund” within which there shall be an Interest Account, Principal Account, Redemption Account, and a Residual Account, each of which the Trustee shall establish, maintain and hold in trust. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

SECTION 5.02 Allocation of Revenues. As Revenues (other than Extraordinary Redemption Proceeds, which shall be deposited in the Redemption Account pursuant to Section 5.05) are received in each calendar year commencing in 2022, the Trustee shall transfer from the

Revenue Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain in trust separate and distinct from the other funds and accounts established hereunder) the following amounts on the following dates and in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from a lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) On March 2 and September 2 of each year, the Trustee shall deposit in the Interest Account an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest coming due and payable on such date on the Bonds.

(b) On September 2 of each year, the Trustee shall deposit in the Principal Account an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Principal Account to equal the amount of principal coming due and payable, on such date on the Outstanding Bonds.

(c) On March 2 and September 2 of each year, the Trustee shall deposit in the Reserve Fund an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Reserve Fund to equal the Reserve Requirement.

(d) On the next Business Day following each March 2 and September 2 deposit made pursuant to (a) through (c) above, the Trustee shall deposit in the Expense Fund such amount as may be requested in a Written Request of an Authorized Representative of the Authority for the payment of Administrative Costs.

(e) On the next Business Day following each March 2 and September 2 deposit made pursuant to (a) through (d) above, the Trustee shall deposit in the Rebate Fund all amounts which the Authority directs to be deposited therein pursuant to Section 6.08.

(f) On the next Business Day following each March 2 and September 2 deposit made pursuant to (a) through (e) above, the Trustee shall deposit in the Residual Account of the Revenue Fund the amount then on deposit in the Revenue Fund.

SECTION 5.03 Application of Interest Account.

Subject to the provisions of this Indenture, all amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as the same shall become due and payable or, at the Written Request of the Authority filed with the Trustee, to apply to the payment of accrued interest on any Bonds purchased by the Authority in lieu of redemption pursuant to Section 4.01(c). Any amounts on deposit in the Interest Account or any subaccount thereof on any Interest Payment Date and not required to pay interest then due and payable on the Bonds shall be retained in such Interest Account.

SECTION 5.04 Application of Principal Accounts.

Subject to the provisions of this Indenture, all amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal of the Bonds upon the stated maturity thereof.

SECTION 5.05 Application of Redemption Account. All Extraordinary Redemption Proceeds shall be deposited into the Redemption Account. Subject to the provisions of this Indenture, all amounts deposited in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds in the manner and upon the terms and conditions specified in Section 4.01(b), at the next succeeding date of redemption for which notice has been given and at the principal amount thereof. Additionally, any amounts for the redemption of Bonds pursuant to Section 4.01(a) may be deposited into the Redemption Account in a manner instructed by the Authority in writing to the Trustee. At any time prior to selection of Bonds for redemption, the Trustee may apply amounts on deposit in the Redemption Account to the purchase of Bonds pursuant to the provisions of Section 4.01(d).

SECTION 5.06 Application of Residual Account.

(a) Amounts in the Residual Account in excess of $__________ (which amount is equal to approximately 10% of the average annual debt service on the Bonds as of the Closing Date) may, at any time and at the written direction of the Authority, be (i) transferred to the Expense Fund if the amount therein is insufficient to pay Costs of Issuance or Administrative Costs, (ii) transferred to the Rebate Fund, or (iii) transferred to the Redemption Account.

(b) Three (3) Business Days prior to each Interest Payment Date, the Trustee shall transfer all monies deposited in the Residual Account to the Revenue Fund to be applied in accordance with Section 5.02.

(c) Promptly following the date that the Bonds are no longer Outstanding, all funds on deposit in the Residual Account, including transfers from the Reserve Fund pursuant to Section 3.03 shall be remitted (i) in the amount of the CFD No. 1 Residual Amount to the City for refund to the property owners within CFD No. 1 as determined by an Authorized Officer of the City, (ii) in the amount of the CFD No. 2000-3 Residual Amount to the City for refund to the property owners within CFD No. 2000-3 as determined by an Authorized Officer of the City, and (iii) in the amount of the balance of the Residual Account to the City for refund to the property owners within the Assessment District in the manner set forth in Section 8885 of the California Streets and Highways Code.

(d) Amounts in the Residual Account shall be invested in Permitted Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum' tax of individuals and corporations under the Code) or in Permitted Investments at a Yield not in excess of the Yield on the Bonds, unless, in the opinion of Bond Counsel, investment at a higher Yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds then Outstanding.

SECTION 5.07 Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the Authority two (2) Business Days prior to the making of such investment. Permitted Investments may be purchased at such prices as the Authority shall determine. All Permitted Investments shall be acquired subject to any restrictive instructions given to the Trustee pursuant to Section 6.07 and such additional limitations or requirements consistent with the foregoing as may be established by the Written Request of the Authority. Moneys in all funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture. Absent timely written direction from the Authority, the Trustee shall invest any funds held by it in Permitted Investments described in clause (15) of the definition thereof. Investment of cash on deposit in the Reserve Fund shall have an average weighted term to maturity not greater than five (5) years.

Unless otherwise provided in this Indenture, all interest, profits, and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be deposited in the Revenue Fund, except that (a) earnings on the investment of amounts in the Residual Account of the Revenue Fund, the Reserve Fund (subject to Section 3.03(a) hereof) shall be deposited into the Residual Account of the Revenue Fund and (b) earnings on the investment of amounts in the Rebate Fund shall be retained therein. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investments equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund from which such accrued interest was paid.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at the lesser of cost or par value plus, prior to the first payment of interest following purchase, the amount of accrued interest, if any, paid as a part of the purchase price.

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Authority, the Trustee shall sell or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal, or disbursement from the fund to which such Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section 5.07.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transactions statements which include details for all investment transactions made by the Trustee hereunder.

ARTICLE VI

PARTICULAR COVENANTS

SECTION 6.01 Punctual Payment. The Authority shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture and received by the Authority or the Trustee.

SECTION 6.02 Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchaser of such Bonds or by any other arrangement. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

SECTION 6.03 Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge, or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture or any Supplemental Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

SECTION 6.04 Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues, the Acquired Obligations, and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid, and binding special obligations of the Authority in accordance with their terms, and the Authority shall at all times, to the extent permitted by law, defend, preserve, and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all Persons whomsoever.

SECTION 6.05 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Bond proceeds, the Revenues, the Acquired Obligations, and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the City, CFD No. 1, and CFD No. 2000-3 during regular business hours and upon reasonable prior notice and under reasonable circumstances as agreed to by the Trustee.

SECTION 6.06 Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.07 [RESERVED].

SECTION 6.08 Rebate Fund.

(a) Establishment of Rebate Fund. With respect to the Bonds the Trustee shall establish a special fund designated as the "Rebate Fund" (the "Rebate Fund") and shall comply with the requirements of Subsection (b) below. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section 6.08, and the Tax Certificate, unless the Authority obtains an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds will not be adversely affected for federal income tax purposes if such requirements are not satisfied.

(b) Rebate Fund. The following requirements shall be satisfied with respect to a Rebate Fund:

(i) Annual Computation. Within 55 calendar days of the end of each fifth Bond Year with respect to the Bonds and of the final maturity or redemption of the Bonds, the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage in accordance with Section 148(f)(2) of the Code and Section 1.148-2 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code)) and for this purpose treating the last day of the applicable Bond Year as a computation date within the meaning of Section 1.148-8(b) of the Rebate Regulations (the "Rebatable Arbitrage"). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Rebatable Amount Transfer. Within 55 calendar days of the end of each applicable Bond Year with respect to the Bonds, upon the Authority's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from any legally available funds, if and to the extent required, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with (i) of this Subsection (b). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the applicable Rebate Fund exceeds the amount required to be on deposit therein, upon written instructions from the Authority, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Revenue Fund.

(iii) Payment to the Treasury. The Trustee shall, pursuant to the written direction of the Authority, pay to the United States Treasury, out of amounts in each Rebate Fund,

(X) Not later than sixty (60) calendar days after the end of (A) the fifth Bond Year with respect to the Bonds, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(Y) Not later than sixty (60) calendar days after the payment of all the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Authority shall calculate or cause to be calculated the amount of such deficiency and deposit with the Trustee for deposit in the Rebate Fund an amount received from any legally available source, equal to such deficiency in the particular Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this Subsection (b) shall be made to the Internal Revenue Service on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be prepared by the Authority and provided to the Trustee or shall be made in such other manner as the Authority shall direct the Trustee, as provided under the Code.

(c) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in Subsection (b), may, upon the receipt of written directions from the Authority, be transferred by the Trustee to the Authority and utilized in any manner by the Authority.

(d) Survival of Defeasance. Notwithstanding anything in this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance of the Bonds.

SECTION 6.09 Federal Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the Bonds will not be adversely affected for federal income tax purposes, the Authority covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(1) Private Activity. The Authority will not take or omit to take any action, and will not make any use of the proceeds of the Bonds or of any other monies or property which would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(2) Arbitrage. The Authority will not make any use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, and will not take or omit to take any action which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(3) Federal Guarantee. The Authority will not make any use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(4) Information Reporting. The Authority will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code; and

(5) Miscellaneous. The Authority will not take any action inconsistent with its expectations stated in the Tax Certificate executed on the Closing Date by the Authority in connection with the Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

SECTION 6.10 Collection of Revenues Under Acquired Obligations. The Trustee shall collect all Revenues payable with respect to the Acquired Obligations promptly as such Revenues become due and payable, and shall enforce and cause to be enforced all rights of the Trustee under and with respect to the Acquired Obligations.

SECTION 6.11 Disposition of Acquired Obligations. The Authority shall not sell or otherwise dispose of the Acquired Obligations, or any interest therein, unless either (a) there shall have occurred and be continuing an Event of Default hereunder or (b) upon the written direction of the Authority the proceeds derived by the Trustee from the sale or other disposition of the Acquired Obligations are sufficient to enable the Trustee to optionally redeem or discharge pursuant to Article X all Bonds then Outstanding.

SECTION 6.12 Further Assurances. The Authority will make, execute, and deliver any and all such further indentures, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

SECTION 6.13 Annual Reporting Requirements to Original Purchaser. Unless otherwise posted by the Authority at no cost or expense to the Owners either on EMMA, or by some other readily publicly available means, the Authority shall provide to the Original Purchaser the information listed in Exhibit D. The Authority shall further provide to the Original Purchaser: (a) within three (3) Business Days after the Authority obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under this Indenture, together with a statement by an Authorized Officer of the Authority of the steps being taken by the Authority to cure such Event of Default; and (db within ten (10) days after receipt of request therefor by the Original Purchaser, such additional information as the Original Purchaser may reasonably request.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 7.01 Events of Default. The following events shall be Events of Default:

(a) if default shall be made by the Authority in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise;

(b) if default shall be made by the Authority in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable;

(c) if default shall be made by the Authority in the observance of any of the other covenants, agreements, or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of thirty (30) calendar days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee or the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the affected series of Bonds at the time Outstanding; provided, however, if the failure stated in the notice can be corrected, but not within the applicable period, the Trustee and such Owners shall, subject to the provisions of Section 12.09, not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected; and

(d) the occurrence of an Event of Bankruptcy with respect to the Authority.

SECTION 7.02 Remedies Upon Event of Default. If any Event of Default shall have occurred and be continuing, the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding may, upon notice in writing to the Authority, exercise any and all remedies available pursuant to law or granted with respect to such Event of Default.

SECTION 7.03 Other Remedies of Bond Owners. Subject to the provisions of Section 7.07, any Bond Owner shall have the right, for the equal benefit and protection of all Bond Owners similarly situated:

(a) by mandamus, suit, action, or proceeding, to compel the Authority and its members, officers, agents, or employees to perform each and every term, provision, and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Authority and the fulfillment of all duties imposed upon it by the Bond Law;

(b) by suit, action, or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' rights; or

(c) upon the happening of any Event of Default, by suit, action, or proceeding in any court of competent jurisdiction, to require the Authority and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.04 Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Authority shall be immediately upon receipt by the Authority be transferred by the Authority to the Trustee and shall be deposited by the Trustee in the Revenue Fund, and all amounts held in the Revenue Fund by the Trustee, and all Revenues and any other funds then held or thereafter received by the Authority or the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on the Bonds on such date to the Persons entitled thereto, without any discrimination or preference.

Immediately upon the payment of any delinquent amounts that caused the occurrence of an Event of Default triggering the application of the provisions of this Section 7.04 to the Revenues and any other applicable funds so as to remedy such Event of Default, the provisions of Section 5.02 shall apply to the allocation of Revenues.

SECTION 7.05 Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owners under the provisions of the Bonds, this Indenture, the Bond Law, and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the affected series of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee and such Owners under the Bonds, this Indenture, the Bond Law, or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action, or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture.

SECTION 7.06 Bond Owners' Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the affected series of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners not parties to such direction.

SECTION 7.07 Limitation on Bond Owners' Right to Sue. No Owner of any Bonds shall have the right to institute any suit, action, or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Agreement, the Bond Law, or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the affected series of the Bonds then Outstanding, shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action, or proceeding in its own name, and (c) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) calendar days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity, and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Bond Law, or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had, and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

SECTION 7.08 Absolute Obligation of Authority. Nothing in Section 7.07 or in any other provision of this Indenture or in the Bonds contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor and received by the Authority or the Trustee, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.09 Termination of Proceeding. In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee, and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the Authority, the Trustee, and the Bond Owners shall continue as though no such proceedings had been taken.

SECTION 7.10 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.11 No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01 Duties and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with Subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation by first-class mail, postage prepaid, to the Authority, and to the Bond Owners notice of such resignation at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 45 calendar days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, such successor Trustee, without any further act, deed, or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties, and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title, and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign, and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties, and obligations. Upon acceptance of appointment by a successor Trustee as provided in this Subsection, the Authority shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) calendar days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under the provisions of this Section 8.01 in succession to the Trustee shall be a trust company or bank having the powers of a trust company, having a combined capital and surplus of at least fifty million dollars ($50,000,000), and subject to supervision or examination by federal or state agency. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this Subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

(g) The Trustee shall not be responsible for the sufficiency, timeliness, or enforceability of the Revenues or the reviewing of any report or certificate required to be provided hereunder.

(h) The Trustee shall not be accountable for the use or application by the Authority, the City, CFD No. 1, CFD No. 2000-3, or any other party of any funds which the Trustee has released under this Indenture.

(i) The Trustee may employ attorneys, agents, or receivers in the performance of any of its duties hereunder and shall not be answerable for the misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

SECTION 8.02 Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion, or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under Subsection (c) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its Bond of authentication on the Bonds. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee; or (iii) the application of any moneys paid to the Authority or others in accordance with this Indenture except as the application of any moneys paid to it in its capacity as Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any default or Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at its Office. Except as otherwise provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

(f) The Trustee assumes no responsibility or liability for any information, statement, or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. All indemnification and releases from liability granted herein to the Trustee shall extend to the directors, officers and employees of the Trustee.

SECTION 8.04 Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, bond, report, opinion, bonds, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be Bond Counsel or other counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; provided, however, the Trustee shall in no event delay any payment with respect to the Bonds in anticipation of any such opinion.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Authority, and such Bond shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this indenture in reliance upon such Bond, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

SECTION 8.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours and upon reasonable prior notice to the inspection of the Authority, the City, and their agents and representatives duly authorized in writing.

SECTION 8.06 Compensation and Indemnification. The Authority shall pay to the Trustee from time to time all reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees, and other disbursements and those of their attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Indenture. The Authority shall reimburse the Trustee for advances of the Trustee's funds hereunder with interest at the maximum rate allowed by law. Subject to Section 7.04 hereof, the Trustee shall not have any lien for the payment of such compensation on any funds or accounts established hereunder and not on any of the Revenues. The Authority further agrees to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and under any related documents, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. The duty of the Authority to compensate and indemnify the Trustee hereunder shall survive the termination and discharge of this Indenture and the resignation or removal of the Trustee. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

ARTICLE IX

MODIFICATION OR AMENDMENT OF INDENTURE

SECTION 9.01 Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of all Bonds of the affected series then Outstanding, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or extend the time of payment, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (iii) permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this Subsection (a), the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Authority), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the Authority, the Trustee, and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority contained in this Indenture other covenants and agreements thereafter to be observed, or to pledge or assign additional security for the Bonds (or any portion thereof);

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency, or omission, or of curing or correcting any defective provision contained in this Indenture, or as to any other provisions of this Indenture as the Authority may deem necessary or desirable, in any case which do not adversely affect the security for the Bonds granted hereunder;

(3) to modify, amend, or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions, and provisions as may be permitted by said act or similar federal statute; and

(4) to modify, amend, or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America.

SECTION 9.02 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Authority, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bond or Bonds Outstanding at the time of such execution and presentation of his Bond or Bonds for that purpose at the Office of the Trustee a suitable notation shall be made on such Bond or Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand of the Owners of any Bond or Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bond or Bonds then Outstanding, upon surrender for cancellation of such Bond or Bonds, in equal aggregate principal amount of the same interest rate and maturity.

ARTICLE X

DEFEASANCE

SECTION 10.01 Discharge of Indenture. The Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

(a) by paying or causing to be paid the principal of and redemption premium, if any, and interest on the Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust (pursuant to an escrow agreement), at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all Bonds then Outstanding; or

(c) by delivering to the Trustee, for cancellation by it, all of the Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority including without limitation any amounts due and owing the Trustee hereunder, then and in that case, at the election of the Authority (evidenced by a Written Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements, and other obligations of the Authority under this Indenture shall cease, terminate, become void, and be completely discharged and satisfied. In such event, upon the Written Request of the Authority, and upon receipt of a Written Certificate of Authorized Representatives of the Authority and an opinion of Bond Counsel acceptable to the Trustee, each to the effect that all conditions precedent herein provided for relating to the discharge and satisfaction of the obligations of the Authority have been satisfied, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as shall be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign, or deliver all moneys or securities or other property held by it pursuant to this Indenture, which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption, to the Authority.

SECTION 10.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate, and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03 Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture and shall be:

(a) Lawful money of the United States of America, in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds plus any premium and all unpaid interest thereon to the redemption date; or

(b) Non-callable Federal Securities described in clause (a) of the definition thereof, the principal of, premium, if any, and interest on which when due as determined by the Independent Certified Public Accountant will provide money sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal and interest become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this

Indenture or by Written Request of the Authority) to apply such funds to the payment of such principal and interest with respect to such Bonds.

SECTION 10.04 Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or otherwise as provided in this Indenture), if such moneys were so held at such date, or one (1) year after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the written request and cost of the Authority) first mail, by first-class mail, postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, neither the Authority nor any member thereof shall be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for the payment of the principal of or interest on the Bonds. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.03 Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Trustee, the City, CFD No. 1, CFD No. 2000-3, and the Owners of the Bonds, any legal or equitable right, remedy, or claim under or in respect of this Indenture or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City, CFD No. 1, CFD No. 2000-3, and the Owners of the Bonds.

SECTION 11.04 Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

SECTION 11.05 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and in accordance with its retention policy then in effect.

SECTION 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality, or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

SECTION 11.07 Notices. All notices or communications herein required or permitted to be given to the Authority or the Trustee shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopy or by being deposited, postage prepaid, in a post office letter box, addressed as follows:

If to Authority:	City of Oxnard Financing Authority 300 West Third Street Oxnard, CA 93030 Attn: Controller

If to the Trustee:	Computershare Trust Company, N.A. CTSO Mail Operations Attention: ___________________ MAC: N9300-070 600 South 4th Street, 7th Floor Minneapolis, MN 55415 with a copy to: Computershare Trust Company, N.A. 333 S. Grand Avenue, Floor 5 Los Angeles, CA 90071-1504 Attention: Corporate Trust Services
If to the City, CFD No. 1, or CFD No. 2000-3	City of Oxnard 300 West Third Street Oxnard, CA 93030 Attention: Chief Financial Officer
So long as the Original Purchaser is the Owner of any Outstanding Bond, to the Original Purchaser:	City National Bank 555 S. Flower Street, 21st Floor Los Angeles, California 90071 Attention: Scott Johnson

SECTION 11.08 Evidence of Rights of Bond Owners. Any request, consent, or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent, or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such request, consent, or other instrument or writing may be proved by the Bond of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent, or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of registered Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall certify to the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the Authority shall specify to the Trustee those Bonds disqualified pursuant to this Section 11.09.

SECTION 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest or principal due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 but without any liability for interest thereon.

SECTION 11.11 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof

SECTION 11.12 Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such previous non-Business Day.

SECTION 11.13 Waiver of Personal Liability. No member, officer, agent, or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.14 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.15 Governing Laws. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

(Signature page follows)

IN WITNESS WHEREOF, the City of Oxnard Financing Authority has caused this Indenture to be signed in its name by its Chairman and attested by its Secretary and Computershare Trust Company, N.A., in its acceptance of the trusts and duties created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CITY OF OXNARD FINANCING AUTHORITY

By: ___________________________________
John C. Zaragoza, Chairman

ATTEST:

By: ___________________________________
Rose Chaparro, Secretary

COMPUTERSHARE TRUST COMPANY, N.A., as Trustee

By: ___________________________________
Authorized Officer

-Signature Page-
Indenture of Trust

EXHIBIT A

FORM OF BOND

TRANSFER OF THIS BOND IS SUBJECT TO THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN. A TRANSFER OF THIS BOND IS LIMITED TO CERTAIN PARTIES THAT QUALIFY UNDER THE REQUIREMENTS OF THE INDENTURE, WHICH INCLUDE THE REQUIREMENT THAT THE TRANSFEREE HAS SUCH KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS, INCLUDING THE PURCHASE AND OWNERSHIP OF MUNICIPAL OBLIGATIONS OF A NATURE SIMILAR TO THE BONDS, TO BE ABLE TO EVALUATE THE RISKS AND MERITS OF THE INVESTMENT IN THIS BOND. THIS BOND HAS NOT BEEN REGISTERED WITH ANY FEDERAL OR STATE SECURITIES AGENCY OR COMMISSION, AND IS INTENDED TO BE A PRIVATELY PLACED LOAN BETWEEN AN ISSUER AND THE REGISTERED OWNER.

No. R-___ **$__________**

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CITY OF OXNARD FINANCING AUTHORITY
2022 LOCAL OBLIGATION REVENUE REFUNDING BONDS
(SPECIAL DISTRICT BOND)

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
____%	September 2, 20__		

REGISTERED OWNER:

PRINCIPAL AMOUNT: ________________________________ DOLLARS

The City of Oxnard Financing Authority (the "Authority"), a joint powers authority created pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Law"), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America and to pay interest thereon in like lawful money from the Interest Payment Date (as defined herein) next preceding the date of authentication of this Bond (as defined herein) (unless this Bond is authenticated after a Record Date (as defined herein) and on or prior to the next succeeding Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Dated Date stated above, or unless this Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Dated Date stated above, or unless interest is in default on this Bond on such date, in which case it shall bear interest from the last date interest was paid in full or from its Dated Date if no interest has been paid) until payment of such principal sum shall be discharged as provided in the Indenture (as defined herein) at the Interest Rate per annum stated above, payable semiannually on each March 2 and September 2 (each, an "Interest Payment Date"), commencing September 2, 2022. The principal (or redemption price) hereof is payable at the corporate trust office of Computershare Trust Company, N.A. (together with any successor trustee under the Indenture, the "Trustee"), in Los Angeles, California (or such other office designated by the Trustee, herein called the "Office of the Trustee"). Interest hereon is payable (except as otherwise provided in the Indenture with respect to defaulted interest) by check mailed on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date (the "Record Date") at the address shown on the registration books maintained by the Trustee, or by wire transfer made on such Interest Payment Date to any Owner of $1,000,000 or more in aggregate principal amount of Bonds (as defined in the Indenture) who shall have requested such transfer pursuant to written notice filed with the Trustee on or before the preceding Record Date. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "City of Oxnard Financing Authority 2022 Local Obligation Revenue Refunding Bonds (Special District Bonds) (the "Bonds"), in the aggregate principal amount of $_________________, all issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Law (commencing with Section 6584) (the "Bond Law"), and pursuant to an Indenture of Trust, dated as of July 1, 2022 (the "Indenture"), by and between the Authority and the Trustee, issued for the purpose of acquiring the Acquired Obligations. The term "Acquired Obligations" is defined in the Indenture as, collectively, (i) the $11,835,000 original principal amount City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 (the "AD Bonds"), (ii) the $8,750,000 original principal amount Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds (the "CFD No. 1 Bonds"), and (iii) the $7,980,000 original principal amount City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012. Reference is hereby made to the Indenture (a copy of which is on file at the Office of the Trustee) and all indentures supplemental thereto and to the Bond Law for a description of the rights thereunder of the Owners of the Bonds, of the nature and extent of the security for the Bonds, of the rights, duties, and immunities of the Trustee, and of the rights and obligations of the Authority thereunder. The capitalized terms used herein shall have the meanings ascribed to such terms in the Indenture unless otherwise specified herein. The

Registered Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Bonds and the interest thereon are limited, special obligations of the Authority and are payable solely from Revenues, derived primarily from payments made with respect to the Acquired Obligations acquired with the proceeds of the Bonds. The Bonds are secured by a first pledge and assignment of the Revenues and of certain amounts held in the funds and accounts established pursuant to the Indenture; subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforesaid pledge and assignment. The Bonds are not a debt of the City or the State of California and the City and said State are not liable for the payment thereof The Authority has no taxing power.

The Bonds are not subject to optional redemption prior to their respective stated maturities. The Bonds or any portion of a Bond in any Authorized Denomination shall be subject to extraordinary redemption prior to maturity, in whole on any date, or in part on any Interest Payment Date, pro rata among maturities as directed by the Authority in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate, from funds transferred to the Trustee by the Fiscal Agent from the AD Prepayment Account, the CFD No. 1 Prepayment Account, or the CFD No. 2000-3 Prepayment Account, as applicable, at the redemption price set forth below (expressed as a percentage of the principal amount of the Bonds to be redeemed), plus accrued interest to the date of redemption:

Redemption Dates	**Redemption Price**
March 2, 2023through March 2, 2024	103%
September 2, 2024, and March 2, 2025	102
September 2, 2025, and March 2, 2026	101
September 2, 2026, thereafter	100

The Bonds are subject to mandatory redemption in part on September 2, commencing September 2, 2023, in the amounts and on the dates set forth in the Indenture at a redemption price equal to the principal amount thereof together with accrued interest to the date fixed for redemption, without premium.

In the event of any optional or extraordinary redemption of Bonds, the schedule of mandatory sinking fund installments shall be reduced in equal percentages, as nearly as practicable, provided that the reductions shall be made in multiples of $5,000. The Authority shall provide the Trustee with the amended sinking fund payments schedule calculated as set forth above in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate.

Notice of redemption shall be mailed by first-class mail, postage prepaid, no earlier than sixty (60) nor less than thirty (30) calendar days prior to the redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books held by the Trustee. Each notice of redemption shall state the redemption date, the place or places of redemption, the fact that such redemption is subject to cancellation, the

CUSIP numbers and the bond numbers of the Bonds to be redeemed, and, in the case of Bonds to be redeemed in part only, the respective multiples of $5,000 of the principal amount thereof to be redeemed. Each such notice shall also state that on said redemption date there will become due and payable on each of said Bonds the principal amount relating thereto or, in the case of a Bond to be redeemed in part only, of said specified portion of the principal thereof, plus accrued interest, if any, and that from and after such redemption date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the Office of the Trustee. Neither the failure of any Bond Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bond or the cessation of accrual of interest thereon.

If an Event of Default shall occur, the principal of all Bonds may be declared due and payable and become subject to redemption upon the conditions, in the manner, and with the effect provided in the Indenture.

The Bonds are issuable as fully-registered Bonds in the denomination of $5,000 each or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged, at the Office of the Trustee, for a like aggregate principal amount of Bonds of the same interest rate and of other Authorized Denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations, and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of Authorized Denomination or Authorized Denominations, for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Authority and the Trustee may treat the Registered Owner hereof as the absolute Owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (1) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the Owner thereof, or (2) reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Owners of all Bonds then outstanding, all as more fully set forth in the Indenture.

It is hereby certified and recited by the Authority that any and all conditions, things, and acts required to exist, to have happened, and to have been performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by the Bond Law, and by the Constitution and laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Bond Law, or by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the Certificate of Authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf by the signature of the Chairman of the Authority and attested by the signature of the Secretary of the Authority, all as of the Dated Date.

CITY OF OXNARD FINANCING AUTHORITY

By: ________________________________
John C. Zaragoza
Chairman

ATTEST:

By: ________________________________
Rose Chaparro
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture, which has been authenticated on the date set forth below.

Dated: _____________, 2022

COMPUTERSHARE TRUST COMPANY, N.A.

By:_________________________________
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto_________

____

____

____

____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint ______________________

____ attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: ________________________

Signature Guaranteed:

____

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

PERMITTED INVESTMENTS

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America ("U.S. Government Securities").

(2) Direct obligations (see footnote 1 below) of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

(a) Export-Import Bank of the United States - Direct obligations and fully guaranteed certificates of beneficial interest

(b) Federal Housing Administration - debentures

(c) General Services Administration - participation certificates

(d) Government National Mortgage Association ("GNMAs") - guaranteed mortgage-backed securities and guaranteed participation certificates

(e) Small Business Administration - .guaranteed participation certificates and guaranteed pool certificates

(f) U.S. Department of Housing & Urban Development - local authority bonds

(g) U.S. Maritime Administration - guaranteed Title XI financings

(h) Washington Metropolitan Area Transit Authority - guaranteed transit bonds

(3) Direct obligations[1] of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

(a) Federal National Mortgage Association ("FNMAs") - senior debt obligations rated Aaa by Moody's and AAA by S&P

The following are explicitly excluded from the securities enumerated in clauses (a) and (b):

---

[1] The following are explicitly excluded from the securities enumerated in clauses (a) and (b):

(a) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;

(b) Obligations that have a possibility of returning a zero or negative yield if held to maturity;

(c) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and

(d) Collateralized Mortgage-Backed Obligations ("CMOs").

(a) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;

(b) Obligations that have a possibility of returning a zero or negative yield if held to maturity;

(c) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and

(d) Collateralized Mortgage-Backed Obligations ("CMOs").

(a) Federal Home Loan Mortgage Corporation ("FHLMCs") - participation certificates and senior debt obligations rated Aaa by Moody's and AAA by S&P

(b) Federal Home Loan Banks - consolidated debt obligations

(c) Student Loan Marketing Association - debt obligations

(d) Resolution Funding Corporation - debt obligations

(4) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision, or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P.

(5) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody's and A-1 or better by S&P.

(6) Certificates of deposit, savings accounts, deposit accounts, or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.

(7) Certificates of deposit, deposit accounts, federal funds, or bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank or United States branch office of a foreign bank, provided that such bank's short-term certificates of deposit are rated P-1 by Moody's and A-1 or better by S&P (not considering holding company ratings).

(8) Investments in money-market funds rated AAAm or AAAm-G by S&P. Such money market funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(9) State-sponsored investment pools rated AA- or better by S&P.

(10) Repurchase agreements that meet the following criteria:

(a) A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.

(b) Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.

(c) The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody's, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.

(d) The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, FNMA or FHLMC described in clauses 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for GNMAs, FNMAs, or FHLMCs. The repurchase agreement shall require (i) the Trustee or an independent third party acting solely as agent for the Trustee (the "Agent") to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) Business Days of such valuation.

(e) The repurchase securities shall be delivered free and clear of any lien to the Trustee or the Agent, and such Agent is (i) a Federal Reserve Bank or (ii) a bank which is a member of the FDIC and which has combined capital, surplus, and undivided profits or, if appropriate, a net worth, of not less than $50 million, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee.

(f) A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the Authority and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof

(g) The repurchase agreement shall have a term of one year or less, or shall be due on demand.

(h) The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities:

i. insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;

ii. failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under clause 10(d) above; or

iii. failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

(11) Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

(a) A master agreement or specific written investment agreement governs the transaction.

(b) Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody's and AA by S&P; (ii) domestic insurance companies rated Aaa by Moody's and AAA by S&P; and (iii) domestic structured investment companies rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.

(c) Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an uninsured, unsecured, and unguaranteed rating of Al or better by Moody's and A+ or better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Al by Moody's and A+ by S&P; (iii) domestic insurance companies rated at least Al by Moody's and A+ by S&P; and (iv) domestic structured investment companies rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P. Required collateral levels shall be as set forth in clause 11(f) below.

(d) The investment agreement shall provide that, if the provider's ratings fall below Aa3 by Moody's or AA- by. S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.

(e) The investment agreement must provide for termination thereof if the provider's ratings are suspended, withdrawn, or fall below A3 from Moody's or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty.

(f) The investment agreement shall provide for the delivery of collateral described in clause i or ii below ("Permitted Collateral") which shall be maintained at the following collateralization levels at each valuation date:

i. U.S. Government Securities at 104% of principal plus accrued interest; or

ii. Obligations of GNMA, FNMA, or FHLMC (described in clauses 2(d), 3(a), and 3(b) above) at 105% of principal and accrued interest.

(g) The investment agreement shall require the Trustee or the Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:

i. the last quoted "bid" price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal, or Reuters;

ii. valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or

iii. the lower of two (2) bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.

(h) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account, and registered in the name of the Trustee or the Agent.

(i) The provider shall grant the Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under clause 1 1 (f) above, the Trustee shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Trustee without condition, breakage fee, or other penalty, upon not more than two (2) Business Days' notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:

i. In the event of a deficiency in the debt service account;

ii. Upon acceleration after an event of default;

iii. Upon refunding of the Bonds in whole or in part;

iv. Reduction of the Reserve Requirement for the Bonds; or

v. If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.

Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Trustee if the Authority's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the Bonds and to make deposits to the Reserve Fund.

(j) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities, unless:

i. Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times, or in the amounts described above;

ii. Insolvency of the provider or the guarantor (if any) under the investment agreement;

iii. Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;

iv. Failure by the provider to make a payment or observe any covenant under the agreement;

v. The guaranty (if any) is terminated, repudiated, or challenged; or

vi. Any representation of warranty furnished to the Trustee or the Authority in connection with the agreement is false or misleading.

(1) The investment agreement must incorporate the following general criteria:

i. "Cure periods" for payment default shall not exceed two (2) Business Days;

ii. The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Trustee;

iii. If the investment agreement is for the Reserve Fund, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate;

iv. The provider shall be required to immediately notify the Trustee of any event of default or any suspension, withdrawal, or downgrade of the provider's ratings; and

v. The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim.

(12) Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

(a) A specific written investment agreement governs the transaction.

(b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the SIPC jurisdiction, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or, better by Moody's and A-/A-1 or better by S&P; and (iii) domestic structured investment companies rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.

(c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider hereunder) of the agreement if the provider's ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody's or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.

(d) Permitted securities shall include the investments listed in clauses 1, 2, and 3 above.

(e) The forward delivery agreement shall include the following provisions:

i. The permitted securities must mature at least one (1) Business Day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.

ii. The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.

iii. Any breakage fees shall be payable only on Interest Payment Dates and shall be subordinated to the payment of debt service fund and Reserve Fund replenishments.

iv. The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency, or receivership of the provider, the securities will not be considered to be a part of the provider's estate.

(13) Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the issuer or the Trustee to put the securities back to the provider under a put, guaranty, or other hedging arrangement.

(14) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of the State of California or of any agency, instrumentality, or local governmental unit of the State of California which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on an irrevocable escrow account or fund, in the highest rating category of S&P and Moody's.

(15) Shares in any money market mutual fund registered under the Investment Company Act of 1940 whose investment portfolio consists solely of direct obligations of the United States Government, provided that any such fund has been rated in the highest category by a nationally recognized rating agency and, provided further, that such mutual funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(16) The Local Agency Investment Fund ("LAIF").

(17) Maturity of investments shall be governed by the following:

(a) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.

(b) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.

(c) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five (5) years or less.

EXHIBIT C

FORM OF LETTER OF REPRESENTATIONS

City of Oxnard Financing Authority
300 West Third Street
Oxnard, CA 93030
Attention: Chief Financial Officer

Re: $_________City of Oxnard Financing Authority 2022 Local Obligation Revenue Refunding Bonds (Special District Bonds

The undersigned, a duly authorized representative of City National Bank a ________________, and its successors, assigns and transferees (the "Purchaser"), hereby certifies to the City of Oxnard Financing Authority (the "Authority") as follows:

(i) The Purchaser has purchased on the date hereof the above-referenced bond (the "Bond"), issued in the aggregate principal amount of $_________ pursuant to the Indenture of Trust, dated as of July 1, 202 (the "Indenture"), by and between the Authority and Computershare Trust Company, N.A., as Trustee, and acknowledged and agreed to by the Purchaser, as the original purchaser of the Bond.

(ii) The Bond is currently being acquired by the Purchaser for its own account (or that of its consolidated taxpayer group) and not with a present intent for any resale or distribution thereof, in whole or in part, to others; provided, however, that the Purchaser shall not be precluded from transferring or assigning its interest in the Bond in accordance with the terms and conditions set forth in the Indenture. The Purchaser is not participating, directly or indirectly, in a distribution of the Bond and will not take, or cause to be taken, any action that would cause the Purchaser or Piper Sandler & Co., Inc. (the "Placement Agent") to be deemed an "underwriter" of such Bond as defined in Section 2(11) of the Securities Act of 1933, as amended (the "Securities Act"). The Purchaser understands that the Authority and the Placement Agent have no obligation to register the Bond for resale under the Securities Act. The Purchaser further understands that the Bond is being sold in a transaction that is exempt from the registration requirements of the Securities Act. The Purchaser acknowledges that the Authority will not be entering into a continuing disclosure agreement pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended.

(iii) The Purchaser has received and carefully read all information and other items of disclosure relating to the Authority and the City of Oxnard (the "City) with respect to the Acquired Obligations, as defined in the Indenture, and the Bond that the Purchaser has deemed necessary and that has been provided or published by the Authority, including without limitation various financial information, reports, and other publicly available information that a reasonable investor would attach significance to in making its determination to purchase the Bond and, in connection therewith, has had access to all other materials, books, records, documents, and information relating to the Authority, the Acquired Obligations and the Bond (collectively, the "Disclosure Items").

(iv) The Purchaser has had an opportunity to ask questions of, and receive satisfactory answers from, duly designated representatives of the Authority and the City concerning the terms and conditions pursuant to which the offer to purchase the Bond is being made, and any request for such information has been fully complied with to the extent the Authority possesses such information or can acquire it without unreasonable effort or expense.

(v) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks relating to such Bond and has evaluated: (a) the information (including the information set forth in the Disclosure Items) furnished to it by the Authority and/or the City and the Placement Agent; (b) its or such representative's personal knowledge of the business and affairs of the Authority and/or the City; (c) the records, files, and plans of the Authority and/or the City, to all of which it or such representative has had full access; (d) such additional information as it or such representative may have requested and have received from the Authority and/or the City; and (e) the independent inquiries and investigations undertaken by it or such representative.

(vi) The Purchaser certifies that it is (a) a "qualified institutional buyer" as that term is defined in Rule 144A in the Securities Act, or (b) an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) the Securities Act.

(vii) The Purchaser has made an independent investigation and evaluation of the financial condition and prospects of, and the risks associated with, the Bond, the Authority and the City, or has caused such investigation and evaluation to be made by persons it deems competent to do so, and it has not relied upon the Authority or the Placement Agent in making its decision to purchase the Bond other than the Disclosure Items.

(viii) No person employed or authorized in writing by the Authority, the City or the Placement Agent has given any information or made any representation not contained in any Disclosure Items referred to above. The Purchaser understands and agrees that any such information or representation not contained in the Disclosure Items must not, and will not, be relied upon and that nothing contained therein should be deemed as legal or tax advice to the Purchaser.

(ix) Other than the dates and amounts of principal and interest to be paid under the Bond, neither of the Authority, nor the City, nor the Placement Agent has made any direct or indirect representation or warranty of any kind to the Purchaser with respect to the economic return which may accrue to the Purchaser. The Purchaser has consulted with its own counsel and other advisors with respect to its purchase of the Bond.

(x) The signatory of this letter is a duly authorized officer of the Purchaser with the authority to sign this letter on behalf of the Purchaser, and this letter has been duly authorized, executed, and delivered by the Purchaser.

Dated: July __, 2022

CITY NATIONAL BANK

By: ______________________________

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

FIRST AMENDMENT TO
LOCAL AGENCY FINANCING DOCUMENTS

by and among

CITY OF OXNARD FINANCING AUTHORITY

and

CITY OF OXNARD

and

CERTAIN COMMUNITY FACILITIES DISTRICTS OF THE
CITY OF OXNARD

and

COMPUTERSHARE TRUST COMPANY, N.A., as Fiscal Agent

Dated as of July 1, 2022

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This FIRST AMENDMENT TO LOCAL AGENCY FINANCING DOCUMENTS ("First Amendment") is made and entered into as of this 1st day of July, 2022, by and among the CITY OF OXNARD FINANCING AUTHORITY ("Authority"), a joint powers authority organized and existing under the laws of the State of California ("State"); the CITY OF OXNARD ("City"), a general law city organized and existing pursuant to the laws of the State on behalf of CITY OF OXNARD ASSESSMENT DISTRICT NO. 2001-1 (RICE AVENUE/HIGHWAY 101 INTERCHANGE) (the "AD"), COMMUNITY FACILITIES DISTRICT NO. 1 (WESTPORT AT MANDALAY BAY) OF THE CITY OF OXNARD ("CFD No. 1"), and CITY OF OXNARD COMMUNITY FACILITIES DISTRICT NO. 2000-3 (OXNARD BOULEVARD/HIGHWAY 101 INTERCHANGE) ("CFD No. 2000-3" and, together with the AD and the CFD No. 1, the "Special Districts") each of CFD No. 1 and CFD No. 200-3 are organized and existing pursuant to the Mello-Roos Community Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State ("Mello-Roos Act"); and COMPUTERSHARE TRUST COMPANY, N.A. ("Bank"), a national banking association organized and existing under the laws of the United States of America. The Authority, the City, the Special Districts and the Bank may hereinafter be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

A. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California ("Bond Law"), and is authorized pursuant to Article 4 of the Act to (i) purchase, with the proceeds of its bonds, bonds issued by a local agency and to hold such bonds and (ii) issue bonds to pay the cost of any public capital improvement.

B. The Authority issued its $19,505,000 City of Oxnard Public Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series 2012A Bonds"), and its $9,060,000 City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series 2012B Bonds", and together with the Series 2012A Bonds, the "Series 2012 Bonds"), for the purpose of acquiring the (i) the $11,835,000 City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 (the "AD Bonds"), (ii) the $8,750,000 Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds (the "CFD No. 1 Bonds"), and (iii) the $7,980,000 City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012 (the "CFD No. 2000-3 Bonds" and, together with the AD Bonds and the CFD No. 1 Bonds, the "Acquired Obligations") issued to refund certain Assessment District, CFD No. 1, and CFD No. 2000-3 bond issues. Each series of Acquired Obligations was issued pursuant to a separate Fiscal Agent Agreement, each dated as of August 1, 2012, by and between the City and the Bank with respect to the AD Bonds, and between the respective CFD and the Bank, as fiscal agent (the "Fiscal Agent Agreements"), as such Acquired Obligations and Fiscal Agent Agreements (collectively, the "Local Agency Financing Documents") are further identified in Exhibits A and B, respectively, attached hereto and incorporated herein,

C. For the purpose of redeeming and defeasing the outstanding 2012 Authority Bonds, the Authority has determined to issue the City of Oxnard Public Financing Authority 2022 Local Obligation Revenue Refunding Bonds (Special District Bonds)in the aggregate initial principal amount of $_______________ ("2022 Authority Bonds") pursuant to an Indenture of Trust, dated as of July 1, 2022, by and between the Authority and the Bank, as trustee ("2022 Authority Indenture").

D. Pursuant to the 2022 Authority Indenture, the 2022 Authority Bonds will be secured by the same pledge of funds derived from the Acquired Obligations and Fiscal Agent Agreements, which Acquired Obligations will remain outstanding and in the ownership and possession of the Authority, held through the Bank, as trustee, and will not be re-issued or refunded.

E. The Local Agency Financing Documents contain certain references to the 2012 Authority Bonds and the 2012 Authority Indenture, and the Local Agency Financing Documents shall be amended upon the issuance of the 2022 Authority Bonds to reference the 2022 Authority Bonds and 2022 Authority Indenture, as provided herein.

F. In order to accommodate the pledge and assignment of the Acquired Obligations to the payment of the 2022 Authority Bonds as set forth in the 2022 Authority Indenture, the Parties wish to enter into this First Amendment and have duly authorized such First Amendment.

G. The Parties hereto agree that the Acquired Obligations have previously been delivered to the Authority or the Bank, as trustee of the 2012 Authority Bonds, as appropriate, and that such Acquired Obligations shall remain in such capacity upon issuance of the 2022 Authority Bonds and do not require a notation.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions herein contained, the Parties hereto agree as follows:

Section 1. Incorporation of Recitals and Definitions. All of the foregoing Recitals are true and correct and are incorporated in this First Amendment by reference.

Section 2. Definitions. For purposes of this First Amendment, the terms hereinafter set forth have the following meanings:

"Acquired Obligations" means, collectively, (i) the $11,835,000 City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 (the "AD Bonds"), (ii) the $8,750,000 Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds (the "CFD No. 1 Bonds"), and (iii) the $7,980,000 City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax

Refunding Bonds, Series 2012 (the "CFD No. 2000-3 Bonds").

"2012 Authority Bonds" means collectively, $19,505,000 City of Oxnard Public Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series A Senior Lien Bonds (the "Series 2012A Bonds"), $9,060,000 City of Oxnard Financing Authority Local Obligation Revenue Bonds (2012 Special District Bond Refinancings), Series B Subordinate Lien Bonds (the "Series 2012B Bonds").

"2012 Authority Indenture" means that certain Indenture of Trust, by and between the Authority and the Bank, as trustee, dated as of August 1, 2012.

"2022 Authority Bonds" means the City of Oxnard Public Financing Authority 2022 Local Obligation Revenue Refunding Bonds (Special District Bonds), issued pursuant to the Bond law in the aggregate principal amount of $________________.

"2022 Authority Indenture" means that certain Indenture of Trust, by and between the Authority and the Bank, as trustee, dated as of July 1, 2022.

"Authority" means the City of Oxnard Financing Authority, a joint exercise of powers agency.

"Authority Bonds Reserve Fund" means the Reserve Fund established for the 2022 Authority Bonds under the 2022 Authority Indenture.

"Authority Bonds Reserve Funds Proportionate Share" means, if the District is a Delinquent District (as defined in subsection (1) of Section 4.03 of the Authority Indenture), an amount determined by dividing the deficiency in the amounts that were paid by the Fiscal Agent for such Delinquent District to the Authority Trustee in payment of Debt Service on the Bonds in any Bond Year (as a result of a deficiency in the collection of Special Tax Revenues) by the amount withdrawn from the Reserve Fund to pay Debt Service on the 2022 Authority Bonds in that same Bond Year.

"Authority Indenture" means the 2022 Authority Indenture.

"Bank" means Computershare Trust Company, N.A.

"Bond Law" means the Marks Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act (commencing with Section 6584), as it may hereafter be amended from time to time.
"

"Fiscal Agent Agreements" means, collectively,

(i) that certain Fiscal Agent Agreement relating to City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012 dated as of August 1, 2012, by and between City and the Bank, as fiscal agent;

(ii) that certain Fiscal Agent Agreement relating to the $8,750,000 Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax

Refunding Bonds, dated as of August 1, 2012, by and between Community Facilities District No. 1 and the Bank, as fiscal agent;

(iii) that certain Fiscal Agent Agreement relating to the $7,980,000 City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012, dated as of August 1, 2012, by and between Community Facilities District No. 2003-1 and the Bank, as fiscal agent;

"Local Agency Financing Documents" means, collectively the Fiscal Agent Agreements and all other documents and agreements executed in connection with the issuance and sale of the Acquired Obligations necessary to secure the repayment thereof or ownership thereof by the Authority, as further identified in Exhibit B attached hereto and incorporated herein.

"Special Districts" means, City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) (the "AD"), Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard ("CFD No. 1"), and City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) ("CFD No. 2000-3")**.**

Section 3. Amendments to Local Agency Financing Documents.

(a) Upon the issuance of the 2022 Authority Bonds and the defeasance of the outstanding 2012 Authority Bonds, all Local Agency Financing Documents currently in effect that refer to the 2012 Authority Bonds and/or the 2012 Authority Indenture (however such terms are designated therein), shall at that time be deemed amended to instead refer to the 2022Authority Bonds and/or 2022 Authority Indenture, as applicable.

(b) Upon the issuance of the 2022 Authority Bonds and defeasance of the outstanding 2012 Authority Bonds, all Fiscal Agent Agreements shall at that time be deemed amended to include the provisions set forth in subparagraphs (i) through (v) below. Terms used in such subparagraphs and not defined herein have the meaning(s) set forth in the applicable CFD Fiscal Agent Agreement.

(c) References in this Section 3(c) to the Fiscal Agent Agreements shall conform to the definition set forth in Section 2 hereof.

(d) Notwithstanding any provision in the Fiscal Agent Agreements to the contrary, the Acquired Obligations shall not be subject to option redemption prior to their stated respective dates of maturity.

(e) Notwithstanding any provision in the Fiscal Agent Agreements to the contrary, the Acquired Obligations are each subject to extraordinary redemption prior to maturity, in whole on any date, or in part on any Interest Payment Date, pro rata among maturities as directed by the City in a Written Order accompanied by and consistent with the applicable Cash Flow Certificate, from funds on hand with the Fiscal Agent in the respective AD Prepayment Account, the CFD No. 1 Prepayment Account, or the CFD No. 2000-3 Prepayment Account, as applicable, at the redemption price set forth below (expressed as a percentage of the principal amount of the respective Acquired Obligations to be redeemed), plus accrued interest to the date of redemption:

Redemption Dates	Redemption Price
March 2, 2023, through March 2, 2024	103%
September 2, 2024, and March 2, 2025	102
September 2, 2025, and March 2, 2026	101
September 2, 2026 thereafter	100

Section 4. Non-Objection to Authority Pledge of Acquired Obligations. The City and the Special Districts each expressly acknowledge the pledge of the Acquired Obligations to the payment of the 2022 Authority Bonds pursuant to the terms of the 2022 Authority Indenture, effective upon the issuance of the 2022 Authority Bonds and the defeasance of the outstanding 2012 Authority Bonds, and hereby confirm their consent and non-objection to such pledge by the Authority.

Section 5. Confirmation of Special Tax Pledge. Each applicable CFD expressly acknowledges and confirms that the Acquired Obligations of each applicable CFD are secured by a first pledge of the Special Tax Revenues of the corresponding CFD as further set forth in Section, 2.11, Section 4.01 and Article IV of the Fiscal Agent Agreements.

Section 6. Due Authority. Each individual signing this First Amendment warrants and represents that he or she has been duly authorized by appropriate action of the Party he or she represents to enter into this First Amendment on behalf of such Party.

Section 7. Other Actions Authorized. Each of the Parties hereto are hereby authorized to take all other and future actions necessary or desirable to carry out the provisions hereof.

Section 8. Binding Effect. This First Amendment shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and assigns.

Section 9. Interpretation. If any terms of this First Amendment are in conflict with the terms of any of the Local Agency Financing Documents, the terms of this First Amendment shall supersede any conflicting provisions in the Local Agency Financing Documents. Otherwise, except as amended by this First Amendment, the provisions of the Local Agency Financing Documents shall remain in full force and effect.

Section 10. Applicable Law. This First Amendment shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed in such State.

Section 11. Counterpart Signatures. This First Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment as of the date first above written.

CITY OF OXNARD FINANCING AUTHORITY

By: ______________________________
Name:
Title:

CITY OF OXNARD for and on behalf of COMMUNITY FACILITIES DISTRICT NO. 1 OF THE CITY OF OXNARD ,

COMMUNITY FACILITIES DISTRICT NO. 2003-1 OF THE CITY OF OXNARD ,

and

CITY OF OXNARD, for ASSESSMENT DISTRICT 2001-1

By: ____
Name:
Title:

-Signature Page-
First Amendment to Local Agency Financing Documents

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Fiscal Agent

By: ______________________________
Name:
Title:

EXHIBIT A

THE CFD'S AND LOCAL AGENCY OBLIGATIONS

AD/CFD No.	AD/CFD Name	Bond Caption
2001-1	City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange)	City of Oxnard Assessment District No. 2001-1 (Rice Avenue/Highway 101 Interchange) Limited Obligation Improvement Refunding Bonds, Series 2012, original issued in the aggregate principal amount of $11,835,000
CFD No. 1	Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard	Community Facilities District No. 1 (Westport at Mandalay Bay) of the City of Oxnard 2012 Special Tax Refunding Bonds, originally issued in the aggregate principal amount of $8,750,000
CFD No. 2000-3	City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange)	City of Oxnard Community Facilities District No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange) Special Tax Refunding Bonds, Series 2012, originally issued in the aggregate principal amount of $7,980,000

EXHIBIT B

LOCAL AGENCY FINANCING DOCUMENTS

"**Local Agency Financing Documents**" includes, but is not limited to, the following documents relating to the Local Agency Obligations:

A. "AD Bonds Fiscal Agent Agreement" means that certain Fiscal Agent Agreement, dated as of August 1, 2012, by and between the City and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association, as fiscal agent, establishing the terms and conditions pertaining to the issuance and administration of the AD Bonds.

B. "CFD No. 1 Bonds Fiscal Agent Agreement" means that certain Fiscal Agent Agreement dated as of August 1, 2012, by and between CFD No. 1 and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association, as fiscal agent, establishing the terms and conditions pertaining to the issuance and administration of the CFD No. 1 Bonds.

C. "CFD No. 2000-3 Bonds Fiscal Agent Agreement" means that certain Fiscal Agent Agreement dated as of August 1, 2012, by and between CFD No. 2000-3 and Computershare Trust Company, N.A., as successor in interest to Wells Fargo Bank, National Association, as fiscal agent, establishing the terms and conditions pertaining to the issuance and administration of the CFD No. 2000-3 Bonds.

City of Oxnard

2022 Local Obligation Revenue Refunding Bonds
(Refunding Series 2012A and B Bonds)

PRESENTATION TO CITY COUNCIL

JUNE 30, 2022

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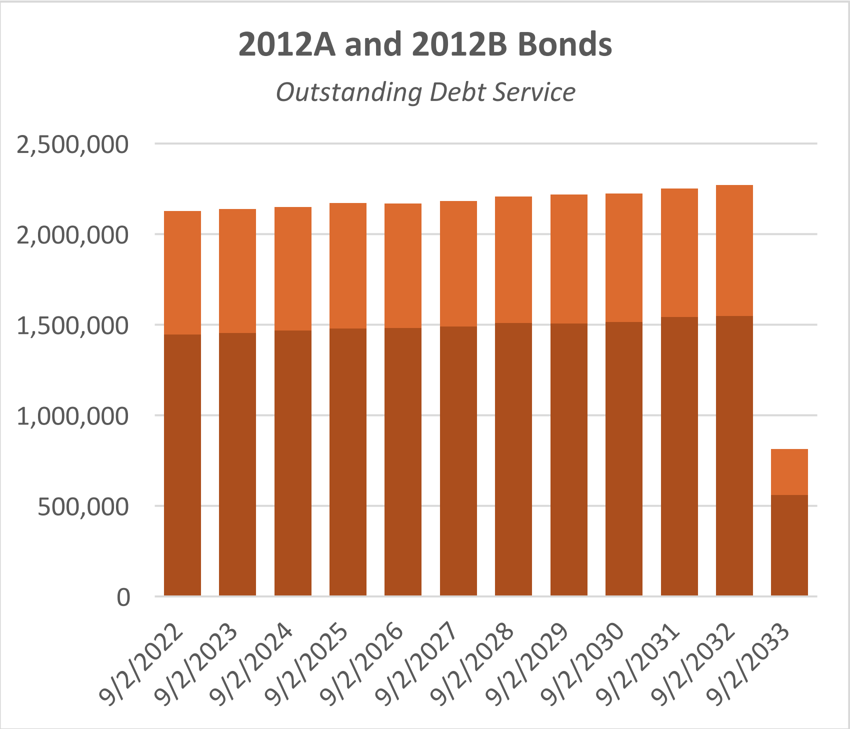
CITY OF OXNARD CALIFORNIA

Recommendations

- That:
  - City Council of the City of Oxnard approving a first amendment to local agency financing documents and the execution of certain certificates relating to the issuance by the City of Oxnard Financing Authority of refunding revenue bonds for the purpose of refunding its outstanding Series 2012 Bonds.
  - Board of Directors of the City of Oxnard financing authority authorizing the sale, issuance, and delivery of not more than $17,400,000 in principal amount of Local Obligation Revenue Refunding Bonds (Special District Bond) and approving certain documents and authorizing certain actions in connection therewith.

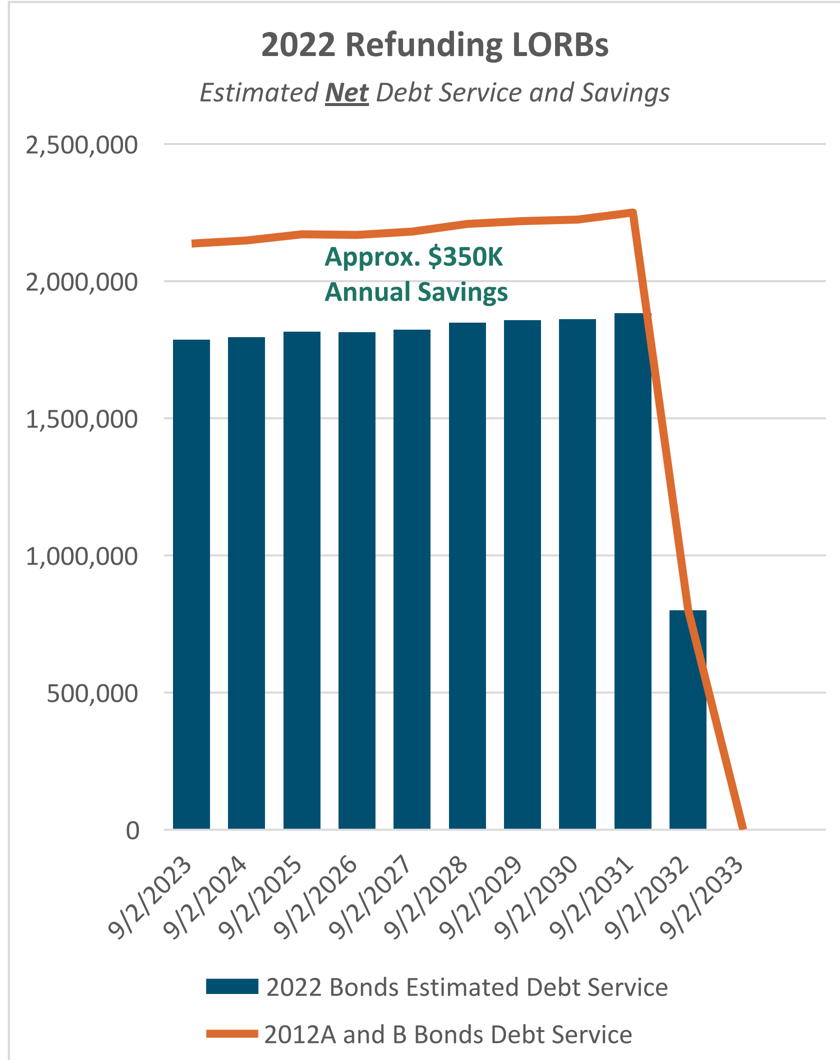
Background on 2012 A&B Bonds

- Original Issued principal: $28,565,000
  - Combined Outstanding Par: $18,765,000
- Bonds issued to purchase underlying bonds related to Assessment District 2001-1 (Rice Avenue/Highway 101), CFD No. 1 (Westport at Mandalay Bay), and CFD No. 2000-3 (Oxnard Boulevard/Highway 101 Interchange)
  - Debt service payments on the 2012 Bonds come from assessments and special taxes in those areas
- Series A are "senior" with "A-" credit rating and Series B as "subordinate" without a credit rating
- Combined annual debt service escalation ~1% per year through 2032; step down in 2033



Refunding Opportunity

- Despite moves up in interest rates, there is an opportunity for the City to refund outstanding debt and reduce annual taxes in the Assessment District/Community Facilities Districts
- Bonds are expected to be sold directly to City National Bank (the "Bank") through a private placement
- The Bank has provided a locked interest rate of 3.22% (vs 4.87% avg interest rate on 2012 A&B Bonds)
- Taxpayers could see approximately $350,000 average annual debt service savings on the 2022 Bonds from 2023 through 2031
  - Represents a 16% reduction in each year's debt service from 2023 through 2031
  - $1.3 million cumulative savings in today's terms, net of all cost of issuing the bonds



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City's Financing Team

City of Oxnard Financing Authority	• Issuer for the 2022 Bonds
NHA Advisors	• City's municipal financial advisor
Best Best & Kreiger	• Bond Counsel
Piper Sandler	• Placement agent
NBS	• Special Tax Consultant
Computershare Trust Company	• Bond trustee
City National Bank	• Purchaser of the 2022 Bonds

Summary of Legal Documents

Authorizing Resolutions

- Authorize legal documents and authorize City staff to execute documents
- Identifies not-to-exceed amounts related to the 2022 Bonds

Indenture of Trust

- Formalizes the relationship between City of Oxnard Financing Authority and Computershare Trust Company
- Terms of 2022 Bonds, including payment schedule, prepayment provisions

Placement Agent Agreement

- Defines Piper Sandler's role in placing the 2022 Bonds with the bank and identifies amount to be paid to Piper Sandler
- Fees paid contingent on successful close

Irrevocable Refunding Instructions

- Detailed instructions to Computershare regarding process of refunding 2012A and 2012B Bonds (establishment of required funds, application of monies, logistical items)

First Amendment to Local Agency Financing Documents

- Amends the original 2012 documents to instead refer to the 2022 Bond and documents and Authority pledges repayment

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Anticipated Timing

May 10, 2022: Finance and Governance Committee

Mid-May: Receive Proposals from banks; Select Winning Bank

Mid-May – Mid-June: Work with selected bank to lock interest rate and finalize items of the 2022 Bonds

June 30, 2022: City Council considers 2022 Bonds

Mid-July 2022: Close 2022 Refunding Bonds, funds transferred into escrow

September 2, 2022: Refund 2012A and 2012B Bonds

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Recommendations

- That:
  - City Council of the City of Oxnard approving a first amendment to local agency financing documents and the execution of certain certificates relating to the issuance by the City of Oxnard Financing Authority of refunding revenue bonds for the purpose of refunding its outstanding Series 2012 Bonds.
  - Board of Directors of the City of Oxnard financing authority authorizing the sale, issuance, and delivery of not more than $17,400,000 in principal amount of Local Obligation Revenue Refunding Bonds (Special District Bond) and approving certain documents and authorizing certain actions in connection therewith.

Questions?

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CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. J.2

DATE: June 30, 2022

TO: Finance & Governance Committee

FROM: Betsy George, Chief Financial Officer, (805) 200-5400, betsy.george@oxnard.org

SUBJECT: 2021 Single Audit Report and Update on the Corrective Action Plan (CAP). (10/5/5)

RECOMMENDATION

That the City Council receive the 2021 Single Audit Report from the audit firm Eadie + Payne, and an update on the Corrective Action Plan (CAP) from staff.

(Finance and Governance Committee approved 3-0.)

Eadie + Payne presentation on the Single Audit Report will be live per consultant's request. Please click the following link to view the required Measure M pre-recorded staff's presentation video for the update on the Corrective Action Plan (CAP): https://youtu.be/rT89ZG6_CAY

BACKGROUND

The City's annual audit for FY 2014-15 produced 111 single-audit findings. These findings primarily concerned the City's policies and procedures (or lack thereof) for accounting and financial management. During the FY 2015-16 audit, there were an additional five audit findings. For FY 2016-17, an additional 19 audit findings occurred, of which nine were repeat findings from the two prior audits. For FY 2017-18, an additional 37 audit findings occurred, of which 13 were repeat findings from the prior three audits. For FY 2018-19, there were an additional 11 findings, of which three were repeat findings from the prior four audits totaling 183 findings through FY 2018-19. For FY 2019-20, there was one additional audit finding, for Information Technology General Controls, which was communicated to City Council via a separate confidential written report due to its sensitive nature.

For FY 2020-21, there is one new finding for accounting and financial management, and only two earlier audit findings remain unresolved. There are no material weaknesses.

In order to correct the various accounting and financial management audit findings, the City was required to produce a Corrective Action Plan (CAP). This plan, updated annually, addresses all unresolved findings and the steps and timeline to correct them.

After the 2015 and 2016 single audits were released simultaneously by Eadie + Payne in the spring of 2017, staff in the Finance Department and other departments began to address the first 111 audit findings. During the remainder of 2017 and throughout 2018, they made significant progress in executing the CAP and addressing the findings. More than 30 material weaknesses were resolved.

In the meantime, however, new audit findings continued to pile up -- 67 more, as recapped above. Therefore, at the beginning of 2019 staff created a detailed audit scorecard, and began presenting it to the Finance & Governance Committee, and to City Council, every six months.

In October 2020, staff provided an update of the audit scorecard to the Finance & Governance Committee (and, later, to City Council) indicating that the total number of unresolved, unique (non-repeat) findings, at that time, was 16.

In the last update from staff in December 2021, the total of unresolved unique findings was 5.

As shown on the new audit scorecard (slide 5 of the accompanying PowerPoint presentation), of the 186 total audit findings (of which 159 were unique, non-repeat), only three remain outstanding. Slide 7 lists them. Two remain from prior year's audits and one new finding from the most recent 2020-21 audit, which was performed in March and April 2022.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

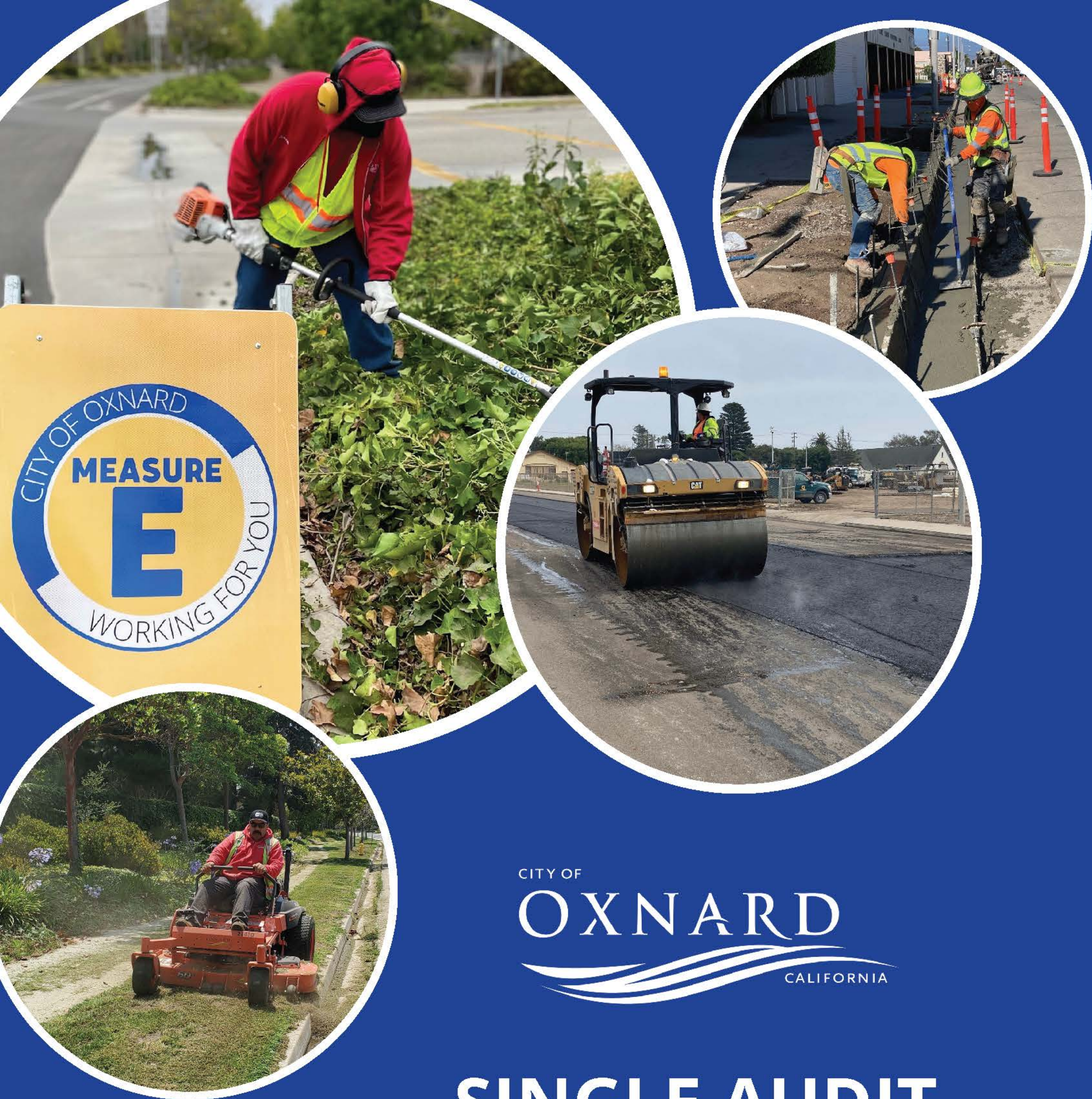
FINANCIAL IMPACT

There is no financial impact.

Prepared by: Eadie+Payne, Jennifer Hiraoka, Senior Manager Internal Controls/Acting Controller

ATTACHMENTS

1. FY 20-21 Issued Single Audit Report
2. 6.30.22 CC E+P Presentation on the 2021 Single Audit Report
3. 6.30.22 CC Staff Presentation for the Update on Corrective Action Plan



CITY OF
OXNARD
CALIFORNIA

SINGLE AUDIT REPORT

FISCAL YEAR ENDED JUNE 30, 2021

CITY OF OXNARD

CONTENTS

JUNE 30, 2021

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

EADIE PAYNE LLP

expect quality.

Eadie Payne, LLP

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Riverside, CA 92501

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Riverside, CA 92502-1529

Office: 951-241-7800
www.eadiepaynellp.com

The Honorable City Council
City of Oxnard
Oxnard, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2021. Our report includes a reference to other auditors who audited the financial statements of Oxnard Housing Authority, as described in our report on the City's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eadie and Payne LLP

Riverside, California
December 30, 2021

EADIE PAYNE LLP
expect quality.

Eadie Payne, LLP
3880 Lemon St., Ste. 300
Riverside, CA 92501

P.O. Box 1529
Riverside, CA 92502-1529

Office: 951-241-7800
www.eadiepaynellp.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

The Honorable City Council
City of Oxnard
Oxnard, California

Report on Compliance for Each Major Federal Program

We have audited City of Oxnard's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended June 30, 2021. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Oxnard Housing Authority, which expended $26,990,557 in Federal awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of the Oxnard Housing Authority, because it engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 through 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The City’s response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a

Federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 through 2021-002 that we consider to be significant deficiencies.

The City’s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eadie and Payne LLP

Riverside, California
April 15, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF OXNARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Program Identification Number	Total Program Expenditures	Total Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Direct Program				
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-06-0534	$ 1,022,702	$ 59,771
		B-19-MC-06-0534	647,804	-
		B-18-MC-06-0534	273,418	-
		B-17-MC-06-0534	297,637	670
		B-16-MC-06-0534	204,801	3,751
COVID-19 Community Development Block Grants CARES Act	14.218	B-20-MW-06-0534	744,459	127,770
			3,190,821	191,962
Total CDBG - Entitlement Grants Cluster			3,190,821	191,962
Direct Program				
Emergency Solutions Grants Program	14.231	E-20-MC-06-0534	87,947	80,000
		E-19-MC-06-0534	120,593	114,063
COVID-19 Emergency Solutions Grants - CARES Act	14.231	E-20-MW-06-0534	1,255,967	1,234,249
			1,464,507	1,428,312
Direct Program				
HOME Investment Partnership Program	14.239	M-19-MC-06-0526	156,667	-
		M-17-MC-06-0526	100,397	-
			257,064	-
Total U.S. Department of Housing and Urban Development			**4,912,392**	**1,620,274**
U.S. Department of Homeland Security				
Passed through the County of Ventura				
Homeland Security Grant Program	97.067	2019-0035	15,902	-
		2018-0054	2,285	-
		2018-0054	2,574	-
		2018-0054	31,294	-
			52,055	-
Passed through the County of Ventura				
Emergency Management Performance Grant	97.042	2019-0003	5,520	-
			5,520	-
Passed through the California Office of Emergency Services				
Hazard Mitigation Grant - Emergency Backup Generator at Oxnard Shores	97.039	HMGP #4407-431-079R	20,385	-
		HMGP#4344-460-120R	1,451	-
			21,836	-
Direct Program				
Assistance to Firefighters Grant FY19	97.044	EMW-2019-FG-09826	178,006	71,461
		EMW-2019-FG-09714	12,002	-
		EMW-2018-FO-03109	284,157	-
			474,165	71,461
Passed through the California Office of Emergency Services				
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA 4482-DR-CA-COVID-19 Pandemic	43,864	-
			43,864	-
Total U.S. Department of Homeland Security			**597,440**	**71,461**

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance.

CITY OF OXNARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Program Identification Number	Total Program Expenditures	Total Amount Provided to Subrecipients
U.S. Department of Justice				
Direct Program				
Equitable Sharing Program	16.922	CA0560400-NCIC	86,817	-
			86,817	-
Direct Program				
Edward Byrne Justice Assistance Grant (JAG)	16.738	2020-DJ-BX-0781	3,316	-
		2017-DJ-BX-0957	5,101	-
		2018-DJ-BX-0852	13,171	11,206
			21,588	11,206
Passed through the County of Ventura Sheriff Department				
FY19 Edward Byrne Justice Assistance Grant (JAG)	16.738	BSCC 655-19	6,974	-
			6,974	-
			28,562	11,206
Direct Program				
COVID-19 FY2020 Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0321	59,161	-
			59,161	-
Total U.S. Department of Justice			**174,540**	**11,206**
U.S. Department of Transportation				
Highway Planning and Construction Cluster				
Passed through the State of California Department of Transportation				
Rice Ave. & 5th Street Grade Separation	20.205	STPL-5129(084)	-	-
Bicycle Facilities in Northeast Specific Plan	20.205	CML-5129 (086)	41	-
C Street Bicycle Facilities	20.205	CML-5129 (087)	1,476	-
Westside of Rose Ave. Between Auto Ctr. & E. Collins	20.205	CML-5129 (079)	2,385	-
Northside Vta Blvd. Between Balboa & Rose Avenue	20.205	CML-5129 (078)	8,369	-
Channel Island Blvd over Mandalay Bay - Bridge	20.205	BHLS-5129(069)	-	-
Channel Island Blvd over Edison Canal - Bridge	20.205	BHLS-5129(070)	-	-
Cross Walk Beacon Phase II	20.205	CML-5129(091)	-	-
Traffic Signal Various Locations	20.205	HSIPL 5129 (093)	62,666	-
Vineyard Av Resurf PW 16-12	20.205	FERSTPL-5129(092)	-	-
Oxnard Blvd Bike Lane 2017	20.205	ATPCML-5129(090)	30,533	-
City Wide Signal Mod	20.205	HSIPL 5129 (095)	70,343	-
			175,813	-
Total Highway Planning and Construction Cluster			175,813	-
Passed through the California Department of Transportation, Division of Rail and Mass Transportation (DRMT)				
Railroad Development Rice Ave & 5th Street Grade Separation	20.314	69A36518500220STECA/ 75A0501	1,914	-
			1,914	-
Highway Safety Cluster				
Passed through the State of California Office of Traffic Safety				
OTS Pedestrain & Bicycle Safety Program-2020	20.600	PS21024	10,910	-
OTS Traffic Enforcement - 2021	20.600	PT21094	79,216	-
OTS Traffic Enforcement - 2020	20.600	PT20098	42,405	-
Total Highway Safety Cluster			132,531	-
Passed through the State of California Office of Traffic Safety				
OTS Traffic Enforcement - 2021	20.608	PT21094	146,797	-
FY2020 Minimum Penalties for Repeat Offender for Driving While Intoxicated	20.608	PT20098	115,230	-
			262,027	-
Passed through the State of California Office of Traffic Safety				
OTS Child Passenger Safty - 2020	20.616	OP21013	6,405	
OTS Traffic Enforcement - 2021	20.616	PT21094	35,349	-
			41,754	-
Total U.S. Department of Transportation			**614,039**	-

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance.

CITY OF OXNARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Program Identification Number	Total Program Expenditures	Total Amount Provided to Subrecipients
Corporation for National and Community Service				
Direct Program				
Retired and Senior Volunteer Program FY19-20	94.002	19SRPCA007	21,391	
Retired and Senior Volunteer Program FY20-21	94.002	19SRPCA007	65,089	-
Total Corporation for National and Community Service			**86,480**	**-**
U.S. Department of Health and Human Services				
Aging Cluster				
Passed through the County of Ventura Area Agency on Aging				
Special Programs for the Aging, Senior Nutrition Services	93.045	3500FY20-05	172,884	-
Total Aging Cluster			172,884	-
Total U.S. Department of Health and Human Services			**172,884**	**-**
Total Direct Program			5,640,603	1,702,941
Total Pass Through			917,172	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 6,557,775**	**$ 1,702,941**

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance.

1. **BASIS OF PRESENTATION**
The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of City of Oxnard (City) under programs of the Federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City. It does not include the Federal award activity of Oxnard Housing Authority, a blended component unit of the City, which expended $26,990,557 in Federal awards.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. **INDIRECT COST RATE**
The City has not elected to use the 10% de minimis indirect cost rate.

4. **RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**
Amounts reported in the Schedule agree, in all material respects, with amounts reported in the basic financial statements of the City of Oxnard. The following presents a reconciliation of Federal expenditures to those reported in the financial statements:

	AMOUNT
Total expenditures per the schedule of expenditures of federal awards	$ 6,557,775
Add: Expenditures of nonfederal awards	221,081,383
TOTAL GOVERNMENTAL FUNDS EXPENDITURES PER THE FINANCIAL STATEMENTS	$ 227,639,158

5. **FEDERALLY-FUNDED LOANS**
The City administers loans, primarily forgivable loans, made from funds provided by the following Federal programs for the year ended June 30, 2021:

FEDERAL PROGRAMS	LOANS OUTSTANDING
Community Development Block Grants (CFDA #14.218)	$ 3,807,569
HOME Investment Partnership Program (CFDA #14.239)	10,770,657

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified*			
Internal control over financial reporting:				
• Material weaknesses identified?		Yes	x	No
• Significant deficiencies identified?		Yes	x	None reported
Noncompliance material to financial statements noted:		Yes	x	No

Federal Awards

Internal control over major programs:				
Material weaknesses identified?		Yes	x	No
Significant deficiencies identified?	x	Yes		None reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	x	Yes		No

Identification of major programs:

CFDA No.	Name of Federal Program or Cluster
14.218	CDBG-Entitlement Grants Cluster
14.231	Emergency Solutions Grants Program

Dollar threshold used to distinguish between type A and type B programs:	$750,000			
Auditee qualified as low-risk auditee?	x	Yes		No

CITY OF OXNARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

INDEX
CURRENT YEAR

PRIOR YEAR

FINDINGS AND QUESTIONED COSTS – MAJOR PROGRAMS

2021-001 – Indirect Cost Allocation (SD)

CFDA Title and Number: 14.218 - Community Block Grants
Name of Federal Agency: Department of Housing and Urban Development
Internal Control over Compliance: Allowable Cost

Criteria: 2 CFR Part 200.414 requires that governmental entities support indirect costs with a cost allocation plan or an indirect cost proposal prepared in accordance with the Uniform Guidance. 2 CFR Part 200 Appendices III-VII contain the requirements for the development and submission of indirect cost rate proposals and cost allocation plans. A non-Federal entity that has never received a negotiated indirect cost rate, may elect to charge a de minimis rate of 10% of modified total direct costs.

Condition: The City does not have a cost allocation plan or an indirect cost proposal prepared in accordance with the Uniform Guidance. The City has not elected to use the 10% de minimis rate either. The City charged $22,573 of liability insurance costs to Fund 285 based on a City cost allocation plan.

Cause: The City has not completed the indirect cost study that will comply with requirements of the Uniform Guidance for indirect cost.

Effect or Potential Effect: Indirect costs charged to the CDBG program may not eligible for reimbursement.

Questioned Cost: None, since the amount charged was less than 10% of the total cost.

Repeat of a Prior-Year Finding: 2017-005

Recommendation: The City should complete the central service cost allocation plan (as indicated in the Corrective Action for prior year finding 2017-005). It should include the cost allocation plan for indirect costs, including liability insurance, as required by Uniform Guidance.

City's Response 2021: The City continues making progress on developing the central service cost allocation plan that will include a cost allocation method for indirect costs, such as liability insurance, in accordance with OMB's Uniform Guidance.

Planned Implementation Date: The central service cost allocation plan will be completed by September 2022 and will be implemented with the FY 23-24 budget.

Responsible Person: Jim Costello, Financial Analyst III; Beth Vo, Assistant CFO

(SD – Significant Deficiency)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

2021-002 – CDBG HUD Findings (SD)

CFDA Title and Number: 14.218 - Community Block Grants
Name of Federal Agency: Department of Housing and Urban Development
Internal Control over Compliance: Allowable Cost

Criteria: Recipients of CDBG grants are required to be in compliance with all requirements imposed by the U.S. Department of Housing and Urban Development at all times.

Condition: The City received fifteen findings and two concerns from the U.S. Department of Housing and Urban Development as part of the Fiscal Year 2021 Remote Monitoring Report for the Community Development Block Grant (CDBG) Program. HUD conducted the remote monitoring in order to assess the City's performance and compliance with applicable requirements. This report covered grants B-18-MC-06-0534 and B-19-MC-06-0534 for $2,502,719 and $2,516,091, respectively.

A finding is a deficiency in program performance based on a violation of a statutory or regulatory requirement. A concern is a deficiency in program performance that is not based on a statutory or regulatory requirement but is brought to the City's attention.

The following summarizes the findings:

1) Fair Housing Eligibility – The City did not provide sufficient documentation to support a subrecipient's eligibility and national objective.
2) Fire Station Equipment and Vehicles – Fire station generators is an ineligible use of CDBG funds.
3) Citywide Homebuyer Loan Program – The City provided all participants a standard loan of $30,000 instead of limiting the amount of the loan to 50% of the required down payment as specified in CDBG regulations.
4) Conflict of Interest – The City provided a homeowner loan to a City employee and there was no evidence that the City determined whether a conflict of interest existed.
5) Time and Activity Sheets – The City did not provide documentation associating staff costs charged to specific CDBG program with eligible housing activities carried out.
6) Lead-Based Paint – The City's rehabilitation program relies solely on a form signed by the City inspector indicating that the home was built after 1978 to determine when a property requires lead-based paint inspection, assessment and correction.
7) Procurement Written Policies and Procedures – The City's purchasing policy manual did not address if cost plus a percentage of cost and percentage of construction cost methods of contracting were prohibited.
8) Procurement History – The City's documentation was not sufficient to detail the procurement history to identify the rationale for the method of procurement, the selection of contract type, contract selection or reject, or the basis for the cost or price of the contract.
9) Procurement Procedures for Housing Services Programs and Fire Department – The City did not have policies to guarantee that environmental consultants are procured for based on qualifications. There was no evidence provided for the procurement of select fire department equipment and vehicles.

(SD – Significant Deficiency)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

10) Financial Standards -- HUD was unable to determine the account codes assigned to specific CDBG activities, CFDA title and grant number within the City's accounting records. Without these, HUD was unable to identify the source and application of the CDBG award.
11) Source Documentation – Source documentation did not support all expenditure costs of select vouchers reviewed.
12) Record Retention and Access Policy – The City's record retention and access policy did not comply with 2 CFR Part 200 requirements.
13) Protected Personally Identifiable (PII) Information – The City did not provide written documentation to support an internal control self-assessment nor measures to safeguard PII information.
14) Audit Costs – HUD was unable to determine if measures are in place to ensure HUD awards are charged no more than a reasonably proportionate share of the audit costs.
15) Equipment Records – The City's equipment records do not comply with all requirements of 2 CFR Part 200.

Cause: The deficiencies were attributed by HUD to various causes including:

- Not having updated policies and procedures for the CDBG programs
- The procurement policies and procedures needing to be revised to comply with 2 CFR Part 200
- Not having the appropriate accounting codes to keep track of CDBG costs by activity/program/grant number
- Not keeping complete documentation to support costs charged to CDBG.

Effect or Potential Effect: Various

Questioned Cost: None for current year. For prior years: $470,000 for Finding #2; $5,137.16 for Finding #11

Context: The U.S. Department of Housing and Urban Development conducted a routine monitoring assessment over a selection of CDBG grants administered by the City during program years 2018 and 2019, and determined that the City had fifteen findings which would require corrective actions, and two concerns for which they provided recommended actions.

Repeat of a Prior-Year Finding: No.

Recommendation: We recommend that the City continue to follow up with the U.S. Department of Housing and Urban Development in order to sufficiently meet the required corrective action plan.

City's Response 2021: The City continues to follow up with the U.S. Department of Housing and Urban Development (HUD) in order to sufficiently complete its Corrective Action Plan detailed in the City's response to Fiscal Year 2021 Remote Auditing letter to HUD dated February 8, 2022.

Planned Implementation Date: Corrective Action completion dates vary by finding, with all Corrective Actions to be completed by May 9, 2022.

Responsible Person: Andrea Palmer, Grants Manager

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

2017-005 - Indirect Cost (SD)

CFDA Title and Number: 14.218 - Community Block Grants
Name of Federal Agency: Department of Housing and Urban Development
Internal Control over Compliance: Allowable Cost

Criteria: 2 CFR Part 200.414 requires that governmental entities support indirect costs with a cost allocation plan or an indirect cost proposal prepared in accordance with the Uniform Guidance. 2 CFR Part 200 Appendices III-VII contain the requirements for the development and submission of indirect cost rate proposals and cost allocation plans. A non-Federal entity that has never received a negotiated indirect cost rate, may elect to charge a de minimis rate of 10% of modified total direct costs.

Condition: The City does not have a cost allocation plan or an indirect cost proposal prepared in accordance with the Uniform Guidance. The City has not elected to use the 10% de minimis rate either. The City charged in fiscal year 2016-2017 $76,912 of indirect costs to Fund 285 based on a City cost allocation plan.

Cause: The Finance Department was not aware of the requirements of the Uniform Guidance for indirect cost, and allocated cost to CDBG and posted the entry without consulting the grants administrator.

Effect or Potential Effect: Any indirect costs charged to the CDBG program are not eligible for reimbursement.

Questioned Cost: None

Context: The Housing Department discovered the error and did not claim reimbursement for the amount. The amount was not included in the Schedule of Expenditures of Federal Awards.

Repeat of a Prior-Year Finding: 2015-060

Recommendation: The City should complete the central service cost allocation plan (as indicated in the Corrective Action for prior year finding 2017-005). It should include the cost allocation plan for indirect costs, including liability insurance, as required by Uniform Guidance.

City's Response 2021: The City continues making progress on developing the central service cost allocation plan that will include a cost allocation method for indirect costs, such as liability insurance, in accordance with OMB's Uniform Guidance.

Planned Implementation Date: The central service cost allocation plan will be completed by September 2022 and will be implemented with the FY 23-24 budget.

Responsible Person: Jim Costello, Financial Analyst III; Beth Vo, Assistant CFO

(SD – Significant Deficiency)

SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENTS

2020-001 – Information Technology (IT) General Controls (SD)

Criteria: IT general controls (ITGC) are basic controls applied to IT systems. The objectives of ITGC are to ensure the integrity of data and processes that the IT systems support. ITGC have a pervasive effect on the City's system of internal control over financial reporting.

Condition: We evaluated the design and implementation of ITGCs and noted 12 findings. We communicated such findings to the IT Department. Because those findings reveal vulnerabilities to, or otherwise increase the potential for an attack on, the information technology systems of the City, the details of the findings will not be published in this document. They will, however, be communicated to the City Council via a separate confidential written report.

Repeat of a Prior-Year Finding: 5 out of 12 were repeat findings

Recommendation: Our recommendations will be communicated to the City Council via a separate confidential written report.

City's Response: The City's corrective action plan will be communicated to the City Council via a separate confidential written report. The auditors will follow up on the City's implementation of its corrective action plan in the next audit.

EP's Comment 2021: In progress

2018-015 – Lease Agreements (SD)

Criteria: The City routinely enters into lease agreements. Lease agreements should be identified and evaluated by the Finance Department to determine proper accounting and ensure that they are properly reported in the City's financial reports.

Finding: The City has not implemented a process to identify and evaluate all lease agreements. In March 2018, the City entered into two capital lease agreements in the amount of $5 million each, however the transaction was only recorded in September 2018 during audit fieldwork. In addition, one of the agreements was misclassified under the Wastewater Fund; instead of Environmental Resource Fund.

Cause: The Finance Department does not have a process to identify and evaluate all lease agreements.

Effect or Potential Effect: Misstatement of assets and liabilities.

Repeat of a Prior-Year Finding: 2015-074

(SD – Significant Deficiency)

Recommendation: Assign a member of the Finance Department who has sufficient knowledge and skills to identify and evaluate all lease agreements to ensure that they are properly reported in the financial statements and related disclosures. Communication should be made with those entering into agreements. The process should be documented in writing.

EP's Comment 2021: Complete.

2018-016 - Pension Plans (SD)

Criteria: The City has four separate pension plans covering certain groups of employees.

The calculation of the City's net pension liability, deferred inflows and outflows of resources and pension expense is based to a large extent on the census data provided by the City to the actuaries. The City should review the census data and correct any errors on an annual basis.

Condition: Census data used by CalPERS and PARS to calculate the net pension liability was not reviewed. Discrepancies in demographic and compensation data were noted in current year as well as in prior years.

Cause: The City does not have a process in place to review the CalPERS and PARS census data.

Effect or Potential Effect: Potential misstatement of the net pension liability, deferred inflows and outflows of resources related to pension, and pension expense.

Repeat of a Prior-Year Finding: 2015-092

Recommendation: Review the census data used by actuaries in calculating the net pension liability and ensure that discrepancies are investigated and resolved appropriately.

EP's Comment 2021: Complete.

2018-018 – 2018-037 –Information Technology (IT) General Controls (SD)

Criteria: IT general controls (ITGC) are basic controls applied to IT systems. The objectives of ITGC are to ensure the integrity of data and processes that the IT systems support. ITGC have a pervasive effect on the City's system of internal control over financial reporting.

Condition: We evaluated the design and implementation of ITGCs and noted 20 findings. We communicated such findings to the IT department. Because those findings reveal vulnerabilities to, or otherwise increase the potential for an attack on, information technology systems of the City, the details of the findings will not be published in this document. They will however be communicated to the City Council via a separate confidential written report.

Repeat of a Prior-Year Finding: No
Recommendation: Our recommendations will be communicated to the City Council via a separate confidential written report.

(SD – Significant Deficiency)

City's Response 2021: The City's corrective action plan will be communicated to the City Council via a separate confidential written report. The auditors will follow-up on the City's implementation of its corrective action plan in the next audit.

EP's Comment 2021: In progress.

2017-016 - Information Technology General Controls (SD)

Criteria: The City should establish and implement comprehensive data security controls to protect sensitive data, mitigate risks to confidentiality, and ensure the integrity and availability of data in the City's information systems.

Condition: We found deficiencies in data security controls. We communicated such findings to the IT department. Because those findings reveal vulnerabilities to, or otherwise increase the potential for an attack on, information technology systems of the City, the details of the findings will not be published in this document. They will however be communicated to the City Council via a separate confidential written report.

Recommendation: Our recommendations will be communicated to the City Council via a separate confidential written report.

City's Response 2021: The City's corrective action plan will be communicated to the City Council via a separate confidential written report. The auditors will follow-up on the City's implementation of its corrective action plan in the next audit.

EP's Comment 2021: In progress.

2015-068 - Notes Receivable (SD)

Finding: There are no procedures in place to collect payments from developers based on residual revenues.

Recommendation: Policies and procedures must be developed and implemented to collect payments from developers based on residual revenues.

EP's Comment 2021: Complete.

(SD – Significant Deficiency)

CITY OF
OXNARD
CALIFORNIA

Single Audit Report for Fiscal Year Ended June 30, 2021

City Council Meeting
June 30, 2022

EADIE PAYNE LLP

AGENDA

1 Introduction

2 Schedule of Expenditures of Federal Awards (SEFA)

3 Internal Control Findings

City Council Meeting, June 30, 2022

Introduction

1

- Single Audit Report
  - Internal Control Report Required by *Government Auditing Standards*
  - Report on Compliance for Each Major Program
  - Report on Internal Control on Internal Control over Compliance
  - Report on the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards (SEFA)

• Total Expenditures	$6.56M
• Major Programs	2
• Total Programs	18

Internal Control Findings

- Findings Categories
  - Material weakness (MW) – none
  - Significant deficiency (SD) -- 3
    - New finding – 1
    - Prior year findings -- 2

THANK YOU!

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expect quality.

2021 SINGLE AUDIT REPORT AND UPDATE ON THE CORRECTIVE ACTION PLAN

Presentation to City Council

Betsy George, Chief Financial Officer
Jennifer Hiraoka, Senior Manager Internal Controls

June 30, 2022

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That the City Council receive the 2021 Single Audit Report from the audit firm Eadie + Payne, and update on the Corrective Action Plan (CAP) from staff.

AGENDA

3

- Status of Corrective Action Plan
- Continued progress

CAP STATUS DEFINITIONS

4

Complete – Auditors have tested and determined that corrective action for the finding has been effectively implemented

To Be Tested – Policies and Procedures (P&P) approved (if applicable), training completed and corrective action ready for auditors to test during the next single audit

P&P Draft – P&P drafted but not yet approved by CFO and/or training not yet provided.

In Progress – Staff has taken steps towards implementation, but not yet drafted P&P or completed training

Not Started – Staff has not initiated mitigations, implemented resolutions or provided training

Passed/No Longer Required – Staff disagrees with the finding and/or auditors have determined corrective action is no longer required

FY 2021 SINGLE AUDIT RESULTED IN ONE ADDITIONAL FINDING, 2 PREVIOUS FINDINGS REMAIN UNRESOLVED – NO MATERIAL WEAKNESSES

5

FINDINGS STATUS (2015-2021) (as of April '22)	MATERIAL WEAKNESS	SIGNIFICANT DEFICIENCY	Non-Compliance	Best Practice	TOTAL
TOTAL Findings	72	78	17	19	186
Repeat Findings	*(7)*	*(12)*	*(4)*	*(4)*	*(27)*
TOTAL Unique Findings	65	66	13	15	159
COMPLETE	63	60	7	12	142
Passed / No Longer Required	2	3	6	3	14
TO BE TESTED	0	0	0	0	0
P&P DRAFT	0	0	0	0	0
IN PROGRESS	0	3	0	0	3
NOT STARTED	0	0	0	0	0
TOTAL Unresolved Findings	0	3	0	0	3

CORRECTIVE ACTION PLAN STATUS THROUGH OCTOBER 2021

6

FINDINGS STATUS (2015-2020) (as of October '21)	MATERIAL WEAKNESS	SIGNIFICANT DEFICIENCY	Non-Compliance	Best Practice	TOTAL
TOTAL Findings	72	76	17	19	184
Repeat Findings	*(7)*	*(11)*	*(4)*	*(4)*	*(26)*
TOTAL Unique Findings	65	65	13	15	158
COMPLETE	63	57	7	12	139
Passed / No Longer Required	2	3	6	3	14
TO BE TESTED	0	3	0	0	3
P&P DRAFT	0	0	0	0	0
IN PROGRESS	0	2	0	0	2
NOT STARTED	0	0	0	0	0
TOTAL Unresolved Unique Findings	0	5	0	0	5

REMAINING AUDIT FINDINGS

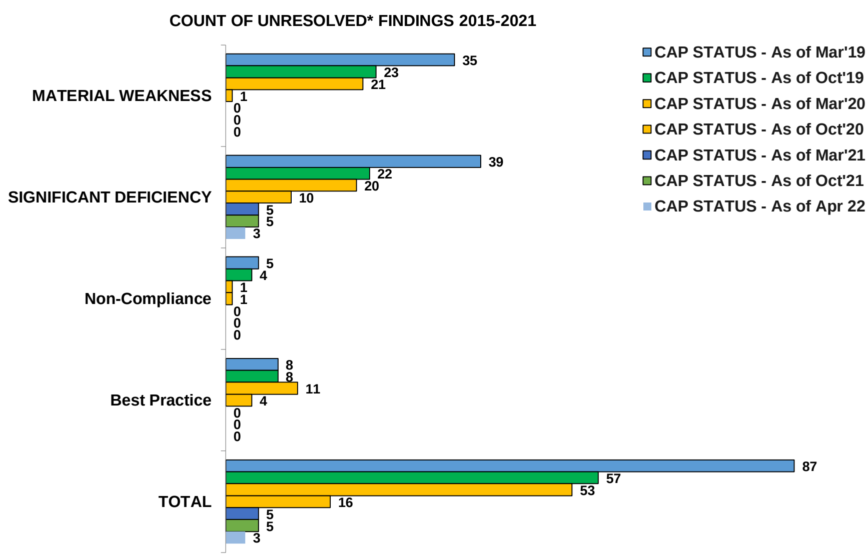
7

The three (3) outstanding remaining findings:

- CDBG HUD Findings [Housing Department]
- Update to Indirect Cost Allocation Plan [Finance Department]
- Information Technology (IT) General Controls [IT Department]

HISTORY OF PROGRESS

8



*Includes all unique findings excluding "Complete" or "Passed/No Longer Required" status

PROGRESS CONTINUES

- New Controller started April 18, 2022
- All nine Internal Control Integrated Framework (ICIF) Policies adopted as of December 2021
- On-going Training
  - Staff
  - Finance and Governance Committee serving as audit committee
- ERP implementation project on-going
  - Numerous financial and process controls to be enhanced in conjunction with Munis implementation (go-live October 2022)

RECOMMENDATION

That the City Council receive the 2021 Single Audit Report from the audit firm Eadie + Payne, and update on the Corrective Action Plan (CAP) from staff.